Susana Martinez Governor

David Martin Cabinet Secretary

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

FEB 0 6 2014

RECEIVED

Jami Bailey, Division Director Oil Conservation Division



Response Required - Deadline

Field Inspection Program
"Preserving the Integrity of Our Environment"

05-Feb-14

CHEVRON U S A INC ATTN: REGULATORY & COMPLIANCE P.O. BOX 2100 HOUSTON TX 77252

LETTER OF VIOLATION -

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 re-inspect the well and/or facility.

INSPECTION DETAIL SECTION CENTRAL DRINKARD UNIT No.408 D-28-21S-37E 30-025-25184-00-Inspection *Significant Corrective Date **Type Inspection** Inspector Violation? Non-Compliance? Action Due By: Inspection No. 02/05/2014 Pressure Test Sylvia Dickey Yes No 5/11/2014 iSAD1403646695 ****OPERATOR OVER PRESSURE LIMIT*** APPROVED INJECTION PRESSURE LIMIT PER Comments on Inspection:** WFX- 826 IS 1304 PSI. ***OPERATOR IN VIOLATION OF NMOCD RULE 19.15.26.10 **OPERATION & MAINTENANCE*****

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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 1625 N FRENCH DRIVE HOBBS NM 88240



CHEVRON USA INC. ATTN: REGULATORY & COMPLIANCE P.O. BOX 2100 HOUSTON, TX 77252