

State of New Mexico  
Energy, Minerals and Natural Resources Department

Susana Martinez  
Governor

John Bemis  
Cabinet Secretary

Brett F. Woods, Ph.D.  
Deputy Cabinet Secretary

HOBBS OCD  
JUN 26 2012  
RECEIVED

Jami Bailey  
Division Director  
Oil Conservation Division



**\*Response Required – Deadline Enclosed\***

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

26-Jun-12

OCCIDENTAL PERMIAN LTD.  
ATTN: SCOTT HODGES  
1017 W. STANOLIND RD  
HOBBS, NM 88240

**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**

<b>NORTH HOBBS G/SA UNIT No.241</b>		<b>N-29-18S-38E</b>		<b>30-025-07437-00-00</b>	
<b>Inspection</b>				<b>*Significant</b>	<b>Corrective</b>
<b>Date</b>	<b>Type Inspection</b>	<b>Inspector</b>	<b>Violation?</b>	<b>Non-Compliance?</b>	<b>Action Due By:</b>
06/22/2012	Bradenhead	Sylvia Dickey	Yes	No	9/25/2012
<b>Comments on Inspection:</b>		<b>Inspection No.</b>			
WELLHEAD IS LEAKING CO2 ON TOP FLANGE. ***OPERATOR IN VIOLATION OF NMOCD RULE 19.15.26.10 ***OPERATION AND MAINTENANCE***		iSAD1217847857			
<b>NORTH HOBBS G/SA UNIT No.635</b>		<b>I-29-18S-38E</b>		<b>30-025-37409-00-00</b>	
<b>Inspection</b>				<b>*Significant</b>	<b>Corrective</b>
<b>Date</b>	<b>Type Inspection</b>	<b>Inspector</b>	<b>Violation?</b>	<b>Non-Compliance?</b>	<b>Action Due By:</b>
06/22/2012	Bradenhead	Sylvia Dickey	Yes	No	9/25/2012
<b>Comments on Inspection:</b>		<b>Inspection No.</b>			
INSPECTION VIOLATION-**NO WELL SIGN" AND SURFACE VALVE NEEDS TO BE REPLACED. ***OPERATOR IN VIOLATION OF NMOCD RULE 19.15.16.8 "SIGN ON WELLS" AND 19.15.26.10 "OPERATION & MAINTENANCE"		iSAD1217848968			

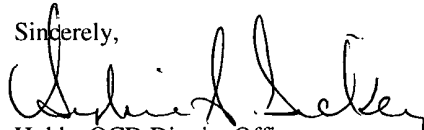
JUN 26 2012

June 26, 2012

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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,



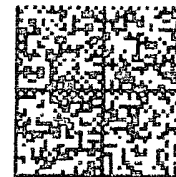
Hobbs OCD District Office

**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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