

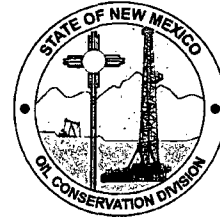
State of New Mexico
Energy, Minerals and Natural Resources Department

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

Field Inspection Program
"Preserving the Integrity of Our Environment"

HOBBS OCD

12-Feb-14

FEB 12 2014

CHEVRON U S A INC
ATTN: REGULATORY & COMPLIANCE
P.O. BOX 2100
HOUSTON TX 77252

RECEIVED

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

VACUUM GLORIETA WEST UNIT No.077

I-35-17S-34E

30-025-31872-00-

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
02/12/2014	Pressure Test	Sylvia Dickey	Yes	No	5/18/2014	iSAD1404354811

Comments on Inspection: SUBSEQUENT REPORT DATED 2/7/2014 "APPROVED FOR RECORD ONLY"
PRESSURE TEST DATED 11/19/2013; ***OPERATOR PACKER IS SET @ 5801 TOP
PERF @ 5911; (110'); PLEASE CONTACT SANTA FE OFFICE MR. PHILLIP GOETZ
@ 505-476-3466 REGARDING APPROVAL OF PACKER SETTING DEPTH. PER R-9714.

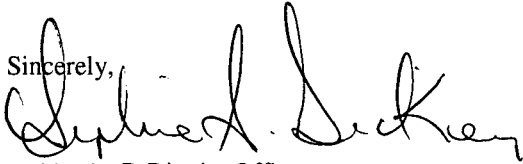
FEB 12 2014

February 12, 2014

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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,



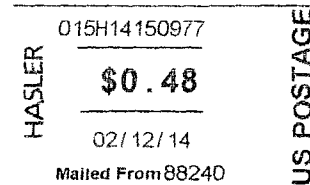
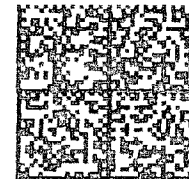
Hobbs OCD District Office
COMPLIANCE OFFICER

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



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