

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

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Deputy Cabinet Secretary

David Catanach, Director
Oil Conservation Division



Response Required - Deadline Enclosed

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

14-Oct-15

COG OPERATING LLC
ONE CONCHO CENTER 600 W. ILLINOIS AVE
MIDLAND TX 79701-

**LETTER 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

SRO SWD	No.102		30-015-21398-00-00
		Active Salt Water Disposal Well	G-16-26S-28E
Test Date:	10/13/2015	Permitted Injection PSI:	Actual PSI: 0
Test Reason:	Annual IMIT	Test Result: F	Repair Due: 1/16/2016
Test Type:	Bradenhead Test	FAIL TYPE: Other Internal Failure	FAIL CAUSE:
Comments on MIT: Continuous blow from intermediate valve.			
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STATE GQ COM No.001			30-015-22894-00-00
		Active Salt Water Disposal Well	J-7-25S-28E
Test Date:	10/14/2015	Permitted Injection PSI:	Actual PSI:
Test Reason:	Annual IMIT	Test Result: F	Repair Due: 1/17/2016
Test Type:	Bradenhead Test	FAIL TYPE: Other Internal Failure	FAIL CAUSE:
Comments on MIT: Informed by operator that well would not pass mit test. Scheduled to be repaired.			

SRO SWD No.103**30-015-24462-00-00****Active Salt Water Disposal Well****M-17-26S-28E**

Test Date: 10/14/2015 **Permitted Injection PSI:** **Actual PSI:**
Test Reason: 5-year Test **Test Result:** F **Repair Due:** 1/17/2016
Test Type: Std. Annulus Pres. Test **FAIL TYPE:** Other Internal Failure **FAIL CAUSE:**
Comments on MIT: Informed by operator that well will not pass MIT. Scheduled for repair.

SRO SWD No.101**30-015-26105-00-00****Active Salt Water Disposal Well****G-5-26S-28E**

Test Date: 10/14/2015 **Permitted Injection PSI:** **Actual PSI:**
Test Reason: 5-year Test **Test Result:** F **Repair Due:** 1/17/2016
Test Type: Std. Annulus Pres. Test **FAIL TYPE:** Other Internal Failure **FAIL CAUSE:**
Comments on MIT: Informed by operator that well will not pass MIT. Scheduled for repair.

CHARGER 29 FEDERAL No.001**30-015-28808-00-00****Active Salt Water Disposal Well****E-29-23S-30E**

Test Date: 10/13/2015 **Permitted Injection PSI:** **Actual PSI:** 280
Test Reason: 5-year Test **Test Result:** F **Repair Due:** 1/16/2016
Test Type: Std. Annulus Pres. Test **FAIL TYPE:** Other Internal Failure **FAIL CAUSE:**
Comments on MIT: Well will not hold pressure. Lost about 80psi in less than 30 minutes. 3 tries.

OWL 20504 JV-P**No.005****30-015-35435-00-00****Active Salt Water Disposal Well****J-18-26S-27E**

Test Date: 10/14/2015 **Permitted Injection PSI:** **Actual PSI:**
Test Reason: Annual IMIT **Test Result:** F **Repair Due:** 12/17/2015
Test Type: Bradenhead Test **FAIL TYPE:** Other Internal Failure **FAIL CAUSE:**
Comments on MIT: Informed by operator that well is to be plugged. Approved P&A procedure by BLM. BLM states must be plugged by 12/17/2015.

COTTONWOOD 2 STATE SWD**No.001****30-015-42356-00-00****Active Salt Water Disposal Well****O-2-26S-26E**

Test Date: 10/14/2015 **Permitted Injection PSI:** **Actual PSI:** 0
Test Reason: Annual IMIT **Test Result:** F **Repair Due:** 1/17/2016
Test Type: Bradenhead Test **FAIL TYPE:** Other Internal Failure **FAIL CAUSE:**
Comments on MIT: Strong blow from surface valve. Once blew down most of pressure, closed valve and waited 1 minute. Started building up pressure again. Let blow down and it had a strong and continuous blow. Since there was no fluid on casing, intermediate and surface, well did not have to be shut-in, but must be repaired.

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.

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.