State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez

Governor

Ken McQueen

Cabinet Secretary

Matthias Sayer

Deputy Cabinet Secretary

Heather Riley
Division Director



Response Required - Deadline Enclosed

Field Inspection Program
"Preserving the Integrity of Our Environment"

27-Feb-18

OXY USA INC

PO Box 4294

Houston TX 77210-7210

WOOD DRAW 35 FEDERAL No.001

LETTER OF VIOLATION - Inspection

30-015-34967-00-00

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.

INSPECTION DETAIL SECTION

O-35-24S-29E

Inspection Date	n Type Inspection		Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
02/27/2018	Routine/Periodic Violations		Tony Morales	Yes	No	6/2/2018	iTM1805835903
	General Housek	eping (Rule 11	4)				
Comments	on Inspection:		uipment and Location in N DRUMS OTHER DE	1		G AROUND WELL	HEAD
WOOD DR	AW 35 FEDE	RAL No.00	2		O-35-24S-29E	30-015-35258-00-	00
Inspection Date	Type Inspection	n	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
02/27/2018	Routine/Periodic		Tony Morales	Yes	No	6/2/2018	iTM1805835723
	Violations		•				
	General Housek	eping (Rule 11	4)				
			All Equipment and Location in Good Shape. PJO. STAINING AROUND WELL HEAD ALLON DRUMS ON LOCATION HOLDING TANKS NO WINDSOCK 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 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.