



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

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

Underground Injection Control Program
"Protecting Our Underground Sources of Drinking Water"

15-Jan-09

SAHARA OPERATING CO
PO BOX 4130
MIDLAND TX 79704-

LETTER OF VIOLATION and SHUT-IN DIRECTIVE
Failed Mechanical Integrity Test

Dear Operator:

The following test(s) were performed on the listed dates on the following well(s) shown below in the test detail section.

The test(s) indicates that the well or wells failed to meet mechanical integrity standards of the New Mexico Oil Conservation Division. To comply with guidelines established by the U.S. Environmental Protection Agency, the well(s) must be shut-in immediately until it is successfully repaired. The test detail section which follows indicates preliminary findings and/or probable causes of the failure. This determination is based on a test of your well or facility by an inspector employed by the Oil Conservation Division. Additional testing during the repair operation may be necessary to properly identify the nature of the well failure.

Please notify the proper district office of the Division at least 48 hours prior to the date and time that the well(s) will be retested so the test may be witnessed by a field representative.

MECHANICAL INTEGRITY TEST DETAIL SECTION

NORTH EL MAR UNIT No.033 **30-025-08288-00-00**
P-26-26S-32E

Active Injection - (All Types)

Test Date: 1/13/2009	Permitted Injection PSI:	Actual PSI:
Test Reason: Annual IMIT	Test Result: F	Repair Due: 4/19/2009
Test Type: Bradenhead Test	FAIL TYPE: Other Internal Failure	FAIL CAUSE:
Comments on MIT: SALT WATER ON CASING DID NOT BLEED DOWN; WHILE CASING WAS OPEN, TUBING PRESSURE STARTED TO DROP; WHEN TUBING REACHED 450#, CLOSED CASING VALVE, STILL HAD SALT WATER. OCD REP DID NOT ATTEMPT TO BLEED DOWN; ****OPERATOR IN VIOLATION OF NMOCD RULE 703*****		

NORTH EL MAR UNIT No.050 **30-025-08305-00-00**
H-34-26S-32E

Active Injection - (All Types)

Test Date: 1/13/2009	Permitted Injection PSI:	Actual PSI:
Test Reason: Annual IMIT	Test Result: F	Repair Due: 4/18/2009
Test Type: Bradenhead Test	FAIL TYPE: Other Internal Failure	FAIL CAUSE:
Comments on MIT: SALT WATER ON CASING; TUBING PRESSURE DROPPED TO 400# WHILE CASING VALVE WAS OPEN, SALT WATER ON CASING DID NOT BLEED DOWN. OCD FIELD REP. DID NOT ATTEMPT TO BLEED DOWN. ***OPERATOR IN VIOLATION OF NMOCD RULE 703*****		

NORTH EL MAR UNIT No.004

30-025-08436-00-00

D-30-26S-33E

Test Date:	1/14/2009	Expired TA Injection - (All Types)	Permitted Injection PSI:	Actual PSI:
Test Reason:	Annual IMIT	Test Result:	F	Repair Due: 4/19/2009
Test Type:	Std. Annulus Pres. Test	FAIL TYPE:	Other External Failure	FAIL CAUSE:
Comments on MIT:	PINHOLE 5" BELOW CASING T, FOUND WHILE PRESSURING UP ON WELL FOR PRESSURE TEST, FAILED TEST DUE TO WELLHEAD PROBLEMS; ****OPERATOR IN VIOLATION OF NMOCD RULE 702, 703****			

NORTH EL MAR UNIT No.058

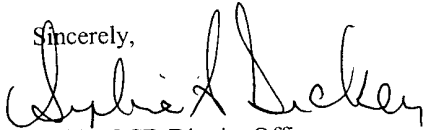
30-025-24908-00-00

D-36-26S-32E

Test Date:	1/13/2009	Approved TA Injection - (All Types)	Permitted Injection PSI:	Actual PSI:
Test Reason:	Annual IMIT	Test Result:	F	Repair Due: 4/19/2009
Test Type:	Std. Annulus Pres. Test	FAIL TYPE:	Operational Violation	FAIL CAUSE:
Comments on MIT:	NO TEST WELLHEAD DIS-ASSEMBLED, ASKED PROD. FOREMAN ABOUT WELL, WILL CHECK INTO STATUS OF WELL, DID NOT TEST, ***OPERATOR IN VIOLATION OF NMOCD RULE 702, 703, 705 C PART I.****			

In the event that a satisfactory response is not received to this letter of direction by the "Repair Due:" date shown above, or if the well(s) are not immediately shut-in, 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,

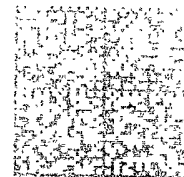


Hobbs OCD District Office

COMPLIANCE OFFICER

Note: Pressure Tests are performed prior to initial injection, after repairs and otherwise, every 5 years. Bradenhead Tests are performed annually. Information in Detail Section comes directly from field inspector data entries - not all blanks will contain data. "Failure Type" and "Failure Cause" and any Comments are not to be interpreted as a diagnosis of the condition of the wellbore. Additional testing should be conducted by the operator to accurately determine the nature of the actual failure. * Significant Non-Compliance events are reported directly to the EPA, Region VI, Dallas, Texas

EMNRD
OIL CONSERVATION DIVISION
1625 N FRENCH DRIVE
HOBBS NM 88240



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SAHARA OPERATING CO.
P.O. BOX 4130
MIDLAND, TX 79704