

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103

June 19, 2008

RECEIVED

MAR 26 2010

MOBBSUCD

CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO.

30-025-36098

5. Indicate Type of Lease

STATE ☒FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

Sapphire State

8. Well Number

3

9. OGRID Number

229137

10. Pool name or Wildcat

San Andres, Glorieta, Paddock 96128

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS)

1. Type of Well: Oil Well ☐ Gas Well ☒ Other SWD

2. Name of Operator

COG Operating LLC

3. Address of Operator

550 W. Texas Ave., Suite 1300 Midland, TX 79701

4. Well Location

Unit Letter E : 1650 feet from the North line and 330 feet from the West lineSection 11 Township 23S Range 36E NMPM County Eddy

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

3456 GR

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐PLUG AND ABANDON ☐TEMPORARILY ABANDON ☐CHANGE PLANS ☐PULL OR ALTER CASING ☐MULTIPLE COMPL ☐DOWNHOLE COMMINGLE ☐

OTHER: Violation letter

☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ALTERING CASING ☐COMMENCE DRILLING OPNS. ☐P AND A ☐CASING/CEMENT JOB ☐

OTHER:

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Re: Violation Letter – Failed MIT.

03/24/10 Notified EL Gonzales of intention to P&A this well. We will be submitting Intent to P&A procedure ASAP.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE

TITLE

Regulatory Analyst

DATE

03/24/10

Type or print name

Kancia Carrillo

E-mail address:

kcarrillo@conchoresources.com

PHONE:

432-685-4332

For State Use Only

APPROVED BY:

TITLE

STAFF MGR

DATE

3-26-10

Conditions of Approval (if any):



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"

08-Dec-09

COG OPERATING LLC

550 W TEXAS SUITE 1300

MIDLAND TX 79701-

**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

SAPPHIRE STATE No.003

30-025-36098-00-00


Active Salt Water Disposal Well

E-11-23S-36E

Test Date:	12/8/2009	Permitted Injection PSI:	Actual PSI:
Test Reason:	5-year Test	Test Result:	F
Test Type:	Std. Annulus Pres. Test	FAIL TYPE:	Tubing
Comments on MIT:	Well will not hold pressure. BLED DOWN FROM 500 IN SECONDS. TBG ON 30" VACUUM. NO CHART		

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,

 C.O.

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.