



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

Susana Martinez
Governor

John H. Bemis
Cabinet Secretary

Jami Bailey
Division Director
Oil Conservation Division

Response Required – Deadline Enclosed

Field Inspection Process

Protecting the Integrity of our Environment

01-Mar-12

HOBBS OCD

OXY USA INC
PO BOX 4294
HOUSTON TX 77210

MAR 05 2012

RECEIVED

LETTER OF VIOLATION - Inspection

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 reinspect the well and/or facility.

INSPECTION DETAIL SECTION

NEW MEXICO STATE No.002				K-11-10S-32E	30-025-00014-00-00	
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/01/2012	Complaint Response	Maxey Brown	Yes	No	6/4/2012	iMGB1206158166
	Violations					
	General Housekeeping (Rule 114)					
Comments on Inspection:	RECEIVED A PHONE CALL FROM MR. CARL LANE JOHNSON-RANCHER IN REFERENCE TO ROAD CONDITIONS OF LEASE ROAD INTO THIS WELL. EROSION HAS BEGUN TO DETERIORATE ROAD. TRAFFIC HAS STARTED DRIVING OFF THE LEASE ROAD INTO THE PASTURE TO GET TO THE WELL SITE. AFTER A CALL TO STATE LAND OFFICE, DISTRICT RESOURCE MANAGER, MR. BILL SONNAMAKER HE ADVISED THAT UNDER THE RIGHT-OF-WAY EASEMENT THE OPERATOR AGREES TO MAINTAIN THE ROAD TO THE WELL SITE. WE ARE REQUESTING OXY TO TAKE STEPS TO REPAIR LEASE ROAD TO PREVENT FUTURE TRAFFIC DRIVING IN PASTURE AREA. TAKE IN CONSIDERATION WATER BARS TO ASSIST IN EROSION PREVENTION. ALSO NEED TO REMOVE JUNK OR SURPLUS CABLE, CEMENT BLOCKS, CONDUIT AND UNUSED STEEL FLOWLINE FROM THIS SITE. THIS IS 1ST LETTER OF NON-COMPLIANCE.					

Oil Conservation Division • 1625 N. French Drive • Hobbs, New Mexico 88240

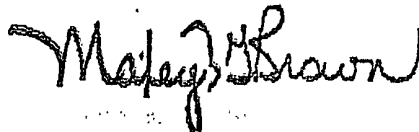
Phone 575-393-6161 • Fax 575-393-0720

http://www.enmrd.state.nm.us

MAR 05 2012

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. Such a hearing may result in imposition of CIVIL PENALTIES for your violation of OCD rules.

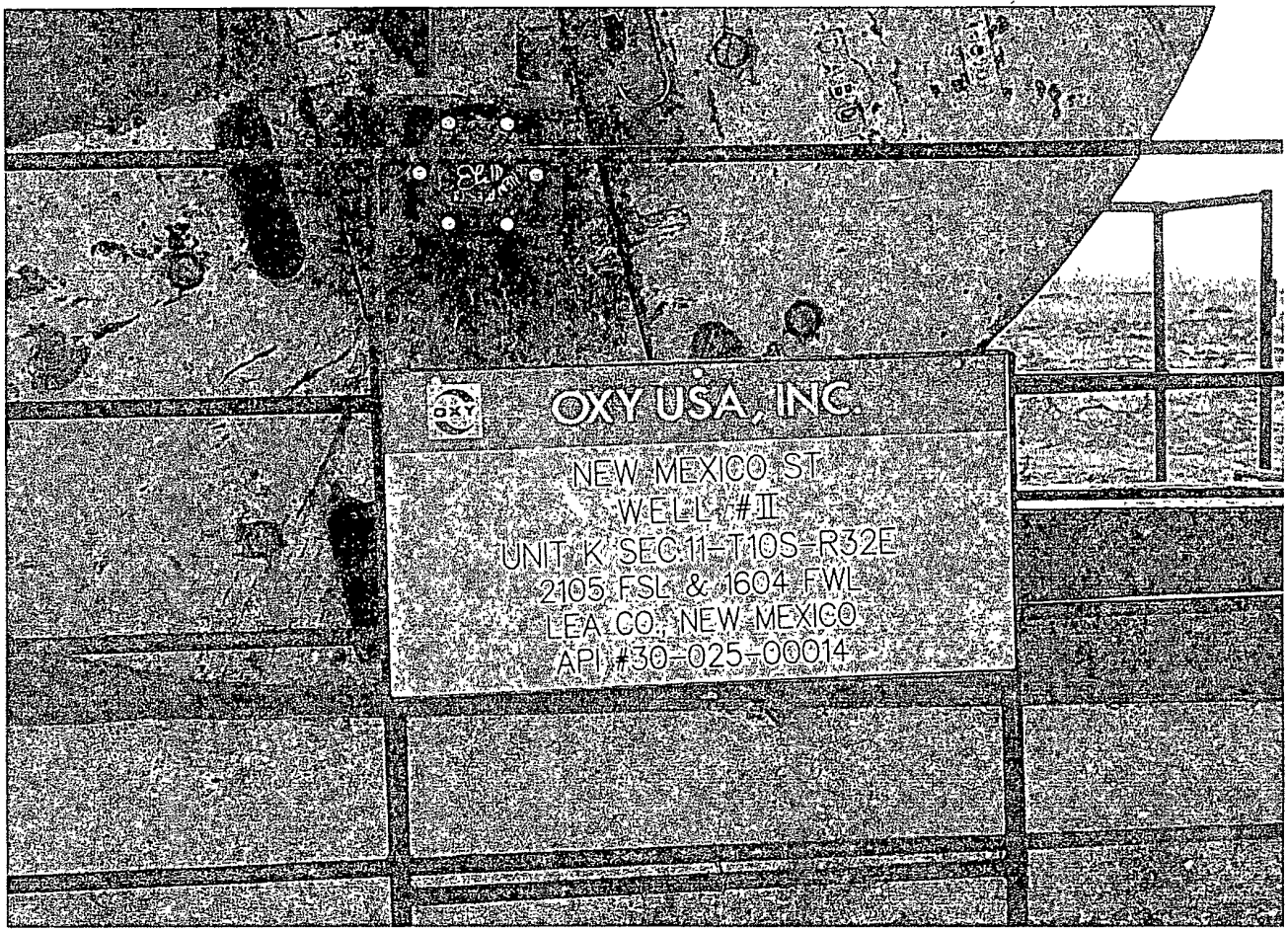
Sincerely,



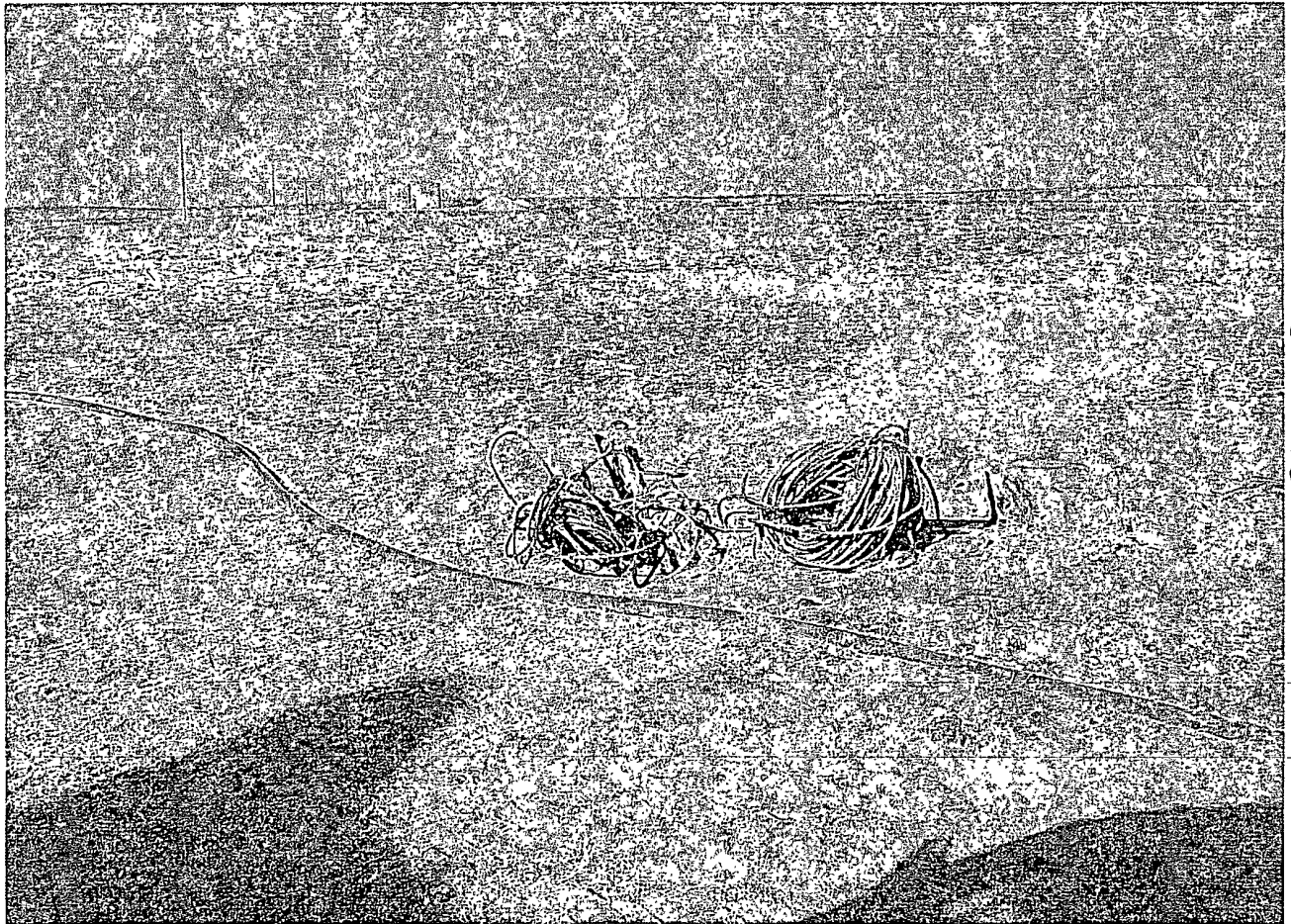
COMPLIANCE OFFICER

Hobbs OCD District Office

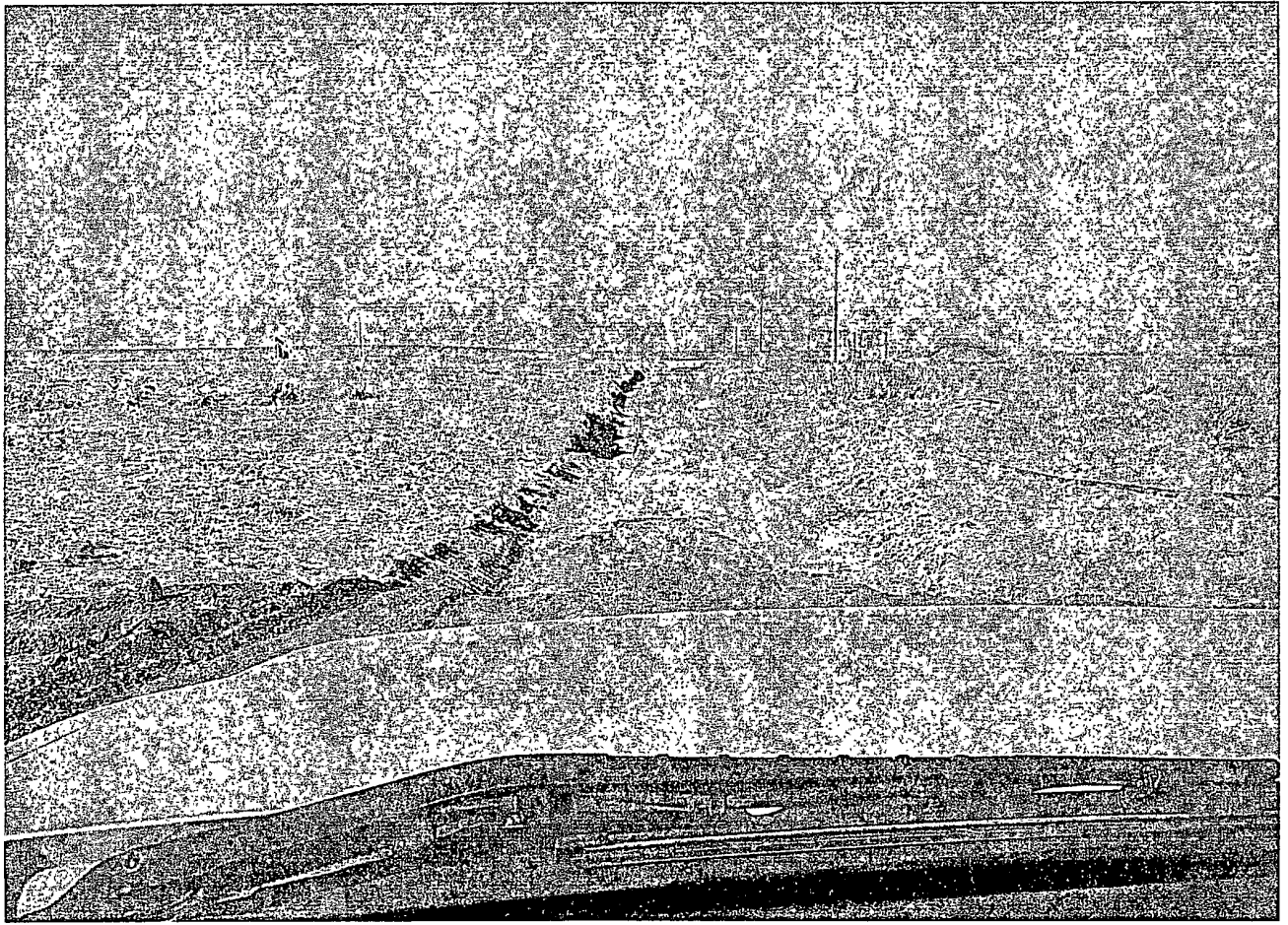
Note: Information in Detail Section comes directly from field inspector data entries - not all blanks will contain data
*Significant Non-Compliance events are reported directly to the EPA, Region VI, Dallas, Texas



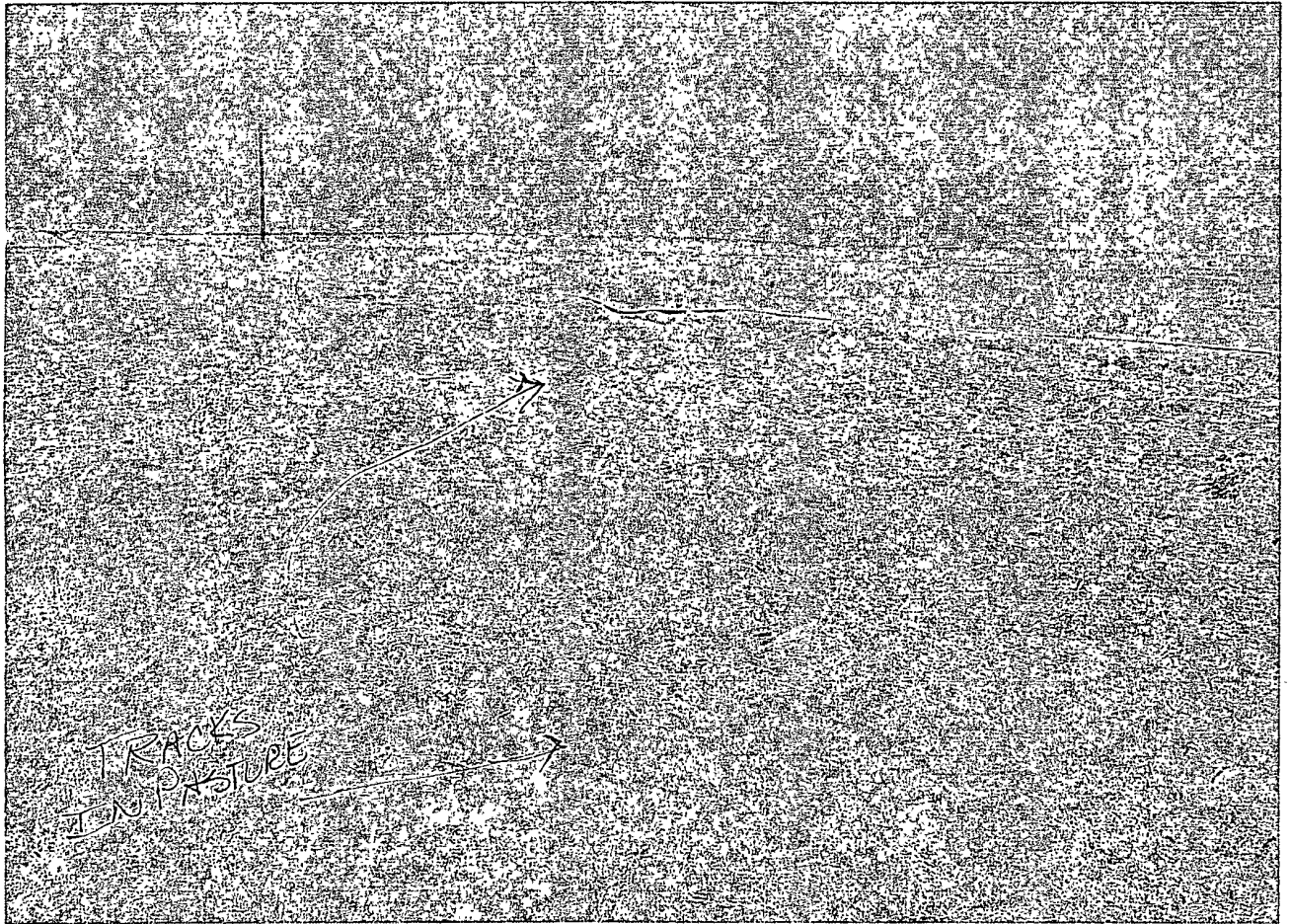
3/1/2012



JUNK CABLE AND
CONCRETE BLOCKS



EROSION OF
ROAD
3/1/2012



VEHICLE TRACKS OUTSIDE OF K.O.W.

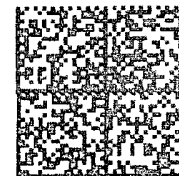


3/1/2012



SURPLUS FLOW LINE
SE CORNER OF LOCATION

EMNRD
OIL CONSERVATION DIVISION
1625 N FRENCH DRIVE
HOBBS NM 88240



HASLER
015H14150977
\$0.45
03/05/12
Mailed From 88240
US POSTAGE

OXY USA INC
PO BOX 4294
HOUSTON TX 77210