



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

February 7, 2006

30-015-01443

J D R LTD

811 BULLOCK AVE

ARTESIA NM 88210-

LETTER 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. 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.

These wells have been in violation of NMOCD Rule 701 and 201 since February 9, 2000. Repeated requests that the wells be brought into compliance have not seemed to have any effect. I am therefore requesting one last time that these wells be brought into compliance within 30 days of the date of this letter.

Unless this matter can be satisfactorily resolved, we will request a compliance hearing before an OCD hearing examiner, where we will recommend issuance of a formal order requiring compliance with OCD rules, a civil penalty, and corrective action. You may contact this office and request an Agreed Compliance Order, which may include a penalty, or request a compliance hearing.

MECHANICAL INTEGRITY TEST DETAIL SECTION

BROOKS No.020

30-015-01441-00-00

C-19-17S-28E

Active Injection - (All Types)

Test Date:	2/11/2005	Permitted Injection PSI:	Actual PSI:
Test Reason:	5-year Test	Test Result: F	Repair Due: 5/17/2005
Test Type:	Std. Annulus Pres. Test	FAIL TYPE: Equipment - Specify in	FAIL CAUSE:
Comments on MIT: Previous IMIT failure (2000) - Not repaired			

BROOKS No.022

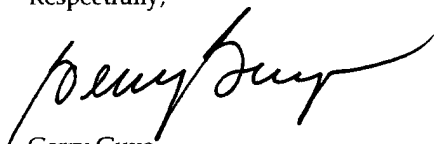
30-015-01443-00-00

B-19-17S-28E

Active Injection - (All Types)

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Test Reason:	5-year Test	Test Result: F	Repair Due: 5/17/2005
Test Type:	Std. Annulus Pres. Test	FAIL TYPE: Equipment - Specify in	FAIL CAUSE:
Comments on MIT: Previous IMIT failure(2000) - Not repaired			

Respectfully,

A handwritten signature in black ink, appearing to read "Gerry Guye", written in a cursive style.

Gerry Guye
Deputy Field Inspector
NMOCD - Artesia