State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez

Governor

David Martin

Cabinet Secretary-Designate

Brett F. Woods, Ph.D.

Deputy Cabinet Secretary

Jami Bailey, Division Director Oil Conservation Division



Response Required - Deadline Enclosed

Field Inspection Program "Preserving the Integrity of Our Environment"

27-Nov-13

MOBBS OCD

OXY USA INC

PO BOX 4294

DEC 0 2 2013

HOUSTON TX 77210

RECEIVED

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

AZTEC STATE COM No.002 A-26-13S-32E 30-025-22931-00-00 Inspection *Significant Corrective Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 11/21/2013 Plugged Well Surface Restor Maxey Brown Yes No 12/24/2013 iMGB1332522760 Comments on Inspection: DO NOT RELEASE. RULE 19.15.25.10. NEED TO CORRECT MARKER. IT SHOWS SECTION 21, SHOULD READ SECTION 26. ALSO NEED TO REMOVE MAIN DISCONNECT, METER BASE AND RISER FROM POLE. PLEASE NOTIFY OCD DISTRICT 1 OFFICE AFTER CORRECTIONS FOR FOLLOWUP INSPECTION. MGB. PLUMA 29 STATE No.004 J-29-15S-32E 30-025-37134-00-00 Inspection *Significant Corrective

Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 11/27/2013 Plugged Well Surface Restor Maxey Brown Yes 3/2/2014 iMGB1333152324

Comments on Inspection: RULE 19.15.25.10. DO NOT RELEASE. MARKER IS OK. NEED TO REMOVE PIECE OF CASING AND THREAD PROTECTOR FROM NW CORNER OF LOCATION. THIS IS 1ST

LETTER OF NON-COMPLIANCE.

MURPHY 35 STATE No.001

N-35-16S-32E

No

30-025-40199-00-00

Inspection Date

11/21/2013

Type Inspection

Inspector

Violation?

*Significant Non-Compliance? Action Due By:

Corrective

2/24/2014

Inspection No. iMGB1332550825

Comments on Inspection:

Yes Plugged Well Surface Restor Maxey Brown RULE 19.15.26.10. NEED TO REMOVE MAIN DISCONNECT AND RISER FROM POLE,

SOUTHSIDE OF LOCATION. SINCE 11-21-2013 INSPECTION SOMEONE OR VANDALS

HAVE PULLED THE RISER AND DISCONNECT FROM POLE LEAVING THE EQUIPMENT SCATTERED AROUND POLE. ALSO MARKER READS 1705 FSL, SHOULD

READ 950 FSL. THIS IS 1ST LETTER OF NON-COMPLIANCE. MGB.

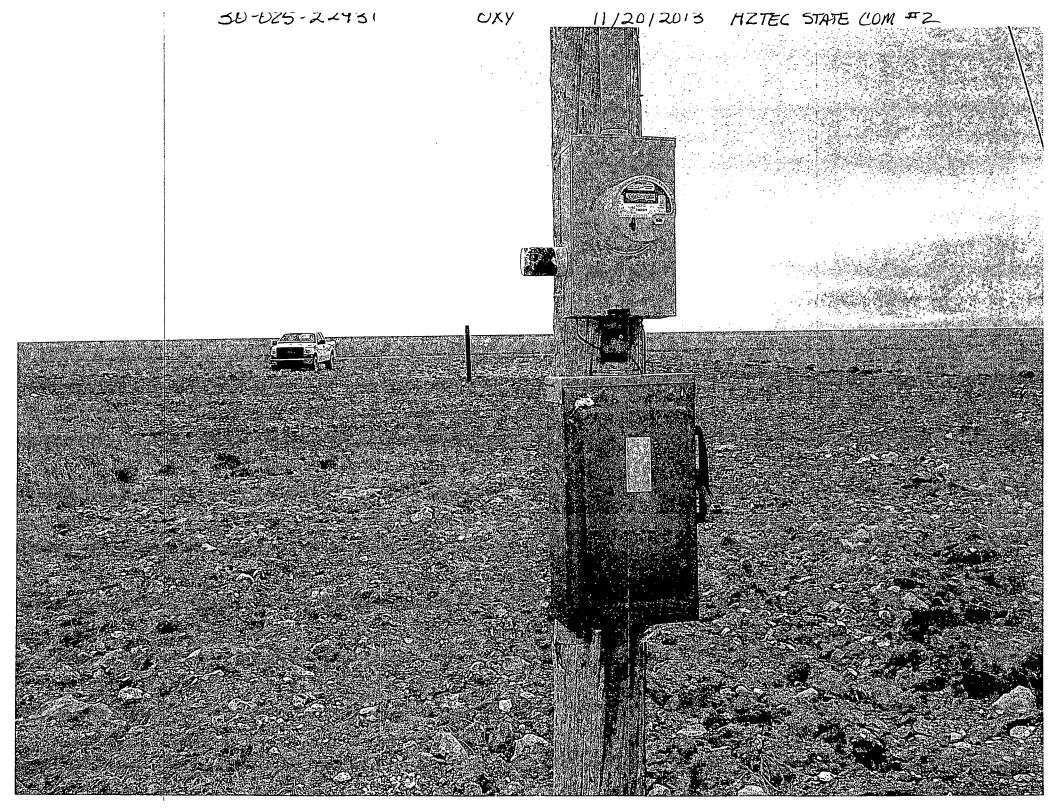
In the event that a satisfactory response is not received to this letter of direction by the "Corrective Action Due By:" date shown above, further enforcement will occur. Such enforcement may include this office applying to the Division for an order summoning you to a hearing before a Divison Examiner in Santa Fe to show cause why you should not be ordered to permanently plug and abandon this well.

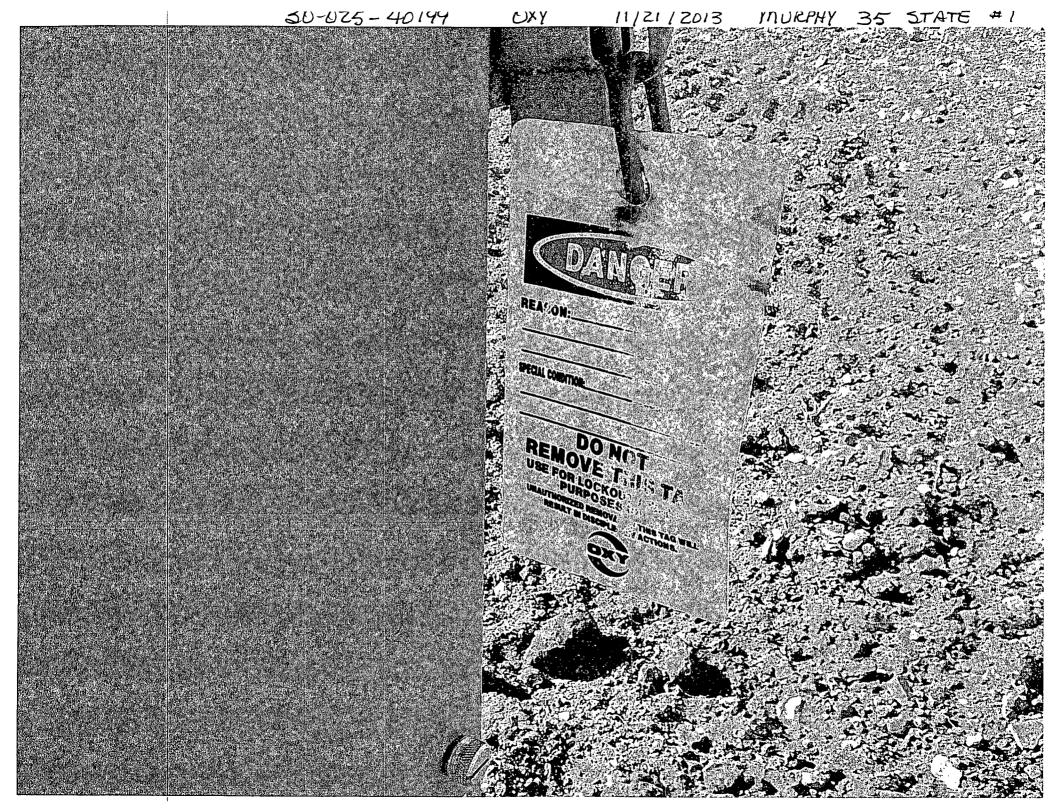
Sincerely,

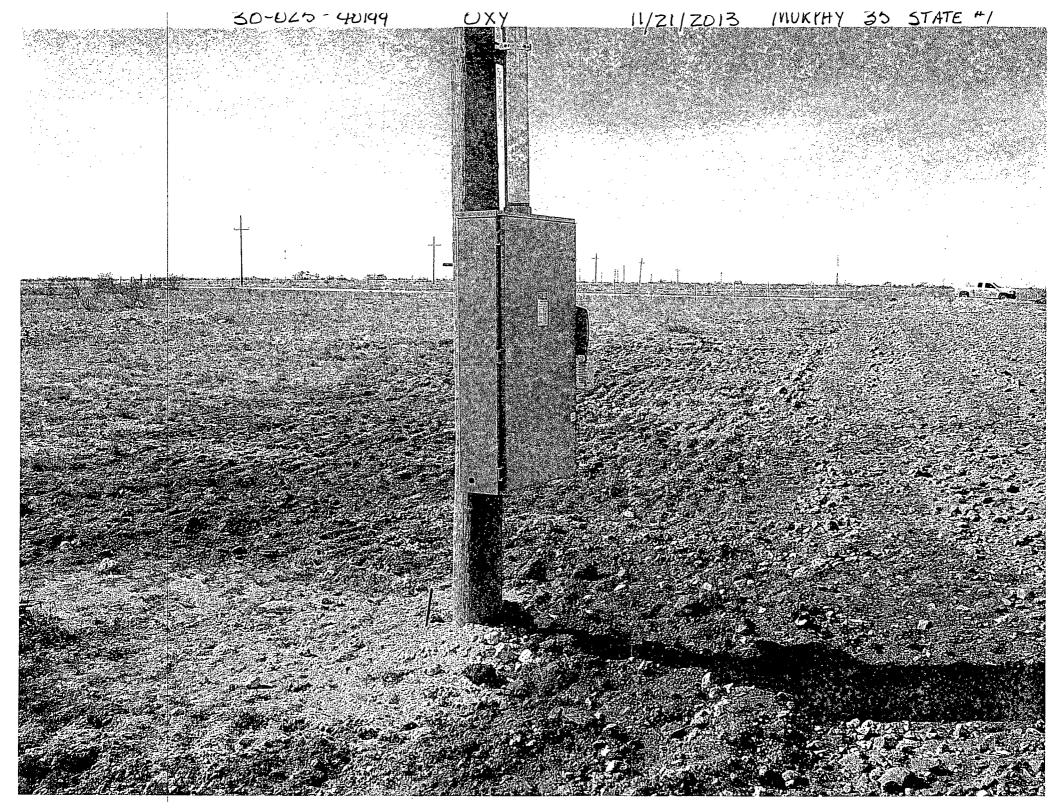
COMPLIANCE OFFICER

Hobbs 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.







EMNRD
OIL CONSERVATION DIVISION
1625 N FRENCH DRIVE
HOBBS NM 88240



015H14150977

SH SQ . 46

SQ . 46

11/27/13

Mailed From 88240

OXY USA INC PO BOX 4294 HOUSTON TX 77210