

SUBSIDENCE MONITORING REPORTS

2

DATE:

WASSERHUND, INC. P.O. Box 2140 Lovington, NM 88260-2140

August 04, 2016

NM Oil Conservation Division 1220 S. Saint Francis Drive Santa Fe, NM **875**05

Fresh Water injected at the Tatum Brine Station (BW-022)

July 2016 1060

Brine Water Sold at the Tatum Brine Station (BW-02)

July 2016 1040

Pressure on Tatum Brine Station Averaged 260 psi

Sincerely Yours;

Donny Collins

Chavez, Carl J, EMNRD

| From: | Chavez, Carl J, EMNRD |
|----------|---|
| Sent: | Thursday, July 21, 2016 12:12 PM |
| То: | 'David.Alvarado@basicenergyservices.com' |
| Cc: | Griswold, Jim, EMNRD |
| Subject: | Annual Class II Brine Report (June 30, 2016) BW 2 & BW-25 Proposal for Subsidence |
| | Measurement at Brine Wells dated August 29, 2013 |

David:

Good afternoon.

OCD notices during the 11/30/15 and 1/4/16 Brine vs. fresh water tank sampling events that the tank contained ~ 63,900 ppm Cl and ~ 104,748 ppm TDS. TDS had been ~ 450 ppm TDS. The tank water later tested back to fresh drinking water quality. Does Basic know what happened to explain this?

Draft subsidence monitoring reports were submitted for the Eunice 1 (BW-2) and Salado 2 (BW-25) brine well facilities dated 8-29-2013. OCD approves the proposal for Subsidence Measurement at these brine well facilities.

Please contact me if you have questions. Thank you.

Carl J. Chavez, CHMM Environmental Engineer Oil Conservation Division- Environmental Bureau 1220 South St. Francis Drive Santa Fe, New Mexico 87505 Phone: (505) 476-3490 Main Phone: (505) 476-3440 Fax: (505) 476-3462 E-mail: <u>CarlJ.Chavez@state.nm.us</u> Website: <u>www.emnrd.state.nm.us/ocd</u>

Why not prevent pollution, minimize waste, reduce operation costs, and move forward with the rest of the Nation? To see how, go to "Publications" and "Pollution Prevention" on the OCD Website.

REVEIVED

2008 NOV 26 PM 2 24

November 20, 2008

NMOCD Environmental ATTN: Carl J. Chavez 1220 S. Saint Francis Dr. Santa Fe, NM 87505

RE: Basic Energy Service BW-25

Mr. Chavez:

Find attached answer to your question concerning running sonar test on the brine well. Although it is not available within thirty days, Basic is committed to doing the work.

If you can do anything further, please let me know.

Sincerely,

Elli w A

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

Eddie W. Seay

From:"Prather, Steve" <Steve.Prather@basicenergyservices.com>To:<seay04@leaco.net>Sent:Thursday, November 20, 2008 8:04 AMSubject:Soar Test BW-2 & BW 25

Eddie,

I have been in conversation with Carl Chavez with OCD. I have been advised they want me to run a sonar test on each brine well within the next 30 days. After calling around about the availability of equipment and personnel. I see no way of being able to start before the first of January.

11/20/2008



Steve Prather

Area Manager

Eunice, NM 88231

505-394-3235

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Chavez, Carl J, EMNRD

| From: | Chavez, Carl J, EMNRD |
|--------------|--|
| Sent: | Friday, November 14, 2008 4:38 PM |
| То: | 'ziatransports@gmail.com'; 'jrmillett@gmail.com'; 'rharrisnm@aim.com'; 'gandy2@leaco.net'; 'seay04@leaco.net'; 'iwcarlsbad@plateautel.net'; 'Patterson, Bob'; 'Dimas Herrera'; 'gil@mull.us'; 'David Pyeatt'; 'Wayne E Roberts'; Dennis L Shearer; 'garymschubert@aol.com'; 'dgibson@keyenergy.com'; 'Clay Wilson'; 'Prather, Steve'; Ronnie D Devore |
| Cc: | Hill, Larry, EMNRD; Gum, Tim, EMNRD; Price, Wayne, EMNRD |
| Subject: | Brine Well Moratorium Press Release Today |
| Attachments: | PR-OCD Brine Well Moratorium.pdf |

FYI, please see the attached NM OCD Press Release issued today. Thank you.

Carl J. Chavez, CHMM New Mexico Energy, Minerals & Natural Resources Dept. Oil Conservation Division, Environmental Bureau 1220 South St. Francis Dr., Santa Fe, New Mexico 87505 Office: (505) 476-3491 Fax: (505) 476-3462 E-mail: <u>CarlJ.Chavez@state.nm.us</u> Website: <u>http://www.emnrd.state.nm.us/ocd/</u>index.htm (Pollution Prevention Guidance is under "Publications")

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson Governor

Joanna Prukop Cabinet Secretary Reese Fullerton Deputy Cabinet Secretary Mark Fesmire Division Director Oil Conservation Division



November 14, 2008

Contact: Jodi McGinnis Porter, Public Information Officer 505.476.3226

Energy, Minerals and Natural Resources Cabinet Secretary Prukop Orders a Six Month Moratorium on New Brine Wells

Oil Conservation Division to Investigate Brine Well Collapses and Provide Recommendations

SANTA FE, NM – Secretary Joanna Prukop today ordered the Oil Conservation Division to place a six month moratorium on any new brine well applications located in geologically sensitive areas. Secretary Prukop's action comes following the second brine well collapse in less than four months in southeastern New Mexico. The Secretary has also directed the Oil Conservation Division to work with the Environmental Protection Agency, other states, technical experts and oil and gas industry representatives to examine the causes of recent collapses, and provide a report with recommendations to the Oil Conservation Commission for a safe path forward. The report should be completed by May 1, 2009.

"I am deeply concerned by these two serious incidents and we are taking action to ensure the safety of our citizens and to protect the environment," stated Secretary Prukop.

Brine wells are an essential part of the oil and gas drilling industry, particularly in the southeastern part of the state. Oil and gas operators use brine water in the drilling process. Brine is saturated salt water which can be more salty than sea water. Brine is created by injecting fresh water into salt formations, allowing the water to absorb the salt and then pumping it out of the well. This method creates an underground cavity.

"The moratorium will provide time to properly evaluate the causes of the recent collapses and to discuss the development of new rules or guidelines to ensure the safety and stability of brine well systems," added Secretary Prukop.

The moratorium will only affect new wells and will not impact existing wells and facilities.

Below are photographs of the two recent collapses:



Loco Hills brine well collapse, morning, November 7, 2008, sinkhole with fresh water pond in foreground. Photo courtesy of Oil Conservation Division



Loco Hills brine well collapse, morning, November 7, 2008 sinkhole. Photo courtesy of Oil Conservation Division

November 14, 2008 Page 3



Loco Hills brine well collapse, morning, November 7, 2008 status of fresh water pond. Photo courtesy of Oil Conservation Division

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Artesia brine well collapse, morning, July 20, 2008 at 10:44 am. Photo courtesy of National Cave and Karst Research Institute



Artesia brine well collapse morning, July 22, 2008 Photo courtesy of National Cave and Karst Research Institute

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The Energy, Minerals and Natural Resources Department provides resource protection and renewable energy resource development services to the public and other state agencies.

Oil Conservation Division 1220 South St. Francis Drive • Santa Fe, New Mexico 87505 Phone (505) 476-3440 • Fax (505) 476-3462 • <u>www.emnrd.state.nm.us/OCD</u>

Re: BW-2 (Eunice No. 1) & BW-25 (Salado Brine Well No. 2) Upcoming MIT & Sonar ... Page 1 of 4

Chavez, Carl J, EMNRD

From: Chavez, Carl J, EMNRD

Sent: Wednesday, November 12, 2008 9:24 AM

To: 'Prather, Steve'

Cc: Price, Wayne, EMNRD

Subject: RE: BW-2 (Eunice No. 1) & BW-25 (Salado Brine Well No. 2) Upcoming MIT & Sonar Testing

Steve:

Yes, but if you are having scheduling difficulty, the OCD may approve an extension if needed? Thank you.

Carl J. Chavez, CHMM New Mexico Energy, Minerals & Natural Resources Dept. Oil Conservation Division, Environmental Bureau 1220 South St. Francis Dr., Santa Fe, New Mexico 87505 Office: (505) 476-3491 Fax: (505) 476-3462 E-mail: <u>CarlJ.Chavez@state.nm.us</u> Website: <u>http://www.emnrd.state.nm.us/ocd/</u>index.htm (Pollution Prevention Guidance is under "Publications")

From: Prather, Steve [mailto:Steve.Prather@basicenergyservices.com]
Sent: Wednesday, November 12, 2008 9:30 AM
To: Chavez, Carl J, EMNRD
Subject: Re: BW-2 (Eunice No. 1) & BW-25 (Salado Brine Well No. 2) Upcoming MIT & Sonar Testing

Are you saying they have moved it up to thirty days from this date and not June 30th of 2009? Sent using BlackBerry

-----Original Message-----From: Chavez, Carl J, EMNRD <CarlJ.Chavez@state.nm.us> To: Chavez, Carl J, EMNRD <CarlJ.Chavez@state.nm.us>; Prather, Steve <Steve.Prather@basicenergyservices.com> CC: Price, Wayne, EMNRD <wayne.price@state.nm.us>; Hill, Larry, EMNRD <larry.hill@state.nm.us>; Sanchez, Daniel J., EMNRD <daniel.sanchez@state.nm.us> Sent: Wed Nov 12 10:12:50 2008 Subject: RE: BW-2 (Eunice No. 1) & BW-25 (Salado Brine Well No. 2) Upcoming MIT & Sonar Testing

Steve:

After speaking with my Supervisor Wayne Price, and under the current circumstances, the OCD is requiring your brine well to be sonar tested within 30 days of this notice. Since you will be performing this task, it may be prudent to conduct the MIT at the same time.

Please contact me if you have questions. Thank you.

Carl J. Chavez, CHMM

New Mexico Energy, Minerals & Natural Resources Dept.

Oil Conservation Division, Environmental Bureau

1220 South St. Francis Dr., Santa Fe, New Mexico 87505

Office: (505) 476-3491

Fax: (505) 476-3462

E-mail: CarlJ.Chavez@state.nm.us

Website: http://www.emnrd.state.nm.us/ocd/index.htm

(Pollution Prevention Guidance is under "Publications")

From: Chavez, Carl J, EMNRD
Sent: Monday, November 10, 2008 1:50 PM
To: 'Prather, Steve'
Cc: Price, Wayne, EMNRD; Hill, Larry, EMNRD
Subject: FW: BW-2 (Eunice No. 1) & BW-25 (Salado Brine Well No. 2) Upcoming MIT & Sonar Testing

Steve:

Hi. BWs-2 and 25 will required the EPA 5-Yr. 30 minute test (pull tubing, set packer near casing shoe (<20 ft. from casing shoe) and pressure up from 300 to 500 psig +/- 10% to pass.

As indicated below, a sonar test is required at BWs-2 and 25, which will facilitate the EPA 5-Yr. MIT before reinstalling the tubing.

Please contact me with your preferred date and time for the MITs and sonar. Thank you.

Carl J. Chavez, CHMM

New Mexico Energy, Minerals & Natural Resources Dept.

Oil Conservation Division, Environmental Bureau

1220 South St. Francis Dr., Santa Fe, New Mexico 87505

Office: (505) 476-3491

Re: BW-2 (Eunice No. 1) & BW-25 (Salado Brine Well No. 2) Upcoming MIT & Sonar ... Page 3 of 4

Fax: (505) 476-3462

E-mail: CarlJ.Chavez@state.nm.us

Website: http://www.emnrd.state.nm.us/ocd/index.htm

(Pollution Prevention Guidance is under "Publications")

From: Chavez, Carl J, EMNRD
Sent: Tuesday, October 21, 2008 2:38 PM
To: 'Prather, Steve'
Cc: Sanchez, Daniel J., EMNRD; Price, Wayne, EMNRD
Subject: BW-2 (Eunice No. 1) & BW-25 (Salado Brine Well No. 2) Upcoming MIT & Sonar Testing

Steve:

Re: OCD August 1, 2008 Letter w/ Brine Well Information Request (BWIR)

Good afternoon. The Oil Conservation Division (OCD) has reviewed Basic Energy Services, LLC responses to the BWIRs for the above subject OCD permitted brine wells. Based on the operational life and volume of brine produced from the above brine wells, sonar testing is required along with your MIT on or before July 31, 2009. According to OCD records, no sonar testing has been conducted on the above subject brine wells to date.

Please contact me within 8 working days to arrange the type, date and time for the MITs and corresponding date for sonar testing. Thank you.

Carl J. Chavez, CHMM

New Mexico Energy, Minerals & Natural Resources Dept.

Oil Conservation Division, Environmental Bureau

1220 South St. Francis Dr., Santa Fe, New Mexico 87505

Office: (505) 476-3491

Fax: (505) 476-3462

E-mail: CarlJ.Chavez@state.nm.us

Website: http://www.emnrd.state.nm.us/ocd/index.htm

(Pollution Prevention Guidance is under "Publications")

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Chavez, Carl J, EMNRD

From: Chavez, Carl J, EMNRD

Sent: Wednesday, October 22, 2008 8:56 AM

To: Hill, Larry, EMNRD

Subject: FW: BW-2 (Eunice No. 1) & BW-25 (Salado Brine Well No. 2) Upcoming MIT & Sonar Testing

Buddy:

FYI.

Carl J. Chavez, CHMM New Mexico Energy, Minerals & Natural Resources Dept. Oil Conservation Division, Environmental Bureau 1220 South St. Francis Dr., Santa Fe, New Mexico 87505 Office: (505) 476-3491 Fax: (505) 476-3462 E-mail: <u>CarlJ.Chavez@state.nm.us</u> Website: <u>http://www.emnrd.state.nm.us/ocd/index.htm</u> (Pollution Prevention Guidance is under "Publications")

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2008 SEP 9 PM 2 55

August 30, 2008

NMOCD Environmental ATTN: Wayne Price 1220 S. St. Francis Dr. Santa Fe, NM 87505

RE: Basic Energy Service BW-002 BW-025

Mr. Price:

Find within the information requested on the two brine wells that Basic Energy operates. Information was obtained from operator personnel, well files and physical observation.

Should you need anything further, please call.

Sincerely,

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

cc: Basic Energy Service

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson Governor

Joanna Prukop Cabinet Secretary Reese Fullerton Deputy Cabinet Secretary Mark Fesmire Division Director Oil Conservation Division



OIL CONSERVATION DIVISION BRINE WELL INFORMATION REQUEST

| GENERAL INFORMAT | TION: | | | | ······································ | |
|---|---|--|--|---|---|---|
| Operator Name Basic E | newgy Serve | Well Name | (s)_ E и | nice # | 1 | <u> </u> |
| API Number 30.025. | 26884 | Brine Well | Permit # | Bw. | 002 | |
| Date Permit Expires? 20 | 12 Oct. | · | | . 1 | 6 | |
| 7 | l | 21 | D ~ | 27 | | |
| Location: Section | 15 | _ | _ Kg _ | | <u>т</u> | |
| FNL $GPS of well(c)$. Lat | • • • • • • • • • • • • • • • • • • • | PLL | | 1 VV | L | ···· |
| 01301 well(3). Lat. 32 | 25 47 LO | ¹¹ ^{6.} 103 | 08 | 58 | | |
| Dall | | | | | • | |
| Have you reviewed and un Are you presently deficient Do you operate below grad Do all tanks, including fres Do you think you have the brine well to collapse? Ye Do you think OCD should SITING INFORMATION minute (1": 2000") USGS | derstand all of of any conditi e tanks or pits h water tanks, expertise, know SX No□ provide guideli N: Please prov Quad Map. L | your permit on in your p at the site? have second wledge and g ines on subs ide the follo imit search | condition ermit? Yes□ No ary conta general un idence ar wing inf to one m | ns? Yes ⊠ Yes □ No minment? Y nderstandi id collapse formation of ile radius. | No No No No No No No No No No No No No N | know [] <i>NE W</i> causes a Yes No [] on 7.5 |
| Is the brine well located wi | thin a municip | ality or city | limits? | Yes N | 0 | |
| Distance and direction to n | earest permane | nt structure | house s | chool etc | if less than | one mile: |
| Attached | | | | | <i>y</i> 7000 mar | |
| Distance and direction to n | earest water we | ell if less tha | n one mi | le: | | · · · · · · · · · · · · · · · · · · · |
| Attached | | | | | | ; |
| Distance to nearest waterco | ourse(s), floodp | olain, playa l | ake(s), or | r man-mad | e canal(s) | or pond(s) |
| if less than one mile: | | | | | | · · |
| Distance and direction to n | earest known k | arst features | or mine | s if less the | in one mile | · |
| Attached | | | | - | | |
| | | <u> </u> | | | ······ | |

Oil Conservation Division August 1, 2008 Page 2

| Dis | tance and direction to nearest tank battery(ies) if less than one mile: |
|----------------------------------|--|
| Dis mile | tance and direction to nearest pipeline(s), including fresh water pipelines if less than one |
| Dist | ance and direction to nearest paved or maintained road or railroad if less than one mile: |
| Dep | th to ground water found above the Salado (salt section), regardless of yield: |
| Nan | ne of aquifer(s): |
| diag Cop Cop Cop Dep | The set of the salt below ground surface (feet): |
| Dep | th to the pottom of the salt below ground surface (feet): |
| Dep | th(s) to and thickness(es) of any anhydrite section(s) (located above the salt): |
| Dep Is th Is th Dep | th of casing(s) shoe below ground surface (feet): $/200$ e casing shoe set in the anhydrite or other layer above the salt? Yes \Box No \blacksquare e casing shoe set into the salt? Yes \Box No \blacksquare If yes, how far into the salt? th of tubing(s): |
| Do y | you suspect that your cavern has partially caved in? Yes No Don't know |
| OPE | ERATIONS: Please provide the following information. |
| Start | date of brine well operation: |
| Tota | l volume of fresh water injected into the brine well to date (bbls) and how determined: |
| a | ueros 240 000 h) Ren 105 X 20 1 700 000 |

Oil Conservation Division August 1, 2008 Page 3

Total volume of brine water produced (bbls) to date and how determined:

761 ratio 960,000 61s.

Have you ever lost casing or tubing? If yes, please provide details. Document attached

Do you maintain a surface pressure on your well during idle times? Yes No

Have you noticed large amounts of air built up during cavity pressurization? Yes Nox

Have you ever noticed fluids or air/gas bubbling up around the casing during testing or normal operations? Yes No

MONITORING: Please provide the following information.

Are you currently monitoring ground water contamination from your brine well or system? Yes \Box No

Have you ever run a sonar log? Yes□ No**X** If yes, please provide last date:_____

Provide cavern configuration (dimensions and volume) and method(s) used to estimate: If sonar report please attach \Box If other, please specify and provide a sketch of cavern: \Box

Do you have a subsidence monitoring program in place? Yes 🗆 No🎗

Do you have any geophysical monitoring devices, such as a seismic device positioned near your brine well? Yes \Box NoX

Have you submitted all of your monthly, quarterly, or annual reports to the OCD? Yes \Box No \Box

Have you failed a brine well mechanical integrity test (MIT)? If yes, please attach details and results. Attached \Box N_0

Have you ever had a casing leak? Yes 🗆 No🛛 Don't know 🕅

Have you ever exceeded the cavern fracture pressure? Yes I Nox Don't know I Do you know how to calculate your maximum pressure? Yes NoI Don't know I Have you routinely looked for cracks or fissures in the ground surface around your brine well?

Yes 🗶 NoE The facility is checked daily, looking for all problems

Do you have any minor or major cracks, fissures, tank settlement, line breakage from settlement or any minor subsidence. Yes \Box No

During operations have you experienced any ground vibration, ground movement, or well movement after opening or shunting valves, pump start-up, shut-down, etc.? Yes Nox

| Have you ever experienced unexpected pressure gain or loss in the If Yes, was there a difference in your normal flow rate? | cavern? | Yes□ Yes□ | No ≸ No⊡ |
|--|---|-------------------------|--------------------|
| Anytime during the past 5 years, have you experienced a noticeable water volume pumped into the well verses brine water produced? | e differenc Yes □ 1 | e betwee No k | en fresh |
| Are you concerned about pulling the tubing due to the fact it may be hole? Yes No | e difficult | to re-ent | ter the |
| Are you concerned about running a sonar tool in fear of losing tool Yes No Concerned about gatting tubing | because o | f debris i | in hole? |
| Have you ever conducted a fly over of your well site? No \square . Yes \square photo. \square Photo(s) attached |] if yes, pl | lease pro | vvide |
| | 11 1 1 | 180.000 | and |
| Calculation: Please divide your estimated total volume of produce | d brine by | | |
| <i>Calculation:</i> Please divide your estimated total volume of produce multiply by 50. <i>Example:</i> If you have produced a total of $18,000.0$ | d brine by | f brine in | the life |
| <i>Calculation:</i> Please divide your estimated total volume of produced multiply by 50. <i>Example:</i> If you have produced a total of 18,000,000 time of the well then your calculation would be 18,000,000/180,000 | d brine by 00 bbls of 0 = 100 x | f brine in $50 = 500$ | the life |
| <i>Calculation:</i> Please divide your estimated total volume of produce multiply by 50. <i>Example:</i> If you have produced a total of 18,000,0 time of the well then your calculation would be 18,000,000/180,000 | d brine by 000 bbls of 0 = 100 x f | f brine in 50 = 500 | the life 0. |
| <i>Calculation:</i> Please divide your estimated total volume of produced multiply by 50. <i>Example:</i> If you have produced a total of 18,000,00 time of the well then your calculation would be 18,000,000/180,000 1. Provide the calculated number above here: 2L7 | d brine by 000 bbls o 0 = 100 x | f brine in $50 = 500$ | the life 0. |
| Calculation: Please divide your estimated total volume of produced multiply by 50. Example: If you have produced a total of 18,000,000 time of the well then your calculation would be 18,000,000/180,000 1. Provide the calculated number above here: 267 2. Now provide the depth (ft) from the surface to your casing statements. | d brine by (00 bbls o) (0) = 100 x shoe: | f brine in $50 = 500$ | the life |
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| Calculation: Please divide your estimated total volume of produced multiply by 50. Example: If you have produced a total of 18,000,00 time of the well then your calculation would be 18,000,000/180,000 Provide the calculated number above here: 267 Now provide the depth (ft) from the surface to your casing states the calculated number found in #1 above greater than #2? Yes | d brine by 000 bbls of $0 = 100 \text{ x} \pm \frac{1}{2}$ shoe: 17 No X | f brine in $50 = 500$ | 0. |
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| Calculation: Please divide your estimated total volume of produced multiply by 50. Example: If you have produced a total of 18,000,000 time of the well then your calculation would be 18,000,000/180,000 Provide the calculated number above here: 2, Now provide the depth (ft) from the surface to your casing so the calculated number found in #1 above greater than #2? Yes Comments or recommendations for OCD: | d brine by 00 bbls of 0 = 100 x shoe: 17 No x | f brine in $50 = 500$ | 0. |
| Calculation: Please divide your estimated total volume of produced multiply by 50. Example: If you have produced a total of 18,000,000 time of the well then your calculation would be 18,000,000/180,000 Provide the calculated number above here: 2, 2 Now provide the depth (ft) from the surface to your casing states the calculated number found in #1 above greater than #2? Yes Comments or recommendations for OCD: | d brine by $(00 \text{ bbls of}) = 100 \text{ x} \pm \frac{1}{2}$ shoe: 17 No x | f brine in $50 = 500$ | 0. |
| Calculation: Please divide your estimated total volume of produced multiply by 50. Example: If you have produced a total of 18,000,000 time of the well then your calculation would be 18,000,000/180,000 Provide the calculated number above here: 2, 2 Now provide the depth (ft) from the surface to your casing states and the calculated number found in #1 above greater than #2? Yes Comments or recommendations for OCD: | d brine by $00 \text{ bbls of } 0 = 100 \text{ x}^{4}$ shoe: 17 No X | f brine in $50 = 500$ | . the life 0. |
| Calculation: Please divide your estimated total volume of produced multiply by 50. Example: If you have produced a total of 18,000,00 time of the well then your calculation would be 18,000,000/180,000 Provide the calculated number above here: 267 Now provide the depth (ft) from the surface to your casing state the calculated number found in #1 above greater than #2? Yes Comments or recommendations for OCD: | d brine by 00 bbls of 0 = 100 x shoe: 17 No | f brine in $50 = 500$ | 0. |
| Calculation: Please divide your estimated total volume of produced multiply by 50. Example: If you have produced a total of 18,000,0 time of the well then your calculation would be 18,000,000/180,000 1. Provide the calculated number above here: 3 2. Now provide the depth (ft) from the surface to your casing s Is the calculated number found in #1 above greater than #2? Yes Comments or recommendations for OCD: | d brine by 00 bbls of 0 = 100 x shoe: 17 No | f brine in $50 = 500$ | . the life 0. |
| Calculation: Please divide your estimated total volume of produced multiply by 50. Example: If you have produced a total of 18,000,00 time of the well then your calculation would be 18,000,000/180,000 Provide the calculated number above here: 2 Now provide the depth (ft) from the surface to your casing some some some some some some some some | d brine by (00 bbls of) = 100 x (100 shoe: 17) (100 shoe: 17) | f brine in $50 = 500$ | . the life 0. |

obtaining the information, I believe that the information is true, accurate, and complete. I am aware that there are significant penalties for submitting false information including the possibility of fine and imprisonment."

Bosic Energy Service Company Name-print hame above

Eddie w Soay Company Representative- print name Agent

Company Representative- Signature

Title Agan

Date: 8 30 2008

71 00 Chevron Acoma I •2:8 J-B I 1-4 (ĒT) ₩, Triple × (0.0) **_**'8 њ, wo) (WO) Dual (P/8) Acomo 00 23·A BHL Millard Chevron (T/A)032096 2 "A 27" J. Sar-Deck.(5) 11 01 TA 22:A (Dual) U.H. Hen. keys T 4.E)15 '★ (₩0) Oual) 10 € •Ŭ a . 9 Prol 3 0 Mu. SmellTreds Lockhari 27 J.H. (L 11 Hendrix ~q1 4.2 76o) n (wo) (T-101e) non Exxon Cone J.H. He 8 J.H.Hendr Zrik 1-48 | • (wo) (mo) (Duo) IMB) ០៤**ឆា** ^៩រ (Duol) 3 nordiso A A R Cone ECHI 0 (wo) Conoco etal Apache 49 032096 - Lockhort tephens Exxon 1500 (PIB) #2 3/8P 3.24.68 UND TO 10620106 D (₩0) 8 35 ् 🖸 Tis 11 0 . L OC J.B m 0 Hendrix I Tre (3 ANT (DOL TOWL 25 .wo) 'Mai shai ໂພັດ) (Duol E.O.Ca (Qual) لصد (P/8)(13 (Dual) 7/12 (W0) ۵ A Hardison 11 hevron pache Ronge Or Apache Marathon 8 Oxy US BHL 0 420 BH wo 1 45 9 Amori 07 dende Hendrix 7 lare 10 7 н va O ievro er Di i J.H.Hendris vendr d . 5 101 11 1 • Pibl (P/B) iWo (\$0 x x on Duál 39 0 20 H rchPat BEC Corp 8 20 und i ndrix 30 €(wo' (wo) 12 в¥ Henory /Duel (Triple) Hendrix Gui 23 τo 2 Dugi 2.1 . 3 Stor Bur Э 33 Twos 5.1 5 • <u>5</u> è (107 45 stitcher Fher R.L. Brunson r u n

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| API NUMBER | 30-025-26884 | |
|---------------------------------------|---|----------|
| OPERATOR | BASIC ENERGY SERVICES | |
| PROPERTY NAME | EUNICE # 1 | |
| | | |
| LOCATION | O-34-T21S-R37E | |
| | 630 FSL 2427 FEL | |
| | · · · · | |
| DEPTH TOP SALT BELOW G.L. | 1245 FEET | |
| DEPTH BASE SALT BELOW G.L. | 2355 FEET | |
| | | |
| THICKNESS ANHYDRITE ABOVE SALT | 90 FEET | |
| | | |
| LOGS WITHIN 1 MILE | All AVAILABLE ON OCD ONLINE | |
| | 30-025-37322 | |
| | 30-025-38333 | |
| Pavement | · | |
| State HWY 18 | 0.08 miles E | |
| Railroads | | |
| Railroad | 0.36 miles E | |
| | | |
| Water Line | 25 feet W | |
| | | |
| Structure & Buildings | | |
| Houses @ Warren Plt | 0.21 miles S | |
| Targa Middle Gas Plant | 0.27 miles SSE | |
| New RV Park Fence | 0.02 miles N | |
| | | |
| | | |
| | | |
| Tank Batteries | | |
| Chevron Bat | 0.19 miles NE | |
| John Hendrix Bat | 0.32 miles SW | |
| Pipe Lines | | |
| Warren Pipe Line | 0.08 miles E | |
| · · · · · · · · · · · · · · · · · · · | | |
| | | <u> </u> |
| | | |
| DEPTH TO GROUND WATER | | |
| | | |
| SANTA ROSA | 715-860 FEET | |
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| (<u></u> | Anne and a second se | |

| 3002526884 EUNICE | 1 BASIC ENERGY SERVICES | BSW A | Lea | 0 | 34 | 21 S | 37 E | 630 | S 2427 E |
|-------------------|-------------------------|-------|-----|---|----|------|------|-----|----------|
| | | | | | | | | | |
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| 3002526884 | EUNICE | - | BASIC ENERGY SERVICES | | BSW | < | Lea | <u>></u> | n N | N | 2 | 3/ L | 63015 | 242/ | ш | | |
|------------------|--------------------------------------|--------|----------------------------|-------|------|------|-------|-------------|---------|-------|-------|------|---------|------|----------|-------------------|-----|
| | | | - | | | | | | | | | | | | | | |
| Vells within 1 n | nile of Basic Energy Services, Eunic | ce # 1 | brine well. | | | | | | | | | | 5280 | 5280 | | | |
| 4PI # | PROPERTY NAME | | OPERATOR | τD | ТҮРЕ | STAT | 00 | L, U | LSE | NT O | 7 | SNG | S/N | EW | ö | | ŗ |
| 3002506968 | CENTRAL DRINKARD UNIT | 145 | JOHN H HENDRIX CORP | 6603 | 0 | A | ea | | с М | 5 | 1 S | 37 E | 1800 S | 515 | E 35 | 55 V | ٧N٧ |
| 3002506974 | J N CARSON | 1 | STEPHENS & JOHNSON OP CO | 6610 | Ð | A | Lea | H | 3 | 3 2 | 1 S | 37 E | 2080 N | 660 | E 43: | 52 N | M |
| 3002506975 | CARSON WATSON COM | 2 | STEPHENS & JOHNSON OP CO | 7470 | G | A | Lea | H | 3 | 3 2 | 1 S | 37 E | 2176 N | 994 | E 45 | 73 .N | N |
| 3002506988 | HUGH CORRIGAN | 1 | PURE RESOURCES, LP | 7679 | 0 | A | Lea | 0 | 3 | 3 2 | 1 S | 37 E | 660 S | 1974 | E 48: | 27 · V | > |
| 3002506989 | CENTRAL DRINKARD UNIT | 157 | CHEVRON U S A INC | 6600 | 0 | P&A | ea | Ч С | 3. | 3 2 | 1 S | 37 E | 660 S | 660 | E 35 | اع د | > |
| 3002506990 | HUGH CORRIGAN | 3 1 | PURE RESOURCES, LP | 3758 | G | A | Lea | l c | 3 | 3 2 | 1 S | 37 E | 1980 S | 1980 | E 50 | N 81 | ٨N٧ |
| 3002506991 | CENTRAL DRINKARD UNIT | 146 | CHEVRON U S A INC | 7659 | 0 | P&A | Lea | l C | 3 | 3 2 | 1 S | 37 E | 1909 S | 2051 | E 50 | 38 | ٧N٧ |
| 3002506992 | H CORRIGAN | 5 | JOHN H HENDRIX CORP | 6595 | 0 | A | Lea | l I | 3 | 3 2 | 1 S | 37 E | 1980 S | 2105 | E 51: | | NΝV |
| 3002506993 | CORRIGAN | 6. | JOHN H HENDRIX CORP | 6610 | 0 | A | Lea | 0 | 3. | 3 2 | 1 S | 37 E | 589 S | 1909 | E 47 | 32 V | > |
| 3002506994 (| CORRIGAN GAS COM | 7 | JOHN H HENDRIX CORP | 7446 | G | A_ | Lea | P | 3. | 3 2 | 1 S | 37 E | 760 S | 660 | E 35 | 15 < | > |
| 3002506995 | CORRIGAN | 2 | JOHN H HENDRIX CORP | 7452 | 0 | A | Lea | | 3 | 3 2 | 1 S | 37 E | I 980 S | 660 | E 37 | 33 V | ٧N٧ |
| 3002525235 | CENTRAL DRINKARD UNIT | 410 | CHEVRON U S A INC | 10107 | G | A | Lea | 0 | 3. | 3 2 | 1 S | 37 E | 340 S | 1465 | E 43: | 27 [`] V | > |
| 3002525335 | CENTRAL DRINKARD UNIT | 406 | CHEVRON U S A INC | 6959 | Ð | P&A | Lea | J j | 3. | 3 2 | 1 S | 37 E | 2200 S | 1470 | E 45 | N. 66 | ٧N٧ |
| 3002525336 | CENTRAL DRINKARD UNIT | 407 | CHEVRON U S A INC | 6612 | G | TA | Lea | e P | 3 | 3 2 | 1 S | 37 E | 1475 S | 1440 | E 43 | 75 · V | > |
| 3002525337 | CENTRAL DRINKARD UNIT | 420 | CHEVRON U S A INC | 3779 | G | P&A | Lea | Η | 3 | 3 2 | 1 S | 37 E | 2030 S | 1520 | E 45: | 91 N | N |
| 3002506996 | OWEN B | 1 | APACHE CORP | 6614 | G | A | Lea | è M | 3 | 4 2 | 1 S | 37 E | S 066 | 330 | W 25 | 8t | > |
| 3002506997 | OWEN B | 2 | APACHE CORP | 6595 | G | A | Lea | , L | 3 | 4 2 | 1 S | 37 E | 1980 S | 420 | W 278 | 82 N | N |
| 3002506998 (| OWEN B | 3 | 3P AMERICA PRODUCTI | 6911 | 0 | P&A | lea l | , K | 3. | t · 2 | 1 S | 37 E | 2240 S | 2160 | W 17! | 52 N | N |
| 3002506999 | OWEN B | 4 | APACHE CORP | 6599 | G | A | Lea | Z | 3 | 4 2 | 1 S | 37 E | 660 S | 1980 | W 87; | ~ | > |
| 3002507000 | EVA OWEN B | 5 | 3P AMERICA PRODUCTI | 5335 | 0 | P&A | ea | L | 3 | 4 | 1 S | 37 E | 1830 S | 440 | W 269 | 94 N | N |
| 3002507001 | MARK OWEN | - | CHEVRON U S A INC | 3735 | 0 | A | ea I | Ū, | 3 | 4 2 | I S | 37 E | 1980 S | 1980 | E 14: | 22 | |
| 3002507002 | MARK OWEN | 2.0 | GULF OIL CORP | 3740 | 0 | P&A | Lea | 0 | 3 | 4 2 | l S I | 37 E | 660 S | 1980 | E. 44 | ш | |
| 3002507003 | MARK OWEN | 4 | CHEVRON U S A INC | 6584 | G | A | ea] | , J | ÷. | 4 2 | l S | 37 E | 2068 S | 2068 | E 14 | 32 N | _ |
| 3002507004 1 | MARK OWEN | 5 | CHEVRON U S A INC | 6545 | IJ | A | Lea | <u>م</u> | ά | 4 | 1 S | 37 E | 660 S | 660 | E 17 | 37 E | |
| 3002507005 | MARK OWEN | 9 | CHEVRON U S A INC | 6552 | 0 | A | Lea | 0 | τ. Γ | 4 | l S | 37 E | 554 S | 2086 | E 34 | Ş | > |
| 30025070061 | PADDOCK UNIT | 2 | IOHN H HENDRIX CORP | 5180 | G | A | ea I | P | ά | 4 2 | 1 S | 37 E | 764 S | 554 | E 18 | ц. Е | |
| 30025070071 | HARDISON | - | I C CLOWER | 3730 | 0 | P&A | ea | о о | ά | 4 | 1 S | 37 E | 1980 N | 1980 | E 27(| N 70 | _ |
| 3002507008 1 | F F HARDISON B | 1 | EXXON MOBIL CORPORATION | 6572 | G | A | Lea | H c | 3 | 4 2 | l. S | 37 E | N 0861 | 440 | E 33; | 28 N | ш |
| 3002507009 I | F F HARDISON B | 2 | EXXON MOBIL CORPORATION | 6575 | G | A | Lea | A A | ŝ. | 4 2 | 1 S | 37 E | 660 N | 610 | E 43 | 84 N | ШN |
| 30025070101 | F F HARDISON B | 3 1 | EXXON MOBIL CORPORATION | 6607 | IJ | A | ea | 0 | ñ | 5 | 1 S | 37 E | 2015 N | 1980 | E 26 | 72 N | |
| 3002507011 I | F F HARDISON B | 4 | EXXON MOBIL CORPORATION | 6584 | 0 | A | Lea | <u>m</u> | ώ. | 5 | I S | 37 E | 660 N | 1980 | <u>е</u> | 4 Z | |
| 3002507012 | MARSHALL COM | 2 | STEPHENS & JOHNSON OP CO | 6620 | 0 | A | Lea | ц | ŵ | 4 | 1 S | 37 E | 1980 N | 1980 | W 28(| N 60 | ΝN |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |

| | DSINFUL & SINEHEELS I | | 0673 | | | 0 | 4 | $\left \right $ | C 1 5 | 101 | 27 E | 1000 NI | 700 11 2274 | NIM |
|---------------------------|-----------------------|-----------|------|--------|-----|-----|---------------|------------------|-------|-----|------|---------|--------------------|-------|
| 3002507014 MARSHALL COM | 3 STEPHENS & IOHNSC | IN OP CO | 0659 | | V V | | | $\frac{1}{1}$ | 1 1 | 2 0 | 37 E | N 099 | 660 W 4552 | MN |
| 3002507015 MARSHALL COM | 4 MOBIL PRODUCING | rx & nm | 3743 | 0 | P&A | Lea | | | 34 2 | . s | 37 E | 660 N | 1980 W 4084 | NNN |
| 3002507016 MARSHALL COM | 5 STEPHENS & JOHNSC | IN OP CO | 6618 | 0 | A . | Lea | | | 34 2 | 1 S | 37 E | 589 N | 2051 W 4139 | NNN |
| 3002507017 MARSHALL COM | 6 STEPHENS & JOHNSC | N OP CO | 7477 | 0 | A A | Lea | L L | | 34 2 | 1 S | 37 E | 2230 N | 330 W 3495 | ΝN |
| 3002507018 MARSHALL COM | 7 SOCONY MOBIL OIL | co | 5181 | 0 | P&A | Lea | | | 34 2 | 1 S | 37 E | 660 N | 2122 W 4056 | NNN |
| 3002507019 MARSHALL COM | 8 STEPHENS & JOHNSC | IN OP CO | 5280 | 0 | A | Lea | ΡΓ | | 34 2 | 1 S | 37 E | 660 N | 810 W 4482 | NW |
| 3002507020 HARDISON | 2 J C CLOWER | | 3749 | 0 | P&A | Lea | ΡE | | 34 2 | 1 S | 37 E | N 066 | 2310 E 3661 | z |
| 3002507022 MARK OWEN | 3 CHEVRON U S A INC | | 6550 | 0 | A | Lea | P I | | 34 2 | 1 S | 37 E | 1980 S | 960 E 1993 | UE NE |
| 3002524471 MARSHALL COM | 9 STEPHENS & JOHNSC | IN OP CO | 6650 | 0 | A | Lea | P (| | 34 2 | 1 S | 37 E | 840 N | 1606 W 4008 | NNN |
| 3002525929 F F HARDISON B | 10 EXXON CORP | | 7679 | 0 | P&A | Lea | P / | | 34 2 | 1 S | 37 E | N 066 | 450 E 4159 | NNE |
| 3002526053 MARK OWEN | 8 CHEVRON U S A INC | <u>.</u> | 7610 | 0 | A | Lea | L L | | 34 2 | 1 S | 37 E | 3 006 | 660 E 1787 | ш |
| 3002534321 OWEN B | 6 APACHE CORP | | 7500 | 0 | А | Lea | P | | 34 2 | 1 S | 37 E | 1980 S | 2180 W 1508 | ΝM |
| 3002534554 OWEN B | 7 APACHE CORP | | 3950 | 0 | A | Lea | P k | | 34 2 | 1 S | 37 E | 1650 S | 2310 W 1155 | ΝN |
| 3002534774 OWEN B | 8 APACHE CORP | | 4050 | 0 | A | Lea | Р | | 34 2 | 1 S | 37 E | 560 S | 2180 W 676 | N |
| 3002534775 OWEN B | 9 APACHE CORP | | 4150 | 0 | А | Lea | Р | 1 | 34 2 | I S | 37 E | 459 S | 752 W 2107 | N |
| 3002535638 OWEN B | 10 APACHE CORP | | 6036 | 0 | А | Lea | - A | 1 | 34 2 | 1 S | 37 E | 1137 S | 495 W 2411 | N |
| 3002535705 PIONEER | I MCCASLAND DISPOS | AL SYSTEM | 6666 | W | P&A | Lea | F J | | 34 2 | 1 S | 37 E | S 666 | 999 E 1474 | z |
| 3002537186 MARK OWEN | 10 CHEVRON U S A INC | | 4323 | 0 | А | Lea | P (| | 34 2 | 1 S | 37 E | 400 S | 1480 E 974 | SE |
| 3002537189 MARK OWEN | 9 CHEVRON U S A INC | | 4320 | 0 | A | Lea | P J | | 34 2 | 1 S | 37 E | 1590 S | 1340 E 1450 | z |
| 3002537239 OWEN B | 12 APACHE CORP | | 7200 | 0 | A | Lea | ΡŅ | 1 | 34 2 | 1 S | 37 E | 330 S | 760 W 2114 | Ň |
| 3002537322 OWEN B | 11 APACHE CORP | | 4600 | G | А | Lea | s N | 1 | 34 2 | 1 S | 37 E | 990 S | 1650 W 1255 | N |
| 3002538333 MARK OWEN | 11 CHEVRON U S A INC | | 5612 | 0 | A | Lea | ΡÞ | | 34 2 | 1 S | 37 E | 430 S | 560 E 1877 | ш |
| 3002507030 LOCKHART A 35 | 1 CONOCOPHILLIPS CC | MPANY | 6553 | 5 | А | Lea | F | | 35 2 | 1 S | 37 E | 660 N | 660 W 5044 | NE |
| 3002507031 LOCKHART A 35 | 2 CONOCOPHILLIPS CC | MPANY | 7350 | 0 | А | Lea | F F | | 35 2 | 1 S | 37 E | 1980 N | 1980 W 5152 | NE |
| 3002507036 E M ELLIOTT | 1 JOHN H HENDRIX CO | RP | 6549 | U U | A | Lea | F E | | 35 2 | 1 S | 37 E | 1980 N | 560 W 4006 | ЫR |
| 3002507037 MARK OWEN | I MARATHON OIL CO | | 6550 | G | А | Lea | F L | | 35 2 | I S | 37 E | 1980 S | 660 W 3369 | ENE |
| 3002507038 MARK OWEN | 2 MARATHON OIL CO | | 6550 | G | A | Lea | P | 1 | 35 2 | 1 S | 37 E | 660 S | 660 W 3087 | ш |
| 3002507039 MARK OWEN | 3 MARATHON OIL CO | | 6550 | U | А | Lea | <u>ل</u> م | | 35 2 | 1 S | 37 E | 660 S | 1980 W 4407 | ш |
| 3002507040 MARK OWEN | 4 MARATHON OIL CO | | 7435 | G | A | Lea | PK | | 35 2 | i S | 37 E | 1980 S | 1980 W 4609 | ENE |
| 3002507041 PADDOCK UNIT | 4 EXXON CORP | | 5200 | 0 | P&A | Lea | 2. | | 35 2 | 1 S | 37 E | 711 S | 2041 W 4468 | ш |
| 3002507042 PADDOCK UNIT | 3 EXXON CORP | | 5201 | 0 | P&A | Lea | <u>ح</u> | - | 35 2 | 1 S | 37 E | 660 S | 735 W 3162 | ш |
| 3002525130 MARK OWEN | 7 MARATHON OIL CO | | 7427 | 0 | А | Lea | Z d | | 35 2 | 1 S | 37 E | 660 S | 2310 W 4737 | ш |
| 3002525481 MARK OWEN | 8 MARATHON OIL CO | | 7506 | 0 | А | Lea | P N | 1 | 35 2 | 1 S | 37 E | 760 S | 760 W 3189 | ш |
| 3002529468 MARK OWEN | 9 MARATHON OIL CO | | 7500 | 0 | A | Lea | Р | | 35 2 | 1 S | 37 E | 1830 S | 660 W 3312 | ENE |
| 3002537533 MARK OWEN | 10 MARATHON OIL CO | | 4645 | 0 | A | Lea | <u>ح</u> | - | 35 2 | I S | 37 E | 510 S | 660 W 3089 | ш |
| 3002537649 MARK OWEN | 15 MARATHON OIL CO | | 5320 | 0 | A | Lea | T X | | 35 2 | 1 S | 37 E | 1650 S | 1650 W 4202 | ENE |
| | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |

| 3002510006 H CORRIGAN | 4 APACHE CORP | 6600 C | V V | F | ea | V | 4 | 22 | S 37 | 7 E | 660 N | 660 | 8 3742 | MSW |
|---------------------------------|------------------------------|--------|----------|------|--------|----------|----|----|------|-----|--------|------|--------|------------|
| 3002510008 SOUTH PENROSE SKELLY | 119 CHEVRON U S A INC | 3822 C | | &A L | ea P | Ξ | 4 | 22 | S 37 | 7 E | 2310 N | 660 | 4580 | SW |
| 3002510011 H CORRIGAN | 6 APACHE CORP | 7698 C | A A | | ea F | В | 4 | 22 | S 37 | 7 E | 721 N | 2051 | E 5086 | WSW |
| 3002510012 H CORRIGAN | 7 APACHE CORP | 7646 C | A (| | ea P | H | 4 | 22 | S 37 | 7 E | 1980 N | 990 | E 4645 | SW |
| 3002510013 H CORRIGAN | 8 APACHE CORP | 6590 C | V V | | ea P | В | 4 | 22 | S 37 | 7 E | 660 N | 2080 | 5098 | WSW |
| 3002510015 H CORRIGAN | 10 APACHE CORP | 6574 C | A N | | ea F | Н | 4 | 22 | S 37 | 7 E | 1980 N | 660 | E 4376 | SW |
| 3002510017 H CORRIGAN | 11 APACHE CORP | 7750 C | A (| | ea P | V V | 4 | 22 | S 37 | 7 E | 660 N | 990 | 5 4053 | WSW |
| 3002510019 BRUNSON B | 5 OXY USA WTP LP | 6580 C | i A | 1 | ea P | - | 4 | 22 | S 37 | 7 E | 1980 S | 660 | E 5271 | SW |
| 3002510038 TEXACO E A STICHER | I CHEVRON U S A INC | 8053 C | A (| | ea P | K | 4 | 22 | S 37 | 7 E | 1980 S | 660 | E 5271 | MSW. |
| 3002510048 SOUTH PENROSE SKELLY | 101 GULF OIL CORP | 3763 C | P. | &A L | ea P | В | 4 | 22 | S 37 | 7 E | 660 N | 1980 | E 5002 | WSW. |
| 3002535136 H CORRIGAN | 12 APACHE CORP | 4200 C | V (| | ea P | A . | 4 | 22 | S 37 | 7 E | 728 N | 410 | E 3534 | WSW |
| 3002535137 H CORRIGAN | 13 APACHE CORP | 4210 C | A (| | ea P | В | 4 | 22 | S 37 | 7 E | 936 N | 1986 | E 5086 | WSW |
| 3002537264 H CORRIGAN | 15 APACHE CORP | 4685 Ċ | A (| | ea P | Н | 4 | 22 | S 37 | 7 E | 1890 N | 966 | E 4595 | SW |
| 3002537326 H CORRIGAN | 14 APACHE CORP | 4650 C | A (| | ea P | A . | 4 | 22 | S 37 | 7 E | 330 N | 940 | E 3912 | WSW. |
| 3002537654 H CORRIGAN | 16 APACHE CORP | 4375 C | A (| | ea P | В | 4 | 22 | S 37 | 7 E | 430 N | 2310 | E 5270 | WSW |
| 3002538009 H CORRIGAN | 18 APACHE CORP | 6815 C | A (| | ea F | A I | 4 | 22 | S 37 | 7 E | 330 N | 330 | E 3324 | MSM |
| 3002538213 R L BRUNSON 4 | I CHESAPEAKE OPERATING, INC. | 3946 C | A (| L | ea P | 1 | 4 | 22 | S 37 | 7 E | 2310 S | 500 | E 4919 | SW |
| 3002538219 H CORRIGAN | 20 APACHE CORP | 6840 C | A (| | ea P | H | 4 | 22 | S 37 | 7 E | 1480 N | 330 | 3818 | SW |
| 3002509974 R L BRUNSON TR 2 | 5 CHESAPEAKE OPERATING, INC. | 3960 C | A (| | ea P | К | 3 | 22 | S 37 | 7 E | 2080 S | 1980 | W 3928 | SSW |
| 3002509975 BRUNSON B | 2 CITIES SERVICE CO | 3615 C | P. | &A L | ea P | K | 3 | 22 | S 37 | 7 E | 1980 S | 1980 | W 4025 | MSS. |
| 3002509979 MARK | 1 CHEVRON U S A INC | 3860 C | A A | 1 | ea P | В | 3 | 22 | S 37 | 7 E | 660 N | 1980 | E 1365 | S |
| 3002509981 PADDOCK UNIT | 25 EXXON CORP | 5185 C | P. | &A L | ea P | K | 3 | 22 | S 37 | 7 E | 1908 S | 1987 | W 4094 | SSW |
| 3002509983 BRUNSON | 2 RANGE OPERATING NM INC | 3724 C | A (| | ea P | L | 3 | 22 | S 37 | 7 E | 2310 S | 966 | W 4053 | SW |
| 3002509984 PADDOCK UNIT | 27 EXXON CORP | 5155 C | P. | &A L | ea P | I | 3 | 22 | S 37 | 7 E | 1980 S | 660 | E 4308 | SSE |
| 3002509985 PADDOCK UNIT | 39 EXXON CORP | 5161 C | P. | &A L | ea | 0 | 3 | 22 | S 37 | 7 E | 660 S | 1980 | g 5268 | S |
| 3002509986 BRUNSON C | 4 JOHN H HENDRIX CORP | 6561 C | A (A | | ea P | J | 3 | 22 | S 37 | 7 E | 1980 S | 1980 | 3955 | S |
| 3002509988 BRUNSON C | 6 JOHN H HENDRIX CORP | 6550 C | A f | | ea | - | 3 | 22 | S 37 | 7 E | 2080 S | 560 | E 4260 | SSE |
| 3002509990 PADDOCK UNIT | 26 EXXON CORP | 5185 C | P | &A L | ea | - | б | 22 | S 37 | 7 E | 1980 S | 1880 | 3967 | Ņ |
| 3002509991 MARK | 2 CHEVRON U S A INC | 6554 C | i A | | ea P | В | 3 | 22 | S 37 | 7 E | 454 N | 2086 | E 1136 | S |
| 3002509992 OWEN A | 2 BEC CORP | 6606 C | V V | | ea P | ц | 3 | 22 | S 37 | 7 E | 1980 N | 1980 | W 2752 | SSW |
| 3002509993 PADDOCK UNIT | 24 JOHN H HENDRIX CORP | 6585 C | A (| ļ | ea P | L | 3, | 22 | S 37 | 7 E | 1980 S | 510 | W 4575 | SW |
| 3002509994 PADDOCK UNIT | 9 JOHN H HENDRIX CORP | 5240 C | i A | | ea P | A | 3 | 22 | S 37 | 7 E | 554 N | 554 | E 2215 | SE |
| 3002509995 MARK | 3 CHEVRON U S A INC | 6550 C | A (| | ea P | U | 3 | 22 | S 37 | 7 E | 1980 N | 1980 | 2648 | S |
| 3002509996 MARK | 4 CHEVRON U S A INC | 5192 C | A I | | ea P | Н | 3 | 22 | S 37 | 7 E | 1980 N | 660. | 3151 | SE |
| 3002509997 MARK | 7 CHEVRON U S A INC | 6525 C | <u> </u> | | ea | Ξ | 3 | 22 | S 37 | 7 E | 1980 N | 760 | E 3096 | SE |
| 3002509998 MARK | 8 CHEVRON U S A INC | 7693 C | A | | ea | <u></u> | | 22 | S 37 | 1E | 554 N | 1874 | 1306 | S |
| 3002509999 EVA OWEN | 1 JOHN H HENDRIX CORP | 7370 C | A (| - | ea P | <u> </u> | 3 | 22 | S 37 | 7 E | 660 N | 660 | W 2544 | WSW |

| 2007510000 OWENS | | 1 5255 | D.8. A | | | Ľ | 2144 | 37 F | 1 660 | 1980 | W 1557 | MS |
|-------------------------------|------------------------------|--------|--------|-----|---------------|-----|------|------|----------|--------|----------------|--------|
| 3002510000 EVA OWEN | 3 IDHN H HENDRIX CORP | 65900 | V A | | | , | 2 6 | 37 1 | X 015 | 2310 | W 1262 | SW |
| 3002510004 R.L. BRUNSON | 8 CHESAPEAKE OPERATING, INC. | 7434 0 | | Lea | |) m | 22 S | 37 E | E 1650 S | 330 | W 4951 | SW |
| 3002510005 OWEN A | 1 BEC CORP | 7356 0 | < | Lea | <u>ш</u> а | 3 | 22 S | 37 E | N 0861 3 | 660 | W 3409 | SW |
| 3002510049 MARK | 5 CHEVRON U S A INC | 6521 G | X | Lea | P A | 3 | 22 S | 37 E | E 660 N | 1 660 | E 2187 | SSE |
| 3002512573 BRUNSON B | 2 OXY USA WTP LP | 6567 G | V | Lea | Р К | 3 | 22 S | 37 E | S 1912 S | 1912 | W 4107 | NSS . |
| 3002522583 EUNICE PLANT 161 | I TARGA MIDSTREAM SERV LP | 4900 S | A | Lea | Н | 3 | 22 S | 37 E | 2255 N | 908 | E 326(| SE |
| 3002523425 BRUNSON C | 9 OXY USA'WTP LP | 4000 O | А | Lea | P J | 3 | 22 S | 37 E | E 1880 S | 1980 | E 4054 | SSE , |
| 3002523486 BRUNSON C | 10 OXY USA WTP LP | 4000 O | A | Lea | Ρ 0 | 3 | 22 S | 37 E | E 660 S | 2130 | E 5258 | ຽ |
| 3002523549 BRUNSON C | 12 OXY USA WTP LP | 4350 O | A | Lea | P I | 3 | 22 S | 37 E | E 1980 S | 810 | E 4249 | SSE 0 |
| 3002524584 MARK | 9 CHEVRON U S A INC | 3948 O | A | Lea | P G | 3 | 22 S | 37 E | 2172 N | 1 1972 | E 2838 | ທ ອ |
| 3002525785 MARK | 10 CHEVRON U S A INC | 7571 O | A | Lea | P H | 3 | 22 S | 37 E | E 1650 N | 340 | E 309(| SE |
| 3002526051 MARK | 11 CHEVRON U S A INC | 7618 O | A | Lea | P A | 3 | 22 S | 37 E | 5 430 N | 960 | E 1809 | SE |
| 3002526052 MARK | 12 CHEVRON U S A INC | 7600 O | A | Lea | D d | ε | 22 S | 37 E | 2227 N | I 1948 | E 2896 | s S |
| 3002526639 BRUNSON C | 13 OXY USA WTP LP | 7504 O | A | Lea | P I | 3 | 22 S | 37 E | 2080 S | 760 | E 4177 | SSE |
| 3002536201 MARK LPG | 1 GULF OIL CORP | 2000 M | P&A | Lea | P G | 3 | 22 S | 37 E | E 2365 N | I 1320 | E 3193 | ຽ |
| 3002536202 MARK LPG | 2 GULF OIL CORP | 2000 M | P&A | Lea | P G | 3 | 22 S | 37 E | E 1887 N | 1 1320 | E 2749 | s |
| 3002536316 R L BRUNSON TR 2 | 6 CHESAPEAKE OPERATING, INC. | 3950 O | Ā | Lea | ΡM | 3 | 22 S | 37 E | S 066 S | 965 | W 5269 | SW . |
| 3002536925 R L BRUNSON TR 2 | 7 CHESAPEAKE OPERATING, INC. | 3965 O | A | Lea | ΡK | 3 | 22 S | 37 E | E 1650 S | 2250 | W 4302 | SSW |
| 3002537385 MARK | 13 CHEVRON U S A INC | 4490 O | A | Lea | P H | 3 | 22 S | 37 E | E 1881 N | 1183 | E 2802 | SE |
| 3002537401 BRUNSON | 7 RANGE OPERATING NM INC | 4437 O | A | Lea | P L | 3 | 22 S | 37 E | E 1650 S | 810 | W 4724 | MS 1 |
| 3002537539 BRUNSON | 6 RANGE OPERATING NM INC | 4395 O | A | Lea | P L | 3 | 22 S | 37 E | 2310 S | 330 | W 4396 | SW SW |
| 3002509960 PADDOCK UNIT | 18 JOHN H HENDRIX CORP | 5218 O | A | Lea | ΡF | 2 | 22 S | 37 E | 1980 N | 1980 | W 5121 | ESE |
| 3002509963 NEW MEXICO S STATE | 14 EXXON MOBIL CORP | 6502 O | A | Lea | s C | 2 | 22 S | 37 E | E 660 N | 1980 | W 4591 | ESE |
| 3002509964 PADDOCK UNIT | 11 EXXON CORP | 5185 0 | P&A | Lea | s c | 2 | 22 S | 37 E | E 660 N | 1 2055 | W 4663 | ESE |
| 3002509965 PADDOCK UNIT | 10 JOHN H HENDRLX CORP | 6534 O | A | Lea | SD | 2 | 22 S | 37 E | E 660 N | I 660 | W 3345 | ESE |
| 3002509967 PADDOCK UNIT | 28 JOHN H HENDRIX CORP | 5215 O | A | Lea | S L | 2 | 22 S | 371 | 1980 S | 660 | W 4997 | л В |
| 3002509968 PADDOCK UNIT | 17 JOHN H HENDRIX CORP | 5215 0 | A | Lea | SE | 2 | 22 S | 37 E | N 1980 N | 1 660 | <u>×</u> | SE |
| 3002509969 NEW MEXICO S STATE | 20 EXXON MOBIL CORP | 6501 G | A | Lea | S E | 2 | 22 S | 37 E | 2100 N | 500 | <u> 1</u> 4002 | SE |
| 3002509970 NEW MEXICO S STATE | 21 EXXON MOBIL CORP | 6520 G | V | Lea | с S | 2 | 22 S | 37 E | E 1980 S | 500 | <u> </u> | SE |
| 3002509973 HUMBLE C STATE | 2 PARKER DRILLING CO | 3773 0 | P&A | Lea | г s | 7 | 22 S | 37 E | E 1650 S | 660 | <u> </u> | SE |
| 3002523211 NEW MEXICO S STATE | 26 EXXON CORP | 4151 S | P&A | Lea | S L | 2 | 22 S | 37 E | E 2310 S | 400 | <u>W</u> 4577 | SE |
| 3002524399 BLINEBRY DRINKARD | 2 RICE OPERATING CO | 4950 S | A | Lea | s C | 7 | 22 S | 37 E | E 660 N | 1 2305 | W 490 | ESE |
| 3002525268 NEW MEXICO S STATE | 28 EXXON MOBIL CORP | 7200 O | A | Lea | S F | 7 | 22 S | 37 E | 2160 N | 1 1800 | W 5064 | ESE. |
| 3002525276 NEW MEXICO S STATE | 29 EXXON MOBIL CORP | 7200 O | A | Lea | S S | 5 | 22 S | 37 E | E 1700 S | 660 | <u> </u> | SE |
| 3002525457 NEW MEXICO S STATE | 37 EXXON MOBIL CORP | 7500 O | A | Lea | s S | 2 | 22 S | 37 E | 330 N | 1 1980 | W451(|) ESE |
| 3002525508 NEW MEXICO S STATE | 38 EXXON MOBIL CORP | 7600 G | A | Lea | S E | 7 | 22 S | 37 | E 2100 N | 1 660 | W 412(|) SE |



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New Mexico Office of the State Engineer

| New Mexico Office of the State Engineer POD Reports and Downloads | | | | | | |
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New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson Governor

Joanna Prukop Cabinet Secretary Reese Fullerton Deputy Cabinet Secretary Mark Fesmire Division Director Oil Conservation Division



Certified Receipt/Return Requested:

August 01, 2008

Attention Brine Well Operator(s):

One of the permitted brine wells has experienced a total collapse and created an enormous sinkhole. The well was located approximately 17 miles SE of Artesia, NM. on State Trust Land. The operator was Jim's Water Service and the brine well permit is BW-005. OCD has enclosed a press release with photos of the event.

The magnitude of this event warrants an immediate investigation of all brine wells in the state. Therefore, please find enclosed a "BRINE WELL INFORMATION REQUEST" form to be filled out and returned to this office no later than September 05, 2008. Failure to properly fill out and return the form in a timely manner may result in OCD requesting you shut down your operations until further notice. If you have any questions please do not hesitate to call me at 505-476-3490 or E-mail wayne.price@state.nm.us.

Sincerely,

Wayne Price Environmental Bureau Chief Oil Conservation Division

Attachments: (2)

Cc: EMNRD Cabinet Secretary-Joanna Prukop OCD Director-Mark Fesmire NMSLO- Brian Henington SF, Jim Carr-Carlsbad BLM-Carlsbad Office- Dave Herrell Eddy Co. Emergency Management-Joel Arnwine NM State Police –Roswell Sgt. Les Clements National Cave and Karst Research Institute- Dr. George Veni NMOSE-John Stewart

Solution Mining Research Institute-John Voigt



Price, Wayne, EMNRD

From: Sent: Subject: Attachments: Porter, Jodi, EMNRD Wednesday, July 23, 2008 5:00 PM PR-Secretary Prukop Proposes Stricter Conditions on Brine Wells State-wide PR-OCD.Brine.Wells07.23.08.pdf

exico Energy, Minerals and Natural Resources Department

Aark Fesmire

Division Director Oil Conservation Division

NEWS RELEASE

Bill Richardson

New M

Joanna Prukop Cabinet Secretary Reese Fullerton Deputy Cabinet Secretary

July 23, 2008

Contact: Jodi McGinnis Porter, Public Information Officer 505.476.3226

Energy, Minerals and Natural Resources Cabinet Secretary Joanna Prukop Proposes Stricter Conditions on Brine Wells State-wide

Artesia brine well collapse prompts statewide review

SANTA FE, NM – Secretary Joanna Prukop has directed the Oil Conservation Division (OCD) to conduct a complete evaluation of the rules and regulations concerning brine wells, a method of creating saturated salt water used in oil and gas production. The OCD evaluation will include an internal audit and inspection of all existing brine wells in New Mexico. Secretary Prukop is considering strengthening oversight of brine wells to protect against well failures such as the recent collapse in Artesia that created a huge sinkhole and forced the closure of an Eddy County road.

"There are several brine wells in New Mexico and we must ensure that they are all properly monitored to ensure safety and stability," stated Cabinet Secretary Joanna Prukop. "We have now seen that these wells can collapse and the extensive damage such a collapse can generate."

The Oil Conservation Division is continuing to monitor and investigate the collapse of the brine well, located on state trust land 17.3 miles southeast of Artesia, which is still active. The well is owned by Jim's Water Service. County Road 217 remains closed as a safety precaution, and a command center is on site. Division engineers estimate that the well is approximately 300 to 400 feet in diameter, 70 feet to the water level, and the actual depth to the bottom is unknown.

Scientists from the Oil Conservation Division, the Bureau of Land Management, State Land Office, the New Mexico

Bureau of Geology and Mineral Resources, and the National Cave & Karst Research Institute are all working together to assess horizontal and vertical movements to project any future subsidence. Work on a protective fence and keep-out signage began yesterday with completion expected on Friday.

In a related issue, the Oil Conservation Division has also been closely monitoring a brine well operated by I & W, Inc located in Carlsbad, NM. Yesterday, following ongoing inquiries from OCD the operator decided voluntarily to stop operation of the well The division will work with I & W, Inc. to ensure that the well is properly plugged, permanently abandoned, and monitored for the long term.

Images provided on the brine well collapse are courtesy of National Cave and Karst Research Institute:



Morning, July 20, 2008 at 10:44 am. courtesy of National Cave and Karst Research Institute



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson Governor

Joanna Prukop Cabinet Secretary Reese Fullerton Deputy Cabinet Secretary Mark Fesmire Division Director Oil Conservation Division



OIL CONSERVATION DIVISION BRINE WELL INFORMATION REQUEST

| | ON: | | ······································ |
|---|---|--|---|
| Operator Name | V | Vell Name(s) | |
| API Number | E | Brine Well Permit # _ | · |
| Date Permit Expires? | ··· . | · · · · · · | |
| | | | |
| Location: Section | Ts | Rg | |
| FNLFSL_ | · · | FEL | FWL |
| GPS of well(s): Lat: | Long | 5: | |
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| · · · · · · · · · · · · · · · · · · · | · · · · · · · · · · · · · · · · · · · | | · |
| Do all tanks, including fresh Do you think you have the e brine well to collapse? Yes Do you think OCD should p | water tanks, ha xpertise, knowl No No | ave secondary contain edge and general und | nment? Yes□ No□ lerstanding of what causes a |
| 1 | | | |
| SITING INFORMATION minute (1": 2000') USGS (Is the brine well located with | Please provid Quad Map. Lin | te the following information in the following information of the following | rmation and depict on 7.5 e radius. Yes□ No□ |
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Oil Conservation Division August 1, 2008 Page 2

Distance and direction to nearest producing oil or gas well(s) *if less than one mile:* Provide API Number:

Distance and direction to nearest tank battery(ies) if less than one mile:

Distance and direction to nearest pipeline(s), including fresh water pipelines *if less than one mile:*

Distance and direction to nearest paved or maintained road or railroad if less than one mile:

Depth to ground water found above the Salado (salt section), regardless of yield:

Name of aquifer(s):

WELL CONSTRUCTION: Please provide the following information and attach a diagram depicting the brine well. Check box if attached: Copy of a current well diagram: Attached

Copy of formation record with tops: Attached \Box Copy of geophysical well logs if available: Attached \Box If not, well logs within one mile \Box Depth of the top of the salt below ground surface (feet):

Depth to the bottom of the salt below ground surface (feet):

Depth(s) to and thickness(es) of any anhydrite section(s) (located above the salt):

Depth of casing(s) shoe below ground surface (feet): Is the casing shoe set in the anhydrite or other layer above the salt? Yes \Box No \Box Is the casing shoe set into the salt? Yes \Box No \Box If yes, how far into the salt? Depth of tubing(s):

Do you suspect that your cavern has partially caved in? Yes No Don't know

OPERATIONS: *Please provide the following information.*

Start date of brine well operation:

Total volume of fresh water injected into the brine well to date (bbls) and how determined:

Oil Conservation Division August 1, 2008 Page 3

Total volume of brine water produced (bbls) to date and how determined:

Have you ever lost casing or tubing? If yes, please provide details. Document attached \Box

Do you maintain a surface pressure on your well during idle times? Yes□ No□

Have you noticed large amounts of air built up during cavity pressurization? Yes□ No□

Have you ever noticed fluids or air/gas bubbling up around the casing during testing or normal operations? Yes \Box No \Box

MONITORING: *Please provide the following information.*

Are you currently monitoring ground water contamination from your brine well or system? Yes \Box No \Box

Have you ever run a sonar log? Yes \Box No \Box *If yes*, please provide last date:_____

Provide cavern configuration (dimensions and volume) and method(s) used to estimate: If sonar report please attach \Box If other, please specify and provide a sketch of cavern: \Box

Do you have a subsidence monitoring program in place? Yes \Box No \Box

Do you have any geophysical monitoring devices, such as a seismic device positioned near your brine well? Yes \Box No \Box

Have you submitted all of your monthly, quarterly, or annual reports to the OCD? Yes \Box No \Box

Have you failed a brine well mechanical integrity test (MIT)? If yes, please attach details and results. Attached \Box

Have you ever had a casing leak? Yes \Box No \Box Have you ever had a cavern leak? Yes \Box No \Box Don't know \Box Have you ever exceeded the cavern fracture pressure? Yes \Box No \Box Don't know \Box Do you know how to calculate your maximum pressure? Yes \Box No \Box Don't know \Box

Have you routinely looked for cracks or fissures in the ground surface around your brine well? Yes \Box No \Box

Do you have any minor or major cracks, fissures, tank settlement, line breakage from settlement or any minor subsidence. Yes \Box No \Box

During operations have you experienced any ground vibration, ground movement, or well movement after opening or shunting valves, pump start-up, shut-down, etc.? Yes \Box No \Box

| Have you ever experienced unexpected pressure gain or loss in the cavern? | Yes□ | No⊟ |
|---|------|-----|
| If Yes, was there a difference in your normal flow rate? | Yes□ | No⊑ |

Anytime during the past 5 years, have you experienced a noticeable difference between fresh water volume pumped into the well verses brine water produced? Yes \Box No \Box

Are you concerned about pulling the tubing due to the fact it may be difficult to re-enter the hole? Yes \Box No \Box

Are you concerned about running a sonar tool in fear of losing tool because of debris in hole? Yes \Box No \Box

Have you ever conducted a fly over of your well site? No \Box Yes \Box if yes, please provide photo.

 \Box *Photo(s) attached*

Calculation: Please divide your estimated total volume of produced brine by 180,000 and multiply by 50. *Example:* If you have produced a total of 18,000,000 bbls of brine in the life time of the well then your calculation would be $18,000,000/180,000 = 100 \times 50 = 5000$.

1. Provide the calculated number above here:

Is the calculated number found in #1 above greater than #2? Yes \Box No \Box

Comments or recommendations for OCD:

"I certify under penalty of law that I have personally examined and am familiar with the information submitted in this document and all attachments and that, based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate, and complete. I am aware that there are significant penalties for submitting false information including the possibility of fine and imprisonment."

Company Name-print name above

Company Representative- print name

Company Representative- Signature

Title____

Date:_

Chavez, Carl J, EMNRD

| From: | Chavez, Carl J, EMNRD |
|----------|--|
| Sent: | Friday, July 25, 2008 4:21 PM |
| To: | Hansen, Edward J., EMNRD; Price, Wayne, EMNRD |
| Cc: | Sanchez, Daniel J., EMNRD |
| Subject: | RE: PR-Secretary Prukop Proposes Stricter Conditions on Brine Wells State-wide |

Attachments: image001.jpg; image007.jpg

Ed, Wayne, et. al:

Based on my records and knowledge of current activities at NMOCD BWs, my tally is as follows:

There are a total of 15 active UIC Class III Brine Well Permits (excluding BW-5 JWS & BW-6 I&W)

There are currently 13 active UIC Class III Brine Wells in operation (BW-2; BW-4; BW-8; BW-9; BW-12; BW-13; BW-22; BW-25; BW-27 Wells 1 & 2; BW-28; BW-30; and BW-31)

There are currently 6 brine wells that have actually been PA'd including: BW-5 JWS Collapse w/ Site Closure; BW-6 Eugenie #2; BW-21 Loco Hills Well #1 recently PA'd; BW-26 Salado Brine Sales; BW-29 Marbob; & William Brininstool.

There are currently 3 pending PAs of BWs including: BW-6 Eugenie #1 w/ Site Closure; BW-18 Key w/ redrill; and BW-19 Key w/ redrill.

There are currently 5 inactive brine wells (BW-5 Collapse w/ Site Closure; BW-6 needs PA Eugenie #1 w/ Site Closure; BW-18 needs PA w/ redrill; BW-19 needs PA w/ redrill; and BW21 needs redrill)

Let me know how we need to straighten RBDMS out. Please contact me if you have questions. Thanks.

Carl J. Chavez, CHMM New Mexico Energy, Minerals & Natural Resources Dept. Oil Conservation Division, Environmental Bureau 1220 South St. Francis Dr., Santa Fe, New Mexico 87505 Office: (505) 476-3491 Fax: (505) 476-3462 E-mail: <u>CarlJ.Chavez@state.nm.us</u> Website: <u>http://www.emnrd.state.nm.us/ocd/index.htm</u> (Pollution Prevention Guidance is under "Publications").

From: Hansen, Edward J., EMNRD Sent: Wednesday, July 23, 2008 5:56 PM To: Price, Wayne, EMNRD Cc: Chavez, Carl J, EMNRD Subject: FW: PR-Secretary Prukop Proposes Stricter Conditions on Brine Wells State-wide

Wayne,

Jane and I tallied these numbers off of RBDMS (you may want to double check).

From: Hansen, Edward J., EMNRD Sent: Wednesday, July 23, 2008 5:54 PM To: Porter, Jodi, EMNRD Subject: RE: PR-Secretary Prukop Proposes Stricter Conditions on Brine Wells State-wide

Jodi,

We counted (from our database: RBDMS):

16 Active Brine Wells

11 Plugged and Abandoned Brine Wells

2 Inactive Brine Wells

From: Porter, Jodi, EMNRD Sent: Wednesday, July 23, 2008 5:00 PM Subject: PR-Secretary Prukop Proposes Stricter Conditions on Brine Wells State-wide

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson Governor

Joanna Prukop Cabinet Secretary Reese Fullerton Deputy Cabinet Secretary Mark Fesmire Division Director Oil Conservation Division



July 23, 2008

Contact: Jodi McGinnis Porter, Public Information Officer 505.476.3226

Energy, Minerals and Natural Resources Cabinet Secretary Joanna Prukop Proposes Stricter Conditions on Brine Wells State-wide

Artesia brine well collapse prompts statewide review

SANTA FE, NM – Secretary Joanna Prukop has directed the Oil Conservation Division (OCD) to conduct a complete evaluation of the rules and regulations concerning brine wells, a method of creating saturated salt water used in oil and gas production. The OCD evaluation will include an internal audit and inspection of all existing brine wells in New Mexico. Secretary Prukop is considering strengthening oversight of brine wells to protect against well failures such as the recent collapse in Artesia that created a huge sinkhole and forced the closure of an Eddy County road.

"There are several brine wells in New Mexico and we must ensure that they are all properly monitored to ensure safety and stability," stated Cabinet Secretary Joanna Prukop. "We have now seen that these wells can collapse and the extensive damage such a collapse can generate."

The Oil Conservation Division is continuing to monitor and investigate the collapse of the brine well, located on state trust land 17.3 miles southeast of Artesia, which is still active. The well is owned by Jim's Water Service. County Road 217 remains closed as a safety precaution, and a command center is on site. Division engineers estimate that the well is approximately 300 to 400 feet in diameter, 70 feet to the water level, and the actual depth to the bottom is unknown.

Scientists from the Oil Conservation Division, the Bureau of Land Management, State Land Office, the New Mexico Bureau of Geology and Mineral Resources, and the National Cave & Karst Research Institute are all working together to assess horizontal and vertical movements to project any future subsidence. Work on a protective fence and keep-out signage began yesterday with completion expected on Friday.

In a related issue, the Oil Conservation Division has also been closely monitoring a brine well operated by 1 & W, Inc located in Carlsbad, NM. Yesterday, following ongoing inquiries from OCD the operator decided voluntarily to stop operation of the well The division will work with 1 & W, Inc. to ensure that the well is properly plugged, permanently abandoned, and monitored for the long term.

Images provided on the brine well collapse are courtesy of National Cave and Karst Research Institute:



Morning, July 20, 2008 at 10:44 am. courtesy of National Cave and Karst Research Institute



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. The Energy, Minerals and Natural Resources Department provides resource protection and renewable energy resource development services to the public and other state agencies.

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· Jodi

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7/29/2008