

Sovereign  Eagle, LLC RECEIVED OCD

P.O. Box 968

Roswell, NM 88202-0968

Phone: (575) 622-1127

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July 28, 2014

Phillip R. Goetze, P.G.
Engineering Bureau, Oil Conservation Division
1220 South St. Francis
Santa Fe, NM 87505

Re: Sovereign Eagle, LLC
SWD – 369
Powell #1 SWD
Sec 23 – T2S-R29E
Roosevelt County, NM

Dear Mr. Goetze,

Sovereign Eagle, LLC requests an Emergency Administrative Approval to waive the requirement in the referenced SWD Order to set the packer at “approximately 6800 feet” and allow a new packer to be set at 6697 feet.

While preparing for a mechanical integrity test it was discovered that we had a hole in the tubing and pressure was on the tubing/casing annulus. We attempted to pull the old packer that was set at 6756’ in 2003 but we could not unseat the packer. We attempted to jar the packer out and it would not come loose.

Therefore, it was decided to run another packer on top of the old packer. A wellbore diagram is attached for your information. We set the new packer at 6697’, loaded the annulus with packer fluid and tested the backside to 500 psig. A new string of 2 7/8” plastic coated tubing was run and the well was returned to injection.

A mechanical integrity test is scheduled for the Thursday, July 31 with the Hobbs OCD office.

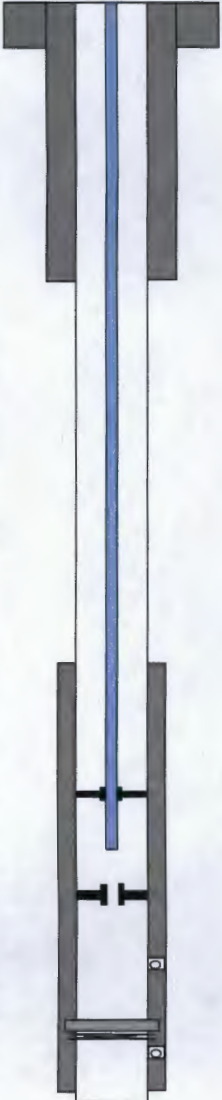
We know that our emergency is not your emergency but we appreciate your help in expediting this request. If you need more information, please contact me at 575-622-1127 ext. 18 or by email at pragsdale@stratanm.com.

Sincerely yours,



Paul Ragsdale
Operations Manager
Strata Production Company

COMPANY		LEASE TYPE				API NO.	SPUD DATE
SOVEREIGN EAGLE, LLC		<input type="checkbox"/> STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> FEDERAL				#30-041-20840	02/01/89
WELL NAME	SECTION	TWP.	RANGE		COUNTY / STATE	COMP. DATE	
POWELL #1	23	2-S	29-E		ROOSEVELT / NM	04/14/89	
FOOTAGE	ELEVATION =	KELLY BUSHING =		STATUS		TOTAL DEPTH =	P.B.T.D.
1980' FNL & 1980' FEL	4372'	4382'		SWD		7300'	7240'
FIELD/POOL/AREA	Size		Sks. Cmt.	TOC	Weight	Grade	Thread
TULE	SURF. CASING		13 3/8"	300	CIRC.	46#	
	INT. CASING		8 5/8"	750	CIRC.	24#	
	CASING		5 1/2"	250	6300'	17#	
LOCATION DESCRIPTION							
18 MI SW OF FLOYD, NM							
Depth ft.	Description					O.D.	Length
300	13 3/8" CSG. 46# @305' w/300 sacks						305'
1000							
2000							
3000	8 5/8" CSG. 24# SET @ 2175' w/750 sacks					Form Tops	2175'
4000						4672	Tubbs
5000						5300	Abn
6000						6026	Wafcamp
	T.O.C. = 6300' by CBL 04/14/89						TOC=6300'
6500							
	7/19/2014 BAKER LOKSET @ 6697'					6528	TD
	2 7/8" PLASTIC COATED TUBING						
	11/29/03 BAKER LOKSET PACKER @ 6756' RETURN TO INJECTION						
	04/16/89 CANYON OOLITE: PERF. 6860'-66', 6877'-63'						
	ACIDIZE w/1500 gal. 15% MCA						
	6/21/89 CIPB w/cement cap @ 7020'-6985'						
7000	04/14/89 PENN "C" ss: PERF. 7061'-64' ACIDIZE w/1000 gal. 15% MCA					7204	Montoya
	5 1/2" CSG. 17# SET @ 7299' w/ 250 sacks					7271	PE
							7299'
8000	TD = 7300'		PBDT = 7240'				
COMMENTS: DST #1 PENN "A" ss 7015'-24' No GTS. Completed 04/14/89 Dry Hole converted 06/27/89 to SWD 7/19/2014 acidized perfs after installation of new packer and tubing							
<div style="display: flex; justify-content: space-between;"> <div style="width: 40%;"> <p> <input checked="" type="checkbox"/> = Existing Packer <input checked="" type="checkbox"/> = Packer drilled out <input type="checkbox"/> = Perfs-Open <input type="checkbox"/> = Perfs-Squeezed </p> </div> <div style="width: 50%; text-align: right;"> <p> SOVEREIGN EAGLE, LLC P.O. BOX 968 ROSWELL, NEW MEXICO 88202 Revised 7/11/2014 </p> </div> </div>							





OIL CONSERVATION DIVISION
STATE OF NEW MEXICO
RECEIVED
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
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OIL CONSERVATION DIVISION

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JM

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

ORDER NO. SWD-369

APPLICATION OF MARSHALL PIPE AND SUPPLY COMPANY

ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION

Under the provisions of Rule 701(B), Marshall Pipe and Supply Company made application to the New Mexico Oil Conservation Division on May 22, 1989, for permission to complete for salt water its Powell Well No. 1, located in Unit G, of Section 23, Township 2 South, Range 29 East, NMPM, ~~_____ County~~, New Mexico.

THE DIVISION DIRECTOR FINDS THAT:

- (1) The application has been duly filed under the provisions of Rule 701(B) of the Division Rules and Regulations.
- (2) Satisfactory information has been provided that all offset operators and surface owners have been duly notified; and
- (3) The applicant has presented satisfactory evidence that all requirements prescribed in Rule 701 will be met.
- (4) No objections have been received within the waiting period prescribed by said rule.

IT IS THEREFORE ORDERED THAT:

(1) The applicant herein, Marshall Pipe & Supply Company is hereby authorized to complete its Powell Well No. 1 located in Unit G of Section 23, Township 2 South, Range 29 East, NMPM, Roosevelt County, New Mexico, in such a manner as to permit the injection of salt water for disposal purposes into the Pennsylvanian formation at approximately 6852 feet to approximately 6876 feet through 2-inch plastic lined tubing set in a packer located at approximately 6800 feet.

IT IS FURTHER ORDERED THAT:

The operator shall take all steps necessary to ensure that the injected water enters only the proposed injection interval and is not permitted to escape to other formations or onto the surface.

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June 21, 1989
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Prior to commencing injection operations into the well, the casing shall be pressure tested from the surface to the packer setting depth to assure the integrity of said casing.

The casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge at the surface or left open to the atmosphere to facilitate detection of leakage in the casing, tubing or packer.

The injection well or system shall be equipped with a pressure limiting device which will limit the wellhead pressure on the injection well to no more than 1370 psi.

The Director of the Division may authorize an increase in injection pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the injected fluid from the Pennsylvanian formation. Such proper showing shall consist of a valid step-rate test run in accordance with and acceptable to this office.

The operator shall notify the supervisor of the Hobbs district office of the Division of the date and time of the installation of disposal equipment and of the mechanical integrity test so that the same may be inspected and witnessed.

The operator shall immediately notify the supervisor of the Hobbs district office of the Division of the failure of the tubing, casing or packer in said well and shall take such steps as may be timely and necessary to correct such failure or leakage.

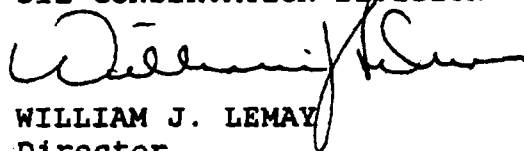
PROVIDED FURTHER THAT, jurisdiction of this cause is hereby retained by the Division for the entry of such further order or orders as may be deemed necessary or convenient for the prevention of waste and/or protection of correlative rights; upon failure of the operator to conduct operations in a manner which will ensure the protection of fresh water or in a manner inconsistent with the requirements set forth in this order, the Division may, after notice and hearing, terminate the injection authority granted herein.

The operator shall submit monthly reports of the disposal operations in accordance with Rule 706 and 1120 of the Division Rules and Regulations.

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Approved at Santa Fe, New Mexico, on this 21th day of June,
1988.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director

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