

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John H. Bemis
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

HOBBS OCD

JUL 18 2013

RECEIVED

Jami Bailey, Division Director
Oil Conservation Division



***Response Required - Deadline**

Field Inspection Program
"Preserving the Integrity of Our Environment"

17-Jul-13

OCCIDENTAL PERMIAN LTD.
ATTN: MENDY JOHNSON
HCR 1 BOX 90
DENVER CITY, TX 79323

LETTER OF VIOLATION -

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.

INSPECTION DETAIL SECTION

NORTH HOBBS G/SA UNIT No.321

G-25-18S-37E

30-025-05505-00-

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
07/17/2013	File and Compliance	Sylvia Dickey	Yes	No	10/20/2013	iSAD1319855170

Comments on Inspection:

OPERATOR IN VIOLATION OF NMOCD RULE 19.15.7.14 WELL PRESENTLY SHOWS PRODUCTION ON FILE-LAST APPROVED STATUS SHOWS TEMPORARILY ABANDONED. NOI C103 TO RETURN WELL TO PRODUCTION WAS APPROVED 10/18/2010; ***AT THIS TIME THE HOBBS OCD 1 OFFICE DOES NOT HAVE ON FILE A SUBSEQUENT REPORT C103 SHOWING THE WORK PERFORMED RESULTING IN ACTIVE STATUS. PLEASE SUBMIT A SUBSEQUENT REPORT C103 STATING IN DETAIL WORK PERTAINING TO THE PRODUCING STATUS CHANGE OF FEBRUARY 2011.

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July 17, 2013

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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 Division Examiner in Santa Fe to show cause why you should not be ordered to permanently plug and abandon this well.

Sincerely,



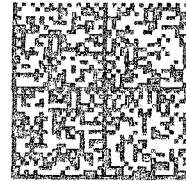
Hobbs OCD District Office

COMPLIANCE OFFICER

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.

EMNRD
OIL CONSERVATION DIVISION
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HOBBS NM 88240



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