

NEW MEXICO ENERGY, MINERALS NATURAL RESOURCES DEPARTMENT

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Director

Oil Conservation Division

Underground Injection Control Program "Protecting Our Underground Sources of Drinking Water"

23-Jun-05

WISER OIL CO (THE)

PO Box 2568

Hobbs NM 88241-0000

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(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 SEC	TTION
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SKELLY UNIT No.033

Active Injection - (All Types)

30-015-05140-00-00

Test Date:

6/6/2005

Permitted Injection PSI:

M-14-17S-31E

9/9/2005

Test Reason:

Actual PSE

Test Type:

Annual IMIT

Repair Due:

Bradenhead Test

FAIL TYPE: Permit Violation

FAIL CAUSE:

Comments on MIT: Previous IMIT failure - Not repaired

30-015-05144-00-00

SKELLY UNIT No.024

Active Injection - (All Types)

L-14-17S-31E

Test Date: Test Reason:

6/6/2005

Permitted Injection PSI:

Actual PSI: Repair Due:

9/9/2005

Test Type:

5-year Test

Test Result:

Test Result:

Std. Annulus Pres. Test

FAIL TYPE: Behind CSG Flow

FAIL CAUSE:

SKELLY UNIT No.103

Comments on MIT: Well will not hold pressure

Active Injection - (All Types)

30-015-05148-00-00 C-14-17S-31E

Test Date.

6/6/2005

Permitted Injection PSI:

Actual PSI:

Test Reason:

1800 9/9/2005

Test Type:

5-year Test

Test Result:

Repair Due:

Std. Annulus Pres. Test

FAIL TYPE: Behind CSG Flow

Comments on MIT: Well will not hold pressure, circulating thru red valve.

FAIL CAUSE:

SKELLY UNIT No.105

30-015-05149-00-00 F-14-17S-31E

Active Injection - (All Types)

Actual PSI:

Test Date: Test Reason: 6/6/2005

Permitted Injection PSI:

Test Type:

Annual IMIT

Test Result:

Repair Due:

Bradenhead Test

FAIL TYPE: Permit Violation

FAIL CAUSE:

SKELLY UNIT No.018

Comments on MIT: Previous IMIT failure - Not repaired

30-015-05154-00-00

9/9/2005

Active Injection - (All Types)

D-15-17S-31E

Test Date:

6/9/2005

Permitted Injection PSI:

Actual PSI:

Test Reason:

Repair Due:

9/12/2005

Test Type:

Annual IMIT

Test Result:

FAIL CAUSE:

Bradenhead Test

FAIL TYPE: Operational Violation

Comments on MIT:

SKELLY UNIT No.020

Well not injecting, could not witness injection pressure. Previous inspections indicate injection pressure over

Active Injection - (All Types)

30-015-05161-00-00 G-15-17S-31E

Test Date:

6/9/2005

Permitted Injection PSI:

Actual PSI:

Test Reason:

5-year Test

Test Result:

Repair Due:

9/12/2005

Test Type:

Std. Annulus Pres. Test

FAIL TYPE: Behind CSG Flow

FAIL TYPE: Operational Violation

FAIL CAUSE:

Comments on MIT:

Previous IMIT failure - Not repaired. Behind casing flow, circulated outside of surface casing.

SKELLY UNIT No.074

Active Injection - (All Types)

30-015-05331-00-00 M-21-17S-31E

Test Date:

6/16/2005

Permitted Injection PSI:

Actual PSI:

Test Reason: Test Type:

5-year Test

Test Result:

Repair Due:

9/19/2005 FAIL CAUSE:

Std. Annulus Pres. Test Previous IMIT failure - Not repaired Comments on MIT:

SKELLY UNIT No.052

Active Injection - (All Types)

30-015-05345-00-00 J-22-17S-31E

Test Date:

6/14/2005

Test Reason:

Permitted Injection PSI:

Actual PSI:

5-year Test

Test Result:

Repair Due:

Test Type:

Std. Annulus Pres. Test

FAIL TYPE: Casing **FAIL CAUSE:**

Comments on MIT:

Well will not hold pressure

SKELLY UNIT No.055

Active Injection - (All Types)

FAIL TYPE: Operational Violation

30-015-05349-00-00 M-22-17S-31E

Test Date:

6/16/2005

Permitted Injection PSI:

Actual PSI:

9/19/2005

9/17/2005

Test Reason:

Annual IMIT

Test Result:

Repair Due:

FAIL CAUSE:

Test Type: **Bradenhead Test** Comments on MIT:

SKELLY UNIT No.054

Previous IMIT failure - Not repaired

Active Injection - (All Types)

30-015-05351-00-00 L-22-17S-31E

Test Date:

6/14/2005

Permitted Injection PSI:

Actual PSI:

9/17/2005

Test Reason:

5-year Test

Test Result:

Repair Due:

Test Type:

Std. Annulus Pres. Test

FAIL TYPE: Operational Violation

FAIL CAUSE:

Comments on MIT: Previous IMIT failure - Not repaired

Active Injection - (All Types)

F

30-015-05360-00-00 D-23-17S-31E

Test Date: Test Reason: 6/6/2005 5-vear Test Permitted Injection PSI:

Test Result:

Repair Due: 9/9/2005

Test Type:

Std. Annulus Pres. Test

FAIL TYPE: Twbing

FAIL CAUSE:

Actual PSI:

Comments on MIT:

SKELLY UNIT No.040

Casing pressure 800 # and would not bleed down to 0

SKELLY UNIT No.047 30-015-05364-00-00 Active Injection - (All Types) E-23-17S-31E **Actual PSI:** Test Date: Permitted Injection PSI: 6/14/2005 Test Reason: Test Result: Repair Due: 5-year Test 9/17/2005 Test Type: FAIL TYPE: Casing **FAIL CAUSE:** Std. Annulus Pres. Test Comments on MIT: Previous IMIT failure - Not repaired. Well will not hold pressure. **SKELLY UNIT No.070** 30-015-05365-00-00 Active Injection - (All Types) I-23-17S-31E Actual PSI: Test Date: Permitted Injection PSI: 1600 6/15/2005 Test Reason: **Annual IMIT** Test Result: Repair Due: 9/18/2005 Test Type: FAIL TYPE: Permit Violation **FAIL CAUSE:** Bradenhead Test Comments on MIT: Injection pressure over limit **SKELLY UNIT No.072** 30-015-05372-00-00 Active Injection - (All Types) K-23-17S-31E Test Date: Permitted Injection PSI: Actual PSI: 6/14/2005 1800 Test Reason: Test Result: 5-year Test Repair Due: 9/17/2005 Test Type: FAIL TYPE: Casing **FAIL CAUSE:** Std. Annulus Pres. Test Comments on MIT: Well will not hold pressure LEA D No.002 30-015-05412-00-00 Active Injection - (All Types) A-26-17S-31E Test Date: Permitted Injection PSI: Actual PSI: 6/15/2005 Test Reason: Test Result: Repair Due: **Annual IMIT** 9/18/2005 Test Type: FAIL TYPE: Operational Violation FAIL CAUSE: **Bradenhead Test** Comments on MIT: Previous IMIT failure - Not repaired LEA D No.005 30-015-05415-00-00 Active Injection - (All Types) I-26-17S-31E Test Date: 6/16/2005 Permitted Injection PSI: **Actual PSI:** Test Reason: 5-year Test Test Result: Repair Due: 9/19/2005 Test Type: Std. Annulus Pres. Test FAIL TYPE: Casing FAIL CAUSE: Comments on MIT: SKELLY UNIT No.083 30-015-05418-00-00 Active Injection - (All Types) D-26-17S-31E Test Date: **Actual PSI:** Permitted Injection PSI: 6/16/2005 Test Reason: **Annual IMIT** Test Result: Repair Due: 9/19/2005 Test Type: FAIL TYPE: Operational Violation **FAIL CAUSE: Bradenhead Test** Previous IMIT failure - Not repaired Comments on MIT: **SKELLY UNIT No.087** 30-015-05420-00-00

Active Injection - (All Types) D-27-17S-31E Test Date: Permitted Injection PSI: Actual PSI: 6/16/2005

Test Reason: Test Result: 5-year Test F Repair Due: 9/19/2005

Test Type: FAIL TYPE: Operational Violation Std. Annulus Pres. Test FAIL CAUSE:

Comments on MIT:

Previous IMIT failure - Not repaired

SKELLY UNIT No.086 30-015-05421-00-00 Active Injection - (All Types) C-27-17S-31E Permitted Injection PSI: Test Date: 6/17/2005 Actual PSI:

1850 Test Reason: Test Result: 5-year Test Repair Due: 9/20/2005 Test Type: FAIL TYPE: Equipment - Specify in C Std. Annulus Pres. Test **FAIL CAUSE:**

Comments on MIT: Unable to open bradenhead valves. **SKELLY UNIT No.090**

30-015-05428-00-00

Active Injection - (All Types)

C-28-17S-31E

Test Date:

6/16/2005

Permitted Injection PSI:

Actual PSI:

Test Reason:

Annual IMIT

Test Result:

Repair Due:

Test Type:

Bradenhead Test

FAIL TYPE: Operational Violation

FAIL CAUSE:

SKELLY UNIT No.108

Comments on MIT: Previous IMIT failure - Not repaired .

30-015-20406-00-00

9/19/2005

Active Injection - (All Types)

A-15-17S-31E

Test Date:

6/9/2005

Permitted Injection PSI:

Actual PSI:

Test Reason:

5-year Test

Test Result:

Repair Due:

9/12/2005

Test Type:

Std. Annulus Pres. Test

FAIL TYPE: Casing

FAIL CAUSE:

Comments on MIT: Well will not hold pressure

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,

Artesia OCD District Office

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.