



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Underground Injection Control Program

"Protecting Our Underground Sources of Drinking Water"

31-Oct-08

CIMAREX ENERGY CO. OF COLORADO
P.O. BOX 140907
IRVING, TX 75014-0907

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

STATE 16 No.003

✓ **30-025-29796-00-00**

Active Salt Water Disposal Well

I-16-16S-37E

Test Date: 9/23/2008

Permitted Injection PSI:

Actual PSI:

Test Reason: Annual IMIT

Test Result: F

Repair Due: 12/27/2008

Test Type: Std. Annulus Pres. Test

FAIL TYPE: Other Internal Failure

FAIL CAUSE:

Comments on MIT: WELL WOULD NOT PRESSURE UP; TOOK 44 BBLS TO LOAD; (Violation of NMOCD Rules 702, 703, 704)

LUSK WEST DELAWARE UNIT No.911

✓ **30-025-30165-00-00**

Active Injection - (All Types)

K-29-19S-32E

Test Date: 9/23/2008

Permitted Injection PSI:

Actual PSI:

Test Reason: Annual IMIT

Test Result: F

Repair Due: 12/27/2008

Test Type: Std. Annulus Pres. Test

FAIL TYPE: Other External Failure

FAIL CAUSE:

Comments on MIT: NIPPLE ON CASING ON NORTHSIDE OF WELLHEAD IS LEAKING; WOULD NOT HOLD PRESSURE;(Violation of NMOCD Rules 702, 703, 704)

LUSK WEST DELAWARE UNIT No.105

✓ 30-025-30439-00-00

Active Injection - (All Types)

E-21-19S-32E

Test Date: 10/31/2008

Permitted Injection PSI:

Actual PSI:

Test Reason: Annual IMIT

Test Result: F

Repair Due: 2/3/2009

Test Type: Bradenhead Test

FAIL TYPE: Packer

FAIL CAUSE:

Comments on MIT: PER OPERATOR PACKER FAILURE NOT IN USE

LUSK WEST DELAWARE UNIT No.015

✓ 30-025-30490-00-00

Approved TA Injection - (All Types)

O-20-19S-32E

Test Date: 9/23/2008

Permitted Injection PSI:

Actual PSI:

Test Reason: Annual IMIT

Test Result: F

Repair Due: 12/27/2008

Test Type: Std. Annulus Pres. Test

FAIL TYPE:

FAIL CAUSE:

Comments on MIT: NO CHANGE SINCE 4/07; SALT WATER ON SURFACE; FAILURE TO REPAIR PRIOR YEAR FAILURE *** 2ND NOTICE OF VIOLATION*** (Violation of OCD Rules 107, 108)

LUSK WEST DELAWARE UNIT No.009

✓ 30-025-30524-00-00

Active Injection - (All Types)

I-20-19S-32E

Test Date: 10/31/2008

Permitted Injection PSI:

Actual PSI:

Test Reason: Annual IMIT

Test Result: F

Repair Due: 2/3/2009

Test Type: Bradenhead Test

FAIL TYPE: Other Internal Failure

FAIL CAUSE:

Comments on MIT: FAILURE TO REPAIR PRIOR YEAR FAILURE; ***2ND NOTICE OF VIOLATION*** (Violation of NMOCD Rules 702, 703, 704)

LUSK WEST DELAWARE UNIT No.111

✓ 30-025-30791-00-00

Active Injection - (All Types)

K-21-19S-32E

Test Date: 10/31/2008

Permitted Injection PSI:

Actual PSI:

Test Reason: Annual IMIT

Test Result: F

Repair Due: 2/3/2009

Test Type: Bradenhead Test

FAIL TYPE: Tubing

FAIL CAUSE:

Comments on MIT: PER OPERATOR HAS HOLE IN TUBING; WELL NOT IN USE

LUSK WEST DELAWARE UNIT No.907

✓ 30-025-34132-00-00

Approved TA Injection - (All Types)

G-29-19S-32E

Test Date: 10/31/2008

Permitted Injection PSI:

Actual PSI:

Test Reason: Annual IMIT

Test Result: F

Repair Due: 2/3/2009

Test Type: Bradenhead Test

FAIL TYPE: Other Internal Failure

FAIL CAUSE:

Comments on MIT: FAILURE TO REPAIR PRIOR YEAR VIOLATION; ***2ND NOTICE OF VIOLATION***, PRESENT VIOLATION VOIDS PRIOR TEMPORARILY ABANDON STATUS APPROVED BY BLM ON 6/23/2008;(Violation of NMOCD Rules 203, 107, 108)

LUSK WEST DELAWARE UNIT No.903

✓ 30-025-34172-00-00

Approved TA Injection - (All Types)

C-29-19S-32E

Test Date: 10/31/2008

Permitted Injection PSI:

Actual PSI:

Test Reason: Annual IMIT

Test Result: F

Repair Due: 2/3/2009

Test Type: Bradenhead Test

FAIL TYPE: Other Internal Failure

FAIL CAUSE:

Comments on MIT: WELL TA'D IN 2/08; TA STATUS DID NOT REPAIR PROBLEM ON SURFACE CASING; SURFACE STILL SHOWS SALT WATER AND 50# ***FAILURE TO REPAIR PRIOR YEAR FAILURE***; (Violation of NMOCD Rules 203, 107, 108)

LUSK WEST DELAWARE UNIT No.915Y

✓ 30-025-34269-00-00

Active Injection - (All Types)

O-29-19S-32E

Test Date: 10/31/2008

Permitted Injection PSI:

Actual PSI:

Test Reason: Annual IMIT

Test Result: F

Repair Due: 2/3/2009

Test Type: Bradenhead Test

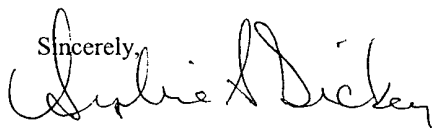
FAIL TYPE: Tubing

FAIL CAUSE:

Comments on MIT: WELL IS SHUT IN; PER OPERATOR HOLE IN TUBING

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,

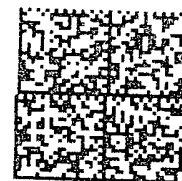


Hobbs OCD District Office
COMPLIANCE OFFICER

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

FIRST
CLASS



HASLER

017H15554612

\$0.420

10/31/2008

Mailed From 88240

US POSTAGE

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IRVING, TX 75014-0907