

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



November 21, 2017

Maralex Disposal, LLC
Attn: Jordan Reid
PO Box 338
Ignacio, CO 81137-1137

Re: Remedial Activity
Well: Centerpoint SWD #1, UL-P-Sec-24-Twn-31N-Rge-11W, API # 30-045-33464

Dear Mr. Reid:

On September 14, 2017, the above well was tested for a possible packer failure by attempting to relieve the casing pressure from 850 lbs. to 0. On September 14, 2017, two attempts were made to relieve the pressure on the production casing. For the testing the tubing was shut in and the pressure stabilized at 1500 lbs. During the pressure relief attempts the production casing never decreased below 250 lbs. When the production casing valve was closed the production casing pressure would immediately start to increase.

Rule 19.15.26.10 NMAC OPERATION AND MAINTENANCE:

- A.** The operator of an injection well shall equip, operate, monitor and maintain the well to facilitate periodic testing and to assure continued mechanical integrity that will result in no significant leak in the tubular goods and packing materials used and no significant fluid movement through vertical channels adjacent to the well bore.
- E.** The division may restrict the injected volume and pressure for, or shut-in, injection wells or projects that have exhibited failure to confine injected fluids to the authorized injection zone or zones, until the operator has identified and corrected the failure.

To comply with rule 19.15.26.10(A) NMAC, you are hereby directed to initiate remedial activities for this well before **January 13th, 2018.**

In accordance with rule 19.15.26.10(E) NMAC, Maralex is not authorized to inject into this well until remedial activity is performed bringing the well into compliance which includes a passing Mechanical Integrity test (MIT) after remedial action is accomplished.

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Form C-103 Notice of Intent sundry detailing your proposed work is required to be submitted and approved before the work can begin. With your sundry attach a current wellbore schematic including formation and cement tops. Indicate the method used to determine the cement tops.

Reference: RBDMS MPK1726526183 on future correspondence for this issue.

Notify the Aztec OCD 24 hours before work is initiated and 24 hours prior to conducting the MIT on the well prior to placing it back into service. This is to ensure that District personnel may be present to witness the repair and subsequent testing.

If you have any questions, please call Brandon Powell at 505-334-6178, ext. 116.

Sincerely yours,

A handwritten signature in cursive script that reads "Brandon Powell".

Brandon Powell
Inspection and Enforcement Supervisor
District III - Aztec

CC: Well File