

NEW MEXICO ENERGY, MINERALS NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

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Cabinet Secretary

Mark E. Fesmire, P.E.

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 SECTION	MECHANICAL	INTEGRITY TEST	DETAIL SECTION
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SKELLY UNIT No.033

Active Injection - (All Types)

30-015-05140-00-00 M-14-17S-31E

Test Date:

6/6/2005

Permitted Injection PSI:

Actual PSI:

Test Reason:

Annual IMIT

Test Result:

Repair Duc:

9/9/2005

Test Type:

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:

FAIL CAUSE:

Std. Annulus Pres. Test

FAIL TYPE: Behind CSG Flow

Comments on MIT:

Well will not hold pressure

SKELLY UNIT No.103

Active Injection - (All Types)

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

Test Date:

6/6/2005

Permitted Injection PSI:

Actual PSI:

1800

Test Reason:

Test Result:

9/9/2005

5-year Test

Repair Due:

Test Type:

Std. Annulus Pres. Test

FAIL TYPE: Behind CSG Flow

FAIL CAUSE:

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

Oil Conservation Division * 1301 W. Grand * Artesia. New Mexico 88210 Phone: 505-748-1283 * Fax: 505-748-9720 * http://www.emnrd.state.nm.us SKELLY UNIT No.105

Active Injection - (All Types)

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

Test Date:

6/6/2005

Permitted Injection PSI:

Actual PSI:

Test Reason:

Repair Due:

Test Type:

Annual IMIT

Bradenhead Test

Test Result:

F FAIL TYPE: Permit Violation

FAIL CAUSE:

Comments on MIT:

Previous IMIT failure - Not repaired

SKELLY UNIT No.018

Active Injection - (All Types)

30-015-05154-00-00 D-15-17S-31E

Test Date:

6/9/2005

Permitted Injection PSI:

Actual PSI:

Test Reason: Annual IMIT Test Result:

Repair Due:

9/12/2005

9/9/2005

Test Type:

Bradenhead Test

FAIL TYPE: Operational Violation

FAIL CAUSE:

Comments on MIT:

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

SKELLY UNIT No.020

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: Test Type:

5-year Test

Test Result:

Repair Due:

9/12/2005

Std. Annulus Pres. Test

FAIL TYPE: Behind CSG Flow

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:

FAIL CAUSE:

Test Reason:

5-year Test

Test Result:

Repair Duc:

9/19/2005

Test Type:

SKELLY UNIT No.052

Std. Annulus Pres. Test FAIL TYPE: Operational Violation Comments on MIT: Previous IMIT failure - Not repaired

30-015-05345-00-00

Active Injection - (All Types)

J-22-17S-31E

Test Date:

6/14/2005

Permitted Injection PSI:

Actual PSI:

Test Reason:

9/17/2005

Test Type:

5-year Test Std. Annulus Pres. Test Test Result: **FAIL TYPE: Casing** Repair Due:

FAIL CAUSE:

Comments on MIT:

Well will not hold pressure

SKELLY UNIT No.055

Active Injection - (All Types)

30-015-05349-00-00

Test Date:

Actual PSI:

M-22-17S-31E

Test Reason:

6/16/2005 Annual IMIT Permitted Injection PSI:

Repair Due: 9/19/2005

Test Type:

Bradenhead Test

Test Result: FAIL TYPE: Operational Violation

FAIL CAUSE:

Comments on MIT: Previous IMIT failure - Not repaired

SKELLY UNIT No.054

Active Injection - (All Types)

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

9/17/2005

9/9/2005

Test Date:

6/14/2005

Permitted Injection PSI:

Actual PSI:

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

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

SKELLY UNIT No.040

6/6/2005

Active Injection - (All Types) Permitted Injection PSI:

Actual IPSI:

Test Date: Test Reason:

5-year Test

Test Result:

Repair Due:

Test Type:

Std. Annulus Pres. Test

FAIL TYPE: Tubing

FAIL CAUSE:

Comments on MIT: Casing pressure 800 # and would not bleed down to 0

30-015-05364-00-00 **SKELLY UNIT No.047** Active Injection - (All Types) E-23-17S-31E Permitted Injection PSI: Actual PSI: Test Date: 6/14/2005 Repair Due: Test Reason: 5-year Test Test Result: F 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 I-23-17S-31E Active Injection - (All Types) Actual PSI: Permitted Injection PSI: Test Date: 1600 6/15/2005 Test Reason: Annual IMIT Test Result: Repair Due: 9/18/2005 FAIL TYPE: Permit Violation Test Type: **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: 1800 6/14/2005 Test Reason: Test Result: Repair Due: 9/17/2005 5-year Test 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 A-26-17S-31E Active Injection - (All Types) Permitted Injection PSI: Actual PSI: Test Date: 6/15/2005 Test Reason: **Annual IMIT** Test Result: Repair Due: 9/18/2005 FAIL TYPE: Operational Violation Test Type: **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 Actual PSI: Test Date: **Permitted Injection PSI:** 6/16/2005 Test Result: Test Reason: 5-year Test F Repair Due: 9/19/2005 Test Type: FAIL CAUSE: Std. Annulus Pres. Test FAIL TYPE: Casing Comments on MIT: 30-015-05418-00-00 Active Injection - (All Types) D-26-17S-31E

SKELLY UNIT No.083

Test Date: Permitted Injection PSI: Actual PSI: 6/16/2005 Test Result: Test Reason: **Annual IMIT** F Repair Due: 9/19/2005

FAIL TYPE: Operational Violation Test Type:

Bradenhead Test FAIL CAUSE:

Comments on MIT: Previous IMIT failure - Not repaired

SKELLY UNIT No.087 30-015-05420-00-00 Active Injection - (All Types) D-27-17S-31E

Permitted Injection PSI: Actual PSI: Test Date: 6/16/2005

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

Test Type: FAIL TYPE: Operational Violation **FAIL CAUSE:**

Std. Annulus Pres. Test

Previous IMIT failure - Not repaired Comments on MIT:

SKELLY UNIT No.086 30-015-05421-00-00 Active Injection - (All Types) C-27-17S-31E

Test Date: Permitted Injection PSI: Actual PSI: 6/17/2005 1850

Test Reason: 5-year Test Test Result: Repair Due: 9/20/2005

Test Type: Std. Annulus Pres. Test FAIL TYPE: Equipment - Specify in C 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:

F

Repair Due:

9/19/2005

Test Type:

Bradenhead Test

FAIL TYPE: Operational Violation

FAIL CAUSE:

Comments on MIT: Previous IMIT failure - Not repaired -

Active Injection - (All Types)

30-015-20406-00-00 A-15-17S-31E

6/9/2005

Permitted Injection PSI:

Actual PSI:

9/12/2005

Test Reason: Test Type:

Test Date:

5-year Test

Test Result:

Repair Due:

Std. Annulus Pres. Test

FAIL TYPE: Casing

FAIL CAUSE:

SKELLY UNIT No.108

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.