



**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

**AZTEC DISTRICT OFFICE
1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-6178 Fax (505)334-6170**

**GARY E. JOHNSON
GOVERNOR**

**JENNIFER A. SALISBURY
CABINET SECRETARY**

July 3, 1996

Mr. Lynn Shelton
Giant Industries
P. O. Box 159
Bloomfield NM 87413

Re: Disposal #1, I-27-29N-11W, 30-045-29002

Dear Mr. Shelton:

This letter is to confirm the oral directive I gave you this morning to shut in the referenced well.

On this day Mr. Denny Foust and I inspected the referenced well site. We found that the well was injecting water at 1100 psi thereby exceeding the 955 psi pressure limit. Also, the casing pressure had dropped below the minimum 100 psi pressure required by your discharge plan. Finally, there was no effective pressure limiting device installed on the injection system nor was there a working recorder as required by your discharge plan and the injection approval order.

In the injection plant there was an ongoing discharge of approximately 700 gallons a day of refinery waste water from a leaking valve. A shop-built tray and gutter were diverting the water flow out of the injection building where it was soaking in and running as far as 500 feet to the bar ditch by the road. No effort had been made to report or contain the discharge until we arrived then a small livestock watering tank was brought in to catch the water.

On 2/14/96 Mr. Ernie Busch from this office witnessed a mechanical integrity test on the well. At that time he discovered that there were pressure and a small gas flow from the bradenhead. You are hereby directed to submit reports of that incident with an evaluation as to whether or not this poses a hazard which could cause migration of the injected fluid.

You may not start injection until this office has inspected the facility and determined that you are in compliance.

Sincerely,

Frank T. Chavez, District Supervisor

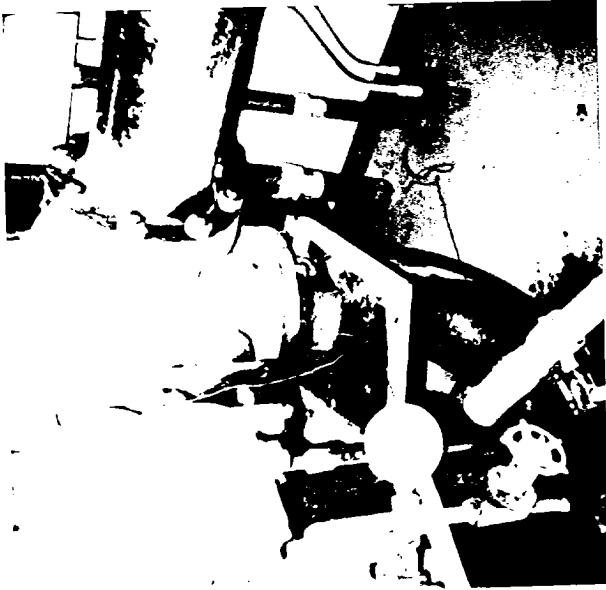
cc: Roger Anderson
well file



#1



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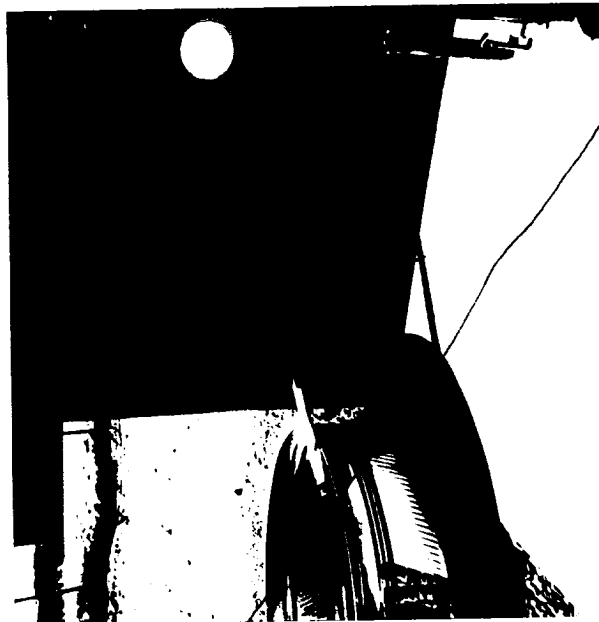
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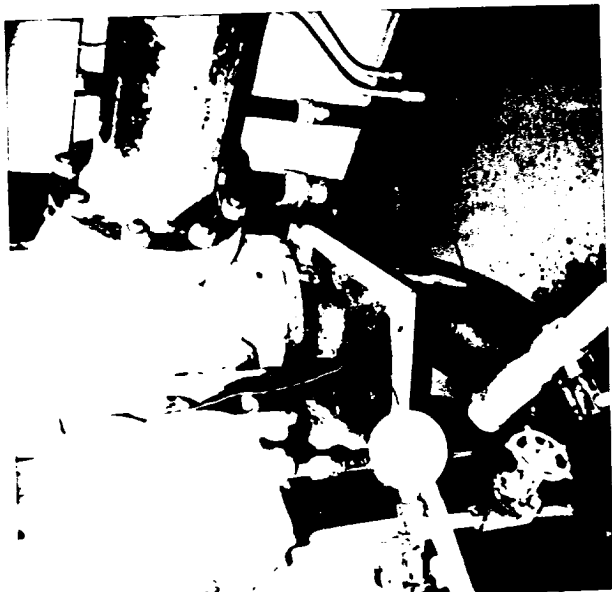
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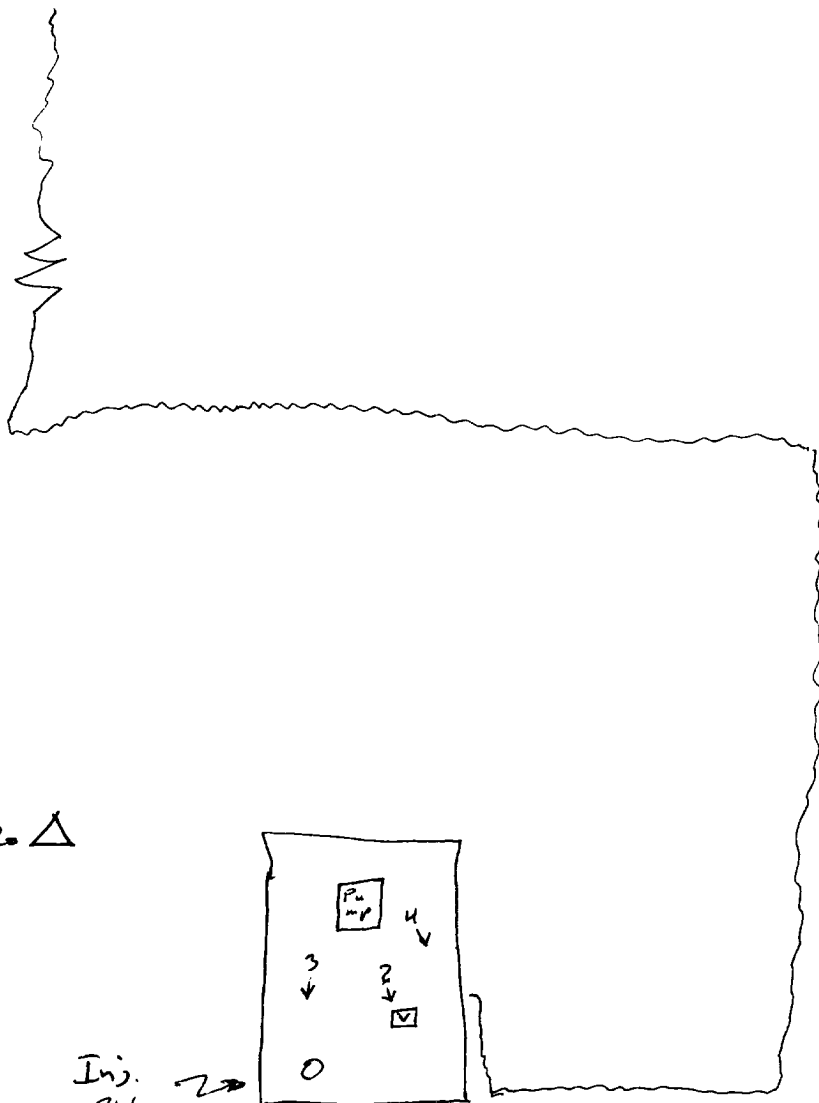
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#1

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Not to scale