State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez

Governor

Ken McQueenCabinet Secretary

Matthias Sayer

Deputy Cabinet Secretary

David CatanachDivision 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.

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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 Equipments 19.15.10.8			uipment and Location in	Good Shape	PJ. STAINING AROUND WELL HEAD		
POKER LA	KE 32 STAT	E No.003			H-32-23S-31E	30-015-27095-00-	00
Inspection Date	Type Inspection		Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
01/05/2018	Routine/Periodic		Tony Morales	Yes	No	4/10/2018	iTM1800547819
	Violations Surface Leaks/S General Housel	Spills Reeping (Rule 1	14)				
Comments on Inspection: OK. All E		quipment and Location in Good Shape. PJ . STAINING AROUND WELL HEAD IL 19.15.10.8					

INSPECTION DETAIL SECTION

PURE GOLD B FEDERAL No.014 C-20-23S-31E 30-015-27902-00-00 Inspection *Significant Corrective Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 01/05/2018 Routine/Periodic Tony Morales Yes No 4/10/2018 iTM1800535018 Violations General Housekeeping (Rule 114) Comments on Inspection: OK. All Equipment and Location in Good Shape. PJ. STAINING AROUND WELL HEAD 19.15.10.8 PURE GOLD B FEDERAL No.011 K-20-23S-31E 30-015-35302-00-00 Inspection *Significant Corrective **Type Inspection** Inspector Violation? Inspection No. Date Non-Compliance? **Action Due By:** 01/05/2018 Routine/Periodic Tony Morales iTM1800536395 Yes No 4/10/2018 Violations General Housekeeping (Rule 114) Comments on Inspection: OK. All Equipment and Location in GoodShape. PJO. STAINING AROUND WELL HEAD 19.15.10.8 **MOBIL FEDERAL** No.002 H-29-23S-31E 30-015-37335-00-00 Inspection *Significant Corrective Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 01/05/2018 Routine/Periodic Tony Morales Yes iTM1800538969 No 4/10/2018 Violations General Housekeeping (Rule 114) Comments on Inspection: OK. All Equipment and Location in Good Shape. PJ. STAINING AROUND WELL HEAD 19.15.10.8 FEDERAL 29 No.005 C-29-23S-31E 30-015-37337-00-00 Inspection *Significant Corrective Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: Yes 4/10/2018 iTM1800542287 01/05/2018 Routine/Periodic Tony Morales No **Violations** Surface Leaks/Spills General Housekeeping (Rule 114) Comments on Inspection: OK. All Equipment and Location in Good Shape. PJ. STAINING AROUND WELL HEAD FRESH OIL 19.15.10.8 FEDERAL 29 No.009 G-29-23S-31E 30-015-37697-00-00 Inspection *Significant Corrective **Type Inspection** Inspector Violation? Inspection No. Non-Compliance? Action Due By: Date 01/05/2018 Routine/Periodic **Tony Morales** Yes No 4/10/2018 iTM1800538291 **Violations** General Housekeeping (Rule 114) **Comments on Inspection:** OK. All Equipment and Location in Good Shape. PJ POWER OFF STAINING AROUND WELLHEAD 19.15.10.8 PURE GOLD B FEDERAL No.013 K-20-23S-31E 30-015-38542-00-00 Inspection *Significant Corrective

Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 01/05/2018 Routine/Periodic No 4/10/2018 iTM1800536228 Tony Morales Yes Violations General Housekeeping (Rule 114) **Comments on Inspection:** OK. All Equipment and Location in Good Shape. PJO. STAINING AROUND WELL

HEAD 19..15.10.8

POKER LAKE 32 STATE No.008 E-32-23S-31E 30-015-27097-00-00 Inspection *Significant Corrective Violation? **Type Inspection** Inspector Inspection No. Date Non-Compliance? **Action Due By:** 01/05/2018 Routine/Periodic **Tony Morales** Yes No 4/10/2018 iTM1800547285 Violations Surface Leaks/Spills General Housekeeping (Rule 114) Comments on Inspection: OK. All Equipment and Location in Good Shape. PJ. STAINING AROUND WELL HEAD FRESH OIL 19.15.10.8 PURE GOLD D FEDERAL No.017 E-28-23S-31E 30-015-27112-00-00 Inspection *Significant Corrective Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? **Action Due By:** 01/05/2018 Routine/Periodic **Tony Morales** Yes No iTM1800543603 4/10/2018 Violations General Housekeeping (Rule 114) Comments on Inspection: OK. All Equipment and Location in Good Shape. PJ. STAINING AROUND WELL HEAD 19.15.10.8 **MOBIL FEDERAL** A-29-23S-31E No.004 30-015-27114-00-00 *Significant Inspection Corrective **Type Inspection** Inspector Violation? Inspection No. Date Non-Compliance? **Action Due By:** Routine/Periodic 01/05/2018 iTM1800539212 Tony Morales No 4/10/2018 Yes Violations General Housekeeping (Rule 114) **Comments on Inspection:** PJO. STAINING AROUND WELL OK. All Equipment and Location in Good Shape. HEAD OLD TUBING / SUCKER RODS ON LOCATION 19.15.10.8 **POKER LAKE 32 STATE No.005** C-32-23S-31E 30-015-27171-00-00 *Significant Inspection Corrective **Type Inspection** Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 01/05/2018 Routine/Periodic **Tony Morales** Yes No 4/10/2018 iTM1800546164 Violations Surface Damage/Restoration General Housekeeping (Rule 114) **Comments on Inspection:** OK. All Equipment and Location in Good Shape. PJO STAINING AROUND WELLHEAD. FLOW LINE NORTH EAST OF PJ STAINING STAINED AREA APPROX 15' X 45' PURE GOLD D FEDERAL No.005 C-28-23S-31E 30-015-27216-00-00 Inspection *Significant Corrective Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By:

01/05/2018 Routine/Periodic iTM1800539713 Tony Morales Yes No 4/10/2018

Violations Surface Damage/Restoration General Housekeeping (Rule 114)

Comments on Inspection: OK. All Equipment and Location in Good Shape. PJ. STAINING AROUND WELL HEAD

STAINED AREA APPROX. 30' X 45'

PURE GOLD B FEDERAL No.005 L-20-23S-31E 30-015-27289-00-00

*Significant Corrective Inspection Violation? Inspection No. **Type Inspection** Inspector Date Non-Compliance? Action Due By: 01/05/2018 Routine/Periodic No 4/10/2018 iTM1800535507 Tony Morales Yes

Violations

General Housekeeping (Rule 114) **Comments on Inspection:** PJO. STAINING AROUND WELL OK. All Equipment and Location in Good Shape.

HEAD 19.15.10.8

Oil Conservation Division * 811 S. First St. * Artesia, New Mexico 88210 Phone: 575-748-1283 * Fax: 575-748-9720 * http://www.emnrd.state.nm.us PURE GOLD B FEDERAL

No.016

F-20-23S-31E

30-015-38555-00-00

Inspection Date

01/05/2018

Type Inspection

Inspector

Violation?

*Significant Non-Compliance?

Corrective Action Due By:

Inspection No.

Routine/Periodic

Tony Morales

Yes

No

4/10/2018

iTM1800533387

Violations

General Housekeeping (Rule 114)

Comments on Inspection:

OK. All Equipment and Location in Good Shape.

PJ. STAINING AROUND WELL HEAD

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 Divison 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.