



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Jim Noel
Cabinet Secretary
Karen W. Garcia
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



Response Required – Deadline Enclosed

Field Inspection

"Preserving the Integrity of Our Environment"

16-Dec-10

CHEVRON MIDCONTINENT, L.P.
15 Smith Road
Midland TX 79705

CHEVRON USA INC.
HCR 60 BOX 423
LOVINGTON, NM 88260

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

LOVINGTON SAN ANDRES UNIT No.018

L-32-16S-37E

30-025-05386-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
11/30/2010	Pressure Test	Sylvia Dickey	Yes	No	3/30/2011	iSAD1033437723

Comments on Inspection: NO ROAD TO ACCESS IN ORDER TO PRESSURE TEST; TA STATUS EXPIRES IN MAY 2011; ****OPERATOR IN VIOLATION OF NMOCDD RULE 19.15.26.10 ***OPERATION AND MAINTENANCE**** ACCESSIBLE LEASE ROAD TO WELL FOR CONDUCTING STATE REQUIRED TEST;

Oil Conservation Division * 1625 N. French Dr.*

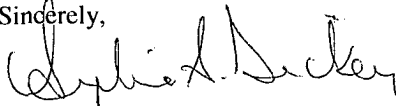
* Hobbs, New Mexico 88240

* Phone: (575) 393-6161 * Fax (575) 393-0720* <http://www.emnrd.state.nm.us>



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,

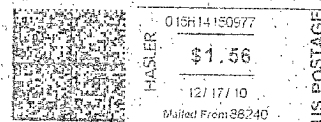


Hobbs OCD District Office
COMPLIANCE OFFICER

Note: Information in Detail Section comes directly from field inspector data entries - not all blanks will contain data.

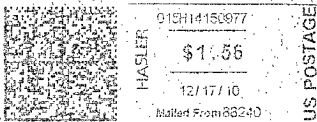
*Significant Non-Compliance events are reported directly to the EPA, Region VI, Dallas, Texas.

ERVATION DIVISION
NCH DRIVE
I 88240



CHEVRON USA INC.
ATTN: COMPLIANCE/REGULATIONS
15 SMITH ROAD
MIDLAND, TX 79705

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