State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez

Governor

Ken McQueen

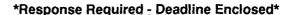
Cabinet Secretary

Matthias Sayer

Deputy Cabinet Secretary

David Catanach

Division Director



Field Inspection Program "Preserving the Integrity of Our Environment"

14-Feb-18

OXY USA INC

PO Box 4294

Houston TX 77210-7210

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.

INSPECTION DETAIL SECTION

	ND 10 FEDEI	RAL No.001			E-10-24S-29E	30-015-33208-00-0)0						
Inspection Date	Type Inspection		Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.						
02/14/2018	Routine/Periodic		Tony Morales	Yes	No	5/20/2018	iTM1804545576						
	Violations												
	General Housekeeping (Rule 114)												
Comments	on Inspection:		nent and Location in LINE JOINTS ON L	•		ROUND WELLHEAD)						
MORNING FEDERAL No.001H					E-8-24S-29E 30-015-37644-00-00								
Inspection Date	Type Inspection	n	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.						
02/14/2018	Routine/Periodic		Tony Morales	Yes	No	5/20/2018	iTM1804537813						
	Violations		•										
							General Housekeeping (Rule 114)						
		eeping (Rule 114)											

CEDAR CANYON 16 STATE

No.011H

C-16-24S-29E

30-015-42062-00-00

Inspection Date

02/14/2018

Type Inspection

Inspector

*Significant Violation? Non-Compliance?

Corrective **Action Due By:**

Inspection No.

Violations

Tony Morales

Yes

5/20/2018 No

iTM1804544382

Routine/Periodic

Absent Well Identification Signs (Rule 103)

Comments on Inspection:

OK, All Equipment and Location in Good Shape.

LOCATION SIGN NOT VISIBLE

19.15.16.8 POLY FLOWLINE STORED ON LOCATION

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,

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.