

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

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

David Catanach, Director
Oil Conservation Division



Response Required - Deadline Enclosed

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

21-Oct-15

GP II ENERGY INC
113 CORPORATE DRIVE
MIDLAND TX 79705-

**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 M STATE No.017

30-025-10508-00-00
M-29-22S-37E

Test Date:	10/21/2015	Active Oil (Producing)	Permitted Injection PSI:	Actual PSI:
Test Reason:	Annual IMIT	Test Result:	F	Repair Due: 11/1/2015
Test Type:	Bradenhead Test	FAIL TYPE:	Operational Violation	FAIL CAUSE:
Comments on MIT:	FAILED BHT - No well head			

OCT 22 2015

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,

A handwritten signature in cursive script, appearing to read "Bill Samanah".

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.

Sonnemaker, William, EMNRD

From: Sonnamaker, William, EMNRD
Sent: Wednesday, October 21, 2015 2:56 PM
To: 'Shanna Shivers'
Subject: RE: BHT's

After reviewing the well history and visiting with Maxey Brown, our District Supervisor, I have written a Letter of Violation due to the mechanical integrity of the well compromised with no well head. With reading that the well was worked on in 2009 and left with no well head, we are requiring this well be plugged within 90 days. Please contact us with any questions.

Bill Sonnamaker

District I – Staff Mgr.

NMOCDD

1625 N. French Dr.

Hobbs, NM 88240

(575)393-6161 xtn. 114

(575)370-3182

William.Sonnemaker@state.nm.us



From: Shanna Shivers [mailto:shanna@gp2energy.com]
Sent: Wednesday, October 21, 2015 12:52 PM
To: Sonnamaker, William, EMNRD
Subject: Fwd: BHT's

Here is the fax # to the office (432)570-4748

Thanks,
Shanna Shivers

GP II Energy, Inc
113 Corporate Drive



From: David Shivers [mailto:dshivers@gp2energy.com]
Sent: Wednesday, October 21, 2015 11:49 AM
To: Sonnamaker, William, EMNRD
Subject: Re: BHT's

Sent from my iPhone

On Oct 15, 2015, at 6:58 AM, Sonnamaker, William, EMNRD
<William.Sonnamaker@state.nm.us> wrote:

Please explain what you meant by 2-7/8" casing loose @ surface – parted casing?
Fish in hole? Please call and explain.

Bill Sonnamaker

District I – Staff Mgr.

NMOC

1625 N. French Dr.

Hobbs, NM 88240

EMNRD
OIL CONSERVATION DIVISION
1625 N FRENCH DRIVE
HOBBS NM 88240

GP II ENERGY INC
113 CORPORATE DRIVE
MIDLAND TX. 79705



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