

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary Designate

Matthias Sayer
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



Response Required - Deadline Enclosed

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

HOBBS OCD

FEB 24 2017

RECEIVED

24-Feb-17

EOR OPERATING COMPANY
777 N. Eldridge Pkwy Suite 150
Houston TX 77079-7079

**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

MILNESAND UNIT No.182

**30-041-00131-00-00
D-18-8S-35E**

Active Injection - (All Types)

Test Date: 2/24/2017	Permitted Injection PSI:	Actual PSI:
Test Reason: Annual IMIT	Test Result: F	Repair Due: 5/30/2017
Test Type: Std. Annulus Pres. Test	FAIL TYPE: Other Internal Failure	FAIL CAUSE:
Comments on MIT: OPERATOR REPORTED MIT-FAILURE. RULE: 19.15.26.11. 3RD LETTER OF VIOLATION		

MILNESAND UNIT

No.310

**30-041-10059-00-00
F-19-8S-35E**

Expired TA Injection - (All Types)

Test Date: 2/24/2017	Permitted Injection PSI:	Actual PSI:
Test Reason: Annual IMIT	Test Result: F	Repair Due: 5/30/2017
Test Type: Std. Annulus Pres. Test	FAIL TYPE: Other Internal Failure	FAIL CAUSE:
Comments on MIT: OPERATOR REPORTED MIT-FAILURE. RULE: 19.15.26.11. 3RD LETTER OF VIOLATION.		