

October 26, 2016

RECEIVED OCT
2016 OCT 31 P 2:21

NMOCD Engineering
ATTN: Phillip Goetze
1220 South St. Francis Drive
Santa Fe, Nm 87505

RE: J. Cooper Enterprises, Inc.
Cooper 8 #2 (API 30-025-36529)
SWD-1613

Mr. Goetze:

I am writing to ask if you will continue with the review process of the supplement information to SWD-1613.

J. Cooper has finalized the P & A of the T. Anderson #1 and the location has been released by the District in Hobbs. (A copy of the C-103 is attached)

J. Cooper has obtained a separate bond for the Cooper 8 #2. In April I sent the information you asked for pertaining to the "corrective action" for the SWD-1613.

Now that the T. Anderson #1 is plugged and released, I hope the review process will continue.

Looking forward to hearing from you.

Thanks,



Eddie W. Seay, Agent
Eddie Seay Consulting
601 W. Illinois
Hobbs, NM 88242
575-392-2236
seay04@leaco.net

cc: J. Cooper Enterprises
Maxey Brown, OCD District Supervisor

April 13, 2016

NMOCD Engineering
ATTN: Philip Goetze
1220 South St. Francis Drive
Santa Fe, NM 87505

RE: J. Cooper Enterprises, Inc.
Cooper 8 #2 (API 30-025-36529)
SWD - 1613

Mr. Goetze:

I appreciate your approval to our application.

I met with Maxey Brown, Hobbs OCD District Supervisor, to discuss the "corrective action" pertaining to the AOR of this permit.

Pertaining to the Chevron Theodore Anderson #10, API 30-025-33236, "corrective action" was to re-enter, squeeze and properly P & A. According to Mr. Brown and the field rep. who witnessed the P & A of well #10, Chevron perforated and attempted to squeeze 5 1/2" casing (4) four times at 4498', 3800', 2500' and 1275', and could not, plugs were set at each perforated point per OCD. They perforated at 400' and circulated to surface. It was determined by OCD and Chevron that the cement top behind the 5 1/2" casing was at approximately 400' from surface. This was confirmed after I contacted Mr. Bob Bielenda, Senior Production Engineer for Chevron. Mr. Bielenda sent me information and comments pertaining to the cementing of well #10 and also the final P & A. Information for well #10 is within.

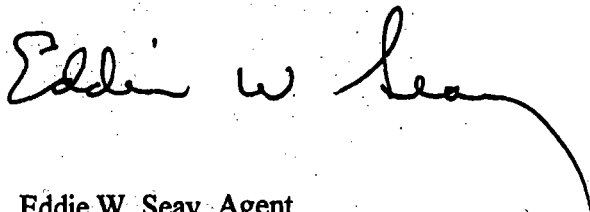
I have hopes after you have reviewed this information, the OCD will change the "corrective action" and not require J. Cooper to re-enter the Chevron T. Anderson #10. A new revised schematic is attached.

If you have any questions, please call Maxey Brown, OCD Hobbs at 575-393-6161 or Bob Bielenda, Senior Production Engineer for Chevron at 1-432-687-7877.

As to part two of the "corrective action", Chevron T. Anderson #5, API 30-025-33296. Chevron's Engineer has provided me a copy of the CBL and an explanation as to the cement top of the 5 1/2" casing which was 2272'. Copies of letter and log are within.

I appreciate your time in this matter and if you have any additional questions or need anything further, please call. Looking forward to hearing from you.

Sincerely,

A handwritten signature in black ink that reads "Eddie W. Seay". The signature is fluid and cursive, with a long horizontal stroke at the end.

Eddie W. Seay, Agent
Eddie Seay Consulting
601 W. Illinois
Hobbs, NM 88242
575-392-2236
seay04@leaco.net

cc: Maxey Brown, OCD District Supervisor
David Catanach, Director
J. Cooper Enterprises

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Tony Delfin
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



Administrative Order SWD-1613
January 19, 2016

**ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION**

Pursuant to the provisions of Division Rule 19.15.26.8(B) NMAC, J. Cooper Enterprises, Incorporated (the "operator") seeks an administrative order to authorize the Cooper 8 Well No. 2 with a location 1850 feet from the North line and 630 feet from the East line, Unit letter H of Section 8, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico, for the commercial disposal of produced water.

THE DIVISION DIRECTOR FINDS THAT:

The application has been duly filed under the provisions of Division Rule 19.15.26.8(B) NMAC and satisfactory information has been provided that affected parties as defined in said rule have been notified and no objections have been received. The applicant has presented satisfactory evidence that all requirements prescribed in Rule 19.15.26.8 NMAC have been met and the operator is in compliance with Rule 19.15.5.9 NMAC.

IT IS THEREFORE ORDERED THAT:


The applicant, J. Cooper Enterprises, Inc. (OGRID 244835), is hereby authorized to utilize its Cooper 8 Well No. 2 (API No. 30-025-36529) with a location 1850 feet from the North line and 630 feet from the East line, Unit letter H of Section 8, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico, for commercial disposal of oil field produced water (UIC Class II only) through a perforated interval within the San Andres formation from 4300 feet to 4900 feet below surface. Injection shall occur through 3½-inch or smaller, internally-coated tubing and a packer set a maximum of 100 feet above the top perforation.


IT IS FURTHER ORDERED THAT:


The operator shall take all steps necessary to ensure that the disposed water enters only the approved disposal interval and is not permitted to escape to other formations or onto the surface. This includes the well construction proposed and described in the application, and, if necessary, as determined by the District Supervisor.

** The operator shall complete the listed corrective action for the following well within the Area of Review:*

Theodore Anderson Well No. 10 (API 30-025-33236)

 **Corrective Action:** The operator shall emplace sufficient cement in the annulus of 7-inch production casing to properly seal the upper limit of the approved injection interval within the annulus. The operator shall re-enter and drill out the cement plugs above the cement cap of the bridge plug at 4500 feet below surface. The operator shall perforate the casing at approximately 4350 feet and squeezed a sufficient volume of cement into the annulus to provide a minimum of 200 feet of cement above the perforation depth. Upon the completion of the remedial work, the well shall be properly abandoned following Division Rule 19.15.25 NMAC.

 If the operator is unable to squeeze the volume of cement calculated for proper sealing of the annulus, then the operator shall run a cement bond log (CBL) for the 7-inch production casing and properly abandoned the well. A copy of the CBL shall be submitted to the Santa Fe Bureau office and the District I office for review and the operator shall receive approval from the Santa Fe Bureau office prior to commencing injection. All remedial work and associated abandonment procedures shall be reviewed and approved by the District Supervisor.

 The operator shall also obtain a reproduction of the cement bond log (identified in the Form C-105 dated April 24, 1996) for the **T Anderson Well No. 5 (API 30-025-33296)** and provide a copy to the Santa Fe Bureau office.

After installing tubing, the casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge or an approved leak detection device in order to determine leakage in the casing, tubing, or packer. The casing shall be pressure tested from the surface to the packer setting depth to assure casing integrity.

The well shall pass an initial mechanical integrity test ("MIT") prior to initially commencing disposal and prior to resuming disposal each time the disposal packer is unseated. All MIT procedures and schedules shall follow the requirements in Division Rule 19.15.26.11(A) NMAC. The Division Director retains the right to require at any time wireline verification of completion and packer setting depths in this well.

The wellhead injection pressure on the well shall be limited to **no more than 860 psi**. In addition, the disposal well or system shall be equipped with a pressure limiting device in workable condition which shall, at all times, limit surface tubing pressure to the maximum allowable pressure for this well. At the discretion of the supervisor of the Division's District I office, the operator shall install and maintain a chart recorder showing casing and tubing pressures during disposal operations.

The Director of the Division may authorize an increase in tubing pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the disposed fluid from the target formation. Such proper showing shall be demonstrated by sufficient evidence including but not limited to an acceptable Step-Rate Test.

The operator shall notify the supervisor of the Division's District I office of the date and

time of the installation of disposal equipment and of any MIT so that the same may be inspected and witnessed. The operator shall provide written notice of the date of commencement of disposal to the Division's District I office. The operator shall submit monthly reports of the disposal operations on Division Form C-115, in accordance with Division Rules 19.15.26.13 and 19.15.7.24 NMAC.

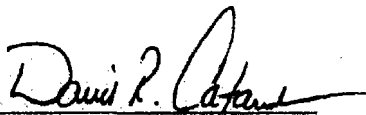
The injection authority granted under this order is not transferable except upon Division approval. The Division may require the operator to demonstrate mechanical integrity of any injection well that will be transferred prior to approving transfer of authority to inject.

The Division may revoke this injection order after notice and hearing if the operator is in violation of Rule 19.15.5.9 NMAC.

The disposal authority granted herein shall terminate two (2) years after the effective date of this Order if the operator has not commenced injection operations into the subject well. One year after the last date of reported disposal into this well, the Division shall consider the well abandoned, and the authority to dispose will terminate *ipso facto*. The Division, upon written request mailed by the operator prior to the termination date, may grant an extension thereof for good cause.

Compliance with this Order does not relieve the operator of the obligation to comply with other applicable federal, state or local laws or rules, or to exercise due care for the protection of fresh water, public health and safety and the environment.

Jurisdiction is retained by the Division for the entry of such further orders as may be necessary for the prevention of waste and/or protection of correlative rights or upon failure of the operator to conduct operations (1) to protect fresh or protectable waters or (2) consistent with the requirements in this order, whereupon the Division may, after notice and hearing, terminate the disposal authority granted herein.



DAVID R. CATANACH
Director

DRC/prg

cc: Oil Conservation Division – Hobbs District Office

Submit One Copy To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87412
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

HOBBS OCD

OCT 3 2016

RECEIVED

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 November 3, 2011

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: <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <u>SWD</u>	5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
2. Name of Operator <u>J. Cooper Enterprises</u>	6. State Oil & Gas Lease No. <u>NA</u>
3. Address of Operator <u>Box 55 Monument N.M. 88265</u>	7. Lease Name or Unit Agreement Name <u>T. Anderson SWD</u>
4. Well Location Unit Letter <u>0</u> <u>330</u> feet from the <u>S</u> line and <u>1990</u> feet from the <u>E</u> line Section <u>8</u> Township <u>20</u> Range <u>37</u> NMPM County <u>Lea</u>	8. Well Number <u>1</u>
	9. OGRID Number <u>244835</u>
	10. Pool name or Wildcat <u>Monument SA</u>
11. Elevation (Show whether DR, RKB, RT, GR, etc.)	

E-PERMITTING <SWD INJECTION>
CONVERSION _____ RBDMS _____
RETURN TO _____ TA _____
CSNG _____ ENVIRO _____ CHG LOC _____
INT TO PA _____ P&A NR _____ P&A RM

Report or Other Data

SUBSEQUENT REPORT OF:

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

OTHER:

☒ Location is ready for OCD inspection after P&A

- ☒ All pits have been remediated in compliance with OCD rules and the terms of the Operator's pit permit and closure plan.
☒ Rat hole and cellar have been filled and leveled. Cathodic protection holes have been properly abandoned.
☒ A steel marker at least 4" in diameter and at least 4' above ground level has been set in concrete. It shows the

OPERATOR NAME, LEASE NAME, WELL NUMBER, API NUMBER, QUARTER/QUARTER LOCATION OR UNIT LETTER, SECTION, TOWNSHIP, AND RANGE. ALL INFORMATION HAS BEEN WELDED OR PERMANENTLY STAMPED ON THE MARKER'S SURFACE.

- ☒ The location has been leveled as nearly as possible to original ground contour and has been cleared of all junk, trash, flow lines and other production equipment.
☒ Anchors, dead men, tie downs and risers have been cut off at least two feet below ground level.
☒ If this is a one-well lease or last remaining well on lease, the battery and pit location(s) have been remediated in compliance with OCD rules and the terms of the Operator's pit permit and closure plan. All flow lines, production equipment and junk have been removed from lease and well location.
☒ All metal bolts and other materials have been removed. Portable bases have been removed. (Poured onsite concrete bases do not have to be removed.)
☒ All other environmental concerns have been addressed as per OCD rules.
☒ Pipelines and flow lines have been abandoned in accordance with 19.15.35.10 NMAC. All fluids have been removed from non-retrieved flow lines and pipelines.
☒ If this is a one-well lease or last remaining well on lease: all electrical service poles and lines have been removed from lease and well location, except for utility's distribution infrastructure.

When all work has been completed, return this form to the appropriate District office to schedule an inspection.

SIGNATURE Eddie W. Seay TITLE Agent DATE 9/29/16
TYPE OR PRINT NAME Eddie Seay E-MAIL seay04@leam.net PHONE: 575.390.2454
For State Use Only
APPROVED BY: Miley Brown TITLE Dist Supervisor DATE 10/20/2016