



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**

Governor

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Cabinet Secretary

**Mark E. Fesmire, P.E.**

Director

**Oil Conservation Division**

02-Jul-07

**PHOENIX HYDROCARBONS OPERATING CORP**

PO BOX 3638

MIDLAND TX 79702-

**NOTICE of Failed  
Mechanical Integrity**

Dear Operator:

The bradenhead test(s) reported on the following well or wells failed to meet mechanical integrity standards of the New Mexico Oil Conservation Division. 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 you and/or an OCD Compliance Officer employed by the Oil Conservation Division. Additional testing during the repair operation may be necessary to properly identify the full 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 a Compliance Officer may witness the test.

***MECHANICAL INTEGRITY TEST DETAIL SECTION***

**LARGO FEDERAL No.003**

**30-045-20901-00-00**

Active Gas (Producing)

A-14-27N-8W

Test Date: 6/22/2007

Permitted Injection PSI:

Actual PSI:

Test Reason: Annual IMIT

Test Result: F

Repair Due: 9/25/2007

Test Type: Bradenhead Test

FAIL TYPE: Other External Failure

FAIL CAUSE:

Comments on MIT: bradenhead doughnut has a leak - bradenhead did not blow down when opened - casing did not change while bradenhead was open or closed - this is a duel - chacra 106 mesaverde 145 on tubings

In the event that a satisfactory response is not received to this letter of direction by the "Repair Due:" date shown above, enforcement action will occur. Such enforcement may include this office issuing a NOTICE OF VIOLATION with a penalty and/or 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 for your violation of OCD rules.

Sincerely,

*Henry Villanueva*

Aztec OCD District Office

Note Bradenhead Tests are performed every 3 years. 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.

CC./Wellfile, BUM

Oil Conservation Division \* 1000 Rio Brazos Road \* Aztec, New Mexico 87410

Phone: 505-334-6178 \* Fax: 505-334-6170 \* <http://www.emnrd.state.nm.us>



NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
AZTEC DISTRICT OFFICE  
1000 RIO BRAZOS ROAD  
AZTEC NM 87410  
(505) 334-6178 FAX: (505) 334-6170  
[http://emnrd.state.nm.us/ocd/District III/district.htm](http://emnrd.state.nm.us/ocd/District%20III/district.htm)

**BRADENHEAD TEST REPORT**

(submit 1 copy to above address)

Date of Test 6-22-07 Operator Phoenix Hydr API #30-0 45-20901  
Property Name Largo Fed Well No. 3 Location: Unit A Section 14 Township 27 Range 8  
Chacra 106  
Well Status (Shut-In or Producing) Producing Initial PSI: Tubing 145 Intermediate 14 Casing 59 Bradenhead 0

OPEN BRADENHEAD AND INTERMEDIATE TO ATMOSPHERE INDIVIDUALLY FOR 15 MINUTES EACH

Testing	PRESSURE			INTERM	
	BH	Bradenhead Int	Csg	Int	Csg
TIME					
5 min			<u>59</u>		
10 min			<u>59</u>		
15 min			<u>59</u>		
20 min					
25 min					
30 min					

FLOW CHARACTERISTICS	
BRADENHEAD	INTERMEDIATE
Steady Flow <u>✓</u>	
Surges	
Down to Nothing	<u>RCVD JUN22'07</u>
Nothing	<u>OIL CONS. DIV.</u>
Gas	<u>DIST. 3</u>
Gas & Water	
Water	

If bradenhead flowed water, check all of the descriptions that apply below:

CLEAR \_\_\_\_\_ FRESH \_\_\_\_\_ SALTY \_\_\_\_\_ SULFUR \_\_\_\_\_ BLACK \_\_\_\_\_

5 MINUTE SHUT-IN PRESSURE

BRADENHEAD 0

INTERMEDIATE 14

REMARKS:

Bradenhead cloughlined has leak.  
Bradenhead did not blow down when opened  
Casing did not change

By Paul Franchini

Witness Monica Kuhlman

(Position)

E-mail address \_\_\_\_\_

Failure