



New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John H. Bemis
Cabinet Secretary - Designee

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

HOBBS OCD

JAN 31 2012

RECEIVED

Jami Bailey
Division Director
Oil Conservation Division



31-Jan-12

RESACA OPERATING COMPANY
1331 LAMAR STREET SUITE 1450
HOUSTON TX 77010-

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

COOPER JAL UNIT No.234

Active Injection - (All Types)

30-025-09561-00-00
O-13-24S-36E

Test Date:	1/18/2012	Permitted Injection PSI:	Actual PSI:
Test Reason:	5-year Test	Test Result:	F
Test Type:	Std. Annulus Pres. Test	FAIL TYPE:	Other Internal Failure
Comments on MIT:	****WOULD NOT HOLD PRESSURE. OPERATOR IN VIOLATION OF NMOCD RULE 19.15.26.11*****		

Repair Due: 4/22/2012
FAIL CAUSE:

COOPER JAL UNIT No.133

Active Injection - (All Types)

30-025-11161-00-00
K-19-24S-37E

Test Date:	1/18/2012	Permitted Injection PSI:	Actual PSI:
Test Reason:	5-year Test	Test Result:	F
Test Type:	Std. Annulus Pres. Test	FAIL TYPE:	Other Internal Failure
Comments on MIT:	WOULD NOT HOLD PRESSURE: ***OPERATOR IN VIOLATION OF NMOCD RULE 19.15.26.11****		

Repair Due: 4/22/2012
FAIL CAUSE:

Oil Conservation Division
1625 French N. Drive • Hobbs, New Mexico 88240
Phone (575) 393-6161 • Fax (575) 393-0720 • www.emnrd.state.nm.us/OCD



JAN 31 2012

LANGLIE JAL UNIT No.045**30-025-11461-00-00**

Active Injection - (All Types)

H-5-25S-37E

Test Date: 1/19/2012

Permitted Injection PSI:

Actual PSI:

Test Reason: Annual IMIT

Test Result: F

Repair Due: 4/23/2012

Test Type: Bradenhead Test

FAIL TYPE: Other Internal Failure

FAIL CAUSE:

Comments on MIT: ***OPERATOR NEEDS TO BLEED OIL OFF CASING AND PRESSURE TEST*****

LANGLIE JAL UNIT No.085**30-025-11493-00-00**

Active Injection - (All Types)

P-8-25S-37E

Test Date: 1/19/2012

Permitted Injection PSI:

Actual PSI:

Test Reason: 5-year Test

Test Result: F

Repair Due: 4/23/2012

Test Type: Std. Annulus Pres. Test

FAIL TYPE: Other Internal Failure

FAIL CAUSE:

Comments on MIT: WELL WOULD NOT PRESSURE TEST ***OPERATOR IN VIOLATION OF NMOCD RULE 19.15.26.11****

LANGLIE JAL UNIT No.077**30-025-11498-00-00**

Active Injection - (All Types)

H-8-25S-37E

Test Date: 1/18/2012

Permitted Injection PSI:

Actual PSI:

Test Reason: 5-year Test

Test Result: F

Repair Due: 4/22/2012

Test Type: Std. Annulus Pres. Test

FAIL TYPE: Other Internal Failure

FAIL CAUSE:

Comments on MIT: UNABLE TO PRESSURE TEST CASING; 600# PRESSURE ON CASING DID NOT BLEED DOWN
*** OPERATOR IN VIOLATION OF NMOCD RULE 19.15.26.11******LANGLIE JAL UNIT No.072****30-025-11506-00-00**

Approved TA Injection - (All Types)

C-8-25S-37E

Test Date: 1/19/2012

Permitted Injection PSI:

Actual PSI:

Test Reason: Annual IMIT

Test Result: F

Repair Due: 4/23/2012

Test Type: Bradenhead Test

FAIL TYPE: Other Internal Failure

FAIL CAUSE:

Comments on MIT: UPON ARRIVAL WELL WAS ACTIVE; PERFORMED BHT; TUBING MOVED UP AND SLANTED
INJECTION LINE ABOVE GROUND; INJECTION LINE NOW LEAKING; 380/TBG 380/PKR;**LANGLIE JAL UNIT No.049****30-025-23868-00-00**

Active Injection - (All Types)

H-6-25S-37E

Test Date: 1/18/2012

Permitted Injection PSI:

Actual PSI:

Test Reason: Annual IMIT

Test Result: F

Repair Due: 4/22/2012

Test Type: Std. Annulus Pres. Test

FAIL TYPE: Other Internal Failure

FAIL CAUSE:

Comments on MIT: ****THIS WELL FAILED PRESSURE TEST*** THE WELL MUST REMAIN SHUT IN UNTIL
REPAIRS HAVE BEEN APPROVED AND PERFORMED AND MECHANICAL INTEGRITY TEST
WITNESSED***OPERATOR IN VIOLATION OF NMOCD RULE 19.15.26.11******LANGLIE JAL UNIT No.079****30-025-23870-00-00**

Active Injection - (All Types)

F-8-25S-37E

Test Date: 1/18/2012

Permitted Injection PSI:

Actual PSI:

Test Reason: Annual IMIT

Test Result: F

Repair Due: 4/22/2012

Test Type: Bradenhead Test

FAIL TYPE: Operational Violation

FAIL CAUSE:

Comments on MIT: COULD NOT PRESSURE TEST; OPERATOR MUST CHANGE OUT CASING VALVE IN ORDER TO
PRESSURE TEST ***OPERATOR IN VIOLATION OF NMOCD RULE 19.15.26.10**** OPERATIONS
& MAINTENANCE**LANGLIE JAL UNIT No.060****30-025-24879-00-00**

Active Injection - (All Types)

I-5-25S-37E

Test Date: 1/19/2012

Permitted Injection PSI:

Actual PSI:

Test Reason: 5-year Test

Test Result: F

Repair Due: 4/23/2012

Test Type: Std. Annulus Pres. Test

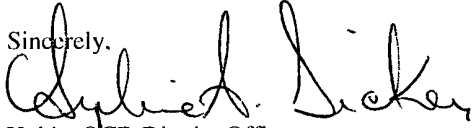
FAIL TYPE:

FAIL CAUSE:

Comments on MIT: WOULD NOT LOAD IN ORDER TO PRESSURE TEST; WELL MUST BE SHUT IN IMMEDIATELY
OPERATOR IN VIOLATION OF NMOCD RULE 19.15.26.11

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.

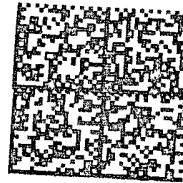
Sincerely,



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



HASLER
015H14150977
\$0.45
01/31/12
Mailed From 88240
US POSTAGE

RESACA OPERATING COMPANY
1331 LAMAR STREET
STE. 1450
HOUSTON, TX 77010