| Susana Martinez                                    | - 0 -       | ATE OF NEW MEXIC                              | 2                    |  |
|--|-------------|---|----------------------|--|
| John H. Bemis                                      | HOBBS OCD   |   |                      |  |
| Cabinet Secretary-Designate                        |             | Jami Bailey<br>Division Director              | ]•]                  |  |
| Brett F. Woods, Ph. D.<br>Acting Cabinet Secretary | JUL 27 2011 | Oil Conservation Division                     | ALCONSERVICION DIMUN |  |
|  |             | uired – Deadline Enclosed*<br>ield Inspection |                      |  |
|  |             | Integrity of Our Environment"                 |                      |  |
| 27-Jul-11  |             | OXY USA INC.                                  |                      |  |
|  |             | 1017 W. STANOLIND RD.                         |                      |  |
| OXY USA WTP LIMITED PARTNERSHIP                    |             | HOBBS, NM 88240                               |                      |  |
| PO BOX 4294<br>HOUSTON TX 77210                    |             |   |                      |  |
| 110051010 17 17210                                 |             | LETTER OF VIOLAT                              | -<br>ION -           |  |
| Dear Operator:                                     |             |   |                      |  |

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.

of your well or facility by an inspector employed by the Oil Conservation Division on the date(s) indicated.

## **INSPECTION DETAIL SECTION**

| MYERS LA<br>Inspection                                  | NGLIE MAT       | FIX UNIT No.241             |              | K-12-24S-36E<br>*Significant             | <b>30-025-09551-0</b><br>Corrective | 00-            |  |
|---|-----------------|-----------------------------|--------------|--|-------------------------------------|----------------|--|
| Date  | Type Inspection | Inspector                   | Violation?   | Non-Compliance?                          | Action Due By:                      | Inspection No. |  |
| 07/27/2011  | Bradenhead      | Sylvia Dickey               | Yes          | No                                       | 10/30/2011                          | iSAD1120833080 |  |
| Comments on Inspection: NEED TO REPLACE SURFACE VALVE U |                 |                             |              | ABLE TO OPEN****OPERATOR IN VIOLATION OF |                                     |                |  |
|   |                 | NMOCD RULE 19.15.26.10***** | OPERATOR     | AND MAINTENANCE                          |                                     |                |  |
| <b>MYERS LA</b>   | NGLIE MAT       | FIX UNIT No.096             | J-31-23S-37E | 30-025-10907-00-                         |                                     |                |  |
| Inspection  |                 |                             |              | *Significant                             | Corrective                          |                |  |
| Date  | Type Inspection | Inspector                   | Violation?   | Non-Compliance?                          | Action Due By:                      | Inspection No. |  |
| 07/26/2011  | Bradenhead      | Sylvia Dickey               | Yes          | No                                       | 10/29/2011                          | iSAD1120732681 |  |

07/26/2011BradenheadSylvia DickeyYesNo10/29/2011iSAD1120732681Comments on Inspection:\*\*NO WELL SIGN ; OPERATOR IN VIOLATION OF NMOCD RULE 19.15.16.8 \*\*\*3RD NOTICE OFVIOLATION\*\*\*\* SHUT IN DUE TO INJ LINE REPAIR;



July 27, 2011 Page 2

In the event that a satisfactory response is not received to this letter of direction by the "Repair Due:" date shown above, or if the well(s) are not immediately shut-in, 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. Such a hearing may result in imposition of CIVIL PENALTIES for your violation of OCD rules.

Sinderely, Hobbs OCD District Office

## COMPLIANCE OFFICER

Note: Pressure Tests are performed prior to initial injection, after repairs and otherwise, every 5 years; Bradenhead Tests are performed annually. Information in Detail Section comes directly from field inspector data entries - not all blanks will contain data. "Failure Type" and "Failure Cause" and any Comments are not to be interpreted as a diagnosis of the condition of the wellbore. Additional testing should be conducted by the operator to accurately determine the nature of the actual failure. \* Significant Non-Compliance events are reported directly to the EPA, Region VI, Dallas, Texas.

## ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT Oil Conservation Division 1625 N. French Drive Hobbs, NM 88240



OXY USA INC. 1017 W. STANOLIND RD. HOBBS, NM 88240

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OXY USA INC. P.O. BOX 4294 HOUSTON, TX 77210