

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

Jami Bailey, Division Director
Oil Conservation Division



***Response Required - Deadline**

*Underground Injection Control Program
"Protecting Our Underground Sources of Drinking"*

23-Aug-13

HOBBS OCD

CHEVRON U S A INC
ATTN: DENISE PINKERTON
15 SMITH ROAD
MIDLAND, TX 79705

AUG 26 2013

RECEIVED

**LETTER OF VIOLATION and SHUT-IN
DIRECTIVE Failed Mechanical Integrity Test**

Dear Operator:

The following test(s) were performed on the listed dates on the following well(s) shown below in the test detail section.

The test(s) indicates that the well or wells failed to meet mechanical integrity standards of the New Mexico Oil Conservation Division. To comply with guidelines established by the U.S. Environmental Protection Agency, the well(s) must be shut-in immediately until it is successfully repaired. The test detail section which follows indicates preliminary findings and/or probable causes of the failure. This determination is based on a test of your well or facility by an inspector employed by the Oil Conservation Division. Additional testing during the repair operation may be necessary to properly identify the nature of the well failure.

Please notify the proper district office of the Division at least 48 hours prior to the date and time that the well(s) will be retested so the test may be witnessed by a field representative.

MECHANICAL INTEGRITY TEST DETAIL SECTION

VACUUM GRAYBURG SAN ANDRES UNIT No.017

30-025-24316-00-00

Active Injection - (All Types)

I-2-18S-34E

Test Date:	7/27/2013	Permitted Injection PSI:		Actual PSI:	
Test Reason:	Annual IMIT	Test Result:	F	Repair Due:	10/30/2013
Test Type:	Std. Annulus Pres. Test	FAIL TYPE:	Other Internal Failure	FAIL CAUSE:	
Comments on MIT:	FAILED PRESSURE TEST***OPERATOR IN VIOLATION OF NMOCD RULE 19.15.25.11*** PRESSURE TEST RESULTS IN LOSS/GAIN OF MORE THAN 10% ALLOWED BY STATE OF NEW MEXICO***				

CENTRAL VACUUM UNIT No.057

30-025-25723-00-00

Active Injection - (All Types)

B-36-17S-34E

Test Date:	7/30/2013	Permitted Injection PSI:		Actual PSI:	
Test Reason:	Annual IMIT	Test Result:	F	Repair Due:	11/2/2013
Test Type:	Std. Annulus Pres. Test	FAIL TYPE:	Other Internal Failure	FAIL CAUSE:	
Comments on MIT:	***OPERATOR IN VIOLATION OF NMOCD RULE 19.15.26.11 ***FAILED SPECIAL ANNUAL IMIT TEST*** TEST RESULT DOES NOT CLEARLY STATE STARTING PRESSURE AT 0# PSI. OPERATOR MUST PRESSURE UP TO 2500# PSI TO START TEST.				

AUG 26 2013

CENTRAL VACUUM UNIT No.058**30-025-25724-00-00**

Active Injection - (All Types)

A-36-17S-34E

Test Date: 7/30/2013 **Permitted Injection PSI:** **Actual PSI:**
Test Reason: Annual IMIT **Test Result:** F **Repair Due:** 11/2/2013
Test Type: Std. Annulus Pres. Test **FAIL TYPE:** Other Internal Failure **FAIL CAUSE:**
Comments on MIT: FAILED PRESSURE TEST; TEST RESULTS SHOW STARTING AT 1290# ENDING AT 2100#. RESULTS ARE MORE THAN 10% LOSS/GAIN ALLOWED BY STATE OF NEW MEXICO. **OPERATOR IN VIOLATION OF NMOCD RULE 19.15.26.11*** OPERATOR MUST PRESSURE UP TO 2500# PSI TO START TEST.

CENTRAL VACUUM UNIT No.071**30-025-25727-00-00**

Active Injection - (All Types)

G-36-17S-34E

Test Date: 7/29/2013 **Permitted Injection PSI:** **Actual PSI:**
Test Reason: Annual IMIT **Test Result:** F **Repair Due:** 11/1/2013
Test Type: Std. Annulus Pres. Test **FAIL TYPE:** Other Internal Failure **FAIL CAUSE:**
Comments on MIT: FAILED PRESSURE TEST; TEST RESULTS SHOW STARTING AT 850# ENDING AT 2250#. RESULTS ARE MORE THAN 10% LOSS/GAIN ALLOWED BY STATE OF NEW MEXICO. ALSO TEST DID NOT REACH 2500# PSI AT START OF TEST:***OPERATOR IN VIOLATION OF NMOCD RULE 19.15.26.11***

CENTRAL VACUUM UNIT No.073**30-025-25728-00-00**

Active Injection - (All Types)

H-36-17S-34E

Test Date: 8/1/2013 **Permitted Injection PSI:** **Actual PSI:**
Test Reason: Annual IMIT **Test Result:** F **Repair Due:** 11/4/2013
Test Type: Std. Annulus Pres. Test **FAIL TYPE:** Other Internal Failure **FAIL CAUSE:**
Comments on MIT: FAILED PRESSURE TEST; DID NOT REACH 2500 PSI; ANNUAL IMIT TEST "ACCEPTED FOR RECORD ONLY" 8/22/2013; NO WITNESS; ***OPERATOR IN VIOLATION OF NMOCD RULE 19.15.25.11***

CENTRAL VACUUM UNIT No.016**30-025-25793-00-00**

Active Injection - (All Types)

G-30-17S-35E

Test Date: 7/30/2013 **Permitted Injection PSI:** **Actual PSI:**
Test Reason: Annual IMIT **Test Result:** F **Repair Due:** 11/2/2013
Test Type: Std. Annulus Pres. Test **FAIL TYPE:** Other Internal Failure **FAIL CAUSE:**
Comments on MIT: **OPERATOR IN VIOLATION OF NMOCD RULE 19.15.26.11 ***FAILED SPECIAL ANNUAL IMIT TEST*** TEST RESULT DOES NOT CLEARLY STATE STARTING PRESSURE AT 0# PSI. OPERATOR MUST PRESSURE UP FROM 0 PSI TO 2500# PSI TO START TEST.

CENTRAL VACUUM UNIT No.027**30-025-25815-00-00**

Active Injection - (All Types)

J-25-17S-34E


Test Date: 7/27/2013 **Permitted Injection PSI:** **Actual PSI:**
Test Reason: Annual IMIT **Test Result:** F **Repair Due:** 10/30/2013
Test Type: Std. Annulus Pres. Test **FAIL TYPE:** Other Internal Failure **FAIL CAUSE:**
Comments on MIT: **SPECIAL TEST REQUESTED BY OCD**TEST RESULTS IN TEST FAILURE ***OPERATOR IN VIOLATION OF NMOCD RULE 19.15.26.11 *** **NOI C103 APRVD 8/21/2013 "FOR RECORD ONLY" PER DANNY ACOSTA 8/21/2013 WILL PERFORM ADDITIONAL ACID WORK ETC TO WELL STARTING 8/26/2013".

August 23, 2013

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In the event that a satisfactory response is not received to this letter of direction by the "Repair Due:" date shown above, or if the well(s) are not immediately shut-in, 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,

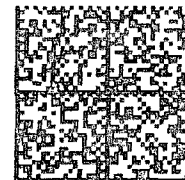


Hobbs OCD District Office

COMPLIANCE OFFICER

Note: Pressure Tests are performed prior to initial injection, after repairs and otherwise, every 5 years; Bradenhead Tests are performed annually. Information in Detail Section comes directly from field inspector data entries - not all blanks will contain data. "Failure Type" and "Failure Cause" and any Comments are not to be interpreted as a diagnosis of the condition of the wellbore. Additional testing should be conducted by the operator to accurately determine the nature of the actual failure. * 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
	\$0.46	
	08/23/13	
	Mailed From 88240	

CHEVRON USA INC.
ATTN: DENISE PINKERTON
15 SMITH ROAD
MIDLAND, TX 79705