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 72

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?	30-015-26987-00-0 Corrective Action Due By:) Inspection No.
01/05/2018	Routine/Peric Violations General Houseke	eping (Rule 114)	Tony Morales	Yes	No	4/10/2018	iTM1800539473
Comments	on Inspection:	OK. All Equipm 19.15.10.8	ent and Location in	Good Shape	. PJ. STAINING	G AROUND WELL HE	AD
POKER LAKE 32 STATE No.003 Inspection Date Type Inspection			Inspector	Violation?	H-32-23S-31E *Significant Non-Compliance?	30-015-27095-00-0 Corrective Action Due By:) Inspection No.
01/05/2018	Routine/Peric Violations Surface Leaks/Sp General Houseke		Tony Morales	Yes	No	4/10/2018	iTM1800547819
Comments on Inspection: OK. All Equipr FRESH OIL 19			ent and Location in .15.10.8	1 Good Shape	. PJ. STAINING	G AROUND WELL HE	EAD

	KE 32 STATI	E No.008			E-32-23S-31E *Significant	30-015-27097-00-	00
Inspection Date	Type Inspection	n	Inspector	Violation?	Non-Compliance?	Corrective Action Due By:	Inspection No.
01/05/2018	Routine/Peric Violations Surface Leaks/Sp General Houseke		Tony Morales	Yes	No	4/10/2018	iTM1800547285
Comments of	on Inspection:		nent and Location in 9.15.10.8	1 Good Shape.	PJ. STAINING	AROUND WELL H	EAD
PURE GOL	D D FEDERA	L No.017			E-28-23S-31E	30-015-27112-00-	00
Inspection Date	Type Inspection	n	Inspector	Violation?	*Significant	Corrective Action Due By:	Inspection No.
01/05/2018	Routine/Perio		Tony Morales	Yes	Non-Compliance? No	4/10/2018	iTM1800543603
0110012010	Violations	eping (Rule 114)	Tony Monutes	103	110	10/2010	11111000345003
Comments o	on Inspection:	OK. All Equipr 19.15.10.8	nent and Location ir	n Good Shape.	PJ. STAINING	AROUND WELL H	EAD
MOBIL FE	DERAL	No.	004		A-29-23S-31E	30-015-27114-00-00	
Inspection Date	Type Inspectio	n	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
01/05/2018	Routine/Perio Violations	odic ceping (Rule 114)	Tony Morales	Yes	No	4/10/2018	iTM1800539212
Comments of	on Inspection:	OK. All Equipr	nent and Location ir		PJO. STAININ OCATION 19.15.10.	G AROUND WELL 8	
POKER LA Inspection	KE 32 STAT	E No.005			C-32-23S-31E *Significant	30-015-27171-00- Corrective	00
Date	Type Inspectio	n	Inspector	Violation?	Non-Compliance?	Action Due By:	Inspection No.
01/05/2018		Routine/Periodic Tony Mo			No	4/10/2018	iTM1800546164
	Violations Surface Damage General Houseke	Restoration eeping (Rule 114)					
Comments of	on Inspection:	OK. All Equipr	ment and Location in ORTH EAST OF P		. PJO STAININ STAINED AREA AP	G AROUND WELLH PROX 15' X 45'	IEAD.
PURE GOL	D D FEDERA	L No.005			C-28-23S-31E	30-015-27216-00-	00
Inspection					*Significant	Corrective	
Date	Type Inspectio	n	Inspector	Violation?	Non-Compliance?	Action Due By:	Inspection No.
Date	Routine/Perio		Inspector Tony Morales	Violation? Yes		Action Due By: 4/10/2018	-
	Routine/Perio Violations Surface Damage	odic /Restoration	-		Non-Compliance?	-	-
Date 01/05/2018	Routine/Perio Violations Surface Damage	odic /Restoration eeping (Rule 114) OK. All Equipt	-	Yes n Good Shape.	Non-Compliance? No	-	iTM1800539713
Date 01/05/2018 Comments o	Routine/Perio Violations Surface Damage General Housek	odic /Restoration ceping (Rule 114) OK. All Equipt STAINED ARJ	Tony Morales	Yes n Good Shape.	Non-Compliance? No	4/10/2018	iTM1800539713 EAD
Date 01/05/2018 Comments o	Routine/Perio Violations Surface Damage General Housek on Inspection:	odic /Restoration eeping (Rule 114) OK. All Equipt STAINED ARI AL No.005	Tony Morales	Yes n Good Shape.	Non-Compliance? No . PJ. STAINING	4/10/2018 G AROUND WELL H	iTM1800539713 EAD
Date 01/05/2018 Comments of PURE GOL Inspection	Routine/Perio Violations Surface Damage General Housek on Inspection: D B FEDERA Type Inspectio Routine/Perio Violations	odic /Restoration eeping (Rule 114) OK. All Equipu STAINED ARI L No.005 n	Tony Morales nent and Location in EA APPROX. 30' X	Yes n Good Shape. (45'	Non-Compliance? No . PJ. STAINING L-20-23S-31E *Significant	4/10/2018 G AROUND WELL H 30-015-27289-00- Corrective	iTM1800539713 EAD 00

PURE GOL Inspection	D B FEDERA	L No.014			C-20-23S-31E *Significant	30-015-27902-00-0	00	
Date	Type Inspectio	n	Inspector	Violation?	Non-Compliance?	Corrective Action Due By:	Inspection No.	
01/05/2018	Routine/Peric Violations		Tony Morales	Yes	No	4/10/2018	iTM1800535018	
	General Housek	eping (Rule 114)						
Comments o	on Inspection:	OK. All Equipn 19.15.10.8	nent and Location in	n Good Shape.	. PJ. STAINING AROUND WELL HEAD			
PURE GOL Inspection	D B FEDERA	L No.011			K-20-23S-31E *Significant	30-015-35302-00-0 Corrective	00	
Date	Type Inspectio	n	Inspector	Violation?	Non-Compliance?	Action Due By:	Inspection No.	
01/05/2018	Routine/Peric Violations General Houseke	ectic ecping (Rule 114)	Tony Morales	Yes	No	4/10/2018	iTM1800536395	
			nent and Location ir	1 GoodShape.	PJO. STAINING AROUND WELL			
MOBIL FE	DERAL	No.	002		H-29-23S-31E	30-015-37335-00-0	00	
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	
C		eping (Rule 114)		0 10				
Comments on Inspection: OK. All Equipment and Location in 19.15.10.8				n Good Shape.	. PJ. STAININC	G AROUND WELL HI	EAD	
FEDERAL 2	29 No.005				C-29-23S-31E	30-015-37337-00-0	D0	
Inspection Date	Type Inspectio		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 of	on Inspection:		nent and Location in 9.15.10.8	n Good Shape	. PJ. STAINING	G AROUND WELL H	EAD	
FEDERAL 2	29 No.009				G-29-23S-31E	30-015-37697-00-0	00	
Inspection Date	Type Inspectio	n	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.	
01/05/2018	Routine/Perio Violations General Houseko	odic eeping (Rule 114)	Tony Morales	Yes	No	4/10/2018	iTM1800538291	
Comments of	on Inspection:	OK. All Equipr WELLHEAD	nent and Location in 19.15.10.8	n Good Shape	. PJ POWER O	OFF STAINING ARO	UND	
PURE GOL	D B FEDERA	L No.013			K-20-23S-31E	30-015-38542-00-	00	
Inspection Date	Type Inspectio		Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.	
01/05/2018	Routine/Peric Violations General Housek	odic eeping (Rule 114)	Tony Morales	Yes	No	4/10/2018	iTM1800536228	
Comments of	on Inspection:		nent and Location in 10.8	n Good Shape	. PJO. STAININ	NG AROUND WELL		

PURE GOLD B FEDERAL		L No.016	No.016		30-015-38555-00-00			
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	iTM1800533387		
Violations								
General Housekeeping (Rule 114)								
_		OK. All Equipment and Location in 19.15.10.8	Equipment and Location in Good Shape.).8		YJ. 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, 0.) allar 0 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.