

State of New Mexico  
Energy, Minerals and Natural Resources Department

Susana Martinez  
Governor

Ken McQueen  
Cabinet Secretary

Matthias Sayer  
Deputy Cabinet Secretary

David Catanach  
Division Director



**\*Response Required - Deadline Enclosed\***

*Field Inspection Program*  
*"Preserving the Integrity of Our Environment"*

12-Dec-17

OXY USA INC  
PO Box 4294  
Houston TX 77210-7210

**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***

| GOODNIGHT 27 FEDERAL No.001 |   |              |            | N-27-23S-29E                 | 30-015-22157-00-00        |                |
|-----------------------------|---|--------------|------------|------------------------------|---------------------------|----------------|
| Inspection Date             | Type Inspection                               | Inspector    | Violation? | *Significant Non-Compliance? | Corrective Action Due By: | Inspection No. |
| 12/12/2017                  | Routine/Periodic                              | Tony Morales | Yes        | No                           | 3/17/2018                 | iTM1734639312  |
|                             | Violations                                    |              |            |                              |                           |                |
|                             | Surface Damage/Restoration                    |              |            |                              |                           |                |
| Comments on Inspection:     | OK. All Equipment and Location in Good Shape. |              |            | PJ STAINING AROUND WELLHEAD  |                           |                |
|                             | FRESH OIL STAINED AREA APPROX 10' X 30'       |              |            | 19.15.10.8 TANK BATTERIES NO |                           |                |
|                             | WINDSOCK                                      |              |            |                              |                           |                |

| CYPRESS 34 FEDERAL No.002H |   |              |            | F-34-23S-29E                 | 30-015-35413-00-00        |                |
|----------------------------|---|--------------|------------|------------------------------|---------------------------|----------------|
| Inspection Date            | Type Inspection                               | Inspector    | Violation? | *Significant Non-Compliance? | Corrective Action Due By: | Inspection No. |
| 12/12/2017                 | Routine/Periodic                              | Tony Morales | Yes        | No                           | 3/17/2018                 | iTM1734640759  |
|                            | Violations                                    |              |            |                              |                           |                |
|                            | General Housekeeping (Rule 114)               |              |            |                              |                           |                |
| Comments on Inspection:    | OK. All Equipment and Location in Good Shape. |              |            | PJ STAINING AROUND WELLHEAD  |                           |                |
|                            | TANK BATTERY NO WINDSOCK                      |              |            | 19.15.10.8                   |                           |                |

**CYPRESS 34 FEDERAL No.003H**

K-34-23S-29E

30-015-35692-00-00

| Inspection Date   | Type Inspection  | Inspector    | Violation? | *Significant Non-Compliance? | Corrective Action Due By: | Inspection No. |
|---|------------------|--------------|------------|------------------------------|---------------------------|----------------|
| 12/12/2017  | Routine/Periodic | Tony Morales | Yes        | No                           | 3/17/2018                 | iTM1734641077  |
| <b>Violations</b><br>Absent Well Identification Signs (Rule 103)  |                  |              |            |                              |                           |                |
| <b>Comments on Inspection:</b> OK. All Equipment and Location in Good Shape. PJ TANK BATTERY NO WINDSOCK<br>LOCATION SIGN NOT VISIBLE 19.15.16.8 FRAC TANKS ON LOCATION |                  |              |            |                              |                           |                |

**CYPRESS 34 FEDERAL No.005**

C-34-23S-29E

30-015-35693-00-00

| Inspection Date   | Type Inspection  | Inspector    | Violation? | *Significant Non-Compliance? | Corrective Action Due By: | Inspection No. |
|---|------------------|--------------|------------|------------------------------|---------------------------|----------------|
| 12/12/2017  | Routine/Periodic | Tony Morales | Yes        | No                           | 3/17/2018                 | iTM1734640528  |
| <b>Violations</b><br>General Housekeeping (Rule 114)  |                  |              |            |                              |                           |                |
| <b>Comments on Inspection:</b> OK. All Equipment and Location in Good Shape. PJO STAINING AROUND WELLHEAD<br>TANK BATTERY PLACARD WORN NO WINDSOCK 19.15.10.8 |                  |              |            |                              |                           |                |

**GOODNIGHT 27 FEDERAL No.002H**

L-27-23S-29E

30-015-36137-00-00

| Inspection Date   | Type Inspection  | Inspector    | Violation? | *Significant Non-Compliance? | Corrective Action Due By: | Inspection No. |
|---|------------------|--------------|------------|------------------------------|---------------------------|----------------|
| 12/12/2017  | Routine/Periodic | Tony Morales | Yes        | No                           | 3/17/2018                 | iTM1734638815  |
| <b>Violations</b><br>General Housekeeping (Rule 114)  |                  |              |            |                              |                           |                |
| <b>Comments on Inspection:</b> OK. All Equipment and Location in Good Shape. PJO BRINE STAINING AROUND<br>LOCATION 19.15.10.8 BIRD ELECTIC HOBBS NM INSTALLING PRESSURE<br>SWITCHES SPOKE MARK. |                  |              |            |                              |                           |                |

**GOODNIGHT 35 FEDERAL No.002H**

M-35-23S-29E

30-015-36373-00-00

| Inspection Date  | Type Inspection  | Inspector    | Violation? | *Significant Non-Compliance? | Corrective Action Due By: | Inspection No. |
|--|------------------|--------------|------------|------------------------------|---------------------------|----------------|
| 12/12/2017   | Routine/Periodic | Tony Morales | Yes        | No                           | 3/17/2018                 | iTM1734644980  |
| <b>Violations</b><br>Surface Damage/Restoration  |                  |              |            |                              |                           |                |
| <b>Comments on Inspection:</b> OK. All Equipment and Location in Good Shape. PJO STAINING AROUND WELLHEAD<br>TANK BATTERY NO PLACARD / WINDSOCK 19.15.10.8 |                  |              |            |                              |                           |                |

**CYPRESS 33 FEDERAL No.002H**

A-33-23S-29E

30-015-37308-00-00

| Inspection Date   | Type Inspection  | Inspector    | Violation? | *Significant Non-Compliance? | Corrective Action Due By: | Inspection No. |
|---|------------------|--------------|------------|------------------------------|---------------------------|----------------|
| 12/12/2017  | Routine/Periodic | Tony Morales | Yes        | No                           | 3/17/2018                 | iTM1734646257  |
| <b>Violations</b><br>General Housekeeping (Rule 114)  |                  |              |            |                              |                           |                |
| <b>Comments on Inspection:</b> OK. All Equipment and Location in Good Shape. PJO STAINING AROUND<br>WELLHEAD 19.15.10.8 |                  |              |            |                              |                           |                |

**CYPRESS 34 FEDERAL No.006H**

M-34-23S-29E

30-015-38366-00-00

| Inspection Date  | Type Inspection  | Inspector    | Violation? | *Significant Non-Compliance? | Corrective Action Due By: | Inspection No. |
|--|------------------|--------------|------------|------------------------------|---------------------------|----------------|
| 12/12/2017   | Routine/Periodic | Tony Morales | Yes        | No                           | 3/17/2018                 | iTM1734642601  |
| <b>Violations</b><br>General Housekeeping (Rule 114)   |                  |              |            |                              |                           |                |
| <b>Comments on Inspection:</b> OK. All Equipment and Location in Good Shape. PJO STAINING AROUND WELLHEAD<br>STAINING AREA APPROX 20' X 20' OLD SUCKER RODS ON LOCATION 19.15.10.8 |                  |              |            |                              |                           |                |

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,



Artesia 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.