



New Mexico Energy, Minerals and Natural Resources Department

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Governor

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Cabinet Secretary-Designate

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30-Jun-11

SANDRIDGE EXPLORATION AND PRODUCTION, LLC
123 ROBERT S. KERR AVE
OKLAHOMA CITY OK 73102-

SANDRIDGE EXPL. & PROD. LLC.
2130 W. BENDER
HOBBS, NM 88240

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

EAST HOBBS SAN ANDRES UNIT No.914

30-025-07964-00-00

Active Oil (Producing)

C-32-18S-39E

Test Date:	6/20/2011	Permitted Injection PSI:		Actual PSI:	
Test Reason:	Annual IMIT	Test Result:	F	Repair Due:	9/23/2011
Test Type:	Bradenhead Test	FAIL TYPE:	Other Internal Failure	FAIL CAUSE:	
Comments on MIT:	****WELL FAILED DUE TO FLUID ON SURFACE 340#****OPERATOR IN VIOLATION OF NMOCD RULE 19.15.26.11****				

SEVEN RIVERS QUEEN UNIT No.009

30-025-09057-00-00

Active Injection - (All Types)

I-27-22S-36E

Test Date:	6/21/2011	Permitted Injection PSI:		Actual PSI:	
Test Reason:	Annual IMIT	Test Result:	F	Repair Due:	9/24/2011
Test Type:	Bradenhead Test	FAIL TYPE:	Other Internal Failure	FAIL CAUSE:	
Comments on MIT:	****FAILED BHT DUE TO CONTINUOUS OIL SHOW ON CASING; ****OPERATOR IN VIOLATION OF NMOCD RULE 19.15.26.11****				

Oil Conservation Division * 1625 N. French Drive * Hobbs, New Mexico 88240
Phone: 505-393-6161 * Fax: 505-393-0720 * <http://www.emnrd.state.nm.us>

Oil Conservation Division * 1625 N. French Dr.*
* Hobbs, New Mexico 88240
* Phone: (575) 393-6161 * Fax (575) 393-0720* <http://www.emnrd.state.nm.us>



SEVEN RIVERS QUEEN UNIT No.005**30-025-09068-00-00**

Active Injection - (All Types)

E-27-22S-36E

Test Date: 6/20/2011	Permitted Injection PSI:	Actual PSI:
Test Reason: 5-year Test	Test Result: F	Repair Due: 9/23/2011
Test Type: Std. Annulus Pres. Test	FAIL TYPE: Other Internal Failure	FAIL CAUSE:
Comments on MIT: FAILED PT WOULD NOT HOLD PRESSURE; ***OPERATOR IN VIOLATION OF NMOC D RULE 19.15.26.11***		

SEVEN RIVERS QUEEN UNIT No.037**30-025-09136-00-00**

Active Injection - (All Types)

O-34-22S-36E

Test Date: 6/22/2011	Permitted Injection PSI:	Actual PSI:
Test Reason: 5-year Test	Test Result: F	Repair Due: 9/25/2011
Test Type: Std. Annulus Pres. Test	FAIL TYPE:	FAIL CAUSE:
Comments on MIT: ***UNABLE TO PRESSURE TEST BACKSIDE DUE TO PRIOR CEMENT CASING PROCEDURE; NEED TO VERIFY W/DISTRICT OCD SUPERVISOR;		

SEVEN RIVERS QUEEN UNIT No.052**30-025-09239-00-00**

Active Injection - (All Types)

H-3-23S-36E

Test Date: 6/21/2011	Permitted Injection PSI:	Actual PSI:
Test Reason: 5-year Test	Test Result: F	Repair Due: 9/24/2011
Test Type: Std. Annulus Pres. Test	FAIL TYPE: Other Internal Failure	FAIL CAUSE:
Comments on MIT: ***DURING PRESSURE TEST SURFACE CASING COMMENCED TO LEAK; **OPERATOR IN VIOLATION OF NMOC D RULE 19.15.26.11***		

LANGLIE MATTIX QUEEN UNIT No.011**30-025-11607-00-00**

Active Injection - (All Types)

B-15-25S-37E

Test Date: 6/23/2011	Permitted Injection PSI:	Actual PSI:
Test Reason: 5-year Test	Test Result: F	Repair Due: 9/26/2011
Test Type: Std. Annulus Pres. Test	FAIL TYPE: Other Internal Failure	FAIL CAUSE:
Comments on MIT: FAILED PT; ***WELL WOULD NOT PRESSURE UP; **OPERATOR IN VIOLATION OF NMOC D RULE 19.15.26.11***		

LANGLIE MATTIX QUEEN UNIT No.035**30-025-11705-00-00**

Active Injection - (All Types)

E-23-25S-37E

Test Date: 6/23/2011	Permitted Injection PSI:	Actual PSI:
Test Reason: 5-year Test	Test Result: F	Repair Due: 9/26/2011
Test Type: Std. Annulus Pres. Test	FAIL TYPE: Other Internal Failure	FAIL CAUSE:
Comments on MIT: FAILED PRESSURE TEST; WELL WOULD NOT HOLD PRESSURE: ***OPERATOR IN VIOLATION OF NMOC D RULE 19.15.26.11		

SOUTH LEONARD UNIT No.006**30-025-12041-00-00**

Active Injection - (All Types)

H-23-26S-37E

Test Date: 6/22/2011	Permitted Injection PSI:	Actual PSI:
Test Reason: Annual IMIT	Test Result: F	Repair Due: 9/25/2011
Test Type: Bradenhead Test	FAIL TYPE: Other Internal Failure	FAIL CAUSE:
Comments on MIT: ***OPERATOR CONCEDES WELL WILL NOT PASS MECHANICAL INTEGRITY***OIL ON CASING; PRESSURE = ; ***OPERATOR IN VIOLATION OF NMOC D RULE 19.15.26.11***		

HUMPHREY QUEEN UNIT No.015**30-025-22243-00-00**

Active Injection - (All Types)

L-3-25S-37E

Test Date: 6/23/2011	Permitted Injection PSI:	Actual PSI:
Test Reason: Annual IMIT	Test Result: F	Repair Due: 9/26/2011
Test Type: Std. Annulus Pres. Test	FAIL TYPE: Other Internal Failure	FAIL CAUSE:
Comments on MIT: FAILED PT: WELL WOULD NOT PRESSURE UP; ***OPERATOR IN VIOLATION OF NMOC D RULE 19.15.26.11****		

HUMPHREY QUEEN UNIT No.023**30-025-22751-00-00**

Active Injection - (All Types)

O-3-25S-37E

Test Date: 6/23/2011	Permitted Injection PSI:	Actual PSI:
Test Reason: 5-year Test	Test Result: F	Repair Due: 9/26/2011
Test Type: Std. Annulus Pres. Test	FAIL TYPE: Other Internal Failure	FAIL CAUSE:
Comments on MIT: FAILED PT ****WHILE PRESSURING UP-SURFACE CASING COMMENCED TO FLOW W/FLUID; ***OPERATOR IN VIOLATION OF NMOCD RULE 19.15.26.11****		

LANGLIE MATTIX QUEEN UNIT No.022**30-025-23186-00-00**

Active Injection - (All Types)

N-15-25S-37E

Test Date: 6/22/2011	Permitted Injection PSI:	Actual PSI:
Test Reason: 5-year Test	Test Result: F	Repair Due: 9/25/2011
Test Type: Std. Annulus Pres. Test	FAIL TYPE: Other Internal Failure	FAIL CAUSE:
Comments on MIT: FAILED PRESSURE TEST; WELL WOULD NOT PRESSURE UP; ***OPERATOR IN VIOLATION OF NMOCD RULE 19.15.26.11*****		

EAST HOBBS SAN ANDRES UNIT No.610**30-025-29057-00-00**

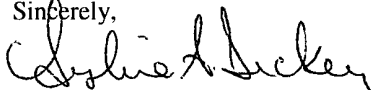
Active Oil (Producing)

P-30-18S-39E

Test Date: 6/20/2011	Permitted Injection PSI:	Actual PSI:
Test Reason: Annual IMIT	Test Result: F	Repair Due: 9/23/2011
Test Type: Bradenhead Test	FAIL TYPE: Other Internal Failure	FAIL CAUSE:
Comments on MIT: ***FAILED BHT DUE TO INTERMEDIATE CASING WOULD NOT BLEED DOWN; ****OPERATOR IN VIOLATION OF NMOCD RULE 19.15.26.11****		

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,

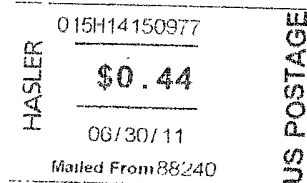
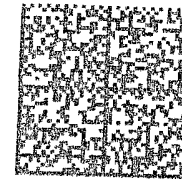


Hobbs OCD District Office

COMPLIANCE OFFICER

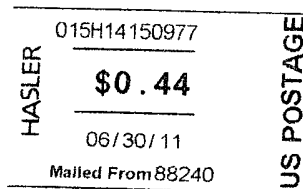
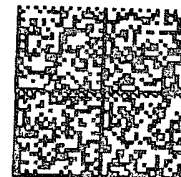
Note: Pressure Tests are performed prior to initial injection, after repairs and otherwise, every 5 years; Bradenhead Tests are performed annually. Information in Detail Section comes directly from field inspector data entries - not all blanks will contain data. "Failure Type" and "Failure Cause" and 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.

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