

4008 N. Grimes PMB-269 Hobbs, NM 88240 575-397-8237 Office 575-397-8205 Fax

June 9, 2008

NMOCD 1625 N. French Drive Hobbs, New Mexico 88240

Re: East Eumont Unit #49 Inspection # iLWH0806639089 N-15-19S-37E 30-025-05598-00-00

> East Eumont Unit #54 Inspection # iLWH0806640296 F-22-19S-37E 30-025-05684-00-00

Myers Langlie Mattix Unit #90 Inspection # iLWH08066659381 L-33-23S-37E 30-025-10923-00-00

Myers Langlie Mattix Unit #144 Inspection # iLWH0806660341 G-5-24S-37E 30-025-11017-00-00

State N #7 Inspection # iLWH0806654193 N-2-22S-36E 30-025-32777-00-00

Attention: Buddy Hill

Dear Mr. Hill:

All surface damage/restoration violations for the above referenced wells have been corrected as of 6/2/2008, and ready for your inspection with the exception of inspection # iLWH0806657353 for the Myers Langlie Mattix Unit #11. Per conversation with CJ, the equipment has been removed but the restoration of the well has been put on hold due to complications with the landowner. If you have any questions, please call me at 575-397-8216.

Sincerely,

CJ Summers HES Specialist Lea County, Hobbs Office 575-397-8236









1943 N. Grimes B - 269 Hobbs, NM 88240 505-393-2174 Office 505-397-2671 Fax

TO WHOMEVER IT MAY CONCERN

AS THE SURFACE OWNER OF RECORD FOR THE LAND IN THE FOLLOWING DESCRIPTION THAT HAS PREVIOUSLY BEEN THE WELL SITE FOR OXY USA WTP LP.

WELL ID Myers Langlie Mattix Unit #90 L, 33, 23S, 37E

GPS DATA NA

IT IS MY REQUEST THAT AFTER OXY USA WTP LP HAS PLUGGED THE WELL AND REMOVED ALL EQUIPMENT AND TRASH FROM THE PAD, THAT THEY NOT DISTURB THE REMAINING OLD PAD SITE BY REMOVING CALICHE AND OLD PUMPING UNIT CEMENT BASE.

IF SOME AGENCY OR POLICY REQUIRES ANYTHING DIFFERENT OXY, IT IS MY REQUEST THAT YOU FOLLOW MY PREFERENCE.

IN NO WAY IS THIS AN ASSUMPTION OF ANY LIABILITY EXISTING OR PERCEIVED.

DATED 5-30-08

SIGNATURE (fimmer J. Room

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BILL RICHARDSON Governor Joanna Prukop Cabinet Secretary

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

Response Required - Deadline Enclosed

Field Inspection Program "Preserving the Integrity of Our Environment"

07-Mar-08

OXY USA WTP LIMITED PARTNERSHIP

PO Box 4294 Houston TX 77210-4294

Dear Operator:

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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.

		INSPECTI	ON DETAIL	L SECTION			
EAST EUN Inspection Date 03/06/2008	IONT UNIT No.049 Type Inspection Routine/Periodic	Inspector Buddy Hill	Violation? Yes	N-15-19S-37E *Significant Non-Compliance?	30-025-05598-00 Corrective Action Due By:	Inspection No.	
	Violations Surface Damage/Restoration	Duddy IIII	1 65	No	3/27/2008	iLWH080663908	
Comments	on Inspection: P/A -NOT F SECOND N	READY to release.CM	IT. BASE ON	LOCATION NEEDS	TO BE REMOVED,		
EAST EUMONT UNIT No.054				F-22-19S-37E	30-025-05684-00-00		
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.	
03/06/2008	Routine/Periodic Violations	Buddy Hill	Yes	No	6/9/2008	1LWH0806640296	
Comments	Surface Damage/Restoration	EADY to release. MANUL'. FIRST NOTICE	ARKER HAS V	WRONG FOOTAGE,	HAS "660 FNL",SHO)ULD	

Oil Conservation Division * 1625 N. French Drive * Hobbs, New Mexico 88240 Phone, 505-393-6161 * Fax, 505-393-0720 * http://www.emnrd.state.nm.us



Mark E. Fesmire, P.E.





LETTER OF VIOLATION - Inspection

		NGLIE MAT	TIX UNIT No	.011		B-25-23S-36E	30-025-09424-00-00					
	Inspection Date	Type Inspectio	n	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.				
ners	03/06/2008	Routine/Perio Violations Surface Damage		Buddy Hill	Yes	No	3/27/2008	iLWH0806657353				
	Comments on Inspection: P/A -NOT READY to release. JUNK PIPE AND ORPHANED TANK BATTERY ON LOCATION NEED TO BE REMOVED BEFORE RELEASE, SECOND NOTICE											
	MYERS LANGLIE MATTIX UNIT No.090 Inspection				L-33-23S-37E *Significant	30-025-10923-00- Corrective	•00					
, d	Date Date	Type Inspectio	n	Inspector	Violation?	Non-Compliance?	Action Due By:	Inspection No.				
INCLUR Letter	03/06/2008	Routine/Peric Violations Surface Damage		Buddy Hill	Yes	No	6/9/2008	iLWH0806659381				
50.	Comments on Inspection: P/A -NOT READY to release. TBG. ANCHOR, CMT. PUMPING UNIT BASE NEED TO BE REMOVED,,PUMPING UNIT PAD NEEDS LEVELED BEFORE RELEASEFIRST NOTICE											
	MYERS LANGLIE MATTIX UNIT No.144					G-5-24S-37E	30-025-11017-00-	00				
	Inspection Date	Type Inspection	n	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.				
	03/06/2008	Routine/Peric	odic	Buddy Hill	Yes	No	6/9/2008	iLWH0806660341				
	Comments of	Violations Absent Well Ider on Inspection:	ntification Signs (R No Well Sign (I		パー17-0 s well sign (8 - Sign & Officer ON LOCATIONFIR	en locate i itemo la strotice	ion) ettil				
	STATE N N	0.007				N-2-22S-36E	30-025-32777-00-	00				
	Inspection Date	Type Inspection	n	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.				
	03/06/2008	Routine/Perio	odic	Buddy Hill	Yes	No	3/27/2008	iLWH0806654193				
_		Violations										
$\mathbf{\Sigma}$												
\mathcal{D}		Surface Damage/	Restoration									

design provide a site our posts addressed as and a

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. Such a hearing may result in imposition of CIVIL PENALTIES for your violation of OCD rules.

Buddy Hid Sincerely,

COMPLIANCE OFFICER

Hobbs OCD District Office

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.