State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez

Governor

HOBBS OCD

John H. Bemis Cabinet Secretary

OCT 07 2013

Jami Bailey, Division Director Oil Conservation Division

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

RECEIVED

*Response Required - Deadline

Field Inspection Program "Preserving the Integrity of Our Environment"

07-Oct-13

CHEVRON US A INC Attn: DENISE PINKERTON 15 SMITH ROAD MIDLAND, TX 79705

CHEVRON USA INC. 1616 W. BENDER HOBBS, NM 88240

LETTER OF VIOLATION -

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 re-inspect the well and/or facility.

INSPECTION DETAIL SECTION

CENTRAL VACUUM UNIT No.132

Inspection Date 10/07/2013

Type Inspection

File and Compliance

Inspector Sylvia Dickey Violation? Yes

O-30-17S-35E *Significant

Non-Compliance? No

30-025-23801-00-Corrective Action Due By: 1/10/2014

Inspection No. iSAD1328029221

Comments on Inspection:

A REVIEW OF THE STATUS OF THE WELL SHOWS THAT THE WELL HAD BEEN INCORRECTLY STATED AS A PLUGGED WELL PER SUBSEQUENT REPORT C103 APPROVED 8/22/2013. WITHIN THE S/RPT C103, OCD REQUESTED THAT A NEW P&A PROCEDURE BE WORKED ON AND SUBMITTED TO OCD. AS OF 10/7/2013 NO REPORT HAS BEEN SUBMITTED. ***OPERATOR IN VIOLATION OF NMOCD 19.15.7.14***SUNDRY NOTICES & REPORTS ON WELLS*** PLEASE SUBMIT AND CONFIRM STATUS OF THIS WELL ON A C103 SUNDRY FORM AND/OR IF APPLICABLE A SUBSEQUENT REPORT OF PLUG AND ABANDONMENT

PROCEDURE****

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.

EMNRD
OIL CONSERVATION DIVISION
1625 N FRENCH DRIVE
HOBBS NM 88240



015H14150977 **\$0.46** 10/07/13 Mailed From 88240 US POSTAGE

CHEVRON USA INC. 1616 W. BENDER HOBBS, NM 88240

EMNRD
OIL CONSERVATION DIVISION
1625 N FRENCH DRIVE
HOBBS NM 88240



015H14150977 \$0.46 \$0.46 10/07/13 Mailed From 88240

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