New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez

Governor

John H. Bemis Cabinet Secretary-Designate

Brett F. Woods, Ph. D. **Acting Cabinet Secretary** HOBBS OCD

Jami Bailey Division Director Oil Conservation Division

NOV 28 2011



RECEIVED

Response Required - Deadline Enclosed

Field Inspection Program "Preserving the Integrity of Our Environment"

22-Nov-11

CHEVRON US A INC 15 SMITH ROAD MIDLAND TX 79705

Dear Operator:

LETTER OF VIOLATION - Inspection

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

CENTRAL	VACUUM	UNIT No.059
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Bradenhead

Inspection Date Type Inspection

Comments on Inspection:

Inspector Sylvia Dickey Violation? Yes

*Significant Non-Compliance? No

E-31-17S-35E

30-025-25725-00-00 Corrective Action Due By: 2/20/2012

Inspection No. iSAD1132646785

C02 LEAK UNDER MASTER TUBING VALVE; ***OPERATOR IN VIOLATION OF

NMOCD RULE 19.15.26.10***OPERATION AND MAINTENANCE****

CENTRAL VACUUM UNIT No.459

Bradenhead

D-31-17S-35E

30-025-38641-00-00

Inspection Date

11/17/2011

11/17/2011

Type Inspection

Inspector Sylvia Dickey Violation? Yes

*Significant Non-Compliance? No

Corrective Action Due By: 2/20/2012

Inspection No. iSAD1132647417

Comments on Inspection:

NO WELL SIGN ON LOCATION -- **** OPERATOR IN VIOLATION OF NMOCD RULE

19.15.16.8***



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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 Divison 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.

Hobbs OCD District Office COMPLIANCE OFFICER

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



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CHEVRON USA INC. ATTN: COMPLIANCE/REGULATIONS 15 SMITH ROAD MIDLAND, TX 79705