



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

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Cabinet Secretary

Mark Fesmire

Director

Oil Conservation Division

Underground Injection Control Program

"Protecting Our Underground Sources of Drinking Water"

07-Jun-04

CLACO OIL CO

13 HAVENHILL RD

ARTESIA

NM 88210-

NOTICE 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

GRACE CG FEDERAL	No.002	Active Salt Water Disposal Well	30-015-25745-00-00
			N-25-26S-30E
Test Date: 6/7/2004	Permitted Injection PSI:	Actual PSI:	
Test Reason: Annual IMIT	Test Result: F	Repair Due: 6/30/2004	
Test Type: Bradenhead Test	FAIL TYPE: No Company Rep to Witn	FAIL CAUSE:	
Comments on MIT: No company representative to witness test (Second Attempt).			