



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

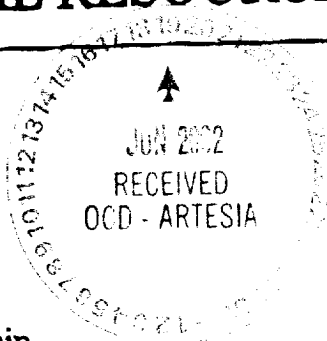
Betty Rivera

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division



25 April 2002

OXY USA WTP Limited Partnership
P.O. Box 4294
Houston, Texas 77210-4294

RE: OXY Wallace State # 2

J-9-17-27

API 30-015-30139

This is your third letter of direction informing you the well is still in violation of Rule 201

Dear Sirs:

You were notified by letters dated 2-15-2002 and 3-25-2002 on the violation of Rule 201. The letter of 3-25-2002 stated a deadline of 4-15-2002. We are in possession of a Form C-103 dated 4-19-2002 showing intent to P&A. This well must be plugged as per Rule 202 on or before 6-25-2002.

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In the event that a satisfactory response is not received to this letter of direction by 6 June, 2002 further enforcement will occur. Such enforcement may include this office applying to the Division for an order summoning you to a hearing before a Division Examiner in Santa Fe to show cause why you should not be ordered to permanently plug and abandon this well. Such a hearing may result in imposition of **CIVIL PENALTIES** for your violation of OCD rules.

Sincerely,

ATTN: Van Barton
Field Rep. II

6/12/02

Please see attached for a copy of the C103 that was
filed this date for the plugging of the OXY Wallace St #2.

Thanks,

David Stewart-OXY-915-685-5717

OXY WALLACE STATE COM NO. 2 (Plug and Abandon)

06/04/2002 CMIC:Davis

MIRU KEY plugging crew. NDWH NU BOP Released packer. SION

L/E: \$1712 CUM L/E: \$1712

06/05/2002 CMIC:Davis

POOH w/ tbg and packer. RU wireline RIH tagged up @ 7560'. SION

L/E: \$2152 CUM L/E: \$3864

06/06/2002 CMIC:Davis

RIH w/ 3-7/8 bit, 6 3-1/8, DC tagged up @ 7567'. Cleaned out fill to 8464'.

CHC POOH to 7183 SION

L/E: \$3727 CUM L/E: \$7591

06/07/2002 CMIC:Davis

RIH tagged fill @ 8464'. POOH LD 20 jts tbg finished POOH w/ tbg LD BHA. SION

L/E: \$1295 CUM L/E: \$8886

06/08/2002 CMIC:Davis

RIH w/ CIBP could not work below 4796'. POOH w/ wireline. RIH w/ tbg tagged @ 7990'. Reviewed plugging procedure w/ NMOC rep Mike Bratcher. Mike approved spotting 35 sxs Class C cmt plug @ 7990'. WOC RIH tagged cmt 7460'. NMOC rep wanted 50 more feet of cmt. Spotted 5 sxs Class C cmt. Loaded hole w/ mud. POOH 20 stands. SI till Monday

L/E: \$3314 CUM L/E: \$12200

06/09/2002 CMIC:Davis

SI till Monday. CUM L/E: \$12200

06/10/2002 CMIC:Davis

SI till Monday CUM L/E: \$12200

06/11/2002 CMIC:Davis

RIH tagged cmt @ 7396'. LD tbg to 5953' spotted 25 sxs class C cmt. POOH w/ tbg. RIH w/ csg cutter could not work below 2596'. RD wireline SION

L/E: \$3043 CUM L/E: \$15243

06/12/2002 CMIC:Davis

RIH w/ bit & 4-1/2 csg scraper. POOH LD csg scraper and bit. RIH cut csg @ 4750'. POOH LD 104 jts 4-1/2 csg. RIH worked tbg into csg stub. SION cmt bulk truck brokedown in Andrews.

L/E: \$4029 CUM L/E: \$19272

06/13/2002 CMIC:Davis

Spotted 40 sxs class C cmt. POOH WOC. Tagged cmt @ 4607'. POOH to 3800' spotted 30 sxs class C cmt. POOH to 1863, spotted 45 sxs class C cmt.

POOH w/ tbg WOC. RIH w/ tbg tagged green cmt. POOH w/ tbg SION.

L/E: \$3746 CUM L/E: \$23018

06/14/2002 CMIC:Davis

RIH tagged cmt @ 1711' POOH to 478' spotted 45 sxs class C cmt. POOH w/ tbg WOC RIH tagged cmt @ 348'. POOH ND BOP RIH spotted 16 sxs class c cmt. surface plug. RDMO

L/E: \$2568 CUM L/E: \$25586