



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

Susana Martinez
Governor

John H. Bemis
Cabinet Secretary

Jami Bailey
Division Director
Oil Conservation Division

Response Required – Deadline Enclosed

*Field Inspection Program
"Protecting the Integrity of Our Environment"*

14-Nov-11

HOBBS OCD

NOV 15 2011

OXY USA INC
PO BOX 4294
HOUSTON TX 77210

RECEIVED

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.

INSPECTION DETAIL SECTION

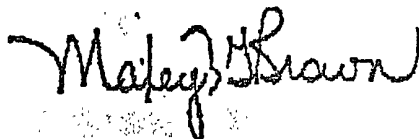
NEW MEXICO E STATE No.003				C-26-10S-32E	30-025-21046-00-00	
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
11/14/2011	Plugged Well Surface Restor	Maxey Brown	Yes	No	12/17/2012	iMGB1131855667
Comments on Inspection:		DO NOT RELEASE. RULE 19.15.25.10 PA MARKER HAS NOT BEEN CORRECTED. PLEASE HAVE WELDER ADD API#, TOWNSHIP AND RANGE TO MARKER. THIS IS 1ST LETTER OF NON-COMPLIANCE. PLEASE CONTACT DANIEL SANCHEZ 505-476-3493 SANTA FE OFFICE, IF YOU HAVE QUESTIONS.				

NEW MEXICO E STATE No.004				F-26-10S-32E	30-025-21099-00-00	
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
11/14/2011	Plugged Well Surface Restor	Maxey Brown	Yes	No	12/17/2012	iMGB1131856245
Comments on Inspection:		DO NOT RELEASE. RULE 19.15.25.10 PA MARKER IS NOT CORRECT. API# MUST BE ON MARKER. ALSO REMOVE DRIVE BELTS 10' SE OF MARKER PARTIALLY BURIED. THIS IS 1ST LETTER OF NON-COMPLIANCE. CONTACT DANIEL SANCHEZ 505-476-3493 SANTA FE OFFICE WITH ANY QUESTIONS. THIS IS 1ST LETTER OF NON-COMPLIANCE.				

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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 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.

Sincerely,

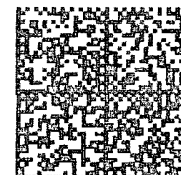


COMPLIANCE OFFICER

Hobbs 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

EMNRD
OIL CONSERVATION DIVISION
1625 N FRENCH DRIVE
HOBBS NM 88240



HASLER 015H14150977
\$0.44
11/15/11
Mailed From 88240
US POSTAGE

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HOUSTON TX 77210