



801 Cherry Street, Suite 1200-Unit 20
Fort Worth, TX 76102

February 17, 2020

HOBBS OCD

FEB 17 2020

State of New Mexico Oil Conservation Division
Dist. 1-Hobbs
Attn: Gary Robinson

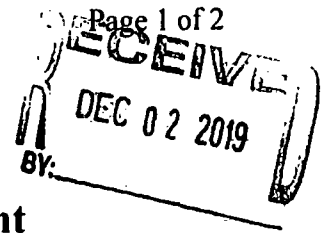
RECEIVED

RE: Diamondback 24 Federal Com 1 (30-025-35622)

Chisholm Energy Operating, LLC has filed all paperwork in order to plug and abandon the above mentioned well. Attached are copies that were approved by BLM but have not been scanned in at the OCD just yet. We are on the plugging companies schedule, but I'm not sure a specific date of operations currently.

Sincerely,

Jennifer Elrod
Sr. Regulatory Tech
817-953-3728
jelrod@chisholmenergy.com

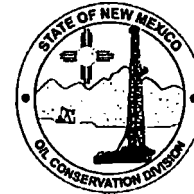


State Of New Mexico

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"*

22-Nov-19

CHISHOLM ENERGY OPERATING, LLC
801 Cherry Street
Fort Worth, TX 76102

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

[30-025-35622] DIAMONDBACK 24 FEDERAL COM #001

OGRID: 372137

O-24-19S-32E 710 FSL 1980 FEL

Inspection Date	Type Inspection	Inspector	Corrective Action Due By	Inspection No.
11/19/2019	Routine Inspection	[GR] Gary Robinson	2/17/2020	iGR1932352299

Violations:

Rule

19.15.26 Injection

Comment:

Operator conceded failure as per Jennifer Elrod. Well would not hold pressure. Well was shut in.

19.15 Oil and Gas

Comment:

Auto Generated Violation - MIT Failure exits.

Violation

Detection of Deficient Mechanical Integrity

Mechanical Integrity Failure Recorded

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