

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary-Designate

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

Jami Bailey, Division Director
Oil Conservation Division



September 5, 2013

James Walker
Deputy Onshore Site Manager
BP America Production Company
San Juan Operating Area
200 Energy Court
Farmington, NM 87401

**Well: Federal B #1, Unit Letter O, Section 28, Township 30 North, Range 11 West,
API# 30-045-09118, San Juan County, New Mexico**

Dear Mr. Walker:

BP America Production Company (hereinafter BP) was contacted in June of 2012, regarding natural gas and H₂S in the groundwater around the plugged Federal B #1 location. Information including gas analysis and well history were also provided to BP indicating the groundwater contamination was likely caused by a historical casing leak from the Federal B #1 well. BP agreed with the findings and indicated they would proceed in one of two directions after having a Well Integrity Specialist/Engineer review the well. The two plans proposed were: re-entry of the P/A'd well, or drilling a treatment/monitor well. The last official correspondence regarding this well came from Buddy Shaw with BP in November of 2012. The OCD is aware Mr. Shaw is no longer with BP and has made various verbal attempts with other personnel for a plan forward and has yet to receive one.

In order to protect fresh water, you are hereby directed to submit a remediation plan within 30 days and initiate remedial activity before December 5, 2013.

If you have any questions, please call me at 505-334-6178, ext. 116.

Sincerely yours,

Brandon Powell
Inspection and Enforcement Supervisor
District III - Aztec

CC: Well File

