



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Betty Rivera

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

MAY 15 2006

**FOREST OIL CORPORATION**

3504 W. County Rd.

Hobbs NM 88240

**LETTER OF VIOLATION - Inspection**

Dear Operator:

The inspection(s) indicated on the attached sheet show that the well, equipment, location or operational status of the well(s) failed to meet standards of the New Mexico Oil Conservation Division as described in the detail section. To comply with standards imposed by Rules and Regulations of the Division, wells must be shut in and corrective action must be taken immediately and the situation brought into compliance. The detail section indicates preliminary findings and/or probable nature of the violation. This determination is based on an inspection of your well or facility by an inspector employed by the Oil Conservation Division on the date(s) indicated.

Please notify the proper district office of the Division, in writing, of the date corrective actions are scheduled to be made so that arrangements can be made to reinspect the well and/or facility.

In the event that a satisfactory response is not received to this letter of direction by **August 18, 2006**, 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.

Respectfully,

Gerry Guye  
Deputy Field Inspector  
District II - Artesia

## Internal Mechanical Integrity Compliance

| API Well No          | Well Name - Number                    | Operator Name                     | IMIT Test Date                                     | Method                                            | Reason                                   | Rslt | Inspector  | Notes                                                                                                                                                              |
|----------------------|---------------------------------------|-----------------------------------|----------------------------------------------------|---------------------------------------------------|------------------------------------------|------|------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 30-015-05155-00-00   | SKELLY UNIT - 019                     | FOREST OIL CORPORATION            | 5/11/2006 10:26:11 AM                              | Bradenhead Test                                   | Annual IMIT                              | F    | Gerry Guye | Tubing pressure reflects well is still overpressured (Max 1780). Well is open to the injection line and must be shut in and remain shut in until well is repaired. |
|                      | <i>Compliance ID</i><br>GEG0613249330 | <i>Violation Dt</i><br>05/11/2006 | <i>Type of Violation</i><br>Permit Violation Other | <i>Dt Return To Comp.</i><br><i>Inspection No</i> | <i>API Well No</i><br>30-015-05155-00-00 |      |            |                                                                                                                                                                    |
| 30-015-05155-00-00   | SKELLY UNIT - 019                     | FOREST OIL CORPORATION            | 5/27/2004 8:57:27 AM                               | Bradenhead Test                                   | Annual IMIT                              | F    | Gerry Guye | Injection pressure over limit                                                                                                                                      |
|                      | <i>Compliance ID</i><br>GEG0414937439 | <i>Violation Dt</i><br>05/27/2004 | <i>Type of Violation</i><br>Permit Violation Other | <i>Dt Return To Comp.</i><br><i>Inspection No</i> | <i>API Well No</i><br>30-015-05155-00-00 |      |            |                                                                                                                                                                    |
| 30-015-05331-00-00   | SKELLY UNIT - 074                     | FOREST OIL CORPORATION            | 5/26/2004 11:49:26 AM                              | Bradenhead Test                                   | Annual IMIT                              | F    | Gerry Guye | Hole in casing                                                                                                                                                     |
|                      | <i>Compliance ID</i><br>GEG0414742607 | <i>Violation Dt</i><br>05/26/2004 | <i>Type of Violation</i><br>Mechanical Integrity   | <i>Dt Return To Comp.</i><br><i>Inspection No</i> | <i>API Well No</i><br>30-015-05331-00-00 |      |            |                                                                                                                                                                    |
| 30-015-05346-00-00   | SKELLY UNIT - 045                     | FOREST OIL CORPORATION            | 5/27/2004 9:25:09 AM                               | Bradenhead Test                                   | Annual IMIT                              | F    | Gerry Guye | Injection pressure over limit                                                                                                                                      |
|                      | <i>Compliance ID</i><br>GEG0414942191 | <i>Violation Dt</i><br>05/27/2004 | <i>Type of Violation</i><br>Permit Violation Other | <i>Dt Return To Comp.</i><br><i>Inspection No</i> | <i>API Well No</i><br>30-015-05346-00-00 |      |            |                                                                                                                                                                    |
| 30-015-05351-00-00   | SKELLY UNIT - 054                     | FOREST OIL CORPORATION            | 5/27/2004 9:43:57 AM                               | Bradenhead Test                                   | Annual IMIT                              | F    | Gerry Guye | Hole in tubing                                                                                                                                                     |
|                      | <i>Compliance ID</i><br>GEG0414835207 | <i>Violation Dt</i><br>05/27/2004 | <i>Type of Violation</i><br>Mechanical Integrity   | <i>Dt Return To Comp.</i><br><i>Inspection No</i> | <i>API Well No</i><br>30-015-05351-00-00 |      |            |                                                                                                                                                                    |
| 30-015-05355-00-00   | SKELLY UNIT - 058                     | FOREST OIL CORPORATION            | 5/10/2006 12:40:18 PM                              | Bradenhead Test                                   | Annual IMIT                              | F    | Gerry Guye | Unable to open Csg valve.                                                                                                                                          |
|                      | <i>Compliance ID</i><br>GEG0613045835 | <i>Violation Dt</i><br>05/10/2006 | <i>Type of Violation</i><br>Operation/Maintenance  | <i>Dt Return To Comp.</i><br><i>Inspection No</i> | <i>API Well No</i><br>30-015-05355-00-00 |      |            |                                                                                                                                                                    |
| 30-015-05365-00-00   | SKELLY UNIT - 070                     | FOREST OIL CORPORATION            | 6/15/2005 9:05:54 AM                               | Bradenhead Test                                   | Annual IMIT                              | F    | Gerry Guye | Injection pressure over limit                                                                                                                                      |
|                      | <i>Compliance ID</i><br>GEG0516633245 | <i>Violation Dt</i><br>06/15/2005 | <i>Type of Violation</i><br>Pressure/Rate          | <i>Dt Return To Comp.</i><br><i>Inspection No</i> | <i>API Well No</i><br>30-015-05365-00-00 |      |            |                                                                                                                                                                    |
| 30-015-05365-00-00   | SKELLY UNIT - 070                     | FOREST OIL CORPORATION            | 5/26/2004 9:09:00 AM                               | Bradenhead Test                                   | Annual IMIT                              | F    | Gerry Guye | Injection pressure over limit                                                                                                                                      |
|                      | <i>Compliance ID</i><br>GEG0414733272 | <i>Violation Dt</i><br>05/26/2004 | <i>Type of Violation</i><br>Permit Violation Other | <i>Dt Return To Comp.</i><br><i>Inspection No</i> | <i>API Well No</i><br>30-015-05365-00-00 |      |            |                                                                                                                                                                    |
| 30-015-05411-00-00   | LEA D - 001                           | FOREST OIL CORPORATION            | 5/26/2004 9:37:17 AM                               | Bradenhead Test                                   | Annual IMIT                              | F    | Gerry Guye | Injection pressure over limit                                                                                                                                      |
|                      | <i>Compliance ID</i><br>GEG0414734726 | <i>Violation Dt</i><br>05/26/2004 | <i>Type of Violation</i><br>Pressure/Rate          | <i>Dt Return To Comp.</i><br><i>Inspection No</i> | <i>API Well No</i><br>30-015-05411-00-00 |      |            |                                                                                                                                                                    |
| Monday, May 15, 2006 |                                       |                                   |                                                    |                                                   |                                          |      |            |                                                                                                                                                                    |

## Internal Mechanical Integrity Compliance

| API Well No | Well Name - Number | Operator Name | IMIT Test Date | Method | Reason | Rslt | Inspector | Notes |
|-------------|--------------------|---------------|----------------|--------|--------|------|-----------|-------|
|-------------|--------------------|---------------|----------------|--------|--------|------|-----------|-------|

|                                       |                   |                                   |                                                    |                                                   |                                          |   |            |                                                                                                                                                                                            |
|---------------------------------------|-------------------|-----------------------------------|----------------------------------------------------|---------------------------------------------------|------------------------------------------|---|------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 30-015-05418-00-00                    | SKELLY UNIT - 083 | FOREST OIL CORPORATION            | 5/26/2004 10:13:50 AM                              | Bradenhead Test                                   | Annual IMIT                              | F | Gerry Guye | Injection pressure over limit                                                                                                                                                              |
| <i>Compliance ID</i><br>GEG0414856729 |                   | <i>Violation Dt</i><br>05/26/2004 | <i>Type of Violation</i><br>Permit Violation Other | <i>Dt Return To Comp.</i><br><i>Inspection No</i> | <i>API Well No</i><br>30-015-05418-00-00 |   |            |                                                                                                                                                                                            |
| 30-015-05420-00-00                    | SKELLY UNIT - 087 | FOREST OIL CORPORATION            | 5/10/2006 12:27:22 PM                              | Bradenhead Test                                   | Annual IMIT                              | F | Gerry Guye | This well has a hole in tubing and has not been repaired since discovery in 2004.                                                                                                          |
| 30-015-05420-00-00                    | SKELLY UNIT - 087 | FOREST OIL CORPORATION            | 6/16/2005 11:55:27 AM                              | Std. Annulus Pres.                                | 5-year Test                              | F | Gerry Guye | Previous IMIT failure - Not repaired                                                                                                                                                       |
| <i>Compliance ID</i><br>GEG0516742977 |                   | <i>Violation Dt</i><br>06/16/2005 | <i>Type of Violation</i><br>Pressure/Rate          | <i>Dt Return To Comp.</i><br><i>Inspection No</i> | <i>API Well No</i><br>30-015-05420-00-00 |   |            |                                                                                                                                                                                            |
| 30-015-05420-00-00                    | SKELLY UNIT - 087 | FOREST OIL CORPORATION            | 5/26/2004 11:04:23 AM                              | Bradenhead Test                                   | Annual IMIT                              | F | Gerry Guye | Hole in tubing                                                                                                                                                                             |
| <i>Compliance ID</i><br>GEG0414740004 |                   | <i>Violation Dt</i><br>05/26/2004 | <i>Type of Violation</i><br>Mechanical Integrity   | <i>Dt Return To Comp.</i><br><i>Inspection No</i> | <i>API Well No</i><br>30-015-05420-00-00 |   |            |                                                                                                                                                                                            |
| 30-015-05424-00-00                    | SKELLY UNIT - 096 | FOREST OIL CORPORATION            | 5/26/2004 10:48:44 AM                              | Bradenhead Test                                   | Annual IMIT                              | F | Gerry Guye | Injection pressure over limit                                                                                                                                                              |
| <i>Compliance ID</i><br>GEG0414739014 |                   | <i>Violation Dt</i><br>05/26/2004 | <i>Type of Violation</i><br>Permit Violation Other | <i>Dt Return To Comp.</i><br><i>Inspection No</i> | <i>API Well No</i><br>30-015-05424-00-00 |   |            |                                                                                                                                                                                            |
| 30-015-05428-00-00                    | SKELLY UNIT - 090 | FOREST OIL CORPORATION            | 5/26/2004 11:40:06 AM                              | Bradenhead Test                                   | Annual IMIT                              | F | Gerry Guye | Injection pressure over limit                                                                                                                                                              |
| <i>Compliance ID</i><br>GEG0414950149 |                   | <i>Violation Dt</i><br>05/26/2004 | <i>Type of Violation</i><br>Identification         | <i>Dt Return To Comp.</i><br><i>Inspection No</i> | <i>API Well No</i><br>30-015-05428-00-00 |   |            |                                                                                                                                                                                            |
| 30-015-20366-00-00                    | SKELLY UNIT - 106 | FOREST OIL CORPORATION            | 5/11/2006 10:30:04 AM                              | Bradenhead Test                                   | Annual IMIT                              | F | Gerry Guye | Well is open to the injection line and tubing pressure is still over limit (1925). Well must be shut in and remain shut in pending reduction of injection pressure or increase from State. |
| <i>Compliance ID</i><br>GEG0673527552 |                   | <i>Violation Dt</i><br>05/11/2006 | <i>Type of Violation</i><br>Pressure/Rate          | <i>Dt Return To Comp.</i><br><i>Inspection No</i> | <i>API Well No</i><br>30-015-20366-00-00 |   |            |                                                                                                                                                                                            |
| 30-015-20366-00-00                    | SKELLY UNIT - 106 | FOREST OIL CORPORATION            | 5/27/2004 9:03:51 AM                               | Bradenhead Test                                   | Annual IMIT                              | F | Gerry Guye | Injection pressure over limit                                                                                                                                                              |
| <i>Compliance ID</i><br>GEG0414944450 |                   | <i>Violation Dt</i><br>05/27/2004 | <i>Type of Violation</i><br>Permit Violation Other | <i>Dt Return To Comp.</i><br><i>Inspection No</i> | <i>API Well No</i><br>30-015-20366-00-00 |   |            |                                                                                                                                                                                            |
| 30-015-20406-00-00                    | SKELLY UNIT - 108 | FOREST OIL CORPORATION            | 6/9/2005 1:19:32 PM                                | Std. Annulus Pres.                                | 5-year Test                              | F | Gerry Guye | Well will not hold pressure                                                                                                                                                                |
| <i>Compliance ID</i><br>GEG0516049152 |                   | <i>Violation Dt</i><br>06/09/2005 | <i>Type of Violation</i><br>Mechanical Integrity   | <i>Dt Return To Comp.</i><br><i>Inspection No</i> | <i>API Well No</i><br>30-015-20406-00-00 |   |            |                                                                                                                                                                                            |
| 30-015-20406-00-00                    | SKELLY UNIT - 108 | FOREST OIL CORPORATION            | 5/26/2004 2:14:59 PM                               | Bradenhead Test                                   | Annual IMIT                              | F | Gerry Guye | Injection pressure over limit                                                                                                                                                              |
| <i>Compliance ID</i><br>GEG0414944977 |                   | <i>Violation Dt</i><br>05/26/2004 | <i>Type of Violation</i><br>Permit Violation Other | <i>Dt Return To Comp.</i><br><i>Inspection No</i> | <i>API Well No</i><br>30-015-20406-00-00 |   |            |                                                                                                                                                                                            |

Monday, May 15, 2006

Internal Mechanical Integrity Compliance

| API Well No | Well Name - Number | Operator Name | IMIT Test Date | Method | Reason | Rslt | Inspector | Notes |
|-------------|--------------------|---------------|----------------|--------|--------|------|-----------|-------|
|-------------|--------------------|---------------|----------------|--------|--------|------|-----------|-------|

|                                       |                                   |                                                    |                           |                      |                                          |            |                                      |
|---------------------------------------|-----------------------------------|----------------------------------------------------|---------------------------|----------------------|------------------------------------------|------------|--------------------------------------|
| 30-015-29452-00-00 SKELLY UNIT - 300  | FOREST OIL CORPORATION            | 5/10/2006 1:17:23 PM                               | Bradenhead Test           | Annual IMIT          | F                                        | Gerry Guye | Previous IMIT failure - Not repaired |
| <b>Compliance ID</b><br>GEG0613528223 | <b>Violation Dt</b><br>05/10/2006 | <b>Type of Violation</b><br>Operation/Maintenance  | <b>Dt Return To Comp.</b> | <b>Inspection No</b> | <b>API Well No</b><br>30-015-29452-00-00 |            |                                      |
| 30-015-29452-00-00 SKELLY UNIT - 300  | FOREST OIL CORPORATION            | 5/26/2004 9:04:35 AM                               | Bradenhead Test           | Annual IMIT          | F                                        | Gerry Guye | Injection pressure over limit        |
| <b>Compliance ID</b><br>GEG0414950030 | <b>Violation Dt</b><br>05/26/2004 | <b>Type of Violation</b><br>Permit Violation Other | <b>Dt Return To Comp.</b> | <b>Inspection No</b> | <b>API Well No</b><br>30-015-29452-00-00 |            |                                      |