

BW - 6

ENFORCMENT

DATE:

1999



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

November 19, 1999

CERTIFIED MAIL Z 274 520 731
RETURN RECEIPT NO. P-410 425 209

RE-SENT 11/24/99

Mr. George Parchman
I&W, Inc.
P.O. Box ~~727~~ 1685
Carlsbad, New Mexico 88220

Subject: NOTICE OF VIOLATION

Re: Eugenie Brine Extraction Facility
Discharge Plan BW-006
SW/4 SW/4 Section 17-Ts22s-R27e
Eddy County, New Mexico

Dear Mr. Parchman:

On or about November 02, 1999, the New Mexico Oil Conservation Division (NMOCD) was notified by I&W, Inc. that the Eugenie Brine well system failed its annual mechanical integrity test. NMOCD visited the site and witnessed brine water flowing out from the tubing/casing cemented annulus on the injection well #2. The NMOCD instructed I&W, Inc. to cease operations and submit a plan for approval describing how this problem will be addressed. On November 3, 1999 I&W, Inc. submitted a C-103 to perform remedial work. The NMOCD did not approve this work and was reviewing the C-103 when NMOCD discovered that I&W, Inc. went ahead and worked on the well without NMOCD approval or notification. NMOCD was thus denied the ability to witness the work.

I&W, Inc. has violated the Discharge Plan Requirements in its discharge plan dated April 15, 1996, set forth on page 5. Item 17. Well Workover Operations: "OCD approval will be obtained from the Director prior to performing remedial work or any other workover. Approval will be requested on OCD Form C-103 "Sundry Notices and Reports on Wells" (OCD Rule 1103.A.) with appropriate copies sent to the OCD Artesia District Office."

I&W, Inc. is hereby ordered to perform the following actions:

1. Cease operating the brine well system and obtain NMOCD approval before performing any further well workover.

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2. Submit for NMOCD approval a detailed remedial work plan describing how I&W, Inc. intends to repair the well and demonstrate that injection fluids will be contained in the permitted injection zone.
3. Submit for NMOCD approval a groundwater investigation plan to demonstrate groundwater has not been impacted and will not be impacted in the foreseeable future.

I&W, Inc. is hereby required to submit the above requested information by December 15, 1999. Failure to respond to this Notice of Violation will result in a compliance order being issued pursuant to Section 74-6-10, NMSA 1978, requiring I&W, Inc. to comply with the requested actions and may include civil penalties.

If you have any questions or comments, please contact me at (505) 827-7152 or Wayne Price of my staff at (505) 827-7155.

Sincerely,



Roger C. Anderson
Environmental Bureau Chief

cc: OCD Artesia Office