State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez

Governor

Tony Delfin

Acting Cabinet Secretary

David R. Catanach, Division Director

Oil Conservation Division



Response Required - Deadline Enclosed

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

18-Nov-16

CHEVRON MIDCONTINENT, L.P.

15 Smith Road Midland TX 79705-0000

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

WEST LOVINGTON UNIT No.033

30-025-03881-00-00 P-5-17S-36E

Active Injection - (All Types)

Permitted Injection PSI:

Actual PSI: Repair Due:

8/26/2016

Test Reason:

Test Date:

Test Type:

Annual IMIT

5/23/2016

Test Result:

Bradenhead Test

FAIL TYPE: Other Internal Failure

FAIL CAUSE:

OPERATOR REPORTED BHT-FAILURE. 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

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.

HOBBS OCD

State of New Mexico

Energy, Minerals and Natural Resources Department Oil Conservation Division Hobbs District Office JUN 2 0 2016

RECEIVED BRADENHEAD TEST REPORT MONTINE OU I NOTON 7. Surface Location UL - Lot Feet from N/S Line Feet From E/W Line Well Status PRODUCING SHUT-IN Well Status OPEN BRADENHEAD AND INTERMEDIATE TO ATMOSPHERE INDIVIDUALLY FOR 15 MINUTES EACH **OBSERVED DATA** If bradenhead flowed water, check all of the descriptions that apply: (A)Surf-Interm (D)Prod Csng (B)Interm(1)-Interm(2) (C)Interm-Prod (E)Tubing Pressure 1350 0 Flow Characteristics YIND Puff YA Steady Flow Surges Down to nothing Gas or Oil YIN Water If bradenhead flowed water, check all of the descriptions that apply: CLEAR **SULFUR** BLACK INJECTING AT THIS TIME WTR, Remarks: Steady Stream on Interm

Signature: Excluse Guelland	OIL CONSERVATION DIVISION
Printed name: BDDE GAUETCI	Entered into RBDMS
Title: 58PS	Re-test
E-mail Address: BIVGC CHEVROV, COM	
Date: 05/23/2616 Phone: 575-631-8516	
Witness:	12 90 76 75 10

OIL CONSERVATION DIVISION 1625 N FRENCH DRIVE HOBBS NM 88240 **EMNRD**

15 SMITH RD CHEVRON MIDCONTINENT, L.P. MIDLAND TX 79705-0000



#ASLER
FIRST-CLASS MAIL
\$000.465
11/18/2016 ZIP 88240
012E14642224
US