

State of New Mexico  
Energy, Minerals and Natural Resources Department

Susana Martinez  
Governor

John H. Bemis  
Cabinet Secretary

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

HOBBS OCD

NOV 12 2013

RECEIVED

Jami Bailey, Division Director  
Oil Conservation Division



**\*Response Required - Deadline**

*Field Inspection Program*  
*"Preserving the Integrity of Our Environment"*

08-Nov-13

CHEVRON USA INC.  
ATTN: REGULATORY & COMPLIANCE  
15 SMITH ROAD  
MIDLAND, TX 79705

**LETTER OF VIOLATION -**

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**

**WEST DOLLARHIDE DRINKARD UNIT No.069**

**N-32-24S-38E**

**30-025-12314-00-**

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
11/08/2013	Bradenhead	Sylvia Dickey	Yes	No	2/11/2014	iSAD1331241689
<b>Comments on Inspection:</b> WELL IS SHUT IN PER OPERATOR POSSIBLE PACKER FAILURE; CASING ON FLOWBACK; LAST PRODUCTION DATE 8/2013; **FAILED BHT** - <b>"LETTER OF VIOLATION", "FOR RECORD ONLY"</b> .						

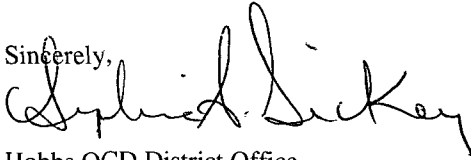
NOV 13 2013

November 8, 2013

Page 2

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  
**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.



District  
1628 N. Lincoln Dr., Hobbs, NM 88240  
Phone: (575) 390-6161 Fax: (575) 393-0729

HOBBS OCD

NOV 07 2013

State of New Mexico  
Energy, Minerals and Natural Resources Department  
Oil Conservation Division Hobbs District Office

RECEIVED

BRADENHEAD TEST REPORT

Name <b>Chesson USA INC.</b>	API Number <b>3002912314</b>
Proprietor <b>Dollarhide (WDDU)</b>	Well No. <b>WDDU 69</b>

UL	Dir	Section	Township	Range	Feet from	Section	Feet from	EAW Line	County
N		E233	30	30	660	5	1830	W	Lea
		32	245	38E					

Well Status

Well Status <b>ST</b>	SHUT-IN <b>Packer leaks</b>	PRODUCING <b>Injection</b>	DATE <b>9/12/13</b>
--------------------------	--------------------------------	-------------------------------	------------------------

OPEN BRADENHEAD AND INTERMEDIATE TO ATMOSPHERE INDIVIDUALLY FOR 15 MINUTES EACH

OBSERVED DATA

If bradenhead flowed water, check all of the descriptions that apply:

	(A) Surf-Interm	(B) Interm (1) Interm (2)	(C) Interm-Prod	(D) Prod-Tubing	(E) Tubing
Pressure	<b>0</b>	<b>0</b>	<b>0</b>	<b>1400</b>	<b>1400</b>
Flow Characteristics					
Puff	Y/N	Y/N	Y/N	Y/N	Y/N
Steady Flow	Y/N	Y/N	Y/N	Y/N	Y/N
Surges	Y/N	Y/N	Y/N	Y/N	Y/N
Flow to nothing	Y/N	Y/N	Y/N	Y/N	Y/N
Gas or Oil	Y/N	Y/N	Y/N	Y/N	Y/N
Water	Y/N	Y/N	Y/N	Y/N	Y/N

If bradenhead flowed water, check all of the descriptions that apply:

<b>CLEAR</b>	FRESH	SALTY	SULFUR	BLACK
--------------	-------	-------	--------	-------

Remarks:

Well is s/i and on flowback

Signature:

*[Signature]*

OIL CONSERVATION DIVISION

Printed name:

**Mike Robertson**

Entered into RBDMS

Title:

**Field Specialist**

Re-test

E-mail Address:

**LRB@chesson.com**

Date:

**9/13/13**

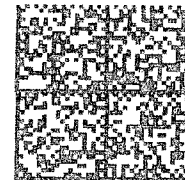
Phone:

**(932) 266-2806**

Witness:

*[Handwritten mark]*

EMNRD  
OIL CONSERVATION DIVISION  
1625 N FRENCH DRIVE  
HOBBS NM 88240



HASLER 015H14150977  
\$0.46  
11/08/13  
Mailed From 88240  
US POSTAGE

CHEVRON USA INC.  
ATTN: REGULATORY & COMPLIANCE  
15 SMITH ROAD  
MIDLAND, TX 79705