

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

Jami Bailey, Division Director
Oil Conservation Division



***Response Required - Deadline**

Field Inspection Program
"Preserving the Integrity of Our Environment"

October 30, 2013

HOBBS OCD

CHEVRON U S A INC

Attn: Danny Hunt
1616 W. Bender
Hobbs, NM 88240

NOV 04 2013

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RE: **VIOLATIONS – DIVISION ORDER R5003**
NMOCD RULE 19.15.26.11 – MECHANICAL INTEGRITY
UIC BRADENHEAD TEST FORMS -

Mr. Hunt:

Attached please find the Bradenhead Test Forms (BHT) submitted by Chevron USA, relative to the UIC Annual Test requirements, for the OCD District I Office. The BHT's are for various properties, including the Buckeye and R5003 Special Ordered Area.

These forms were received, as noted, on October 28, 2013. After further review, several of the forms were missing test information and/or detailed test result information.

Justin Hobbs was contacted on October 29, 2013, regarding the incorrect data. As a result Justin was to meet with the OCD on October 29, 2013 and rescheduled on his behalf for October 30th, 2013 @ 2:00 pm. This meeting was never fulfilled.

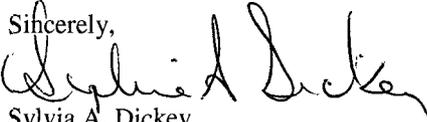
The OCD has pulled information to assist in detail, what is needed to submit correct and valid test information. This data has been compiled to be given to Chevron USA regarding this test package.

For record, the original test data information is being submitted back to be corrected and resubmitted.

If you need any further assistance, please contact Sylvia A. Dickey, Compliance Officer, Hobbs OCD @ 575-370-3188, or 575-393-6161 x112.

Your assistance regarding this matter will be greatly appreciated.

Sincerely,


Sylvia A. Dickey
Compliance Officer
Hobbs OCD District I

NOV 04 2013

OCT 28 2013

RECEIVED

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0729

State of New Mexico
Energy, Minerals and Natural Resources Department
Oil Conservation Division Hobbs District Office

BRADENHEAD TEST REPORT

| | |
|--|-----------------------------------|
| Operator Name Chevron | API Number 30-025-20823 |
| Property Name Concho E state | Well No. 2 |

Surface Location

| | | | | | | | | |
|----------------------|----------------------|------------------------|---------------------|-------------------------|------------------------|--------------------------|------------------------|----------------------|
| UL - Lot N | Section 31 | Township 17S | Range 35E | Feet from 660 | N/S Line FSL | Feet from 1700 | E/W Line FWL | County Lea |
|----------------------|----------------------|------------------------|---------------------|-------------------------|------------------------|--------------------------|------------------------|----------------------|

Well Status

| | | | |
|-------------|----------------|-----------|---------------------------|
| Well Status | SHUT-IN | PRODUCING | DATE 10/22/2013 |
|-------------|----------------|-----------|---------------------------|

OPEN BRADENHEAD AND INTERMEDIATE TO ATMOSPHERE INDIVIDUALLY FOR 15 MINUTES EACH

OBSERVED DATA

If bradenhead flowed water, check all of the descriptions that apply:

| | (A) Surf-Interm | (B) Interm (1)-Interm (2) | (C) Interm-Prod | (D) Prod-Tubing | (E) Tubing |
|----------------------|-----------------|---------------------------|-----------------|-----------------|------------|
| Pressure | 10 PSI | | | | |
| Flow Characteristics | | | | | |
| Puff | (X) N | Y / N | Y / N | Y / N | Y / N |
| Steady Flow | Y / (X) | Y / N | Y / N | Y / N | Y / N |
| Surges | Y / (X) | Y / N | Y / N | Y / N | Y / N |
| Down to nothing | Y / (X) | Y / N | Y / N | Y / N | Y / N |
| Gas or Oil | Y / (X) | Y / N | Y / N | Y / N | Y / N |
| Water | Y / (X) | Y / N | Y / N | Y / N | Y / N |

If bradenhead flowed water, check all of the descriptions that apply:

| | | | | |
|-------|-------|-------|--------|-------|
| CLEAR | FRESH | SALTY | SULFUR | BLACK |
|-------|-------|-------|--------|-------|

Remarks:

Well Show Production
As of 7/2013.
SAD 10/30/2013.

FOR RECORD ONLY
SAD 10/30/2013

(Shut IN)??

ELG/OCD 10-29-2013

| | |
|---|----------------------------|
| Signature: <i>J Hobbs</i> | OIL CONSERVATION DIVISION |
| Printed name: Justin Hobbs | Entered into RBDMS |
| Title: PSSS | Re-test |
| E-mail Address: Jhobbs@chevron.com | |
| Date: 10/22/2013 | Phone: 575-631-4228 |
| Witness: | |

NOV 04 2013

EMNRD
OIL CONSERVATION DIVISION
1625 N FRENCH DRIVE
HOBBS, NM 88240

CHEVRON USA INC.
1616 W. BENDER
HOBBS, NM 88240

