

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

HOBBS OCD

John H. Bemis
Cabinet Secretary

MAR 18 2013

Jami Bailey, Division Director
Oil Conservation Division



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

RECEIVED

Response Required – Deadline Enclosed

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

18-Mar-13

ConocoPhillips Co
ATTN: SUSAN MAUNDER
P O Box 51810
Midland, TX 79710

**LETTER OF VIOLATION and SHUT-IN
DIRECTIVE Failed Mechanical Integrity Test**

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

MCA UNIT No.074

30-025-00627-00-00
J-22-17S-32E

Active Injection - (All Types)

Test Date: 3/7/2013 Permitted Injection PSI: Actual PSI:
Test Reason: 5-year Test Test Result: F Repair Due: 6/10/2013
Test Type: Std. Annulus Pres. Test FAIL TYPE: Other Internal Failure FAIL CAUSE:
Comments on MIT: OPERATOR STATES THAT WELL FAILED MIT PT PER BRADENHEAD SURVEY APRVD
3/13/2013; ***OPERATOR IN VIOLATION OF NMOC D RULE 19.15.26.11***

MCA UNIT No.171

30-025-00764-00-00
J-29-17S-32E

Active Injection - (All Types)

Test Date: 3/6/2013 Permitted Injection PSI: Actual PSI:
Test Reason: 5-year Test Test Result: F Repair Due: 6/9/2013
Test Type: Std. Annulus Pres. Test FAIL TYPE: Other Internal Failure FAIL CAUSE:
Comments on MIT: PER OPERATOR WELL FAILED MIT PT AS NOTED ON BHT SURVEY SHEET APRVD
3/13/2013***OPERATOR IN VIOLATION OF NMOC D RULE 19.15.26.11***

March 18, 2013

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VACUUM GLORIETA EAST UNIT No.003

30-025-20785-00-00

Active Oil (Producing)

A-33-17S-35E

Test Date: 3/15/2013 Permitted Injection PSI: Actual PSI:
Test Reason: Annual IMIT Test Result: F Repair Due: 6/18/2013
Test Type: Bradenhead Test FAIL TYPE: Other Internal Failure FAIL CAUSE:
Comments on MIT: PER NOI C103 APPROVED 3/12/2013; ***OPERATOR STATES WELL FAILED
BRADENHEAD TEST***OPERATOR WILL ISOLATE LEAK FOUND DURING BRADENHEAD
TEST***OPERATOR IN VIOLATION OF NMOC D RULE 19.15.26.11****

MCA UNIT No.485

30-025-39403-00-00

Active Injection - (All Types)

K-28-17S-32E

Test Date: 2/12/2013 Permitted Injection PSI: Actual PSI:
Test Reason: Annual IMIT Test Result: F Repair Due: 5/18/2013
Test Type: Bradenhead Test FAIL TYPE: Other Internal Failure FAIL CAUSE:
Comments on MIT: OPERATOR STATES WELL FAILED MIT FAILURE 2/19/2013 PER NOI (BLM) SUNDRY
APRVD FOR RECORD 3/11/2013; ***OPERATOR IN VIOLATION OF NMOC D 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.

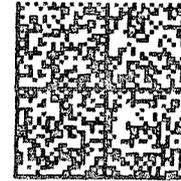
Sincerely,



Hobbs 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.

EMNRD
OIL CONSERVATION DIVISION
1625 N FRENCH DRIVE
HOBBS NM 88240



HASLER 015H14150977
\$0.46
03/18/13
Mailed From 88240
US POSTAGE

ConocoPhillips Co
ATTN: SUSAN MAUNDER
P O Box 51810
Midland, TX 79710