State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez Governor David Martin Cabinet Secretary

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



JAN & I D

Jami Bailey, Division Director Oil Conservation Division



Field Inspection Program
"Preserving the Integrity of Our Environment"

Response Required - Deadline

21-Jan-14

CHEVRON USA INC. ATTN: REGULATORY & COMPLIANCE P.O. BOX 2100 HOUSTON, TX 77252

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

	GLORIETA W	EST UNIT No.068		H-36-17S-34E *Significant	30-025-31839-0 Corrective	00-
Inspection Date	Type Inspection	Inspector	Violation?	Non-Compliance?	Action Due By:	Inspection No.
01/21/2014	Bradenhead	Sylvia Dickey	Yes	No	4/26/2014	iSAD1402135102
Comments on Inspection:		FAILED BHT INSPECTION: ***PE	R BHT TES	T 12/01/2013 OPERAT	OR REPORTED	
		150# ON CASING; OPERATOR DC	ES NOT ST.	ATE THAT CASING I	BLED DOWN TO	
		0#; **OPERATOR PLEASE RECH	ECK CASIN	IG AND INSURE THA	AT THE CASING	
		PRESSURE IS ZERO AND PRESSU	JRE IS NOT	BUILDING BACK UI	P. ***SUBMIT	
		RESULTS TO OCD HOBBS DISTR	ICT OFFICE	MAXEY G. BROWN	@ 575-370-3179	
		OR SYLVIA A. DICKEY @ 575-370)-3188 BY F	EBRUARY 18, 2014*'	**	
VACUUM GLORIETA WEST UNIT No.106				30-025-31874-00-		
VACUUM (GLORIETA W	EST UNIT No.106		O-36-17S-34E	30-025-31874-0	00-
VACUUM (Inspection	GLORIETA W	EST UNIT No.106		O-36-17S-34E *Significant	30-025-31874-(Corrective	00-
	GLORIETA W Type Inspection		Violation?			00- Inspection No.
Inspection				*Significant	Corrective	
Inspection Date 01/21/2014	Type Inspection	Inspector	Violation? Yes	*Significant Non-Compliance? No	Corrective Action Due By: 4/26/2014	Inspection No.
Inspection Date 01/21/2014	Type Inspection Bradenhead	Inspector Sylvia Dickey	Violation? Yes R BHT TES	*Significant Non-Compliance? No T 12/01/2013 OPERAT	Corrective Action Due By: 4/26/2014 FOR REPORTED	Inspection No.
Inspection Date 01/21/2014	Type Inspection Bradenhead	Inspector Sylvia Dickey FAILED BHT INSPECTION: ***PE	Violation? Yes R BHT TES ES NOT ST.	*Significant Non-Compliance? No T 12/01/2013 OPERAT ATE THAT CASING J	Corrective Action Due By: 4/26/2014 FOR REPORTED BLED DOWN TO	Inspection No.
Inspection Date 01/21/2014	Type Inspection Bradenhead	Inspector Sylvia Dickey FAILED BHT INSPECTION: ***PE 150# ON CASING; OPERATOR DO	Violation? Yes R BHT TES ES NOT ST. ECK CASIN	*Significant Non-Compliance? No T 12/01/2013 OPERAT ATE THAT CASING I IG AND INSURE THA	Corrective Action Due By: 4/26/2014 FOR REPORTED BLED DOWN TO AT THE CASING	Inspection No.

1625 N. French Drive • Hobbs, New Mexico 88240 Phone (575) 393-6161 • Fax (575) 393-0720 • www.emnrd.state.nm.us/ocd

OR SYLVIA A. DICKEY @ 575-370-3188 BY FEBRUARY 18, 2014***

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WEST VACU	UUM UNIT N	0.057			30-025-33599-00- Corrective			
Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Action Due By:	Inspection No.		
01/21/2014	Bradenhead	Sylvia Dickey	Yes	No	4/26/2014	iSAD1402142634		
Comments on Inspection:		BHT INSPECTION VIOLATION 1	1/07/2013; 0	PERATOR REPORTE	D 310# ON			
	-	CASING DOES NOT SHOW BLE	D DOWN: **	OPERATOR PLEASE	RECHECK			
		CASING PRESSURE AND VERIF	Y AMOUNT	OF 310# PRESSURE	REPORTED;			
		PLEASE INSURE CASING BLEEDS TO 0 PSI. **NOTE: PRIOR YEAR HISTORY						
		CASING HAS SHOWN GAS PRESSURE**SUBMIT RESULTS TO OCD DISTRICT I						
OFFICE BY FEBRUARY 18, 2014** REPORT RESULTS TO MAXEY G. BROWN @								
		370-3179 OR SYLVIA A. DICKEY	(@ 575-370-:	3188.***				
WEST VACUUM UNIT No.060				I-34-17S-34E	30-025-33765-00-			
Inspection				*Significant	Corrective			
Date	Type Inspection	-	Violation?	Non-Compliance?	Action Due By:	Inspection No.		
01/21/2014	Bradenhead	Sylvia Dickey	Yes	No	4/26/2014	iSAD1402140605		
Comments or	n Inspection:	BHT INSPECTION VIOLATION 11/07/2013; REPORTED INJECTION 2000# ***OPERATOR						
		INJECTING OVER LIMIT***PER	IPI 123 APP	ROVED PRESSURE L	IMIT IS 1890 PSI.			
NORTH VACUUM ABO WEST UNIT No.029				O-21-17S-34E	30-025-34668-0	00-		
					30-043-34000-			
Inspection				*Significant	Corrective			
Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.		
Date			Violation? Yes	*Significant	Corrective			
Date	Type Inspection Bradenhead	Inspector Sylvia Dickey BHT INSPECTION VIOLATION 1	Yes 1/07/2013; **	*Significant Non-Compliance? No **PRIOR HISTORY O	Corrective Action Due By: 4/26/2014 F WELL RESULTS	Inspection No. iSAD1402135497 S,		
Date 01/21/2014	Type Inspection Bradenhead	Inspector Sylvia Dickey BHT INSPECTION VIOLATION I SHOW PRESSURE ON TUBING;	Yes 1/07/2013; ** ***OPERAT(*Significant Non-Compliance? No **PRIOR HISTORY O DR PLEASE RECHEC	Corrective Action Due By: 4/26/2014 F WELL RESULTS K TUBING PRESS	Inspection No. iSAD1402135497 S, URE		
Date 01/21/2014	Type Inspection Bradenhead	Inspector Sylvia Dickey BHT INSPECTION VIOLATION 1 SHOW PRESSURE ON TUBING; AND VERIFY AMOUNT OF "0" I	Yes 1/07/2013; ** ***OPERATO PRESSURE R	*Significant Non-Compliance? No **PRIOR HISTORY O DR PLEASE RECHEC! EPORTED; SUBMIT I	Corrective Action Due By: 4/26/2014 F WELL RESULTS K TUBING PRESS RESULTS TO OCE	Inspection No. iSAD1402135497 S, URE		
Date 01/21/2014	Type Inspection Bradenhead	Inspector Sylvia Dickey BHT INSPECTION VIOLATION I SHOW PRESSURE ON TUBING;	Yes 11/07/2013; ** ***OPERAT(PRESSURE R ARY 18, 2014	*Significant Non-Compliance? No **PRIOR HISTORY O OR PLEASE RECHEC EPORTED; SUBMIT I **REPORT RESULTS	Corrective Action Due By: 4/26/2014 F WELL RESULTS K TUBING PRESS RESULTS TO OCE	Inspection No. iSAD1402135497 S, URE		

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

EMNRD OIL CONSERVATION DIVISION 1625 N FRENCH DRIVE HOBBS NM 88240



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