

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John H. Bemis
Cabinet Secretary

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

***Response Required - Deadline**

Jami Bailey, Division Director
Oil Conservation Division



Field Inspection Program
"Preserving the Integrity of Our Environment"

HOBS OCD

OCT 10 2013

RECEIVED

10-Oct-13

CHAPARRAL ENERGY LLC
701 CEDAR LAKE BLVD.
OKLAHOMA CITY OK 73114

LETTER OF VIOLATION -

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

WEST DOLLARHIDE QUEEN SAND UNIT No.001		O-19-24S-38E	30-025-12212-00-	
Inspection		*Significant	Corrective	
Date	Type Inspection	Non-Compliance?	Action Due By:	Inspection No.
10/10/2013	Bradenhead	Yes	1/13/2014	
iSAD1328327347				
Comments on Inspection:		BHT REPORTED WELL IS SHUT IN; WELL HAS NO REPORTED INJECTION IN 12 MONTHS. ***OPERATOR IS IN VIOLATION OF NMOCD RULE 19.15.26.12.C TERMINATION OF AUTHORITY TO INJECT***OPERATOR MUST SUBMIT INFORMATION REGARDING OPERATOR'S INTENTIONS ON FUTURE USE OF WELL*****		

WEST DOLLARHIDE QUEEN SAND UNIT No.018		P-30-24S-38E	30-025-12257-00-	
Inspection		*Significant	Corrective	
Date	Type Inspection	Non-Compliance?	Action Due By:	Inspection No.
10/08/2013	Bradenhead	Yes	1/11/2014	
iSAD1328149866				
Comments on Inspection:		BHT PASSED 9/17/2013; ANNUAL UIC TESTING; ***PER CARLOS AND TRACI W/CHAPARRAL ENERGY 405-426-4451 OPERATOR WILL RESUBMIT C103 SUNDRY NOTICES APPROVED 5/24/2010 AND 4/22/2005 AS "AMENDED REPORTS" CORRECTION OF STATUS OF WELL WILL BE SUBMITTED ***VIOLATION LETTER SUBMITTED 10/10/2013 "FOR RECORD ONLY" AWAITING OPERATOR'S SUBMITTALS" PER NMOCD RULE 19.15.7.14. SUNDRY NOTICES AND REPORTS ON WELLS.		

WEST DOLLARHIDE QUEEN SAND UNIT No.021

Inspection Date	Type Inspection	Inspector	Violation?	M-30-24S-38E *Significant Non-Compliance?	30-025-12270-00- Corrective Action Due By:	Inspection No.
10/08/2013	Bradenhead	Sylvia Dickey	Yes	No	1/11/2014	

iSAD1328141923

Comments on Inspection: BHT OKAY 09/17/2013; ANNUAL UIC TESTING; **PACKER SETTING DEPTH 106' ABOVE TOP PERF. ***OPERATOR IN VIOLATION OF NMOCD PERMIT ORDER WFX-570***OPERATOR MUST SEEK APPROVAL FROM PHILLIP GOETZ - OCD SANTA FE PRIOR TO SETTING PACKER MORE THAN 100' ABOVE TOP PERF***

WEST DOLLARHIDE QUEEN SAND UNIT No.036

Inspection Date	Type Inspection	Inspector	Violation?	I-31-24S-38E *Significant Non-Compliance?	30-025-12288-00- Corrective Action Due By:	Inspection No.
10/09/2013	Bradenhead	Sylvia Dickey	Yes	No	1/12/2014	

iSAD1328227580

Comments on Inspection: BHT OKAY 9/17/2013; ANNUAL UIC TESTING; **PACKER SETTING DEPTH 132' ABOVE TOP PERF. ***OPERATOR IN VIOLATION OF NMOCD PERMIT ORDER WFX-570***OPERATOR MUST SEEK APPROVAL FROM PHILLIP GOETZ - OCD SANTA FE PRIOR TO SETTING PACKER MORE THAN 100' ABOVE TOP PERF***

WEST DOLLARHIDE QUEEN SAND UNIT No.037

Inspection Date	Type Inspection	Inspector	Violation?	L-32-24S-38E *Significant Non-Compliance?	30-025-12302-00- Corrective Action Due By:	Inspection No.
10/09/2013	Bradenhead	Sylvia Dickey	Yes	No	1/12/2014	

iSAD1328227957

Comments on Inspection: BHT OKAY 9/17/2013; ANNUAL UIC TESTING; **PACKER SETTING DEPTH 117' ABOVE TOP PERF. ***OPERATOR IN VIOLATION OF NMOCD PERMIT ORDER WFX-570***OPERATOR MUST SEEK APPROVAL FROM PHILLIP GOETZ - OCD SANTA FE PRIOR TO SETTING PACKER MORE THAN 100' ABOVE TOP PERF***

WEST DOLLARHIDE QUEEN SAND UNIT No.111

Inspection Date	Type Inspection	Inspector	Violation?	L-29-24S-38E *Significant Non-Compliance?	30-025-30192-00- Corrective Action Due By:	Inspection No.
10/10/2013	Bradenhead	Sylvia Dickey	Yes	No	1/13/2014	

iSAD1328334479

Comments on Inspection: BHT PASSED 9/17/2013; BHT REPORTED WELL IS SHUT IN; WELL HAS NO REPORTED INJECTION IN 12 MONTHS. ***OPERATOR IS IN VIOLATION OF NMOCD RULE 19.15.26.12.C TERMINATION OF AUTHORITY TO INJECT***OPERATOR MUST SUBMIT INFORMATION REGARDING OPERATOR'S INTENTIONS ON FUTURE USE OF WELL*****

WEST DOLLARHIDE QUEEN SAND UNIT No.142

Inspection Date	Type Inspection	Inspector	Violation?	P-32-24S-38E *Significant Non-Compliance?	30-025-30299-00- Corrective Action Due By:	Inspection No.
10/09/2013	Bradenhead	Sylvia Dickey	Yes	No	1/12/2014	

iSAD1328238372

Comments on Inspection: BHT AND PRESSURE TEST OKAY 9/17/2013; ANNUAL UIC TESTING; PSA 3577; TPA 3645; **OPERATOR OVER INJECTION LIMIT*** INJECTION REPORTED 1360 PSI - APPROVED INJECTION 1120 PSI**OPERATOR IN VIOLATION OF NMOCD RULE 19.15.26.10***OPERATION AND MAINTENANCE***AND WFX 570.

WEST DOLLARHIDE QUEEN SAND UNIT No.143

Inspection Date	Type Inspection	Inspector	Violation?	J-32-24S-38E *Significant Non-Compliance?	30-025-30300-00- Corrective Action Due By:	Inspection No.
10/09/2013	Bradenhead	Sylvia Dickey	Yes	No	1/12/2014	

iSAD1328239021

Comments on Inspection: BHT OKAY 9/17/2013; ANNUAL UIC TESTING; SHUT IN FOR 12 MONTHS; PSA 3577; TPA 3643; ***OPERATOR IS IN VIOLATION OF NMOCD RULE 19.15.26.12.C TERMINATION OF AUTHORITY TO INJECT***OPERATOR MUST SUBMIT INFORMATION REGARDING OPERATOR'S INTENTIONS ON FUTURE USE OF WELL*****

WEST DOLLARHIDE QUEEN SAND UNIT No.151

M-29-24S-38E

30-025-30306-00-

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
10/10/2013	Bradenhead	Sylvia Dickey	Yes	No	1/13/2014	

iSAD1328330685

Comments on Inspection: BHT PASSED 9/17/2013; ANNUAL UIC TESTING; **PACKER SETTING DEPTH 119' ABOVE TOP PERF. ***OPERATOR IN VIOLATION OF NMOCD PERMIT ORDER WFX-570***OPERATOR MUST SEEK APPROVAL FROM PHILLIP GOETZ - OCD SANTA FE PRIOR TO SETTING PACKER MORE THAN 100' ABOVE TOP PERF***

WEST DOLLARHIDE QUEEN SAND UNIT No.133

D-31-24S-38E

30-025-30355-00-

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
10/09/2013	Bradenhead	Sylvia Dickey	Yes	No	1/12/2014	

iSAD1328235735

Comments on Inspection: LAST INJ 12/2012; SHUT IN/TA EXPIRED 2007; NO REPORT ON FILE TO DETERMINE STATUS CHANGE OF WELL; TA'D 2006 TBG/PKR IN HOLE; ***OPERATOR IN VIOLATION OF NMOCD RULE 19.15.25.12 (APPROVED TEMPORARY ABANDONMENT) *****UPON WORKOVER OPERATOR MUST SET PACKER ACCORDING TO OCD PERMIT WFX-570 - NOTE - IF PACKER CANNOT BE SET ACCORDINGLY, OPERATOR MUST CONTACT OCD SANTA FE PHILLIP FOR PACKER SETTING APPROVAL.

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.

Sincerely,

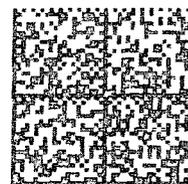


Hobbs OCD District Office

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



HASLER
015H14150977
\$0.46
10/10/13
Mailed From 88240
US POSTAGE

Chaparral Energy LLC
Attn: Traci/Carlos Regulatory NM/Engineering
701 Cedar Lake Blvd
Oklahoma City, OK 73114