

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

Jami Bailey, Division Director
Oil Conservation Division



***Response Required - Deadline**

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

HOBBS OCD

JAN 27 2014

RECEIVED

23-Jan-14

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

**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

NORTH VACUUM ABO WEST UNIT No.017

30-025-23835-00-00

Active Injection - (All Types)

H-28-17S-34E

Test Date: 11/11/2013	Permitted Injection PSI:	Actual PSI:
Test Reason: 5-year Test	Test Result: F	Repair Due: 2/14/2014
Test Type: Std. Annulus Pres. Test	FAIL TYPE: Other Internal Failure	FAIL CAUSE:
Comments on MIT: FAILED PRESSURE TEST DUE TO TIME OF TEST; PRESSURE TESTS ARE FOR 30 MINUTES MINIMUM; **OPERATOR IN VIOLATION OF NMOCDD RULE 19.15.26.11***		

NORTH VACUUM ABO WEST UNIT No.015

30-025-23905-00-00

Approved TA Injection - (All Types)

D-27-17S-34E

Test Date: 11/11/2013	Permitted Injection PSI:	Actual PSI:
Test Reason: 5-year Test	Test Result: F	Repair Due: 2/14/2014
Test Type: Std. Annulus Pres. Test	FAIL TYPE: Other Internal Failure	FAIL CAUSE:
Comments on MIT: FAILED PRESSURE TEST; FAILED DUE TO TIME OF TEST; REQUIRED TESTING SHOULD BE 30 MINUTES OR MORE; ***OPERATOR IN VIOLATION OF NMOCDD RULE 19.15.26.14		
*** PLEASE RETEST FOR MINIMUM OF 500#/30 MINUTES BY FEBRUARY 18, 2014;		

JAN 27 2014

CENTRAL VACUUM UNIT No.071

30-025-25727-00-00
G-36-17S-34E

Active Injection - (All Types)

Test Date: 11/18/2013 Permitted Injection PSI: Actual PSI:
Test Reason: Annual IMIT Test Result: F Repair Due: 2/21/2014
Test Type: Bradenhead Test FAIL TYPE: Other Internal Failure FAIL CAUSE:
Comments on MIT: BHT REPORTED 11/18/2013 SHOWS WELL TO HAVE 280# AND BLED DOWN TO 0#
NOTED FOR PROD. CASING AND 1900# ON TUBING; (NOTE: THIS WELL HAS
TUBING CEMENTED PER ORDER R-5530-F) QUESTIONABLE RESULTS ON BHT
SURVEY FOR 11/18/2013; **OPERATOR PLEASE RECHECK WELL AND VERIFY
RESULTS OF BRADENHEAD TEST***SUBMIT INFORMATION TO MAXEY G. BROWN
@ 575-370-3179 OR SYLVIA A. DICKEY @ 575-370-3188 BY FEBRUARY 18, 2014;

VACUUM GLORIETA WEST UNIT No.049

30-025-30967-00-00
M-30-17S-35E

Approved TA Oil (Producing)

Test Date: 11/15/2013 Permitted Injection PSI: Actual PSI:
Test Reason: Annual IMIT Test Result: F Repair Due: 2/18/2014
Test Type: Bradenhead Test FAIL TYPE: Other Internal Failure FAIL CAUSE:
Comments on MIT: FAILED BHT; PER BHT SURVEY REPORTED 11/15/2013, PRODUCTION CASING SHOWS
1250#. FAILED DUE TO PRESSURE ON CASING, WELL RECORD STATES TA STATUS
EXPIRES ON 7/27/2014.**OPERATOR IN VIOLATION OF NMOCD RULE 19.15.25.14***
(DEMONSTRATING MECHANICAL INTEGRITY FOR TEMPORARY ABANDONMENT)

CENTRAL VACUUM UNIT No.244

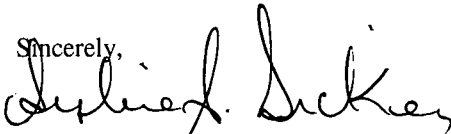
30-025-32810-00-00
B-6-18S-35E

Active Injection - (All Types)

Test Date: 10/29/2013 Permitted Injection PSI: Actual PSI:
Test Reason: 5-year Test Test Result: F Repair Due: 2/1/2014
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 19.15.26.11**

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,



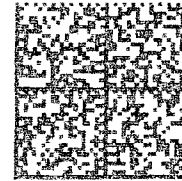
Hobbs OCD District Office

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
\$0.92
01/24/14
Mailed From 88240

US POSTAGE

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