

NEW MEXICO ENERGY, MINERALS NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON Governor

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

Joanna Prukop Cabinet Secretary

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

03-Feb-05

CBS OPERATING CORP PO BOX 2236

Well would not pressure-up.

Comments on MIT:

MIDLAND TX 79702-

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				
NORTH SQU	ARE LAKE UNIT No.051			30-015-03926-00-00
		Active Injection - (All Types)		J-25-16S-30E
Test Date:	2/1/2005	Permitted Injection PSI:	Actual PSI:	1100
Test Reason:	5-year Test	Test Result: F	Repair Due:	5/7/2005
Test Type:	Std. Annulus Pres. Test	FAIL TYPE: Casing	FAIL CAUSE:	
Comments on	MIT: Well bled-down 40 lbs	pressure in 10 minutes		
BURNHAM GRAYBURG SAN ANDRES UNIT No.001A				30-015-04044-00-00
		Active Injection - (All Types)		L-2-17S-30E
Test Date:	2/2/2005	Permitted Injection PSI:	Actual PSI:	1075
Test Reason:	5-year Test	Test Result: F	Repair Due:	5/8/2005
Test Type:	Std. Annulus Pres. Test	FAIL TYPE: Behind CSG Flow	FAIL CAUSE:	
Comments on	MIT: Well would not pressur	e-up. Behind csg flow.		
BURNHAM GRAYBURG SAN ANDRES UNIT No.001C				30-015-04049-00-00
		Active Injection - (All Types)		P-2-17S-30E
Test Date:	2/2/2005	Permitted Injection PSI:	Actual PSI:	
Test Reason:	5-year Test	Test Result: F	Repair Due:	5/8/2005
Test Type:	Std. Annulus Pres. Test	FAIL TYPE: Casing	FAIL CAUSE:	

30-015-04058-00-00 **BURNHAM GRAYBURG SAN ANDRES UNIT No.003A** Active Injection - (All Types) H-2-17S-30E **Actual PSI:** Permitted Injection PSI: Test Date: 2/2/2005 Repair Due: Test Reason: 5-year Test Test Result: F 5/8/2005 FAIL TYPE: Permit Violation FAIL CAUSE: Test Type: Std. Annulus Pres. Test Comments on MIT: Previous IMIT failure - Not repaired 2000 30-015-04066-00-00 FEDERAL KK No.003 Active Injection - (All Types) J-3-17S-30E Actual PSI: Test Date: **Permitted Injection PSI:** 375 2/2/2005 Test Result: Repair Due: 5/8/2005 Test Reason: 5-vear Test Test Type: Std. Annulus Pres. Test FAIL TYPE: Behind CSG Flow FAIL CAUSE: Well would not pressure-up. Behind esg flow. Comments on MIT: 30-015-04068-00-00 **FEDERAL Q No.001** Active Injection - (All Types) D-3-17S-30E Actual PSI: Test Date: Permitted Injection PSI: 2/2/2005 Repair Due: Test Reason: Annual IMIT Test Result: 5/8/2005 Test Type: FAIL TYPE: Permit Violation **FAIL CAUSE:** Bradenhead Test Comments on MIT: No test. Well failed 2000 MIT and not repaired. No flowline. 30-015-04071-00-00 FEDERAL Q No.004 Active Injection - (All Types) F-3-17S-30E Actual PSI: Test Date: Permitted Injection PSI: 2/2/2005 Test Reason: Test Result: Repair Due: 5/8/2005 5-year Test Test Type: Std. Annulus Pres. Test **FAIL TYPE: Casing FAIL CAUSE: Comments on MIT:** Well would not pressure-up. FEDERAL L No.002 30-015-04406-00-00 E-31-17S-30E Active Injection - (All Types) Actual PSI: Permitted Injection PSI: Test Date: 2/2/2005 Test Reason: 5-year Test Test Result: Repair Due: 5/8/2005 FAIL TYPE: Permit Violation FAIL CAUSE: Test Type: Std. Annulus Pres. Test Comments on MIT: Previous IMIT failure - Not repaired NORTH SQUARE LAKE UNIT No.145 30-015-04948-00-00 Active Injection - (All Types) J-31-16S-31E Permitted Injection PSI: Actual PSI: Test Date: 2/1/2005 1075 Test Reason: 5-year Test Test Result: Repair Due: 5/7/2005 Test Type: Std. Annulus Pres. Test **FAIL TYPE: Casing FAIL CAUSE:** Well bled-down 40 lbs pressure in 20 minutes Comments on MIT: **NORTH SQUARE LAKE UNIT No.127** 30-015-04949-00-00 Active Injection - (All Types) H-31-16S-31E **Test Date:** Permitted Injection PSI: Actual PSI: 2/1/2005 Test Reason: **Annual IMIT** Test Result: Repair Due: 5/7/2005 Test Type: FAIL TYPE: Permit Violation Bradenhead Test **FAIL CAUSE:** Idle well since 2000 failure of MIT **Comments on MIT:** FEATHERSTONE No.005 30-015-05034-00-00 Active Injection - (All Types) C-2-17S-31E **Actual PSI:** Test Date: 2/2/2005 Permitted Injection PSI: Test Reason: 5-year Test Test Result: Repair Due: 5/8/2005 Test Type: FAIL TYPE: Permit Violation Std. Annulus Pres. Test **FAIL CAUSE:** Comments on MIT:

30-015-10863-00-00 **NORTH SQUARE LAKE UNIT No.185** Active Injection - (All Types) A-36-16S-30E **Actual PSI:** Permitted Injection PSI: 1225 Test Date: 2/1/2005 Repair Due: 5/7/2005 Test Reason: 5-year Test Test Result: F FAIL CAUSE: Test Type: FAIL TYPE: Casing Std. Annulus Pres. Test Comments on MIT: Well bled-down 40 lbs pressure in 20 minutes 30-015-20185-00-00 **NORTH SQUARE LAKE UNIT No.102** Active Injection - (All Types) A-31-16S-31E Actual PSI: Test Date: 2/1/2005 Permitted Injection PSI: Repair Due: 5/7/2005 Test Reason: Test Result: 5-year Test Test Type: Std. Annulus Pres. Test FAIL TYPE: Casing **FAIL CAUSE:** Comments on MIT: Per pumper - well will not test. 30-015-20315-00-00 FEDERAL KK No.001 Active Injection - (All Types) P-3-17S-30E Actual PSI: Permitted Injection PSI: Test Date: 2/2/2005 Repair Due: Test Result: 5/8/2005 Test Reason: 5-year Test **FAIL TYPE:** Permit Violation FAIL CAUSE: Test Type: Std. Annulus Pres. Test Comments on MIT: LOCO HILLS A FEDERAL No.002 30-015-20536-00-00 Active Injection - (All Types) N-10-17S-30E Actual PSI: Test Date: **Permitted Injection PSI:** 1250 2/3/2005 Test Reason: 5-year Test Test Result: F Repair Due: 5/9/2005 FAIL TYPE: Casing FAIL CAUSE: Test Type: Std. Annulus Pres. Test Comments on MIT: Well would not pressure-up. 30-015-20537-00-00 LOCO HILLS B FEDERAL No.001 Active Injection - (All Types) P-9-17S-30E Test Date: Permitted Injection PSI: Actual PSI: 1175 2/3/2005 5/9/2005 Test Reason: 5-year Test Test Result: Repair Due: Test Type: Std. Annulus Pres. Test FAIL TYPE: Casing FAIL CAUSE: Comments on MIT: Well would not pressure-up. LOCO HILLS A FEDERAL No.005 30-015-20610-00-00 Active Injection - (All Types) L-10-17S-30E **Actual PSI:** Permitted Injection PSI: 1000 Test Date: 2/3/2005 Test Reason: 5-year Test Test Result: Repair Due: 5/9/2005 F FAIL TYPE: Behind CSG Flow Test Type: Std. Annulus Pres. Test **FAIL CAUSE:** Comments on MIT: LOCO HILLS A FEDERAL No.006 30-015-20611-00-00 Active Injection - (All Types) D-15-17S-30E Permitted Injection PSI: Actual PSI: Test Date: 2/3/2005 Test Reason: 5-year Test **Test Result:** F Repair Due: 5/9/2005 Test Type: FAIL TYPE: Permit Violation Std. Annulus Pres. Test **FAIL CAUSE:** Comments on MIT: Injection pressure over limit LOCO HILLS B FEDERAL No.005 30-015-20672-00-00 Active Injection - (All Types) J-9-17S-30E **Actual PSI:** Test Date: Permitted Injection PSI: 500 2/3/2005 Test Reason: 5-vear Test Test Result: Repair Due: 5/9/2005 Test Type: Std. Annulus Pres. Test **FAIL TYPE: Casing FAIL CAUSE:** Comments on MIT: Well would not pressure-up.

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,

Hung Huye Artesia OCD District Office & X

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.