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"

16-Feb-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 | | |
|-------------------------------|--|------------------------------|---------------------|------------|---|---|----------------------|
| HARROUN Inspection Date | 15 No.007 Type Inspection | | Inspector | Violation? | C-15-24S-29E *Significant Non-Compliance? | 30-015-29987-00-0 Corrective Action Due By: |)0 Inspection No. |
| 02/16/2018 | Routine/Perioc Violations General Housekee | | Tony Morales | Yes | No | 5/22/2018 | iTM1804742156 |
| Comments | | OK. All Equipm 19.15.10.8 | ent and Location in | Good Shape | . PJO. STAINING | AROUND WELL HE | AD |
| HARROUN Inspection Date | I 15 No.008 Type Inspection | | Inspector | Violation? | F-15-24S-29E *Significant Non-Compliance? | 30-015-30253-00-(Corrective Action Due By: |)O Inspection No. |
| 02/16/2018 | Routine/Perioc Violations General Housekee | | Tony Morales | Yes | No | 5/22/2018 | iTM1804742453 |
| Comments | - | OK. All Equipm 19.15.10.8 | ent and Location in | Good Shape | . PJ. STAINING A | ROUND WELL HEAI |) |

| HARROUN Inspection Date 02/16/2018 | 10 No.001 Type Inspection Routine/Peric | | Inspector Tony Morales | Violation? Yes | N-10-24S-29E *Significant Non-Compliance? No | 30-015-30375-00-0 Corrective Action Due By: 5/22/2018 | 0 Inspection No. iTM1804745357 |
|---|--|-----------------------------|---------------------------|-------------------|---|---|--------------------------------------|
| | Violations General Houseke | eping (Rule 114) | · | | | | |
| Comments of | on Inspection: | OK. All Equip 19.15.10.8 | ment and Location in | Good Shape. | PJ. STAINING A | ROUND WELL HEAI |) |
| HARROUN Inspection Date | 15 No.009 Type Inspectio | n | Inspector | Violation? | J-15-24S-29E *Significant Non-Compliance? | 30-015-30713-00-0 Corrective Action Due By: |)0 Inspection No. |
| 02/16/2018 | Routine/Perio Violations General Houseko | odic eeping (Rule 114) | Tony Morales | Yes | No | 5/22/2018 | iTM1804743277 |
| Comments of | on Inspection: | OK. All Equip .15 .10. 8 | ment and Location ir | 1 Good Shape. | PJ. STAINING A | ROUND WELL HEAI | D 19 |
| HARROUN 10 No.002 | | | | | M-10-24S-29E | 30-015-31709-00-0 |)0 |
| Inspection Date | Type Inspectio | n | Inspector | Violation? | *Significant Non-Compliance? | Corrective Action Due By: | Inspection No. |
| 02/16/2018 | Routine/Peric Violations General Houseke | odic ceping (Rule 114) | Tony Morales | Yes | No | 5/22/2018 | iTM1804741784 |
| Comments | on Inspection: | OK. All Equip 19.15.10.8 | ment and Location ir | n Good Shape. | PJ. STAINING A | ROUND WELL HEAI |) |

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, 61 20 50

Artesia OCO 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.