

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"

10-Nov-11

HOBBS OCD

XTO ENERGY, INC
200 N LORAIN STE 800
MIDLAND, TX 79701

NOV 14 2011

RECEIVED

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

EUNICE MONUMENT SOUTH UNIT B No.860

30-025-04223-00-00
K-11-20S-36E

Active Injection - (All Types)

Test Date:	10/13/2011	Permitted Injection PSI:		Actual PSI:	520
Test Reason:	5-year Test	Test Result:	F	Repair Due:	1/16/2012
Test Type:	Std. Annulus Pres. Test	FAIL TYPE:	Other Internal Failure	FAIL CAUSE:	
Comments on MIT:	Flow of fluid from intermediate valve took over 15 minutes to blow down, then the flow started back up again. Casing tested fine with no pressure drop, but the buildup of pressure on the intermediate could indicate a problem.				

EUNICE MONUMENT SOUTH UNIT No.398

30-025-04647-00-00
J-15-21S-36E

Active Injection - (All Types)

Test Date:	10/17/2011	Permitted Injection PSI:		Actual PSI:	
Test Reason:	5-year Test	Test Result:	F	Repair Due:	1/20/2012
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. They will turn this over to their engineering to determine what to do with the well.				

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>



EUNICE MONUMENT SOUTH UNIT No.400 30-025-04653-00-00

Active Injection - (All Types)

L-15-21S-36E

Test Date: 10/17/2011	Permitted Injection PSI:	Actual PSI:
Test Reason: 5-year Test	Test Result: F	Repair Due: 1/20/2012
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. They will turn this over to their engineering to determine what to do with the well.

EUNICE MONUMENT SOUTH UNIT B No.879**30-025-12542-00-00**

Active Injection - (All Types)

E-13-20S-36E

Test Date: 10/14/2011	Permitted Injection PSI:	Actual PSI: 430
Test Reason: Annual IMIT	Test Result: F	Repair Due: 1/17/2012
Test Type: Bradenhead Test	FAIL TYPE: Other Internal Failure	FAIL CAUSE:

Comments on MIT: Well had a slow flow from the casing. We left it running and returned 1.5 hrs later to see if it would stop, but it did not. Advised operator to shut in well.

NORTH VACUUM ABO UNIT No.229**30-025-24090-00-00**

Active Injection - (All Types)

L-10-17S-34E

Test Date: 10/26/2011	Permitted Injection PSI:	Actual PSI: 4300
Test Reason: Annual IMIT	Test Result: F	Repair Due: 1/29/2012
Test Type: Bradenhead Test	FAIL TYPE: Other Internal Failure	FAIL CAUSE:

Comments on MIT: Blow from casing valve, then continuous slow flow that did not stop.

NORTH VACUUM ABO UNIT No.218**30-025-24605-00-00**

Active Injection - (All Types)

F-25-17S-34E

Test Date: 10/25/2011	Permitted Injection PSI:	Actual PSI: 3450
Test Reason: 5-year Test	Test Result: F	Repair Due: 1/28/2012
Test Type: Std. Annulus Pres. Test	FAIL TYPE: Other Internal Failure	FAIL CAUSE:

Comments on MIT: Well would not pressure-up.

NORTH VACUUM ABO UNIT No.220**30-025-24748-00-00**

Active Injection - (All Types)

P-22-17S-34E

Test Date: 10/25/2011	Permitted Injection PSI:	Actual PSI: 3780
Test Reason: 5-year Test	Test Result: F	Repair Due: 1/28/2012
Test Type: Std. Annulus Pres. Test	FAIL TYPE: Other Internal Failure	FAIL CAUSE:

Comments on MIT: Well would not pressure-up. After 20 bbls, casing went on a vacuum.

EUNICE MONUMENT SOUTH UNIT No.172**30-025-29912-00-00**

Active Injection - (All Types)

O-31-20S-37E

Test Date: 10/11/2011	Permitted Injection PSI:	Actual PSI:
Test Reason: 5-year Test	Test Result: F	Repair Due: 1/14/2012
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.

ARROWHEAD GRAYBURG UNIT No.218**30-025-31301-00-00**

Active Injection - (All Types)

C-18-22S-37E

Test Date: 10/19/2011	Permitted Injection PSI:	Actual PSI: 700
Test Reason: 5-year Test	Test Result: F	Repair Due: 1/22/2012
Test Type: Std. Annulus Pres. Test	FAIL TYPE: Other Internal Failure	FAIL CAUSE:

Comments on MIT:

SOUTHEAST MALJAMAR GB/SA UNIT No.710**30-025-33338-00-00**

Active Injection - (All Types)

O-29-17S-33E

Test Date: 10/27/2011	Permitted Injection PSI:	Actual PSI:
Test Reason: Annual IMIT	Test Result: F	Repair Due: 1/30/2012
Test Type: Bradenhead Test	FAIL TYPE: Other Internal Failure	FAIL CAUSE:

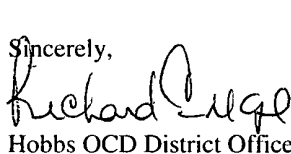
Comments on MIT: Operator reports that well is shut-in and back-flowing to be repaired.

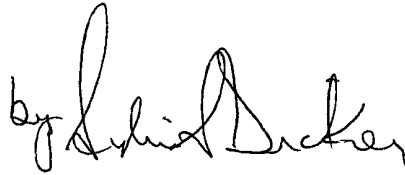
November 10, 2011

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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.

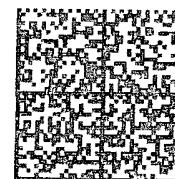
Sincerely,


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.

EMNRD
OIL CONSERVATION DIVISION
1625 N FRENCH DRIVE
HOBBS NM 88240



HASLER 015H14150977
\$0.44
11/10/11
Mailed From 88240
US POSTAGE

XTO ENERGY, INC.
200 N. LORAIN
STE. 800
MIDLAND, TX 79702