State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez Governor

Ken McQueen Cabinet Secretary

Matthias Sayer Deputy Cabinet Secretary **David Catanach** Division 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.

			INSPECTIO	N DETAIL	SECTION		
PURE GOLD D FEDERAL No.002 Inspection Date Type Inspection			Inspector	Violation?	D-28-23S-31E *Significant Non-Compliance?	30-015-26987-00-0 Corrective Action Due By:	00 Inspection No.
01/05/2018	Routine/Periodic Violations General Housekeeping (Rule 114)		Tony Morales	Yes	No	4/10/2018	iTM1800539473
Comments	on Inspection:		ent and Location in	Good Shape.	PJ. STAINING	AROUND WELL H	EAD
POKER LAKE 32 STATE No.003 Inspection Date Type Inspection		Inspector	Violation?	H-32-23S-31E *Significant Non-Compliance?	30-015-27095-00- Corrective Action Due By:	00 Inspection No.	
01/05/2018	Routine/Peric Violations Surface Leaks/S General Housek	·	Tony Morales	Yes	No	4/10/2018	iTM1800547819
Comments on Inspection: OK. All Equipm FRESH OIL 19		nent and Location ir 0.15.10.8	n Good Shape	PJ. STAINING	G AROUND WELL H	EAD	

	D B FEDERA	L No.014			C-20-23S-31E	30-015-27902-00-0	00
Inspection Date	Type Inspection	n	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
01/05/2018	Routine/Perio		Tony Morales	Yes	No	4/10/2018	iTM1800535018
0		eping (Rule 114)		a			
Comments	on Inspection:	OK. All Equipm 19.15.10.8	nent and Location ir	n Good Shape.	PJ. STAININC	G AROUND WELL HI	EAD
	D B FEDERA	L No.011			K-20-23S-31E	30-015-35302-00-0)0
Inspection Date	Type Inspectio	n	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
01/05/2018	Routine/Perio Violations General Houseko	odic eeping (Rule 114)	Tony Morales	Yes	No	4/10/2018	iTM1800536395
Comments o	on Inspection:	nent and Location ir 0.8	n GoodShape.	PJO. STAINING AROUND WELL			
MOBIL FEI	DERAL	No.(002		H-29-23S-31E	30-015-37335-00-0)0
Inspection Date	Type Inspectio	n	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
01/05/2018	Routine/Perio Violations General Houseko	odic ceping (Rule 114)	Tony Morales	Yes	No	4/10/2018	iTM1800538969
Comments o	on Inspection:		nent and Location in	n Good Shape.	PJ. STAINING	G AROUND WELL HI	EAD
FEDERAL 2	29 No.005				C-29-23S-31E	30-015-37337-00-0	00
Inspection Date	Type Inspectio	n	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
01/05/2018	Routine/Perio Violations Surface Leaks/S General Housek		Tony Morales	Yes	No	4/10/2018	iTM1800542287
Comments of	on Inspection:		nent and Location in 0.15.10.8	n Good Shape.	PJ. STAINING	G AROUND WELL HI	EAD
FEDERAL 2	29 No.009				G-29-23S-31E *Significant	30-015-37697-00- Corrective	00
Date	Type Inspectio	n	Inspector	Violation?	Non-Compliance?	Action Due By:	Inspection No.
01/05/2018	Routine/Perio Violations General Housek	odic eeping (Rule 114)	Tony Morales	Yes	No	4/10/2018	iTM1800538291
			nent and Location in 9.15.10.8	n Good Shape	PJ POWER O	FF STAINING ARO	UND
PURE GOLD B FEDERAL No.013 Inspection		T	X/:_1 /: 0	K-20-23S-31E *Significant	30-015-38542-00- Corrective		
Date	Type Inspectio		Inspector Topy Morales	Violation?	Non-Compliance?	•	Inspection No.
01/05/2018	Routine/Perio Violations General Housek	odic eeping (Rule 114)	Tony Morales	Yes	No	4/10/2018	iTM1800536228
Comments	on Inspection:		nent and Location in 10.8	n Good Shape	. PJO. STAININ	NG AROUND WELL	

					E-32-23S-31E 30-015-27097-00-00			
Inspection Date Type Inspection		n	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.	
01/05/2018	Routine/Perio Violations Surface Leaks/S	odic	Tony Morales	Yes	No	4/10/2018	iTM1800547285	
Comments of	on Inspection:		pment and Location in	Good Shape.	PJ. STAINING	AROUND WELL H	EAD	
PURE GOL	D D FEDERA	AL No.017			E-28-23S-31E	30-015-27112-00-	00	
Inspection Date	Type Inspectio	'n	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.	
01/05/2018	Routine/Peri		Tony Morales	Yes	Non-Compliance:	4/10/2018	iTM1800543603	
	Violations	eeping (Rule 114		200	110	1,10,2010		
Comments of	on Inspection:	OK. All Equi 19.15.10.8	pment and Location in	Good Shape.	PJ. STAINING AROUND WELL HEAD			
MOBIL FE	DERAL	Ν	No.004			A-29-23S-31E 30-015-27114-00-00		
Inspection Date	Type Inspectio	n	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.	
01/05/2018	Routine/Perie		Tony Morales	Yes	No	4/10/2018	iTM1800539212	
Comments of	General Housek on Inspection:) ipment and Location in D TUBING / SUCKER			IG AROUND WELL		
POKER LAKE 32 STATE No.005 Inspection					C-32-23S-31E 30-015-27171-00-00 *Significant Corrective			
Date	Type Inspectio		Inspector	Violation?	Non-Compliance?	Action Due By:	Inspection No.	
01/05/2018	Routine/Peri Violations Surface Damage General Housek	e/Restoration	Tony Morales	Yes	No	4/10/2018	iTM1800546164	
		ipment and Location in NORTH EAST OF P.			G AROUND WELLH 'PROX 15' X 45'	IEAD.		
PURE GOL	D D FEDER	AL No.005			C-28-23S-31E	30-015-27216-00-	00	
Inspection Date	Type Inspectio	n	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.	
01/05/2018	Routine/Peri Violations Surface Damage General Housek		Tony Morales	Yes	No	4/10/2018	iTM1800539713	
Comments on Inspection: OK. All Equipment and Location in Good Shape STAINED AREA APPROX. 30' X 45'					. PJ. STAINING	G AROUND WELL H	EAD	
Inspection	GOLD B FEDERAL No.005		T	X7-1 (1 - 0	L-20-23S-31E *Significant	30-015-27289-00- Corrective		
Date	Type Inspection		Inspector Topy Morates	Violation? Ves	Non-Compliance?	Action Due By:	Inspection No.	
01/05/2018	Routine/Peri Violations General Housek	Odic eeping (Rule 114	Tony Morales	Yes	No	4/10/2018	iTM1800535507	
Comments	on Inspection:		ipment and Location ir	Good Shape	. PJO. STAININ	NG AROUND WELL		

PURE GOLD B FEDERAL		AL No.016	No.016		30-015-38555-00-00		
Inspection Date	Type Inspectio	n Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.	
01/05/2018	01/05/2018 Routine/Periodic		Yes	No	4/10/2018	iTM1800533387	
Violations							
General Housekeeping (Rule 114)							
_		OK. All Equipment and Location in 19.15.10.8	Equipment and Location in Good Shape.		PJ. STAINING AROUND WELL HEAD		

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, O, D, Cal 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.