State of New Mexico Energy, Minerals and Natural Resources Department

Field Inspection Program "Preserving the Integrity of Our Environment"

Susana Martinez

Governor

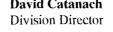
Ken McQueen

Cabinet Secretary

Matthias Saver

Deputy Cabinet Secretary

David Catanach







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 Inspectio	n	Inspector	Violation?	C-15-24S-29E *Significant Non-Compliance?	30-015-29987-00- Corrective Action Due By:	00 Inspection No.	
02/16/2018	Routine/Periodic		Tony Morales	Yes	No	5/22/2018	iTM1804742156	
	Violations General Housek	eeping (Rule 114)						
Comments	on Inspection:	OK. All Equip 19.15.10.8	oment and Location in	Good Shape	. PJO. STAINING	AROUND WELL HE	AD	
HARROUN Inspection Date	15 No.008 Type Inspectio	n	Inspector	Violation?	F-15-24S-29E *Significant Non-Compliance?	30-015-30253-00- Corrective Action Due By:	00 Inspection No.	
02/16/2018	Routine/Perio Violations General Housek	odic eeping (Rule 114)	Tony Morales	Yes	No	5/22/2018	iTM1804742453	
		OK. All Equip 19.15.10.8	OK. All Equipment and Location in Good Shape. PJ. STAINING AROUND WELL HEAD 19.15.10.8					

DICEPTON DETAIL CEOTION

HARROUN 10 No.001 N-10-24S-29E 30-015-30375-00-00 Inspection *Significant Corrective Type Inspection Violation? Inspection No. Inspector Non-Compliance? Date Action Due By: 02/16/2018 Routine/Periodic Yes No 5/22/2018 iTM1804745357 **Tony Morales Violations** General Housekeeping (Rule 114) **Comments on Inspection:** OK. All Equipment and Location in Good Shape. PJ. STAINING AROUND WELL HEAD 19.15.10.8

HARROUN 15 No.009 J-15-24S-29E 30-015-30713-00-00 *Significant Corrective Inspection Inspection No. **Type Inspection** Inspector Violation? Date Non-Compliance? Action Due By: 02/16/2018 Routine/Periodic iTM1804743277 Tony Morales No 5/22/2018 Yes Violations General Housekeeping (Rule 114)

Comments on Inspection: OK. All Equipment and Location in Good Shape. PJ. STAINING AROUND WELL HEAD 19 .15 .10 .8

30-015-31709-00-00 HARROUN 10 No.002 M-10-24S-29E Inspection *Significant Corrective **Type Inspection** Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 5/22/2018 02/16/2018 Routine/Periodic Tony Morales Yes No iTM1804741784 **Violations** General Housekeeping (Rule 114)

Comments on Inspection: OK. All Equipment and Location in Good Shape. PJ. STAINING AROUND WELL HEAD 19.15.10.8

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,

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.