



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

January 14, 1997

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

Hal J. Rasmussen
310 West Wall, Suite 906
Midland, Texas 79701

Re: JCT (SWD) #1-B, Sec. 16, T23S, R36E

Gentlemen:

BEFORE EXAMINER	
OIL CONSERVATION DIVISION	
<u>OCD</u>	EXHIBIT NO. <u>72</u>
CASE NO: <u>12758-A</u>	

The above referenced salt water disposal well failed to demonstrate mechanical integrity when an attempt was made to conduct an annulus pressure test in 1995.

According to our records, the well has been shut in since that time. We were advised that some attempt was made to make repairs, but they were unsuccessful.

An inspection shows that a line is leaking and discharging fluids into the cellar. To protect the surrounding area and livestock, we request that you take immediate steps to correct the condition causing the leak and clean the area as needed.

To comply with the provisions of Division Order 705, the following options are available:

- 1> Make any repairs necessary to bring the well into a satisfactory condition, conduct a pressure test to confirm the success of the repairs and re-activate.
- 2> Set a CIBP no more than 50 feet above the uppermost perforation, conduct a pressure test and request TA status.
- 3> Submit a proposal to plug and abandon the well, follow through with the procedure after your proposal has been reviewed and approved.

We request that you exercise one of these options no later than April 30, 1997.

In order to insure compliance regarding the immediate problem, we will make another inspection in the near future.

Very truly yours

OIL CONSERVATION DIVISION

*Fence down Around Btty
Small Puddle of oil @ Btty
NO ACTIVITY on well
12-2-97
CP*

Jerry Sexton
Supervisor, District I

JS:bp

cc: Gary W. Wink
Charlie T. Perrin
File