



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

SUSANA MARTINEZ

Governor

John H. Bemis

Cabinet Secretary

Jami Bailey

Director

Oil Conservation Division

HOBBS OCD
AUG 16 2012
RECEIVED

Response Required – Deadline Enclosed

Field Inspection Program

"Preserving the Integrity of Our Environment"

16-Aug-12

CHEVRON USA INC.
ATTN: REGULATORY & COMPLIANCE
15 SMITH ROAD
MIDLAND, TX 79705

CHEVRON USA INC.
P.O. BOX 1949
EUNICE, NM 88231

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.

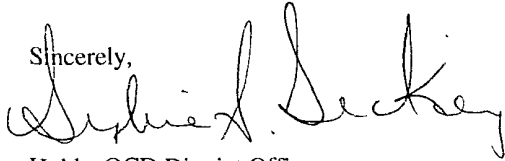
INSPECTION DETAIL SECTION

CENTRAL DRINKARD UNIT No.151				I-31-21S-37E	30-025-06917-00-00		
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.	
08/09/2012	Bradenhead	Sylvia Dickey	Yes	No	11/12/2012	iSAD1222257684	
Comments on Inspection:		OPERATOR NEEDS TO REPLACE VALVES ON SURFACE CASING AND INTERMEDIATE CASING; OCD UNABLE TO PERFORM UIC TEST ON SURFACE AND INTERMEDIATE CASINGS. ***OPERATOR IN VIOLATION OF NMCD RULE 19.15.26.10****OPERATION AND MAINTENANCE****					

AUG 16 2012

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.

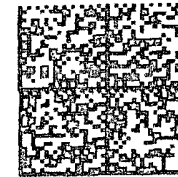
Sincerely,



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

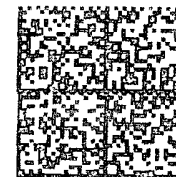
EMNRD
OIL CONSERVATION DIVISION
1625 N FRENCH DRIVE
HOBBS NM 88240



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