



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Betty Rivera

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

Mesquite SWD, Inc
PO Box 1479
Carlsbad, NM 88221-1479

LETTER OF VIOLATION & Shut-in Directive

RE: Big Eddy Federal #100 Sec 8, Twp 21S, Rg 28E API # 30-015-24824

Operator,

An inspection of the referenced well on April 18, 2006 revealed the following violations:

1. Well was injecting at 680 psi.
2. No pressure limiting device was installed on injection pump.

Administrative Order SWD-461 (Amended) ordered that:

..."The injection well or system shall be equipped with a pressure limiting device which will limit the wellhead pressure on the injection well to no more than 577 psi."...

In reference to our phone conversation on April 19, 2006 and to comply with guidelines established by the U.S. Environmental Protection Agency, the well must be shut-in immediately until it is successfully repaired.

In the event that the well is 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.

Respectfully,

Gerry Guye
Deputy Field Inspector
District II - Artesia