Susana Martinez Governor

David Martin 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"

24-Jan-14

CHEVRON USA INC. ATTN: REGULATORY & COMPLIANCE P.O. BOX 2100 HOUSTON, TX 77252

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JAN 27 2014

HOBBS OCD

RECEIVED

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 re-inspect the well and/or facility.

INSPECTION DETAIL SECTION

CENTRAL	VACUUM UN	IT No.350	D-31-17S-35E	-35E 30-025-20863-00-				
Inspection				*Significant	Corrective			
Date	Type Inspection	Inspector	Violation?	Non-Compliance?	Action Due By:	Inspection No.		
01/24/2014	Bradenhead	Sylvia Dickey	Yes	No	4/29/2014	iSAD1402431558		
Comments on Inspection:		PER BHT SURVEY 11/15/2013; NA	AME REPOR	RTED IS PRIOR WELL	. NAME;			
		RECOMPLETION AND WELL NA	ME CHANG	JE EFFECTIVE 2/2013	; ***OPERATOR			
		PLEASE RECHECK WELL SIGN A	AND INSUR	E SIGN STATES NEW	/ WELL			
		NAME AND LOCATION*** ***0	PERATOR I	N VIOLATION OF NN	AOCD RULE			
		19.15.16.8 "SIGN ON WELLS"***(NAME ON I	FILE CENTRAL VACU	UUM UNIT #350)			
(PRIOR NAME VACUUM GLORIETA WEST UNIT #62)								
CENTRAL VACUUM UNIT No.136				E-6-18S-35E	30-025-25997-00-			
Inspection				*Significant	Corrective			
Date	Type Inspection	Inspector	Violation?	Non-Compliance?	Action Due By:	Inspection No.		
01/24/2014	Bradenhead	Sylvia Dickey	Yes	No	4/29/2014	iSAD1402436922		
Comments on Inspection:		OVER PRESSUE LIMIT PER BHT SURVEY REPORTED 10/29/2013;**OPERATOR IN						
		VIOLATION OF NMOCD RULE 19	9.15.26.10 "(DPERATION AND MA	INTENANCE"			
		PER R-5530-F APPROVED INJECT	FION FOR V	ATER 1500#. (WATE	R INJECTION			
		REPORTED 10/2013 TUBING PRE	SSURE STA	TES 1797#)				

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CENTRAL V Inspection Date	ACUUM UNI Type Inspection		Violation?	I-36-17S-34E *Significant Non-Compliance?	30-025-33148-0 Corrective Action Due By:) 0- Inspection No.
01/24/2014	Bradenhead	Sylvia Dickey	Yes	No	4/29/2014	iSAD1402434847
Comments o	on Inspection:	PER BHT SURVEY 11/17/2013; NA RECOMPLETION AND WELL NA PLEASE RECHECK WELL SIGN A NAME AND LOCATION*** ***0 19.15.16.8 "SIGN ON WELLS"***((PRIOR NAME NEW MEXICO '0'	ME CHANG AND INSUR PERATOR I NAME ON	GE EFFECTIVE 2/2013; E SIGN STATES NEW N VIOLATION OF NM FILE CENTRAL VACU	***OPERATOR WELL IOCD RULE	

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, Qy 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.

1625 N. French Drive • Hobbs, New Mexico 88240 Phone (575) 393-6161 • Fax (575) 393-0720 • www.emnrd.state.nm.us/ocd

