

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

David Catanach, Director  
Oil Conservation Division



**\*Response Required - Deadline Enclosed\***

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

22-Apr-15

OXY USA INC  
PO BOX 4294  
HOUSTON TX 77210

**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**

|   |                        |                  |                   |                                     |                                  |                       |
|---|------------------------|------------------|-------------------|-------------------------------------|----------------------------------|-----------------------|
| <b>L W WHITE NCT B TRACT A No.003</b>   |                        |                  |                   | <b>O-35-20S-36E</b>                 | <b>30-025-04410-00-00</b>        |                       |
| <b>Inspection Date</b>  | <b>Type Inspection</b> | <b>Inspector</b> | <b>Violation?</b> | <b>*Significant Non-Compliance?</b> | <b>Corrective Action Due By:</b> | <b>Inspection No.</b> |
| 04/22/2015  | Routine/Periodic       | Mark Whitaker    | Yes               | No                                  | 7/31/2015                        | iMAW1511250241        |
| <b>Violations</b>   |                        |                  |                   |                                     |                                  |                       |
| Surface Damage/Restoration  |                        |                  |                   |                                     |                                  |                       |
| <b>Comments on Inspection:</b> Well plugged October 2013. Rule 19.15.25.10 requires operator to complete restoration within one year after well has been plugged. P&A MARKER GOOD. NEED TO REMOVE CONDUIT, WIRE AND TUBING FROM WEST SIDE OF LOCATION. NEED TO REMOVE CONTAMINATED SOIL AND CINDER BLOCKS ON THE WEST SIDE OF P&A MARKER. NEED TO REMOVE BATTERY WEST OF LOCATION AS THIS IS THE FINAL WELL ON LEASE. ALSO CONTACT GAS PURCHASER AND REQUEST TO TERMINATE SERVICE. BLOCK LINE. AND REMOVE ALL ASSOCIATED EQUIPMENT. A COPY OF THIS CORRESPONDENCE SHOULD BE FURNISHED TO THE OCD. 1ST NOTICE. |                        |                  |                   |                                     |                                  |                       |

**APR 27 2015**

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,

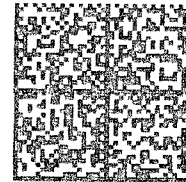
  
Compliance Officer

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



|        |                   |            |
|--------|-------------------|------------|
| HASLER | 015H14150977      | US POSTAGE |
|        | <b>\$0.48</b>     |            |
|        | 04/22/15          |            |
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