



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**

Governor

**Joanna Prukop**

Cabinet Secretary

**Mark E. Fesmire, P.E.**

Director

**Oil Conservation Division**

**\*Response Required – Deadline Enclosed\***

***Underground Injection Control Program***

***"Protecting Our Underground Sources of Drinking Water"***

04-Feb-10

**SANDRIDGE EXPLORATION AND PRODUCTION, LLC**

123 ROBERT S. KERR AVENUE

OKLAHOMA CITY OK 73102-6406

SANDRIDGE EXPL. & PROD. LLC.  
3504 W. COUNTY RD.  
HOBBS, NM 88240

**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**

**MALJAMAR GRAYBURG UNIT No.012**

**30-025-00445-00-00**

Active Injection - (All Types)

O-3-17S-32E

Test Date: 2/2/2010

Permitted Injection PSI:

Actual PSI:

Test Reason: Annual IMIT

Test Result: F

Repair Due: 5/8/2010

Test Type: Std. Annulus Pres. Test

FAIL TYPE: Other Internal Failure

FAIL CAUSE:

Comments on MIT: PER OPERATOR WELL IS SHUT IN; WILL NOT PASS MECHANICAL INTEGRITY TEST; PRIOR YEAR FAILURE: \*\*\*\*OPERATOR IS IN VIOLATION OF NMOC D RULE 19.15.26.10 OPERATIONS AND MAINTENANCE OF INJECTION WELL; \*\*\*\*\*OPERATOR IS IN VIOLATION OF NMOC D RULE 19.15.26.11 TESTING AND MONITORING OF INJECTION WELL\*\*\*\*\*

**MALJAMAR GRAYBURG UNIT No.011****30-025-00446-00-00****Active Injection - (All Types)****N-3-17S-32E**

Test Date: 1/27/2010 Permitted Injection PSI: Actual PSI:  
Test Reason: Annual IMIT Test Result: F Repair Due: 5/2/2010  
Test Type: Bradenhead Test FAIL TYPE: Equipment - Specify in Co. FAIL CAUSE:  
Comments on MIT: UNABLE TO CHECK TUBING PRESSURE; FAULTY VALVES; UNABLE TO CHECK SURFACE  
DUE TO OPEN VALVE NOT ABLE TO CLOSE AND OPEN; OPERATOR NEEDS TO REPLACE  
SURFACE VALVE AND TUBING VALVES;\*\*\*\*OPERATOR IS IN VIOLATION OF NMOCD RULE  
19.15.26.10 OPERATION AND MAINTENANCE OF INJECTION WELL; \*\*\*\*\*OPERATOR IS IN  
VIOLATION OF NMOCD RULE 19.15.26.11 TESTING AND MONITORING OF INJECTION  
WELL\*\*\*\*\*

**MALJAMAR GRAYBURG UNIT No.021****30-025-00454-00-00****Active Injection - (All Types)****K-4-17S-32E**

Test Date: 1/27/2010 Permitted Injection PSI: Actual PSI:  
Test Reason: Annual IMIT Test Result: F Repair Due: 5/2/2010  
Test Type: Std. Annulus Pres. Test FAIL TYPE: Other Internal Failure FAIL CAUSE:  
Comments on MIT: WELL WOULD NOT HOLD PRESSURE; \*\*\*\*OPERATOR IS IN VIOLATION OF NMOCD RULE  
19.15.26.10 OPERATIONS AND MAINTENANCE OF INJECTION WELL; \*\*\*\*\*OPERATOR IS IN  
VIOLATION OF NMOCD RULE 19.15.26.11 TESTING AND MONITORING OF INJECTION  
WELL\*\*\*\*\*

**MALJAMAR GRAYBURG UNIT No.017****30-025-00464-00-00****Active Injection - (All Types)****G-4-17S-32E**

Test Date: 1/27/2010 Permitted Injection PSI: Actual PSI:  
Test Reason: Annual IMIT Test Result: F Repair Due: 5/2/2010  
Test Type: Std. Annulus Pres. Test FAIL TYPE: Other Internal Failure FAIL CAUSE:  
Comments on MIT: WELL WOULD NOT HOLD PRESSURE; \*\*\*\*OPERATOR IS IN VIOLATION OF NMOCD RULE  
19.15.26.10 OPERATIONS AND MAINTENANCE OF INJECTION WELL; \*\*\*\*\*OPERATOR IS IN  
VIOLATION OF NMOCD RULE 19.15.26.11 TESTING AND MONITORING OF INJECTION  
WELL\*\*\*\*\*

**CAPROCK MALJAMAR UNIT No.049****30-025-00662-00-00****Active Injection - (All Types)****H-24-17S-32E**

Test Date: 2/2/2010 Permitted Injection PSI: Actual PSI:  
Test Reason: Annual IMIT Test Result: F Repair Due: 5/8/2010  
Test Type: Std. Annulus Pres. Test FAIL TYPE: Other Internal Failure FAIL CAUSE:  
Comments on MIT: OPERATOR FINDS WELL TO BE DEFECTIVE; CASING HAS GAS AND FLUID; \*\*\*\*OPERATOR IS  
IN VIOLATION OF NMOCD RULE 19.15.26.10 OPERATIONS AND MAINTENANCE OF INJECTION  
WELL; \*\*\*\*\*OPERATOR IS IN VIOLATION OF NMOCD RULE 19.15.26.11 TESTING AND  
MONITORING OF INJECTION WELL\*\*\*\*\*

**CAPROCK MALJAMAR UNIT No.036****30-025-00664-00-00****Active Injection - (All Types)****A-24-17S-32E**

Test Date: 2/2/2010 Permitted Injection PSI: Actual PSI:  
Test Reason: Annual IMIT Test Result: F Repair Due: 5/8/2010  
Test Type: Std. Annulus Pres. Test FAIL TYPE: Other Internal Failure FAIL CAUSE:  
Comments on MIT: FAILED PT;\*\*\*\*OPERATOR IS IN VIOLATION OF NMOCD RULE 19.15.26.10 OPERATIONS AND  
MAINTENANCE OF INJECTION WELL; \*\*\*\*\*OPERATOR IS IN VIOLATION OF NMOCD RULE  
19.15.26.11 TESTING AND MONITORING OF INJECTION WELL\*\*\*\*\*

**CAPROCK MALJAMAR UNIT No.006****30-025-01439-00-00****Active Injection - (All Types)****A-17-17S-33E**

Test Date: 2/2/2010 Permitted Injection PSI: Actual PSI:  
Test Reason: Annual IMIT Test Result: F Repair Due: 5/8/2010  
Test Type: Std. Annulus Pres. Test FAIL TYPE: Other Internal Failure FAIL CAUSE:  
Comments on MIT: WOULD NOT HOLD PRESSURE DURING TEST; \*\*\*\*OPERATOR IS IN VIOLATION OF NMOCD  
RULE 19.15.26.10 OPERATIONS AND MAINTENANCE OF INJECTION WELL; \*\*\*\*\*OPERATOR  
IS IN VIOLATION OF NMOCD RULE 19.15.26.11 TESTING AND MONITORING OF INJECTION  
WELL\*\*\*\*\*

**CAPROCK MALJAMAR UNIT No.003****30-025-01442-00-00****Active Injection - (All Types)****D-17-17S-33E**

Test Date: 2/2/2010 Permitted Injection PSI: Actual PSI:  
Test Reason: Annual IMIT Test Result: F Repair Due: 5/8/2010  
Test Type: Bradenhead Test FAIL TYPE: Other Internal Failure FAIL CAUSE:  
Comments on MIT: FAILED BHT COMMUNICATION BETWEEN TUBING AND CASING; \*\*\*\*OPERATOR IS IN VIOLATION OF NMOCD RULE 19.15.26.10 OPERATIONS AND MAINTENANCE OF INJECTION WELL; \*\*\*\*\*OPERATOR IS IN VIOLATION OF NMOCD RULE 19.15.26.11 TESTING AND MONITORING OF INJECTION WELL\*\*\*\*\*

**CAPROCK MALJAMAR UNIT No.017****30-025-01460-00-00****Active Injection - (All Types)****J-18-17S-33E**

Test Date: 2/2/2010 Permitted Injection PSI: Actual PSI:  
Test Reason: Annual IMIT Test Result: F Repair Due: 5/8/2010  
Test Type: Std. Annulus Pres. Test FAIL TYPE: Other Internal Failure FAIL CAUSE:  
Comments on MIT: PER OPERATOR WELL IS SHUT IN; WILL NOT PASS MECHANICAL INTEGRITY TEST; NO CHART; \*\*\*\*OPERATOR IS IN VIOLATION OF NMOCD RULE 19.15.26.10 OPERATOR AND MAINTENANCE OF INJECTION WELL; \*\*\*\*\*OPERATOR IS IN VIOLATION OF NMOCD RULE 19.15.26.11 TESTING AND MONITORING OF INJECTION WELL\*\*\*\*\*

**CAPROCK MALJAMAR UNIT No.001****30-025-01462-00-00****Active Injection - (All Types)****B-18-17S-33E**

Test Date: 2/2/2010 Permitted Injection PSI: Actual PSI:  
Test Reason: Annual IMIT Test Result: F Repair Due: 5/8/2010  
Test Type: Std. Annulus Pres. Test FAIL TYPE: Other Internal Failure FAIL CAUSE:  
Comments on MIT: FAILED PT; WELLHEAD STARTED TO LEAK AROUND FLANGE WHILE PRESSURING UP; NO CHART: \*\*\*\*OPERATOR IS IN VIOLATION OF NMOCD RULE 19.15.26.10 OPERATIONS AND MAINTENANCE OF INJECTION WELL; \*\*\*\*\*OPERATOR IS IN VIOLATION OF NMOCD RULE 19.15.26.11 TESTING AND MONITORING OF INJECTION WELL\*\*\*\*\*

**CAPROCK MALJAMAR UNIT No.084****30-025-01494-00-00****Active Injection - (All Types)****P-20-17S-33E**

Test Date: 1/27/2010 Permitted Injection PSI: Actual PSI:  
Test Reason: Annual IMIT Test Result: F Repair Due: 5/2/2010  
Test Type: Std. Annulus Pres. Test FAIL TYPE: Other Internal Failure FAIL CAUSE:  
Comments on MIT: DID NOT ATTEMPT TO TEST; PRIOR YEAR FAILURE NOT REPAIRED: \*\*\*\*OPERATOR IS IN VIOLATION OF NMOCD RULE 19.15.26.10 OPERATIONS AND MAINTENANCE OF INJECTION WELL; \*\*\*\*\*OPERATOR IS IN VIOLATION OF NMOCD RULE 19.15.26.11 TESTING AND MONITORING OF INJECTION WELL\*\*\*\*\*

**CAPROCK MALJAMAR UNIT No.093****30-025-01526-00-00****Active Injection - (All Types)****L-28-17S-33E**

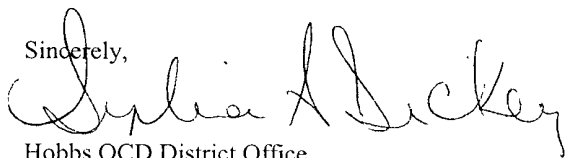
Test Date: 1/27/2010 Permitted Injection PSI: Actual PSI:  
Test Reason: Annual IMIT Test Result: F Repair Due: 5/2/2010  
Test Type: Std. Annulus Pres. Test FAIL TYPE: Operational Violation FAIL CAUSE:  
Comments on MIT: UNABLE TO TEST; FLANGE ON WELLHEAD IS LEAKING; SALT WATER CRYSTAL RESIDUE ON WELLHEAD; PRIOR YEAR FAILURE NOT REPAIRED: \*\*\*\*OPERATOR IS IN VIOLATION OF NMOCD RULE 19.15.26.10 OPERATIONS AND MAINTENANCE OF INJECTION WELL; \*\*\*\*\*OPERATOR IS IN VIOLATION OF NMOCD RULE 19.15.26.11 TESTING AND MONITORING OF INJECTION WELL\*\*\*\*\*

**CAPROCK MALJAMAR UNIT No.094****30-025-01531-00-00****Active Injection - (All Types)****K-28-17S-33E**

Test Date: 1/27/2010 Permitted Injection PSI: Actual PSI:  
Test Reason: Annual IMIT Test Result: F Repair Due: 5/2/2010  
Test Type: Std. Annulus Pres. Test FAIL TYPE: Other Internal Failure FAIL CAUSE:  
Comments on MIT: PRIOR YEAR FAILURE STILL NOT REPAIRED: \*\*\*\*OPERATOR IS IN VIOLATION OF NMOCD RULE 19.15.26.10 OPERATIONS AND MAINTENANCE OF INJECTION WELL; \*\*\*\*\*OPERATOR IS IN VIOLATION OF NMOCD RULE 19.15.26.11 TESTING AND MONITORING OF INJECTION WELL\*\*\*\*\*

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  
017H15554612  
\$0.80<sup>0</sup>  
02/04/2010  
Mailed From 88240  
US POSTAGE

SANDRIDGE EXPL. & PROD. LLC  
123 ROBERT S. KERR AVENUE  
OKLAHOMA CITY, OK 73102-6406

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