

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
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Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey
Division Director
Oil Conservation Division



April 2, 2012

Marks and Garner Production Ltd. Co.
Attn: Quinton Welborn
P.O. Box 1089
Hobbs, NM 88241

Email: qwelborn@valornet.com

**Notice of Termination of Authority to Inject into the Red Twelve State #4
(API #30-015-24991), Administrative Hearing Order R-8306**

Dear Operator:

According to Oil Conservation Division records, the authority to inject into the above-identified salt water disposal well **has terminated** pursuant to Division Rule 19.15.26.12.C NMAC. Division records show Marks and Garner Production Ltd. Co. (Marks and Garner) as the operator of record of the well.

Division Rule 19.15.26.12(C) NMAC states:

C. Abandonment of injection operations.

- (1) Whenever there is a continuous one year period of non-injection into all wells in an injection or storage project or into a salt water disposal well or special purpose injection well, the division shall consider the project or well abandoned, and the authority for injection shall automatically terminate ipso facto.
- (2) For good cause shown, the director may grant an administrative extension or extensions of injection authority as an exception to Paragraph (1) of Subsection C of 19.15.26.12 NMAC, provided that any such extension may be granted only prior to the end of one year or [sic] continuous non-injection, or during the term of a previously granted extension.

Injection reports filed for the Red Twelve State #4 show April 2009 as the last month of injection into the well. (A copy of the division's records is enclosed.) No injection reports have been filed for the Red Twelve State #4 for October 2010 and subsequent months. However, injection authority would have terminated automatically after a continuous one year period of non-injection unless the division director granted an administrative extension prior to the end of the one year of continuous non-injection. There is no indication in the division's records that an administrative extension of injection authority was requested or granted prior to the end of the one year of continuous non-injection.

Therefore, based upon the injection reports filed for the Red Twelve State #4, the authority to inject into the Red Twelve State #4 has terminated pursuant to Division Rule 19.15.26.12.C NMAC.

Please disconnect any injection lines.

If Marks and Garner wishes to inject into the Red Twelve State #4, it will have to apply for authority to inject with the Division's Engineering Bureau. Please contact Will Jones in the Division's Engineering Bureau at (505) 476-3448 or william.v.jones@state.nm.us if you have any questions regarding reacquiring injection authority.

I would like to discuss this matter further with Marks and Garner. Please call me at (505) 476-3493.

Sincerely yours,



Daniel Sanchez
New Mexico Underground Injection Control Program Director

ec: Richard Inge, OCD, Artesia
Randy Dade, OCD, Artesia
William Jones, OCD, Santa Fe
Theresa Duran-Saenz, OCD, Santa Fe

30-015-24991 RED TWELVE STATE #004 [16256]**General Well Information****Status:** Active**History****Comments****Operator**

Company: [14070] MARKS AND GARNER PRODUCTION LTD CO
Address: P.O. Box 1089
 Hobbs, NM 88241
Country: U.S.A.
Main Phone: 575-390-7532

Central Contact Person

Name: Quinton R. Welborn
Phone: 575-393-9358
Cell: 575-390-7532
E-Mail Address: Qwelborn@valornet.com

Title: Manager
Fax:

Hobbs Contacts

Name: Quinton Welborn
Phone: 575-393-9358
Cell: 575-390-7532
E-Mail Address: Qwelborn@valornet.com

Title:
Fax:

Artesia Contacts

Name: Quinton Welborn
Phone: 575-393-9358
Cell: 575-390-7532
E-Mail Address: Qwelborn@valornet.com

Title:
Fax:

Pits**Casing****Well Completions**

[28509] GRAYBURG JACKSON;SR-Q-G-SA	Status: Zone Permanently Plugged	Last Produced: 1/1/1995
[96121] SWD;SAN ANDRES	Status: Active	Last Produced: 4/1/2009

Financial Assurance**Compliance**

Note that Financial Assurance and Inactive Well Compliance are documented in separate reports ([Inactive Well Report](#), [Financial Assurance Report](#)).

Also note that some compliance issues are addressed at the operator level so not listed under each well.

CLB0534044888	Date of Violations: 12/6/2005	Violations: Pollution and Contamination
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GEG0407553709	Date of Violations: 3/15/2004	Violations: Mechanical Integrity
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GEG0505641789	Date of Violations: 2/25/2005	Violations: Mechanical Integrity
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REH0910534869	Date of Violations: 4/15/2009	Violations: Plug/Abandonment, Pollution and Contamination
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REI0812654035	Date of Violations: 5/5/2008	Violations: Operation/Maintenance
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REI0912431002	Date of Violations: 5/4/2009	Violations: Permit Violation (Order No. in comments)
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REI1008150341	Date of Violations: 3/22/2010	Violations: Mechanical Integrity
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Complaints, Incidents and Spills

Please note that incidents that impact ground water are recorded along with "facilities" which may not be wells, so although the initial report may be recorded here as a spill, information related to the abatement plans, remediation plans and ground water impact information are not yet part of this application.

nMLB0913452367

Orders

2R - Remediation Permit - Artesia 2RP-310-0

Compliance Hearing Order CHO-13197-0

Compliance Hearing Order CHO-13197-A

Salt Water Disposal SWD-0-0

Salt Water Disposal SWD-0-0

Production / Injection

[Show All Production](#) [Export to Excel](#)

Earliest Production in OCD Records: 1/1994

Last 4/2009

Time Frame	Production				Injection				
	Oil(BBLS)	Gas(MCF)	Water (BBLS)	Days P/I	Water (BBLS)	Co2(MCF)	Gas(MCF)	Other	Pressure
1994	0	0	0	0	223993	0	0	0	11500
1995	0	0	0	0	62490	0	0	0	6980
1996	0	0	0	0	4524	0	0	0	950
1997	0	0	0	0	24225	0	0	0	1800
1998	0	0	0	0	13352	0	0	0	1800
1999	0	0	0	0	0	0	0	0	1800
2000	0	0	0	0	0	0	0	0	10050
2001	0	0	0	0	415	0	0	0	6700
2002	0	0	0	0	5931	0	0	0	7300
2003	0	0	0	0	4324	0	0	0	9050
2004	0	0	0	0	8010	0	0	0	7500
2005	0	0	0	0	9601	0	0	0	8250
2006	0	0	0	0	30487	0	0	0	9000
2007	0	0	0	0	46329	0	0	0	9000
2008	0	0	0	0	56496	0	0	0	9000
2009									
SWD; SAN ANDRES									
Jan	0	0	0	0	3389	0	0	0	750
Feb	0	0	0	0	3389	0	0	0	750
Mar	0	0	0	0	3389	0	0	0	750
Apr	0	0	0	0	3661	0	0	0	750
May	0	0	0	0	0	0	0	0	750
Jun	0	0	0	0	0	0	0	0	750
Jul	0	0	0	0	0	0	0	0	750
Aug	0	0	0	0	0	0	0	0	750
Sep	0	0	0	0	0	0	0	0	750
Oct	0	0	0	0	0	0	0	0	750
Nov	0	0	0	0	0	0	0	0	750
Dec	0	0	0	0	0	0	0	0	750
Pool Total:	0	0	0	0	13828	0	0	0	9000
Annual Total:	0	0	0	0	13828	0	0	0	9000
2010									
SWD; SAN ANDRES									
Jan	0	0	0	0	0	0	0	0	750
Feb	0	0	0	0	0	0	0	0	750
Mar	0	0	0	0	0	0	0	0	750
Apr	0	0	0	0	0	0	0	0	750
May	0	0	0	0	0	0	0	0	750

Jun	0	0	0	0	0	0	0	0	750
Jul	0	0	0	0	0	0	0	0	750
Aug	0	0	0	0	0	0	0	0	750
Sep	0	0	0	0	0	0	0	0	750
Pool Total:	0	0	0	0	0	0	0	0	6750
Annual Total:	0	0	0	0	0	0	0	0	6750
Grand Total:	0	0	0	0	504005	0	0	0	116430

Transporters
