

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
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Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



Response Required – Deadline Enclosed
Underground Injection Control Program
"Protecting Our Underground Sources of Drinking Water"

15-Aug-17

MNA ENTERPRISES LTD CO
106 W. Alabama
Hobbs NM 88242-8242

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 section.

The Saladar Federal #12 well has been out of compliance since August 25th, 2015 due to a failed MIT pressure test. There were claims that the well had been repaired and it failed another MIT pressure test on August 4th, 2016. Since that time, there has been no repair done to this well. A promise was made that the well would be repaired and ready to test before the end of June 2017. As of the test date of 8/11/2017 the well had not been repaired. A promise by the operator to plug the well was given in an attempt to keep the injection wells from being disconnected.

Due to the lack of bringing this well into compliance, you are instructed to disconnect the injection lines on your three injection wells and your one SWD well:

Saladar Federal 004	3001502446
Saladar Federal 008	3001502449
Saladar Federal 012	3001524179
Russell 35 Federal 002	3001505891

These well are to remain disconnected from their injection lines and out of service until the Saladar #12 has either been repaired and passes an MIT pressure test witnessed by the OCD, or the well has been plugged.

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

SALADAR FEDERAL No.012

30-015-24179-00-00

Active Injection - (All Types)

K-33-20S-28E

Test Date:	8/11/2017	Permitted Injection PSI:		Actual PSI:	0
Test Reason:	Annual IMIT	Test Result:	F	Repair Due:	11/14/2017
Test Type:	Std. Annulus Pres. Test	FAIL TYPE:	Operational Violation	FAIL CAUSE:	
Comments on MIT:	No equipment available to run MIT test. Well out of compliance since 8/25/2015.				

August 15, 2017

Page 2

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.

Sincerely,

Handwritten signature of Richard Inge in black ink.

Artesia OCD District Office

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.