

New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

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Cabinet Secretary-Designate

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Oil Conservation Division



Response Required – Deadline Enclosed

Underground Injection Control Program

"Protecting Our Underground Sources of Drinking Water"

mailed: 4-18-2011

12-Apr-11

LOVNO 02-09-196

COG OPERATING LLC
550 W TEXAS SUITE 1300
MIDLAND TX 79701

30-015-25175

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

NEW MEXICO CY STATE No.001

Active Salt Water Disposal Well

30-015-23217-00-00
J-23-17S-28E

Test Date: 4/5/2011

Permitted Injection PSI:

Actual PSI:

Test Reason: 5-year Test

Test Result: F

Repair Due: 7/9/2011

Test Type: Std. Annulus Pres. Test

FAIL TYPE: Other Internal Failure

FAIL CAUSE:

Comments on MIT: Operator reports well is down for repairs.

LODD FEDERAL UNIT No.037

Active Injection - (All Types)

30-015-25175-00-00 ←
E-14-17S-29E

Test Date: 4/4/2011

Permitted Injection PSI:

Actual PSI:

Test Reason: Annual IMIT

Test Result: F

Repair Due: 7/8/2011

Test Type: Bradenhead Test

FAIL TYPE: Other Internal Failure

FAIL CAUSE:

Comments on MIT: Operator reports hole in tubing.

Oil Conservation Division

1301 W. Grand Avenue • Artesia, New Mexico 88210

Phone (575) 748-1283 • Fax (575) 748-9720 • www.emnrd.state.nm.us/OCD



12, 2011

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DODD FEDERAL UNIT No.022

Active Injection - (All Types)

30-015-25341-00-00

A-15-17S-29E

Test Date: 4/5/2011
Test Reason: Annual IMIT
Test Type: Bradenhead Test
Comments on MIT: Operator reports hole in tubing.

Permitted Injection PSI:
Test Result: F
FAIL TYPE: Other Internal Failure

Actual PSI:
Repair Due: 7/9/2011
FAIL CAUSE:

DELTA WING FEDERAL No.001

Active Salt Water Disposal Well

30-015-26309-00-00

B-15-17S-29E

Test Date: 4/4/2011
Test Reason: Annual IMIT
Test Type: Bradenhead Test
Comments on MIT: Operator reports hole in tubing.

Permitted Injection PSI:
Test Result: F
FAIL TYPE: Other Internal Failure

Actual PSI:
Repair Due: 7/8/2011
FAIL CAUSE:

SABER FEDERAL No.001

Active Salt Water Disposal Well

30-015-27882-00-00

B-11-17S-29E

Test Date: 4/4/2011
Test Reason: Annual IMIT
Test Type: Bradenhead Test
Comments on MIT: Continuous blow from casing. Bled down and the string kept gurgling. Close valve for a minute or two and high pressure builds back up.

Permitted Injection PSI:
Test Result: F
FAIL TYPE: Other Internal Failure

Actual PSI: 120
Repair Due: 7/8/2011
FAIL CAUSE:

BIG GEORGE STATE No.003

Active Salt Water Disposal Well

30-015-28759-00-00

J-12-17S-28E

Test Date: 4/5/2011
Test Reason: Annual IMIT
Test Type: Bradenhead Test
Comments on MIT: Operator reports well is down for repairs

Permitted Injection PSI:
Test Result: F
FAIL TYPE: Other Internal Failure

Actual PSI:
Repair Due: 7/9/2011
FAIL CAUSE:

ARCO 34 FEDERAL No.001

Active Salt Water Disposal Well

30-015-31290-00-00

H-34-17S-29E

Test Date: 4/5/2011
Test Reason: Annual IMIT
Test Type: Bradenhead Test
Comments on MIT: Operator reports well is down for repairs.

Permitted Injection PSI:
Test Result: F
FAIL TYPE: Other Internal Failure

Actual PSI:
Repair Due: 7/9/2011
FAIL CAUSE:

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,

Richard Inas

Artesia OCD District Office