

Submit 1 Copy To Appropriate District Office

District I – (575) 393-6161  
1625 N. French Dr., Hobbs, NM 88240  
District II – (575) 748-1283  
811 S. First St., Artesia, NM 88210  
District III – (505) 334-6178  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV – (505) 476-3460  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-103  
Revised July 18, 2013

WELL API NO. 30-025-26307
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Brine Supply Well
8. Well Number 001
9. OGRID Number 184208
10. Pool name or Wildcat

<p><b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (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.)</p>	
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other Brine Well	
2. Name of Operator Salty Dog Inc.	
3. Address of Operator P.O. Box 513, Hobbs, NM 88240	
4. Well Location Unit Letter <u>J</u> : <u>1980</u> feet from the <u>S</u> line and <u>1980</u> feet from the <u>E</u> line Section <u>5</u> Township <u>19S</u> Range <u>36E</u> NMPM County <u>Lea</u>	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3806 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 ☐  
CLOSED-LOOP SYSTEM ☐  
OTHER: ☐

## SUBSEQUENT REPORT OF:

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

OTHER: Brine Well Cavern MIT ☒

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 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

PAB Services, Inc. (PAB) has coordinated with the New Mexico Energy, Minerals and Natural Resources Department Oil Conservation Division (OCD) District 1 (Hobbs) Office to conduct a mechanical integrity test (MIT) at the Salty Dog brine well (Brine Supply Well #1 [API No. 30-025-26307]). The test will be performed on the brine cavern (i.e., Cavern MIT) by monitoring casing pressure (not to exceed 500 psi). The casing pressure will be set to a targeted pressure of 350 pounds per square inch and recorded using a calibrated chart recorder. The duration of the MIT will be at least 4 hours. The test will also comply with all guidelines provided in the OCD guidance form. There will not be any changes to the current configuration of the brine well as a result of the test. After the MIT is complete, PAB will submit results (e.g., recorder chart, calibration sheet) to OCD.

Spud Date:

Rig Release Date:

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

SIGNATURE

TITLE

manul

DATE

5/16/23

Type or print name

Pieter Bergstein

E-mail address:

Piet@bergsteinenterpnsi.com

PHONE:

806 7411080

For State Use Only

APPROVED BY:

TITLE

Environmental Engineer

DATE

5/16/2023

Conditions of Approval (if any):

See Conditions of Approval Stated in E-Permitting

**OCD UIC Program**  
**Draft Brine Well Cavern MIT Guidance** (4-hour hydrostatic well test open to the salt formation)

- 1) The cavern and all piping must be filled, pressured up and stabilized for a period of at least 24 hours prior to testing. If this test requires a packer then casing/tubing annulus must be loaded with inert fluid 24 hours prior to testing.
- 2) Have manpower and equipment available for pressure test. Wellhead shall be prepared for test and all valves and gauges should be in good working order.
- 3) Pumps, tanks, external lines etc. must be isolated from the wellhead during test.
- 4) A continuous recording pressure device with an **8 or 12-hour clock** shall be installed on the casing/tubing annulus. The pressure range shall not be greater than 500 psig. The operator must provide proof that the pressure-recording device has been calibrated within the past 6 months. **Note: Wells with packer installed: If this test requires both the casing/tubing annulus and cavern to be tested then two recording devices must be supplied or one recording device with two pins.**
- 5) A minimum of one pressure gauge shall be installed on the casing/tubing annulus.
- 6) OCD must witness the beginning of test (putting chart on) and ending of test (removing chart). **Ensure that fluids from the well are not spilled onto the ground.**
- 7) The Operator shall supply the following information on the pressure chart:
  - A. Company Name, Well Name, API #, Legal Location.
  - B. Test Procedure (1) Casing + Formation (2) Casing Test Only (3) Both (4) Other
  - C. Testing Media: Water, Gas, Oil, Etc.
  - D. Date, time started and ending.
  - E. Name (printed) and signature of company representative and OCD

Inspector

- 8) **TEST ACCEPTANCE:** The OCD will use the following criteria in determining if a well has passed the Mechanical Integrity Test:
- A. **Passes** if Zero Bleed-Off during the test.
  - B. **Passes** if Final Test Pressure is within  $\pm 1\%$  of Starting Pressure, if approved by the OCD inspector.
  - C. **Fails** if any Final Test Pressure is greater than  $\pm 1\%$  of Starting Pressure. Operators must investigate for leaks and demonstrate that mechanical integrity of the well(s) by ensuring there are no leaks in the tubing, casing, or packer, and injected/produced fluids are confined within the piping and injection zones. Wells shall not resume operations until approved by OCD. **Caution is urged to reduce pressure appropriately as a function of depth to the salt cavern to prevent fracturing during testing.**

**Note: OCD recognizes that different operations, well designs, formation characteristics and field conditions may cause variations in the above procedures. If operator wishes to make or anticipate changes please notify the OCD for approval. All operators are responsible to notify OCD of any procedure that may cause harm to the well system or formation. Please be advised that OCD approval does not relieve any operator of liability should operations result in pollution of surface water, groundwater, or the environment.**

**Also note: This document is intended to provide technical guidance to operators on technical means to achieve compliance with the rules and regulations of the Oil Conservation Division and the Oil and Gas Act. The test procedures set forth are not regulations or policies and therefore other methods may exist to achieve compliance with the rules and regulations and the Oil and Gas Act.**

**OCD recommends that a licensed professional engineer or licensed geologist, or a licensed professional engineer or licensed geologist designee supervise all test procedures and associated field activity.**

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**State of New Mexico**  
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**Oil Conservation Division**  
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**Santa Fe, NM 87505**

COMMENTS

Action 217187

COMMENTS

Operator: SALTY DOG INC P.O. Box 513 Hobbs, NM 88240	OGRID: 184208
	Action Number: 217187
	Action Type: [C-103] NOI General Sundry (C-103X)

COMMENTS

Created By	Comment	Comment Date
cchavez	OCD Form C-103X Cavern MIT	5/16/2023

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CONDITIONS

Action 217187

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Operator: SALTY DOG INC P.O. Box 513 Hobbs, NM 88240	OGRID: 184208
	Action Number: 217187
	Action Type: [C-103] NOI General Sundry (C-103X)

**CONDITIONS**

Created By	Condition	Condition Date
cchavez	1. Starting cavern pressure shall be at least 320 psig but not greater than 350 psig. 2. Within 15-days (Calendar) of test completion, submit OCD Form C-103Z with MIT Chart, Chart Recorder calibration sheet, test info. with signatures. 3. OCD is present to witness the MIT only and not to supervise the MIT. 4. OCD may at its discretion require external measures to ensure the test is isolated and monitoring equipment is functioning properly prior to start of MIT.	5/16/2023