New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez

Governor

John H. Bemis
Cabinet Secretary-Designate

Brett F. Woods, Ph.D. Acting Cabinet Secretary

Jami Bailey
Division Director
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

COG OPERATING LLC 550 W TEXAS SUITE 1300 MIDLAND TX 79701

30-015-31290

LUND 02-09-196

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 Dil 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

30-015-23217-00-00

Active Salt Water Disposal Well

Active Injection - (All Types)

J-23-17S-28E

Test Date: 4

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.

DODD FEDERAL UNIT No.037

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:

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



DODD FEDERAL UNIT No.022

Active Injection - (All Types)

30-015-25341-00-00 A-15-17S-29E

Test Date:

4/5/2011

Permitted Injection PSI:

Actual PSI:

Test Reason:

Annual IMIT

Test Result:

Repair Due:

Bradenhead Test Test Type:

FAIL TYPE: Other Internal Failure

FAIL CAUSE:

Operator reports hole in tubing. Comments on MIT: **DELTA WING FEDERAL No.001**

Active Salt Water Disposal Well

30-015-26309-00-00 B-15-17S-29E

4/4/2011.

Permitted Injection PS1: F

Actual PSI:

Test Date: Test Reason:

Annual IMIT

Test Result:

Repair Due:

7/8/2011

Test Type:

Bradenhead Test

FAIL TYPE: Other Internal Failure

FAIL CAUSE:

7/9/2011

Comments on MIT:

SABER FEDERAL No.001

Operator reports hole in tubing.

Active Salt Water Disposal Well

30-015-27882-00-00

Test Date:

4/4/2011

Permitted Injection PSI:

Actual PSI:

B-11-17S-29E

Test Reason:

Annual IMIT

Test Result:

Repair Due: 7/8/2011

Test Type:

Bradenhead Test

FAIL TYPE: Other Internal Failure

FAIL CAUSE:

Continuous blow from casing. Bled down and the string kept gurgling. Close valve for a minute or two and

120

Comments on MIT:

high pressure builds back up.

Active Salt Water Disposal Well

30-015-28759-00-00 J-12-17S-28E

Test Date:

4/5/2011

Permitted Injection PSI:

Actual PSI:

Test Reason:

Annual IMIT

Test Result:

Repair Due:

7/9/2011

Test Type:

Bradenhead Test

FAIL TYPE: Other Internal Failure

FAIL CAUSE:

Comments on MIT: Operator reports well is down for repairs

ARCO 34 FEDERAL No.001

BIG GEORGE STATE No.003

Active Salt Water Disposal Well

30-015-31290-00-00

Test Date:

4/5/2011

Permitted Injection PSI:

Actual PSI:

H-34-17S-29E

Test Reason:

Annual IMIT

Test Result:

F

Repair Due: **FAIL CAUSE:** 7/9/2011

Test Type: Comments on MIT:

FAIL TYPE: Other Internal Failure Bradenhead Test Operator reports well is down for repairs.

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