



New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez

Governor

John H. Bemis

Cabinet Secretary-Designate

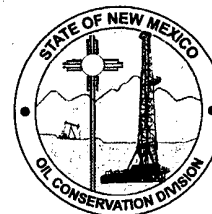
Brett F. Woods, Ph. D.

Acting Cabinet Secretary

Jami Bailey

Division Director

Oil Conservation Division



Response Required – Deadline Enclosed

Underground Injection Control Program

"Protecting Our Underground Sources of Drinking Water"

08-Apr-11

CONOCOPHILLIPS COMPANY

3300 N A STREET BLDG 6 #247

MIDLAND TX 79710-0000

LETTER OF VIOLATION and SHUT-IN DIRECTIVE
Failed Mechanical Integrity Test

Dear

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

MCA UNIT No.084

Active Injection - (All Types)

30-025-00639-00-00

P-22-17S-32E

Test Date: 3/10/2011

Permitted Injection PSI:

Actual PSI:

Test Reason: Annual IMIT

Test Result: F

Repair Due: 6/13/2011

Test Type: Std. Annulus Pres. Test

FAIL TYPE: Casing

FAIL CAUSE:

Comments on MIT: ANNUAL IMIT (PRESSURE TEST) FAILED. MGB.

MCA UNIT No.123

Active Injection - (All Types)

30-025-00705-00-00

D-26-17S-32E

Test Date: 3/10/2011

Permitted Injection PSI:

Actual PSI:

Test Reason: Annual IMIT

Test Result: F

Repair Due: 6/13/2011

Test Type: Std. Annulus Pres. Test

FAIL TYPE: Communication Between

FAIL CAUSE:

Comments on MIT: ANNUAL IMIT (PRESSURE TEST) FAILED. MGB.

Oil Conservation Division * 1625 N. French Dr.*

* Hobbs, New Mexico 88240

* Phone: (575) 393-6161 * Fax (575) 393-0720* <http://www.emnrd.state.nm.us>



EAST VACUUM (GSA) UNIT No.002

30-025-02836-00-00
L-20-17S-35E

Active Oil (Producing)

Test Date: 2/24/2011 Permitted Injection PSI: Actual PSI:
Test Reason: Annual IMIT Test Result: F Repair Due: 7/7/2011
Test Type: Bradenhead Test FAIL TYPE: Other Internal Failure FAIL CAUSE:
Comments on MIT: FAILED BHT: WELL PRESENTLY HAS CASING BACKFLOWING TO TANK; NO RISER FROM
SURFACE CASING: PRODUCTION CASING PROBLEM: *****OPERATOR IN VIOLATION OF
NMOCD RULE 19.15.26.11*****

EAST VACUUM (GSA) UNIT No.043

30-025-02884-00-00
D-26-17S-35E

Active Injection - (All Types)

Test Date: 3/2/2011 Permitted Injection PSI: Actual PSI:
Test Reason: Annual IMIT Test Result: F Repair Due: 7/7/2011
Test Type: Bradenhead Test FAIL TYPE: Other Internal Failure FAIL CAUSE:
Comments on MIT: FAILED BHT: CONTINUOUS PRESSURE ON CASING WOULD NOT BLEED DOWN: ***OPERATOR
IN VIOLATION OF NMOCD RULE 19.15.26.11*****

EAST VACUUM (GSA) UNIT No.002

30-025-02921-00-00
H-28-17S-35E

Active Injection - (All Types)

Test Date: 3/2/2011 Permitted Injection PSI: Actual PSI:
Test Reason: Annual IMIT Test Result: F Repair Due: 7/7/2011
Test Type: Bradenhead Test FAIL TYPE: Other Internal Failure FAIL CAUSE:
Comments on MIT: FAILED BHT: CONTINUOUS PRESSURE ON CASING STRING: *****OPERATOR IN VIOLATION OF
NMOCD RULE 19.15.26.11*****

EAST VACUUM (GSA) UNIT No.004

30-025-02979-00-00
F-32-17S-35E

Active Oil (Producing)

Test Date: 2/25/2011 Permitted Injection PSI: Actual PSI:
Test Reason: Annual IMIT Test Result: F Repair Due: 7/7/2011
Test Type: Bradenhead Test FAIL TYPE: Other Internal Failure FAIL CAUSE:
Comments on MIT: FAILED BHT: 2ND INTERMEDIATE WOULD NOT BLEED DOWN; 320# PRESSURE CONSISTING
OF GAS AND LIQUID ON INTERMEDIATE CASING; *****OPERATOR IN VIOLATION OF NMOCD
RULE 19.15.26.11***

VACUUM ABO UNIT No.003

30-025-03045-00-00
C-4-18S-35E

Active Oil (Producing)

Test Date: 2/25/2011 Permitted Injection PSI: Actual PSI:
Test Reason: Annual IMIT Test Result: F Repair Due: 7/7/2011
Test Type: Bradenhead Test FAIL TYPE: Other Internal Failure FAIL CAUSE:
Comments on MIT: *****VIOLATION ON INSPECTION OF INTERMEDIATE AND SURFACE***PER MAXEY G. BROWN
OPERATOR HAS MIRU PULLING UNIT FOR REPAIRS*****

EAST VACUUM (GSA) UNIT No.093

30-025-20787-00-00
G-5-18S-35E

Active Oil (Producing)

Test Date: 2/28/2011 Permitted Injection PSI: Actual PSI:
Test Reason: Annual IMIT Test Result: F Repair Due: 7/7/2011
Test Type: Bradenhead Test FAIL TYPE: Other Internal Failure FAIL CAUSE:
Comments on MIT: BHT FAILURE; SURFACE CASING WOULD NOT BLEED DOWN; PER OPERATOR REP. HAS WORK
ORDER TO REPAIR SURFACE CASING IN PROCESS: *****OPERATOR IN VIOLATION OF NMOCD
RULE 19.15.26.11*****

LEA No.031

30-025-21728-00-00
C-30-17S-34E

Active Oil (Producing)

Test Date: 3/7/2011 Permitted Injection PSI: Actual PSI:
Test Reason: Annual IMIT Test Result: F Repair Due: 7/7/2011
Test Type: Bradenhead Test FAIL TYPE: Other Internal Failure FAIL CAUSE:
Comments on MIT: FAILED BHT; CONTINUOUS BLOW OF GAS ON SURFACE; PRESSURE BUILDS BACK UP IMMEDIATELY ON SURFACE CASING; ALSO PRIOR OIL STAIN OFF SURFACE CASING AND CHECK VALVE ON FLOWLINE FROM PRODUCTION CASING: PER OPERATOR REP. WORK ORDER IN PROCESS FOR PULLING UNIT REPAIR ON SURFACE CASING: *****OPERTOR IN VIOLATION OF NMOCD RULE 19.15.26.11***

MCA UNIT No.273

30-025-23730-00-00
L-26-17S-32E

Active Injection - (All Types)

Test Date: 3/10/2011 Permitted Injection PSI: Actual PSI:
Test Reason: Annual IMIT Test Result: F Repair Due: 6/13/2011
Test Type: Std. Annulus Pres. Test FAIL TYPE: Communication Between FAIL CAUSE:
Comments on MIT: MIT FAILED. MGB.

EAST VACUUM (GSA) UNIT No.129

30-025-24906-00-00
E-5-18S-35E

Active Injection - (All Types)

Test Date: 2/23/2011 Permitted Injection PSI: Actual PSI:
Test Reason: Annual IMIT Test Result: F Repair Due: 7/7/2011
Test Type: Std. Annulus Pres. Test FAIL TYPE: Other Internal Failure FAIL CAUSE:
Comments on MIT: FAILED PRESSURE TEST; WELL WOULD NOT HOLD PRESSURE: ***OPERATOR IN VIOLATION OF NMOCD RULE 19.15.26.11****

EAST VACUUM (GSA) UNIT No.009

30-025-26518-00-00
O-32-17S-35E

Active Injection - (All Types)

Test Date: 3/2/2011 Permitted Injection PSI: Actual PSI:
Test Reason: Annual IMIT Test Result: F Repair Due: 7/7/2011
Test Type: Bradenhead Test FAIL TYPE: Other Internal Failure FAIL CAUSE:
Comments on MIT: FAILED BHT: CONTINUOUS PRESSURE ON CASING STRING: *****OPERATOR IN VIOLATION OF NMOCD RULE 19.15.26.11*****

EAST VACUUM (GSA) UNIT No.003

30-025-26520-00-00
M-33-17S-35E

Active Injection - (All Types)

Test Date: 3/2/2011 Permitted Injection PSI: Actual PSI:
Test Reason: Annual IMIT Test Result: F Repair Due: 7/7/2011
Test Type: Bradenhead Test FAIL TYPE: Other Internal Failure FAIL CAUSE:
Comments on MIT: BHT FAILURE: ***CONTINUOUS PRESSURE ON CASING STRING: *****OPERATOR IN VIOLATION OF NMOCD RULE 19.15.26.11****

EAST VACUUM (GSA) UNIT No.007

30-025-26649-00-00
K-32-17S-35E

Active Injection - (All Types)

Test Date: 3/2/2011 Permitted Injection PSI: Actual PSI:
Test Reason: Annual IMIT Test Result: F Repair Due: 7/7/2011
Test Type: Bradenhead Test FAIL TYPE: Other Internal Failure FAIL CAUSE:
Comments on MIT: FAILED BHT: CONTINUOUS PRESSURE ON CASING STRING: ***OPERATOR IN VIOLATION OF NMOCD RULE 19.15.26.11****

EAST VACUUM (GSA) UNIT No.001

30-025-26777-00-00
M-27-17S-35E

Active Injection - (All Types)

Test Date: 3/2/2011 Permitted Injection PSI: Actual PSI:
Test Reason: Annual IMIT Test Result: F Repair Due: 7/7/2011
Test Type: Bradenhead Test FAIL TYPE: Other Internal Failure FAIL CAUSE:
Comments on MIT: FAILED BHT: CONTINUOUS PRESSURE ON CASING STRING: *****OPERATOR IN VIOLATION OF NMOCD RULE 19.15.26.11****

April 8, 2011

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EAST VACUUM (GSA) UNIT No.008

30-025-26865-00-00

E-32-17S-35E

Active Injection - (All Types)

Test Date: 3/2/2011

Permitted Injection PSI:

Actual PSI:

Test Reason: Annual IMIT

Test Result: F

Repair Due: 7/7/2011

Test Type: Bradenhead Test

FAIL TYPE: Other Internal Failure

FAIL CAUSE:

Comments on MIT: FAILED BHT: CONTINUOUS PRESSURE ON CASING STRING; ****OPERATOR IN VIOLATION OF NMOCD RULE 19.15.26.11*****

EAST VACUUM (GSA) UNIT No.006

30-025-27116-00-00

H-27-17S-35E

Active Injection - (All Types)

Test Date: 3/2/2011

Permitted Injection PSI:

Actual PSI:

Test Reason: Annual IMIT

Test Result: F

Repair Due: 6/5/2011

Test Type: Bradenhead Test

FAIL TYPE: Other Internal Failure

FAIL CAUSE:

Comments on MIT: FAILED BHT: CONTINUOUS PRESSURE BUILD UP ON CASING STRING; ****OPERATOR IN VIOLATION OF NMOCD RULE 19.15.26.11*****

EAST VACUUM (GSA) UNIT No.600

30-025-27345-00-00

B-27-17S-35E

Active Injection - (All Types)

Test Date: 2/22/2011

Permitted Injection PSI:

Actual PSI:

Test Reason: Annual IMIT

Test Result: F

Repair Due: 7/7/2011

Test Type: Std. Annulus Pres. Test

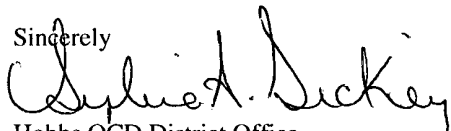
FAIL TYPE: Other Internal Failure

FAIL CAUSE:

Comments on MIT: FAILED PRESSURE TEST: WELL WOULD NOT HOLD PRESSURE****OPERATOR IN VIOLATION OF NMOCD RULE 19.15.26.11*****

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



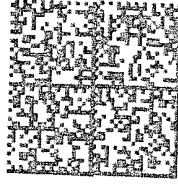
Hobbs OCD District Office

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

CONOCOPHILLIPS COMPANY
3300 N. 'A' STREET
BLDG. 6 #247
MIDLAND, TX 79710



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