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May 30, 2019

New Mexico Oil Conservation Division, District II 811 S. First St Artesia, NM 88210

Re: South Culebra Bluff 13 Well No. 4 Site Deferral Request Inspection No. iTM1734233912 Eddy County, New Mexico

Dear whom it concerns,

Please find enclosed for your files, copies of the following:

• South Culebra Bluff 13 Well No. 4 - May 30, 2019 Site Deferral Request

The Site Deferral Request was prepared by Arcadis U.S., Inc. (Arcadis) on behalf of Chevron Environmental Management Company (CEMC). CEMC is requesting written NMOCD approval for deferral of additional site remediation activities until the well and associated facilities are abandoned.

Please do not hesitate to call Rebecca Andresen with Arcadis at 206-726-4717 or myself at 832-854-5601, should you have any questions.

Sincerely,

Jason Michelson Jason Michelson

Encl. South Culebra Bluff 13 Well No. 4 - Site Deferral Request

C.C. Brett Krehbiel, Arcadis



Mr. Rob Hamlet New Mexico Oil Conservation Division – District II Environmental Specialist 811 S. First St. Artesia, NM 88210

Subject: Site Deferral Request South Culebra Bluff 13 Well No. 4 Inspection No. iTM1734233912 Eddy County, New Mexico

Dear Mr. Hamlet:

On behalf of Chevron Environmental Management Company (CEMC), Arcadis U.S., Inc. (Arcadis) prepared this Site Deferral Request (Request) for the South Culebra Bluff 13 Well No. 4, API No. 30-015-26534, located in Eddy County, New Mexico. Rockcliff Operating New Mexico LLC (Rockcliff), the previous owner of this well, was notified by the New Mexico Oil Conservation District (NMOCD) of a staining violation dated December 8, 2017 during an inspection (iTM1734233912, Attachment 1) by NMOCD. No response to this violation has been located. The purpose of this request is for written confirmation of deferral from the NMOCD.

SITE DESCRIPTION AND BACKGROUND

The Site is located approximately two (2) miles east of Loving, New Mexico. The site is in Unit D, Section 13, Township 23S, Range 28E, Eddy County, New Mexico.

On December 8, 2017, during a routine inspection (iTM1734233912) conducted by NMOCD, staining was observed around the well head. A letter of violation was issued to Rockcliff. No response to this violation has been located.

This well is planned for plugging and abandonment. Site restoration activities will be conducted in conjunction with abandonment. Therefore, deferral of remediation until the well and associated facilities are abandoned.

Arcadis U.S., Inc. 630 Plaza Drive Suite 100 Highlands Ranch Colorado 80129 Tel 720 344 3500 Fax 720 344 3535 www.arcadis.com

ENVIRONMENT

Date: May 30, 2019

Contact: Rebecca Andresen

Phone: 206-726-4717

^{Email:} Rebecca.Andresen@arcadis .com

Our ref: B0049810.0000 Mr. Rob Hamlet May 30, 2019

If you have any questions or comments, please contact Rebecca Andresen at 206.726.4717 or by email at rebecca.andresen@arcadis.com.

Sincerely,

Arcadis U.S., Inc.

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Rebecca Andresen Vice President

^{Copies:} Jason Michelson, Chevron/ CEMC Brett Krehbiel, Arcadis

Enclosures:

Attachments

1 - December 8, 2017 Letter of Violation

State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez Governor

Ken McQueen Cabinet Secretary Matthias Sayer

Deputy Cabinet Secretary

David Catanach Division Director



Response Required - Deadline Enclosed

Field Inspection Program "Preserving the Integrity of Our Environment"

08-Dec-17

ROCKCLIFF OPERATING NEW MEXICO LLC

1301 McKinney Suite 1300 Houston TX 77010-7010

LETTER OF VIOLATION - Inspection

Dear Operator:

The following inspection(s) indicate that the well, equipment, location or operational status of the well(s) 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(s) 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.

		INSPECTIO	N DETAIL	SECTION		
SOUTH CULEBRA BLUFF UNIT Inspection Date Type Inspection		T No.005 Inspector			30-015-22922-00-00 Corrective Action Due By: Inspection No.	
12/08/2017	Routine/Periodic Violations General Housekeeping (Ru	Tony Morales	Yes	No	3/13/2018	iTM1734235827
	TANK	Equipment and Location in BATTERIES DRAIN NO W	•	19.15.10.8	AROUND WELL HI	
SOUTH CULEBRA BLUFF 14 No.001 Inspection Date Type Inspection		0.001 Inspector	Violation?	A-14-23S-28E *Significant Non-Compliance?	30-015-26347-00- Corrective Action Due By:	00 Inspection No.
12/08/2017	Routine/Periodic Violations General Housekeeping (Ru	Tony Morales Ile 114)	Yes	No	3/13/2018	iTM1734233520
Comments	on Inspection: OK. Al WELL	l Equipment and Location in HEAD	Good Shape	PJ. POWER O	FF STAINING ARO	UND

SOUTH CULEBRA BLUFF 13 No.004 Inspection Date Type Inspection			Inspector	Violation?	D-13-23S-28E *Significant Non-Compliance?	30-015-26534-00-(Corrective Action Due By:)() Inspection No.
12/08/2017	Routine/Periodic Violations General Housekeeping (Rule 114)		Tony Morales	Yes	No	3/13/2018	iTM1734233912
Comments	General Houseko	1 2 . ,	nent and Location in	Good Shape.	PJ. STAINING	AROUND WELL HE	AD
SCB 13 FEI Inspection Date	DERAL No.00 Type Inspectio		Inspector	Violation?	C-13-23S-28E *Significant Non-Compliance?	30-015-33645-00-(Corrective Action Due By:)() Inspection No.
12/08/2017	Routine/Perio Violations General Houseko	odic ceping (Rule 114)	Tony Morales	Yes	No	3/13/2018	iTM1734236619
Comments	on Inspection:	1 0 1	nent and Location in	n Good Shape.	PJO. STAININ	G AROUND WELL H	IEAD
TELEDYNI Inspection Date	E 12 FEDERA Type Inspectio		No.003 Inspector	Violation?	E-12-23S-28E *Significant Non-Compliance?	30-015-33927-00-0 Corrective Action Due By:)() Inspection No.
12/08/2017	Routine/Perio Violations General Housek	odic ceping (Rule 114)	Tony Morales	Yes	No	3/13/2018	iTM1734238246
Comments	on Inspection:	1 6 4	ment and Location ir 19.15.10.8	1 Good Shape.	PJ. HEAD OFF	F STAINING AROUN	ID

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 Divison Examiner in Santa Fe to show cause why you should not be ordered to permanently plug and abandon this well.

Sincerely, Artesia OCD District Office

Note: Information in Detail Section comes directly from field inspector data entries - not all blanks will contain data. *Significant Non-Compliance events are reported directly to the EPA, Region VI, Dallas, Texas.