State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez

Governor

HOBBS OCD

John H. Bemis Cabinet Secretary

NOV 0 4 2013

Jami Bailey, Division Director Oil Conservation Division

Brett F. Woods, Ph.D. Deputy Cabinet Secretary



RECEIVED Response Required - Deadline

Field Inspection Program "Preserving the Integrity of Our Environment"

01-Nov-13

CHEVRON USA INC. ATTN: REGULATORY / NEW MEXICO 15 SMITH ROAD MIDLAND, TX 79705

LETTER OF VIOLATION -

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

OLLIE J BOYD No.004

F-23-22S-37E

30-025-10436-00-

Inspection

Type Inspection

Inspector

*Significant

Corrective

Date

11/01/2013 Bradenhead

Non-Compliance? Violation? No

Action Due By:

Inspection No.

iSAD1330548149

Sylvia Dickey

Yes

2/4/2014

Comments on Inspection:

BHT 10/06/2013; **INSPECTION VIOLATION** OPERATOR NEEDS TO VERIFY COLUMN "C"; WELL RECORDS SHOW ONLY 13 3/8, 9 5/8, 7" CASING ON FILE.

QUAIL QUEEN UNIT No.012

G-11-19S-34E

30-025-22841-00-

Inspection Date

Type Inspection 11/01/2013 Bradenhead

Inspector Sylvia Dickey Violation? Yes

*Significant Non-Compliance?

Corrective Action Due By: 2/4/2014

Inspection No.

iSAD1330547214 Comments on Inspection:

BHT TEST 10/23/2013; **FOR RECORD ONLY" OPERATOR RESULTS REGARDING FLOW CHARACTERISTICS AND REMARKS ARE UNCLEAR UNDER CASING RESULTS ***STEADY FLOW, DOWN TO NOTHING DO NOT CORRESPOND TO

REMARKS SECTION***

E W WALDEN No.011

M-15-22S-37E

*Significant

30-025-24603-00-

Inspection Date

Date Type Inspection 11/01/2013 Bradenhead

Inspector Sylvia Dickey Violation? Yes Non-Compliance?

Corrective Action Due By: 2/4/2014

Inspection No.

iSAD1330541275

Comments on Inspection:

BHT 10/25/2013; **INSPECTION VIOLATION** OPERATOR NEEDS TO VERIFY

COLUMN "C": WELL RECORDS SHOW ONLY 8 5/8, 5 1/2 CASING ON FILE.

TRINITY BURRUS ABO UNIT No.011

K-22-12S-38E

30-025-36038-00-

Inspection
Date T
11/01/2013 B

Type Inspection

Bradenhead

Inspector Sylvia Dickey Violation? Yes *Significant Non-Compliance? No Corrective
Action Due By:
2/4/2014

Inspection No.

iSAD1330547867

Comments on Inspection:

BHT TEST 10/08/2013; **FOR RECORD ONLY" OPERATOR RESULTS REGARDING FLOW CHARACTERISTICS AND REMARKS ARE UNCLEAR UNDER CASING RESULTS **STEADY FLOW, DOWN TO NOTHING DO NOT CORRESPOND TO

REMARKS SECTION***

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,

Hobbs OCD District Office

COMPLIANCE OFFICER

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.

EMNRD
OIL CONSERVATION DIVISION
1625 N FRENCH DRIVE
HOBBS NM 88240



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