



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor

Jim Noel
Cabinet Secretary
Karen W. Garcia
Deputy Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

Response Required – Deadline Enclosed

Field Inspection Program
"Preserving the Integrity of Our Environment"

03-Sep-10

OXY USA INC
PO BOX 4294
HOUSTON TX 77210

LETTER OF VIOLATION - Inspection

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

| TODD LOWER SAN ANDRES UNIT No.312 | | | | L-31-7S-36E | 30-041-10005-00-00 |
|---|----------------------------|------------|------------|------------------------------|--|
| Inspection Date | Type Inspection | Inspector | Violation? | *Significant Non-Compliance? | Corrective Action Due By: Inspection No. |
| 09/03/2010 | File and Compliance Review | Buddy Hill | Yes | No | 10/4/2010 iLWH1024637396 |
| Comments on Inspection: Well is plugged, not released per NMOCD 19.15.25.10-D | | | | | |

| TODD LOWER SAN ANDRES UNIT No.313 | | | | C-31-7S-36E | 30-041-10097-00-00 |
|--|----------------------------|------------|------------|------------------------------|--|
| Inspection Date | Type Inspection | Inspector | Violation? | *Significant Non-Compliance? | Corrective Action Due By: Inspection No. |
| 09/03/2010 | File and Compliance Review | Buddy Hill | Yes | No | 10/4/2010 iLWH1024637584 |
| Comments on Inspection: Well plugged, not released per NMOCD 19.15.25.10-D | | | | | |

| TODD LOWER SAN ANDRES UNIT No.365 | | | | E-36-7S-35E | 30-041-10168-00-00 |
|---|----------------------------|------------|------------|------------------------------|--|
| Inspection Date | Type Inspection | Inspector | Violation? | *Significant Non-Compliance? | Corrective Action Due By: Inspection No. |
| 09/03/2010 | File and Compliance Review | Buddy Hill | Yes | No | 10/4/2010 iLWH1024637806 |
| Comments on Inspection: Well is plugged, not released per NMOCD 19.15.25.10-D | | | | | |

TODD LOWER SAN ANDRES UNIT No.358

H-35-7S-35E

30-041-10472-00-00

| Inspection Date | Type Inspection | Inspector | Violation? | *Significant Non-Compliance? | Corrective Action Due By: | Inspection No. |
|--|----------------------------|------------|------------|------------------------------|---------------------------|----------------|
| 09/03/2010 | File and Compliance Review | Buddy Hill | Yes | No | 10/4/2010 | iLWH1024637944 |
| Comments on Inspection: Wello is plugged, not released per NMOCD 19.15.25.10-D | | | | | | |

TODD LOWER SAN ANDRES UNIT No.300

J-30-7S-36E

30-041-10671-00-00

| Inspection Date | Type Inspection | Inspector | Violation? | *Significant Non-Compliance? | Corrective Action Due By: | Inspection No. |
|---|----------------------------|------------|------------|------------------------------|---------------------------|----------------|
| 09/03/2010 | File and Compliance Review | Buddy Hill | Yes | No | 10/4/2010 | iLWH1024638060 |
| Comments on Inspection: Well is plugged, not released per NMOCD 19.15.25.10-D | | | | | | |

TODD LOWER SAN ANDRES UNIT No.355

E-35-7S-35E

30-041-20016-00-00

| Inspection Date | Type Inspection | Inspector | Violation? | *Significant Non-Compliance? | Corrective Action Due By: | Inspection No. |
|---|----------------------------|------------|------------|------------------------------|---------------------------|----------------|
| 09/03/2010 | File and Compliance Review | Buddy Hill | Yes | No | 10/4/2010 | iLWH1024638192 |
| Comments on Inspection: Well is plugged, not released per NMOCD 19.15.25.10-D | | | | | | |

TODD LOWER SAN ANDRES UNIT No.310

J-31-7S-36E

30-041-20065-00-00

| Inspection Date | Type Inspection | Inspector | Violation? | *Significant Non-Compliance? | Corrective Action Due By: | Inspection No. |
|---|----------------------------|------------|------------|------------------------------|---------------------------|----------------|
| 09/03/2010 | File and Compliance Review | Buddy Hill | Yes | No | 10/4/2010 | iLWH1024638303 |
| Comments on Inspection: Well is plugged, not released per NMOCD 19.15.25.10-D | | | | | | |

TODD LOWER SAN ANDRES UNIT A No.011

K-31-7S-36E

30-041-20123-00-00

| Inspection Date | Type Inspection | Inspector | Violation? | *Significant Non-Compliance? | Corrective Action Due By: | Inspection No. |
|--|----------------------------|------------|------------|------------------------------|---------------------------|----------------|
| 09/03/2010 | File and Compliance Review | Buddy Hill | Yes | No | 10/4/2010 | iLWH1024638435 |
| Comments on Inspection: Well is plugged, not released. This is second Letter of Violation. Per NMOCD 19.15.25.10-D | | | | | | |

TODD LOWER SAN ANDRES UNIT No.323

C-32-7S-36E

30-041-20198-00-00

| Inspection Date | Type Inspection | Inspector | Violation? | *Significant Non-Compliance? | Corrective Action Due By: | Inspection No. |
|--|----------------------------|------------|------------|------------------------------|---------------------------|----------------|
| 09/03/2010 | File and Compliance Review | Buddy Hill | Yes | No | 10/4/2010 | iLWH1024638592 |
| Comments on Inspection: Well is plugged and not released per NMOCD 19.15.25.10-D | | | | | | |

TODD LOWER SAN ANDRES UNIT No.325

E-32-7S-36E

30-041-20327-00-00

| Inspection Date | Type Inspection | Inspector | Violation? | *Significant Non-Compliance? | Corrective Action Due By: | Inspection No. |
|---|----------------------------|------------|------------|------------------------------|---------------------------|----------------|
| 09/03/2010 | File and Compliance Review | Buddy Hill | Yes | No | 10/4/2010 | iLWH1024638712 |
| Comments on Inspection: Well is plugged, not released per NMOCD 19.15.25.10-D | | | | | | |

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

Sincerely,



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.

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[illegible]

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PO BOX 4294
HOUSTON TX 77210