

State of New Mexico  
Energy, Minerals and Natural Resources Department

Susana Martinez  
Governor

David Martin  
Cabinet Secretary

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

HOBBS OCD

JAN 16 2014

RECEIVED

Jami Bailey, Division Director  
Oil Conservation Division



**\*Response Required - Deadline**

*Underground Injection Control Program  
"Protecting Our Underground Sources of Drinking"*

15-Jan-14

CHEVRON MIDCONTINENT L.P.  
ATTN: REGULATION & COMPLIANCE  
15 SMITH ROAD  
MIDLAND, TX 79705

**LETTER OF VIOLATION and SHUT-IN  
DIRECTIVE Failed Mechanical Integrity Test**

Dear Operator:

The following test(s) were performed on the listed dates on the following well(s) shown below in the test detail section. The test(s) indicates that the well or wells failed to meet mechanical integrity standards of the New Mexico Oil Conservation Division. To comply with guidelines established by the U.S. Environmental Protection Agency, the well(s) must be shut-in immediately until it is successfully repaired. The test detail section which follows indicates preliminary findings and/or probable causes of the failure. This determination is based on a test of your well or facility by an inspector employed by the Oil Conservation Division. Additional testing during the repair operation may be necessary to properly identify the nature of the well failure.

Please notify the proper district office of the Division at least 48 hours prior to the date and time that the well(s) will be retested so the test may be witnessed by a field representative.

**MECHANICAL INTEGRITY TEST DETAIL SECTION**

**LOVINGTON PADDOCK UNIT No.031**

**30-025-03775-00-00**  
L-36-16S-36E

Active Injection - (All Types)

Test Date: 10/14/2013 Permitted Injection PSI: Actual PSI:  
Test Reason: 5-year Test Test Result: F Repair Due: 1/17/2014  
Test Type: Std. Annulus Pres. Test FAIL TYPE: Operational Violation FAIL CAUSE:  
Comments on MIT: \*\*PRESSURE TEST UNACCEPTABLE\*\* CHART SHOULD REACH A MINIMUM AMOUNT OF 300#; PRESSURE TEST CHART DATED 10/14/2013 SHOWS BEGINNING PRESSURE OF 290#. \*\*\*OPERATOR IN VIOLATION OF NMOC D RULE 19.16.26.11\*\*\*OPERATOR PLEASE PERFORM AND SUBMIT NEW PRESSURE TEST THAT MEETS RULE REQUIREMENTS\*\*\*

**LOVINGTON PADDOCK UNIT No.016**

**30-025-03798-00-00**  
D-36-16S-36E

Active Injection - (All Types)

Test Date: 10/14/2013 Permitted Injection PSI: Actual PSI:  
Test Reason: 5-year Test Test Result: F Repair Due: 1/17/2014  
Test Type: Std. Annulus Pres. Test FAIL TYPE: Operational Violation FAIL CAUSE:  
Comments on MIT: \*\*PRESSURE TEST UNACCEPTABLE\*\* CHART SHOULD REACH A MINIMUM AMOUNT OF 300#; PRESSURE TEST CHART DATED 10/14/2013 SHOWS BEGINNING PRESSURE OF 290#. \*\*\*OPERATOR IN VIOLATION OF NMOC D RULE 19.16.26.11\*\*\*OPERATOR PLEASE PERFORM AND SUBMIT NEW PRESSURE TEST THAT MEETS RULE REQUIREMENTS\*\*\*

*Kz*

**LOVINGTON SAN ANDRES UNIT No.047**

**30-025-03810-00-00**

Active Injection - (All Types)

K-1-17S-36E

<b>Test Date:</b> 10/15/2013	<b>Permitted Injection PSI:</b>	<b>Actual PSI:</b>
<b>Test Reason:</b> 5-year Test	<b>Test Result:</b> F	<b>Repair Due:</b> 1/18/2014
<b>Test Type:</b> Std. Annulus Pres. Test	<b>FAIL TYPE:</b> Operational Violation	<b>FAIL CAUSE:</b>
<b>Comments on MIT:</b> **FAILED PRESSURE TEST 10/15/2013** TEST RESULTS SHOW OVER 10% INCREASE ALLOWED BY STATE OF NEW MEXICO; BEGINNING 300#, ENDING 335# ***OPERATOR IN VIOLATION OF NMOCD RULE 19.16.26.11***		

**LOVINGTON PADDOCK UNIT No.059**

**30-025-03826-00-00**

Active Injection - (All Types)

G-1-17S-36E

<b>Test Date:</b> 10/15/2013	<b>Permitted Injection PSI:</b>	<b>Actual PSI:</b>
<b>Test Reason:</b> 5-year Test	<b>Test Result:</b> F	<b>Repair Due:</b> 1/18/2014
<b>Test Type:</b> Std. Annulus Pres. Test	<b>FAIL TYPE:</b> Operational Violation	<b>FAIL CAUSE:</b>
<b>Comments on MIT:</b> **PRESSURE TEST UNACCEPTABLE** CHART SHOULD REACH A MINIMUM AMOUNT OF 300#; PRESSURE TEST CHART DATED 10/15/2013 SHOWS BEGINNING PRESSURE OF 280#. ***OPERATOR IN VIOLATION OF NMOCD RULE 19.16.26.11***OPERATOR PLEASE PERFORM AND SUBMIT NEW PRESSURE TEST THAT MEETS RULE REQUIREMENTS***		

**LOVINGTON SAN ANDRES UNIT No.030**

**30-025-03836-00-00**

Active Injection - (All Types)

D-1-17S-36E

<b>Test Date:</b> 10/18/2013	<b>Permitted Injection PSI:</b>	<b>Actual PSI:</b>
<b>Test Reason:</b> Annual IMIT	<b>Test Result:</b> F	<b>Repair Due:</b> 1/21/2014
<b>Test Type:</b> Bradenhead Test	<b>FAIL TYPE:</b> Other Internal Failure	<b>FAIL CAUSE:</b>
<b>Comments on MIT:</b> PER OPERATOR; BHT SURVEY FORM STATES THAT WELL FAILED MECHANICAL INTEGRITY TEST; WELL IS SHUT IN;***LETTER FOR RECORD ONLY***. NOI C103 SUBMITTED BY OPERATOR STATES INTENT TO REPAIR, APPROVED 12/30/2013***OPERATOR IN VIOLATION OF NMOCD RULE 19.15.26.11***		

In the event that a satisfactory response is not received to this letter of direction by the "Repair Due:" date shown above, or if the well(s) are not immediately shut-in, 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.

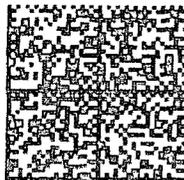
Sincerely,



Hobbs OCD District Office  
**COMPLIANCE OFFICER**

Note: Pressure Tests are performed prior to initial injection, after repairs and otherwise, every 5 years; Bradenhead Tests are performed annually. Information in Detail Section comes directly from field inspector data entries - not all blanks will contain data. "Failure Type" and "Failure Cause" and any Comments are not to be interpreted as a diagnosis of the condition of the wellbore. Additional testing should be conducted by the operator to accurately determine the nature of the actual failure. \* 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  
01/16/14  
Mailed From 88240  
US POSTAGE

CHEVRON MIDCONTINENT L.P.  
ATTN: REGULATION & COMPLIANCE  
15 SMITH ROAD  
MIDLAND, TX 79705