State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez

Governor

Ken McQueen

Cabinet Secretary

Matthias Sayer

Deputy Cabinet Secretary

Heather Riley
Division Director



Response Required - Deadline Enclosed

Field Inspection Program
"Preserving the Integrity of Our Environment"

05-Apr-18

OCCIDENTAL PERMIAN LTD 1017 W STANOLIND ROAD HOBBS NM 88240

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 No.001H 30-015-39407-00-00 **DEVON 8 FEE** A-8-25S-28E Inspection *Significant Corrective Type Inspection Inspector Violation? Inspection No. Non-Compliance? Action Due By: Date 04/04/2018 Routine/Periodic Tony Morales Yes iTM1809448472 7/8/2018 Comments on Inspection: OK. All Equipment and Location in Good Shape. PJ STAINING AROUND WELL HEAD TANK BATTERY NO PLACARD / WINDSOCK **DEVON 8 FEE** H-8-25S-28E No.004H 30-015-42642-00-00 Inspection *Significant Corrective Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 04/04/2018 Routine/Periodic iTM1809449112 **Tony Morales** Yes No 7/8/2018 Violations Absent Well Identification Signs (Rule 103) **Comments on Inspection:** OK. All Equipment and Location in Good Shape. CONVEYOR BELT UNIT STAINING AROUND WELLHEAD. LOCATION SIGN NOT VISIBLE 19.15.16.8

DEVON 6 FEE No.002HH-6-25S-28E **30-015-42931-00-00**

*Significant Inspection Corrective **Type Inspection** Inspection No. Inspector Violation? Date Non-Compliance? Action Due By: 04/04/2018 Routine/Periodic Tony Morales Yes No 7/8/2018 iTM1809445020

Violations

Absent Well Identification Signs (Rule 103) General Housekeeping (Rule 114)

Comments on Inspection: OK. All Equipment and Location in Good Shape. LOCATION SIGN NOT VISIBLE 19.15.16.8

COMPRESSOR ON- STAINING 19.15.10.8

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.