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"

05-Jan-18

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.

			INSPECTIO	N DETAIL	SECTION		
PURE GOLD D FEDERAL No.002 Inspection Date Type Inspection			Inspector	Violation?	D-28-23S-31E *Significant Non-Compliance?	30-015-26987-00- Corrective Action Due By:	00 Inspection No.
01/05/2018	Routine/Periodic Violations General Housekeeping (Rule 114)		Tony Morales	Yes	No	4/10/2018	iTM1800539473
Comments	on Inspection:	OK. All Equip: 19.15.10.8	ment and Location in	I Good Shape.	PJ. STAINING	G AROUND WELL H	EAD
POKER LA	KE 32 STAT	E No.003			H-32-23S-31E	30-015-27095-00-	00
Inspection Date			Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
01/05/2018	Routine/Perio Violations Surface Leaks/S		Tony Morales	Yes	No	4/10/2018	iTM1800547819
		ment and Location in 9.15.10.8	Good Shape.	PJ. STAINING	G AROUND WELL H	IEAD	

PURE GOL Inspection	D B FEDERA	L No.014			C-20-23S-31E *Significant	30-015-27902-00-0 Corrective)0	
Date	Type Inspectio	n	Inspector	Violation?	Non-Compliance?	Action Due By:	Inspection No.	
01/05/2018	Routine/Peric Violations		Tony Morales	Yes	No	4/10/2018	iTM1800535018	
		eping (Rule 114)						
Comments o	on Inspection:	OK. All Equipn 19.15.10.8	nent and Location ir	1 Good Shape.	PJ. STAINING	G AROUND WELL HI	EAD	
PURE GOL Inspection	D B FEDERA	L No.011			K-20-23S-31E *Significant	30-015-35302-00-0 Corrective)0	
Date	Type Inspectio	n	Inspector	Violation?	Non-Compliance?	Action Due By:	Inspection No.	
01/05/2018	Routine/Perio Violations General Houseke	odic eeping (Rule 114)	Tony Morales	Yes	No	4/10/2018	iTM1800536395	
Comments o	Comments on Inspection: OK. All Equipment and Location in GoodShape HEAD 19.15.10.8				PJO. STAINING AROUND WELL			
MOBIL FEDERAL No.			002		H-29-23S-31E)0		
Inspection Date	Type Inspectio	n	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.	
01/05/2018	Routine/Perio		Tony Morales	Yes	No	4/10/2018	iTM1800538969	
a ,		eeping (Rule 114)		a				
Comments on Inspection: OK. All Equipment and Location in Good Shape. 19.15.10.8					PJ. STAINING AROUND WELL HEAD			
FEDERAL	29 No.005				C-29-23S-31E	30-015-37337-00-0	00	
Inspection Date	Type Inspectio	n	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.	
01/05/2018	Routine/Perio Violations Surface Leaks/S General Houseko		Tony Morales	Yes	No	4/10/2018	iTM1800542287	
Comments o	on Inspection:	OK. All Equipn FRESH OIL 19	nent and Location in 9.15.10.8	n Good Shape.	PJ. STAININC	G AROUND WELL HI	EAD	
FEDERAL 2	29 No.009				G-29-23S-31E *Significant	30-015-37697-00- Corrective	DO	
Date	Type Inspectio		Inspector	Violation?	Non-Compliance?	Action Due By:	Inspection No.	
01/05/2018	Routine/Perio Violations General Housek	odic eeping (Rule 114)	Tony Morales	Yes	No	4/10/2018	iTM1800538291	
Comments of	on Inspection:	OK. All Equipr WELLHEAD		n Good Shape	PJ POWER O	FF STAINING ARO	UND	
PURE GOLD B FEDERAL No.013				K-20-23S-31E	30-015-38542-00-00			
Inspection Date	Type Inspectio	n	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.	
01/05/2018	Routine/Perio	odic eeping (Rule 114)	Tony Morales	Yes	No	4/10/2018	iTM1800536228	
Comments	General Housek		nent and Location in 10.8	n Good Shape	. PJO. STAININ	NG AROUND WELL		

	KE 32 STAT	E No.008			E-32-23S-31E	30-015-27097-00-	00		
Inspection Date Type Inspection		Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.			
01/05/2018	Routine/Perio Violations Surface Leaks/S General Housek		Tony Morales	Yes	No	4/10/2018	iTM1800547285		
Comments o	on Inspection:	1 0	pment and Location in	Good Shape.	. PJ. STAINING AROUND WELL HEAD				
PURE GOL	D D FEDERA	AL No.017			E-28-23S-31E	30-015-27112-00-	00		
Inspection	Tuna Increatio	-	Increator	Violation 9	*Significant	Corrective	Increation No.		
Date 01/05/2018	Type Inspectio Routine/Perio		Inspector Topy Moralas	Violation? Yes	Non-Compliance?	Action Due By:	Inspection No.		
5170572018	Violations		Tony Morales	res	No	4/10/2018	iTM1800543603		
Comments o	General Housekeeping (Rule 114) Comments on Inspection: OK. All Equipment and Location in Goo 19.15.10.8			Good Shape.	nape. PJ. STAINING AROUND WELL HEAD				
MOBIL FE	DERAL	N	0.004		A-29-23S-31E	30-015-27114-00-	00		
Inspection Date	Type Inspectio		Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.		
01/05/2018	Routine/Perio		Tony Morales	Yes	No	4/10/2018	iTM1800539212		
Comments of	on Inspection:	-	pment and Location in TUBING / SUCKER	•		IG AROUND WELL			
POKER LA	KE 32 STAT	E No.005			C-32-23S-31E	30-015-27171-00-	00		
Inspection Date	Type Inspectio	n	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.		
01/05/2018	Routine/Perie Violations		Tony Morales	Yes	No	4/10/2018	iTM1800546164		
		eeping (Rule 114							
Comments of	on Inspection:		pment and Location in NORTH EAST OF P.			G AROUND WELLH PROX 15' X 45'	IEAD.		
PURE GOL	D D FEDERA	AL No.005			C-28-23S-31E	30-015-27216-00-	00		
Inspection Date	Type Inspectio	n	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.		
01/05/2018	Routine/Peri	odic	Tony Morales	Yes	No	4/10/2018	iTM1800539713		
	Violations Surface Damage		-						
	-	eeping (Rule 114	4)						
Comments on Inspection: OK. All Equipmen			pment and Location ir REA APPROX. 30' X		. PJ. STAININC	G AROUND WELL H	EAD		
PURE GOLD B FEDERAL No.005 Inspection				L-20-23S-31E *Significant	30-015-27289-00- Corrective				
Date	Type Inspectio		Inspector Torre Monoles	Violation?	Non-Compliance?	Action Due By:	Inspection No.		
01/05/2018	Routine/Peri Violations		Tony Morales	Yes	No	4/10/2018	iTM1800535507		
_		eeping (Rule 114							
Comments	on Inspection:	OK. All Equ HEAD 19.1	ipment and Location in	n Good Shape	. PJO. STAININ	IG AROUND WELL			

PURE GOLD B FEDERAL		AL No.016	No.016		30-015-38555-00-00				
Inspection Date	Type Inspectio	on Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.			
01/05/2018 Routine/Periodic		odic Tony Morales	Yes	No	4/10/2018	iTM1800533387			
Violations									
	General Housekeeping (Rule 114)								
-		OK. All Equipment and Location in 19.15.10.8	l Equipment and Location in Good Shape. 0.8		PJ. STAINING AROUND WELL HEAD				

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 Divison Examiner in Santa Fe to show cause why you should not be ordered to permanently plug and abandon this well.

Sincerely, O. J. Calor 10N 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.