



NEW MEXICO ENERGY, MINERALS and
NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

Response Required – Deadline Enclosed
*Unconventional Injection Control Program
Preventing and Reducing Sources of Drinking Water*

05-Oct-10

MAR OIL & GAS CORP.
P.O. BOX 5155
SANTA FE, NM 87502

**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 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.

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

EUMONT HARDY UNIT No.023 **30-025-06216-00-00**
P-36-20S-37E

	Active Injection - (All Types)		
Test Date:	10/4/2010	Permitted Injection PSI:	Actual PSI:
Test Reason:	Annual IMIT	Test Result:	F
Test Type:	Bradenhead Test	FAIL TYPE:	Other Internal Failure
Comments on MIT:	PEG'D 600# GAGE FAILED BHT OPERATOR IN VIOLATION OF NMOCID RULE 19.15.26.11		
		Repair Due:	1/7/2011
		FAIL CAUSE:	

EUMONT HARDY UNIT No.013 **30-025-06224-00-00**
H-36-20S-37E

	Active Injection - (All Types)		
Test Date:	10/4/2010	Permitted Injection PSI:	Actual PSI:
Test Reason:	Annual IMIT	Test Result:	F
Test Type:	Std. Annulus Pres. Test	FAIL TYPE:	Other Internal Failure
Comments on MIT:	PESSURE TEST FAILURE. OPERATOR IN VIOLATION OF NMOCID RULE 19.15.26.11		
		Repair Due:	1/7/2011
		FAIL CAUSE:	

EUMONT HARDY UNIT No.015

30-025-07865-00-00

Expired TA Injection - (All Types)

L-31-20S-38E

Test Date:	10/4/2010	Permitted Injection PSI:	Actual PSI:
Test Reason:	Annual IMIT	Test Result:	F
Test Type:	Bradenhead Test	FAIL TYPE:	Other Internal Failure
Comments on MIT:	FEDERAL WELL SALT WATER ON WHAT MAY BE INTERMEDIATE. FAILED DUE TO PRESSURE IN INTERMEDIATE STRING WOULD NOT BLEED DOWN SALT WATER		

Repair Due: 1/7/2011

FAIL CAUSE:

EUMONT HARDY UNIT No.026

30-025-09899-00-00

Active Injection - (All Types)

C-5-21S-37E

Test Date:	10/4/2010	Permitted Injection PSI:	Actual PSI:
Test Reason:	Annual IMIT	Test Result:	F
Test Type:	Std Annulus Pres Test	FAIL TYPE:	Other Internal Failure
Comments on MIT:	FAILED PRESSURE TEST. OPERATOR IN VIOLATION OF NMOCD RULE 19 15 26 11		

Repair Due: 1/7/2011

FAIL CAUSE:

EUMONT HARDY UNIT No.037

30-025-09902-00-00

Active Injection - (All Types)

F-5-21S-37E

Test Date:	10/4/2010	Permitted Injection PSI:	Actual PSI:
Test Reason:	Annual IMIT	Test Result:	F
Test Type:	Std Annulus Pres Test	FAIL TYPE:	Other Internal Failure
Comments on MIT:	PT FAILURE. OPERATOR IN VIOLATION OF NMOCD RULE 19 15 26 11		

Repair Due: 1/7/2011

FAIL CAUSE:

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. Such a hearing may result in imposition of CIVIL PENALTIES for your violation of OCD rules

Sincerely,

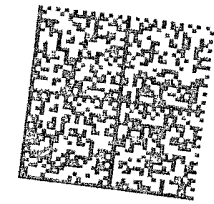
Hobbs OCD District Office

COMPLIANCE OFFICER

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

EMNRD
OIL CONSERVATION DIVISION
1625 N FRENCH DRIVE
HOBBS NM 88240

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SANTA FE, NM 87502



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