

**State Of New Mexico**  
**Energy, Minerals and Natural Resources Department**

Michelle Lujan Grisham  
 Governor  
 Sarah Cottrell Propst  
 Cabinet Secretary  
 Todd E. Leahy, JD, PhD  
 Deputy Cabinet Secretary

Adrienne Sandoval  
 Division Director



**"Response Required - Deadline  
 Enclosed"**

*Field Inspection Program  
 "Preserving the Integrity of Our Environment"*

30-Aug-19

Flint Oak Energy, LLC  
 1703 Westfield Loop Rd  
 Houston, TX 77073

**LETTER OF VIOLATION - Field Inspection**

Dear Operator:

The following inspection indicates that the well, equipment, location or operational status of the well failed to meet standards of the New Mexico Oil Conservation Division as described in the detail section below. To comply with standards imposed by Rules and Regulations of the Division, corrective action must be taken immediately and the situation brought into compliance. The detail section indicates preliminary findings and/or probable nature of the violation. This determination is based on an inspection of your well or facility by an inspector employed by the Oil Conservation Division on the date indicated.

Please notify the proper district office of the Division, in writing, of the date corrective actions are scheduled to be made so that arrangements can be made to reinspect the well and/or facility.

***INSPECTION DETAIL SECTION***

[30-025-01433] SHAHARA STATE UNIT #006

OGRID: 328733

K-16-17S-33E 1960 FSL 1650 FWL

Inspection Date	Type Inspection	Inspector	Corrective Action Due By	Inspection No.
8/30/2019	Routine Inspection	[GR] Gary Robinson	11/28/2019	iGR1924234355

**Violations:**

Rule	Violation
19.15.26 Injection	Detection of Deficient Mechanical Integrity
<b>Comment:</b> Operator reported and conceded failure.	
19.15 Oil and Gas	Mechanical Integrity Failure Recorded
<b>Comment:</b> Auto Generated Violation - MIT Failure exits.	

**In the event that a satisfactory response is not received to this letter of direction by the "Corrective Action Due By:" date shown above, further enforcement will occur.** Such enforcement may include this office applying to the Division for an order summoning you to a hearing before a Division Examiner in Santa Fe to show cause why you should not be ordered to permanently plug and abandon this well.

Sincerely,

Hobbs OCD District Office

Note: Information in Detail Section comes directly from field inspector data entries - not all blanks will contain data.

Oil Conservation Division \* 1625 N. French Drive \* Hobbs, NM 88240  
 Phone: 575-393-6161 \* Fax: 575-393-0720 \* www.emnrd.state.nm.us

State of New Mexico  
 Energy, Minerals and Natural Resources Department  
 Oil Conservation Division Hobbs District Office

BRADENHEAD TEST REPORT

Operator Name <i>Flint Oak Energy</i>		API Number <i>30-025-01433</i>
Property Name <i>SAHARA ST.</i>		Well No. <i>A6</i>

Surface Location									
UL - Lot	Section	Township	Range	Feet from	N/S Line	Feet From	E/W Line	County	
<i>K</i>	<i>16</i>	<i>17S</i>	<i>33E</i>	<i>1960</i>	<i>S</i>	<i>1650</i>	<i>W</i>	<i>LEA</i>	

Well Status								DATE
TA'D WELL	SHUT-IN	INJECTOR	PRODUCER					
YES	NO	YES	NO	INJ	SWD	OIL	GAS	
								<i>8-30-19</i>

OBSERVED DATA

	(A)Surface	(B)Interm(1)	(C)Interm(2)	(D)Prod Csg	(E)Tubing
Pressure					
Flow Characteristics					
Pull	<i>Y/N</i>	<i>Y/N</i>	<i>Y/N</i>	<i>Y/N</i>	CO2 ___ WTR ___ GAS ___ Type of fluid injected for waterflood if applies.
Steady Flow	<i>Y/N</i>	<i>Y/N</i>	<i>Y/N</i>	<i>Y/N</i>	
Surges	<i>Y/N</i>	<i>Y/N</i>	<i>Y/N</i>	<i>Y/N</i>	
Down to nothing	<i>Y/N</i>	<i>Y/N</i>	<i>Y/N</i>	<i>Y/N</i>	
Gas or Oil	<i>Y/N</i>	<i>Y/N</i>	<i>Y/N</i>	<i>Y/N</i>	
Water	<i>Y/N</i>	<i>Y/N</i>	<i>Y/N</i>	<i>Y/N</i>	

Remarks - Please state for each string (A,B,C,D,E) pertinent information regarding bleed down or continuous build up if applies.

*Failed OPERATOR Conceded Failure.*

Signature:	OIL CONSERVATION DIVISION
Printed name:	Entered into RBDMS <i>[Signature]</i>
Title:	Re-test
E-mail Address:	
Date:	Phone:
Witness: <i>Gay Rolison</i>	

## PERFORMING BRADENHEAD TEST

### General Procedure for Bradenhead Test

Identify: All valves prior to testing

Gauges: Install on each casing string to record pressure.

Assure: That all valves are in good working condition and closed at least 24 hours prior to testing.

Open: Each valve (Bradenhead, intermediate and casing valves) is to be opened separately.

Check Gauges: Record pressure on each gauge and casing string on BHT form. Open valves to atmosphere and record results on BHT form.

Designate what applies to the result of opening the valves for each string:

- Blow or Puff Yes or No
- Bled down to Nothing Yes or No
- Steady Flow Yes or No
- Oil or Gas Yes or No
- Water Yes or No

Start: Injection or SWD pump so tubing pressure can be read.

Instructions below apply to the District 1 Hobbs office since this must be reported on a form.

In case of pressure:

1. Record pressure reading on gauge.
2. Bleed and note time elapsed to bleed down.
3. Leave valve open for additional observation.
4. Note any fluids expelled.

In absence of Pressure:

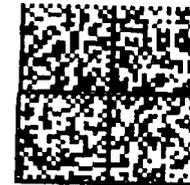
1. Leave valve open for additional observation.
2. Note types of fluids expelled.
3. Note if fluids persist throughout test.

Note: Tubing pressure on injection or SWD wells.

Test will be signed by person performing test with a contact phone number.

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EMNRD  
OIL CONSERVATION DIVISION  
1625 N FRENCH DRIVE  
HOBBS NM 88240



NEOPOST  
FIRST-CLASS MAIL

**\$000.50<sup>00</sup>**

08/30/2019 ZIP 88240  
042L14818194

US POSTAGE

FLINT OAK ENERGY, LLC  
1703 WESTFIELD LOOP RD.  
HOUSTON, TX, 77073