NEW MEXICO ENERGY, MINERALS NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor Joanna Prukop Cabinet Secretary

Lori Wrotenberv Director Oil Conservation Division

Protecting Our Underground Sources of Drinking Water"

3/19/2004

Chesapeake Operating Co 5014 Carlsbad Hwy Hobbs, NM 88240

NOTICE 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 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 repairs will be attempted so that such operations may be witnessed by a field representative.

MECHANICAL INTEGRITY TEST DETAIL SECTION

BENSON	SHUG	ART	WA	TERFI	aoo.	UNIT	No.008
			***			U: 12 #	1 101000

30-015-23073-00-00 A-35-18S-30E

Active Injection - (All Types)

3/18/2004 Permitted Injection PSI: **Actual PSI:** Test Date:

6/21/2004 Test Result:

Annual IMIT Test Reason: Repair Due:

FAIL TYPE: Permit Violation **Bradenhead Test** FAIL CAUSE: Test Type:

Comments on MIT: Not tested. Shut in by OCD for Permit Violation.

BENSON SHUGART WATERFLOOD UNIT No.005

30-015-23697-00-00

Active Injection - (All Types) A-26-18S-30E

3/18/2004 1:05:08 PM Permitted Injection PSI: 1360 Test Date: Actual PSI: Annual IMIT Test Result: 6/21/2004 Test Reason: Repair Due:

Bradenhead Test FAIL TYPE: Permit Violation **FAIL CAUSE:** Test Type:

Permit violation (Over pressured). Well must remain shut-in pending approval of OCD of increase Comments on MIT:

in pressure.

Oil Conservation Division * 1301 W. Grand * Artesia, New Mexico 88210 Phone; 505-748-1283 * Fax: 505-748-9720 * http://www.emnrd.state.nm.us

BENSON SHUGART WATERFLOOD UNIT No.030

Shut-In Injection - (All Types)

Active Injection - (All Types)

Active Injection - (All Types)

30-015-25966-00-00 M-30-18S-31E

3/18/2004 1:28:08 PM Permitted Injection PSI: Actual PSI: Test Date:

6/21/2004 Annual IMIT Repair Due: Test Reason: Test Result-

Bradenhead Test FAIL TYPE: Permit Violation FAIL CAUSE: Test Type:

Permit violation (Over pressured). Well must remain shut-in pending approval of OCD of increase Comments on MIT:

in pressure.

BENSON SHUGART WATERFLOOD UNIT No.019

30-015-26041-00-00

Shut-In Injection - (All Types) N-25-18S-30E

3/18/2004 1:21:43 PM Tost Date: **Permitted Injection PSI:** Actual PSI: 6/21/2004 **Annual IMIT** Test Result: Repair Due: Test Reason:

FAIL TYPE: Permit Violation **Bradenhead Test FAIL CAUSE:** Test Type:

Permit violation (Over pressured). Well must remain shut-in pending approval of OCD of increase Comments on MIT:

in pressure.

BENSON SHUGART WATERFLOOD UNIT No.007

30-015-27546-00-00 I-26-18S-30E

3/18/2004 1:13:44 PM 1290 Test Date: Permitted Injection PSI: Actual PSI: Annual IMIT 6/21/2004 Test Reason: Test Result: Repair Due:

FAIL TYPE: Permit Violation Test Type: **Bradenhead Test** FAIL CAUSE:

Comments on MIT: Permit violation (Over pressured). Well must remain shut-in pending approval of OCD of increase

in pressure.

BENSON SHUGART WATERFLOOD UNIT No.006

30-015-27644-00-00 H-26-18S-30E

Active Injection - (All Types) 3/18/2004 12:56:50 PM **Test Date:** Permitted Injection PSI: Actual PSI: 1350

Test Reason: Annual IMIT Test Result: Repair Due: 6/21/2004 Bradenhead Test FAIL TYPE: Permit Violation FAIL CAUSE: Test Type:

Well is overpressured. Unable to open bradenhead valve. Well must be shut in pending repair and Comments on MIT:

approval of pressure increase.

BENSON SHUGART WATERFLOOD UNIT No.015

30-015-27712-00-00 L-25-18S-30E

3/18/2004 12:34:13 PM Test Date: **Permitted Injection PSI:** 1340 Actual PSI:

6/21/2004 **Annual IMIT** Test Result: Test Reason: Repair Due:

Bradenhead Test FAIL TYPE: Permit Violation FAIL CAUSE: Test Type:

Well is overpressured. Bradenhead valve and casing valve frozen, unable to open. Well must be Comments on MIT:

shut in pending repair of well and approval of pressure increase.

Thank you for your prompt attention to this matter and your efforts in helping to protect our ground water

Sincerely.

D District Office Artesia Of

> 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

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