State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez

Governor

Ken McQueen
Cabinet 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.

PURE GOLD D FEDERAL No.002 Inspection			Vocana de a	X/! -1 -4: 9	D-28-23S-31E *Significant	30-015-26987-00- Corrective		
Date	Type Inspection		Inspector	Violation?	Non-Compliance?	Action Due By:	Inspection No.	
01/05/2018	Routine/Periodic Violations		Tony Morales	Yes	No	4/10/2018	iTM1800539473	
	General Housel	eeping (Rule 11	4)					
Comments	on Inspection:	OK. All Equ 19.15.10.8	uipment and Location in	Good Shape.	PJ. STAINING	G AROUND WELL H	EAD	
POKER LAKE 32 STATE No.003				ALAN BRAIF -	H-32-23S-31E	30-015-27095-00-	00	
Inspection Date	ren w ut		Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.	
01/05/2018	Routine/Periodic Ton Violations		Tony Morales	ny Morales Yes	No	4/10/2018	iTM1800547819	
			•					
	Surface Leaks/S	Spills						
	General Housel	eeping (Rule 1	14)					
Comments on Inspection: OK. All Equipm FRESH OIL 19				ment and Location in Good Shape. PJ . STAINING AROUND WELL HEAD 9.15.10.8				

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: Routine/Periodic 01/05/2018 **Tony Morales** Yes No iTM1800535018 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 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: Tony Morales 01/05/2018 Routine/Periodic 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** H-29-23S-31E No.002 30-015-37335-00-00 Inspection *Significant Corrective Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 01/05/2018 Yes Routine/Periodic **Tony Morales** No 4/10/2018 iTM1800538969 Violations General Housekeeping (Rule 114) **Comments on Inspection:** PJ. STAINING AROUND WELL HEAD OK. All Equipment and Location in Good Shape. 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: 01/05/2018 Routine/Periodic Tony Morales Yes No 4/10/2018 iTM1800542287 **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. Date Non-Compliance? Action Due By: 01/05/2018 Routine/Periodic Tony Morales Yes iTM1800538291 No 4/10/2018 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 *Significant Inspection Corrective **Type Inspection** Inspection No. Inspector Violation? Date Non-Compliance? **Action Due By:** 01/05/2018 Routine/Periodic **Tony Morales** iTM1800536228 Yes No 4/10/2018

PJO. STAINING AROUND WELL

OK. All Equipment and Location in Good Shape.

Violations

Comments on Inspection:

General Housekeeping (Rule 114)

HEAD 19..15.10.8

POKER LAKE 32 STATE No.008 E-32-23S-31E 30-015-27097-00-00 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 iTM1800547285 Violations Surface Leaks/Spills General Housekeeping (Rule 114) OK. All Equipment and Location in Good Shape. Comments on Inspection: 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** Violation? Inspector Inspection No. Date Non-Compliance? Action Due By: 01/05/2018 Routine/Periodic Tony Morales Yes No 4/10/2018 iTM1800543603 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 No.004 A-29-23S-31E 30-015-27114-00-00 *Significant Corrective Inspection **Type Inspection** Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 01/05/2018 Routine/Periodic Tony Morales Yes No 4/10/2018 iTM1800539212 Violations General Housekeeping (Rule 114) Comments on Inspection: OK. All Equipment and Location in Good Shape. PJO. STAINING AROUND WELL 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 *Significant Corrective Inspection Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By:

01/05/2018 Routine/Periodic

Violations

Tony Morales Yes

No

4/10/2018

iTM1800539713

Surface Damage/Restoration General Housekeeping (Rule 114)

Comments on Inspection:

OK. All Equipment and Location in Good Shape. STAINED AREA APPROX. 30' X 45'

PJ. STAINING AROUND WELL HEAD

PURE GOLD B FEDERAL No.005

Inspection **Type Inspection** Date

Violations

01/05/2018

Inspector Routine/Periodic

Tony Morales

*Significant Violation? Non-Compliance? Yes No

L-20-23S-31E

Corrective Action Due By: 4/10/2018

30-015-27289-00-00

Inspection No. iTM1800535507

General Housekeeping (Rule 114)

Comments on Inspection:

OK. All Equipment and Location in Good Shape.

PJO. STAINING AROUND WELL

HEAD 19.15.10.8

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.