Form 3160-9 (December 1989)

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NOTICE OF INCIDENTS OF NONCOMPLIANCE

| | Identification | _ |
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| IID | 8910085080 | _ |
| Lease | NMNM05608 | _ |
| CA | | |
| Unit | | |
| PΑ | NMNM70998A | |

Bureau of Land Management Office Operator CARLSBAD FIELD OFFICE **OXY USA WTP LIMITED PTNRSHIP** Address Address 620 E GREENE STREET P O BOX 50250 MIDLAND TX 79710-0250 CARLSBAD NM 88220 Telephone Attention 575-234-5974 Inspector Attn Addr DENNISTON 1/4 1/4 Section Site Name Well or Facility Townshir Range Meridian County State N INDIAN BASIN 25 **SWNE 11 21S** 23E NMP **EDDY** NM 1/4 1/4 Section Township Meridian Site Name Well or Facility Range County State THE FOLLOWING VIOLATION WAS FOUND BY BUREAU OF LAND MANAGEMENT INSPECTORS ON THE DATE AND AT THE SITE LISTED ABOVE Time (24 - hour clock) Date Violation Gravity of Violation Onshore Order No. 1 XII A. 05/20/2010 10:44 **MINOR** Corrective Action To Be Completed By Date Corrected Assessment for Noncompliance Assessment Reference Receive 06/19/2010 43 CFR 3163.1()

Failure to submit Subsequent Report of Abandonment (Form 3160-5) one original and 3 copies. The report should give the detail the manner in which the plugging work was carried out, the extent (by depth) of cement plugs placed, and the size and location (by depths) of casing left in the well. Show date well was plugged.

| When violation is corrected, sign this notice and return to above address. | | | | |
|--|-----------|------|--|--|
| Company Representative Title | Signature | Date | | |
| Company Comments | | | | |
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WARNING

Incidents of Noncompliance correction and reporting timeframes begin upon receipt of this Notice or 7 business days after the date it is mailed, whichever is earlier. Each violation must be corrected within the prescribed time from receipt of this Notice and reported to the Bureau of Land Management office at the address shown above. Please note that you already may have been assessed for noncompliance (see amount under "Assessment for Noncompliance"). If you do not comply as noted above under "Corrective Action To Be Completed By" you may incur an additional assessment under (43 CFR 3163.1) and may also incur Civil Penalties (43 CFR 3163.2). All self-certified corrections must be postmarked no later than the next business day after the prescribed time for correction.

Section 109(d)(1) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3163.2(f)(1), provides that any person who "knowingly or willfully" prepares, maintains, or submits, false, inaccurate, or misleading reports, notices, affidavits, record, data, or other written information required by this part shall be liable for a civil penalty of up to \$25,000 per violation for each day such violation continues, not to exceed a maximum of 20 days.

REVIEW AND APPEAL RIGHTS

A person contesting a violation shall request a State Director review of the Incidents of Noncompliance. This request must be filed within 20 working days of receipt of the Incidents of Noncompliance with the appropriate State Director (see 43 CFR 3165.3). The State Director review decision may be appealed to the Interior Board of Lands Appeals, 801 North Quincy Street, Suite 300, Arlington VA 22203 (see 43 CFR 3165.4). Contact the above listed Bureau of Land Management office for further information.

| Freday Comments | | | | | Time 11/6 149 |
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| FOR OFFICE USE ONLY | | | | | |
| Number | | Date | Assessment | Penalty | Termination |
| | 50 |] | | | 1 |
| Type of Inspe | ction | | | | |
| | ES | | | | |
| | | | | | RG |