State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez

Governor

Ken McQueen

Cabinet Secretary

Matthias Sayer

Deputy Cabinet Secretary

Heather Riley

Division Director





25-Apr-18

REMNANT OIL OPERATING, LLC

PO Box 5375

Midland TX 79704-9704

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

Dear Operator:

Test Type:

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

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

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

WEST CAP QUEEN SAND UNIT No.016

30-005-01107-00-00 B-21-14S-31E

Active Injection - (All Types)

Test Date: 4/23/2018 **Permitted Injection PSI:** **Actual PSI:**

Test Reason: Annual IMIT **Test Result:**

Repair Due: 7/29/2018

Std. Annulus Pres. Test

FAIL TYPE: Other Internal Failure

FAIL CAUSE:

Comments on MIT: MIT/BHT FAILURE, RULE: 19.15.26.11, 1ST TEST 600 PSI TO 545 PSI = 55 PSI LOSS IN 13 MIN.--2ND TEST 410 PSI TO 360 PSI = 50 PSI LOSS IN 30 MIN, CHARTS ARE SCANED INTO WELL FILE. EMNRD
OIL CONSERVATION DIVISION
1625 N FRENCH DRIVE
HOBBS NM 88240



HASLER
FIRST-CLASS MAIL
\$000.470
04/25/2018 ZIP 88240

REMNANT OIL OPERATING, LLC POP BOX 5375 MIDLAND, TX 79704-9704