

Inge, Richard, EMNRD

From: Sanchez, Daniel J., EMNRD
Sent: Monday, March 22, 2010 11:25 AM
To: Inge, Richard, EMNRD
Subject: RE: Admin Order SWD 1115

Please scan the e-mail under the admin section. I know that I discussed this with Mark when it first came up but I just can't find the formal response. As soon as I find it, I will have it scanned in but the current e-mail will have to do. Thanks.

From: Inge, Richard, EMNRD
Sent: Monday, March 22, 2010 9:55 AM
To: Sanchez, Daniel J., EMNRD
Subject: FW: Admin Order SWD 1115

Daniel, should this e-mail be scanned under the Admin section so this question does not come up again? I would think that the issue will surface again when we compare injection reports against the order dates. We need to be able to find this note so we do not go after the operator again in the future.

Thanks!
--Richard

From: Jimmy Carlile [mailto:jimmyc@forl.com]
Sent: Monday, March 22, 2010 9:32 AM
To: Inge, Richard, EMNRD
Subject: FW: Admin Order SWD 1115

Richard,

See Daniel Sanchez' note below. I knew he and I had discussed this matter, but could not find the written approval. The note below is the approval. Thanks.

Jimmy D. Carlile
Regulatory Affairs Coordinator

Fasken Oil and Ranch, Ltd.
303 West Wall, Suite 1800
Midland, TX 79701

From: Sanchez, Daniel J., EMNRD [mailto:daniel.sanchez@state.nm.us]
Sent: Monday, March 22, 2010 10:19 AM
To: jimmyc@forl.com
Subject: RE: Admin Order SWD 1115

Mr. Carlile,

It looks like my records are as complete as yours are. I could not find the approval but I do remember giving you the approval to utilize the Avalon well. Consider this e-mail to be the official approval of your request. I will place this in my files immediately. Thanks for your patience.

Daniel Sanchez, OCD Compliance & Enforcement Manager
(505)476-3493

From: Jimmy Carlile [mailto:jimmyc@forl.com]
Sent: Monday, March 22, 2010 9:14 AM
To: Sanchez, Daniel J., EMNRD
Subject: RE: Admin Order SWD 1115

Mr. Sanchez,

I know we discussed this and the issue was resolved allowing Fasken to continue to inject into this SWD without having to re-apply. I cannot find a copy of the OCD's paperwork in my files confirming this. Please email me a copy of the approval. I apologize my records are not complete.

Thanks,

Jimmy D. Carlile
Fasken Oil and Ranch, Ltd.

From: Jimmy Carlile [mailto:jimmyc@forl.com]
Sent: Friday, October 02, 2009 11:21 AM
To: 'daniel.sanchez@state.nm.us'
Subject: Admin Order SWD 1115

Fasken Oil and Ranch, Ltd. operates the Avalon State No. 1 SWD in Eddy County, API No. 30-015-20743, under Administrative Order SWD 1115. This order was made "now in effect" on July 23, 2008 per Mark Fesmire's letter. (Samson had to plug a well and turn in their plugging records before the order was made effective.) Fasken began injection in this well in September 2009, which is a month past the one year permit time. There were a number of issues that caused this delay. First we did the well work in late November 2008. The well would not take water on a vacuum as we had anticipated, and we spent quite a bit of time trying to get the formation to go on vacuum. Next we investigated trying to get power to the well to allow us to put an electric injection pump on location to allow injection. Our investigation proved that the power lines in the area that serve the rancher would not allow us to put an electric pump online as it would cause a "brownout" at the rancher's house. We then ordered a gas powered tri-plex pump that took 3 months to receive and install. After getting the pump in place and bugs ironed out, we began injection.

It was our oversight to not inform you of these issues prior to the one year permit expiration date. However, it is obvious by the narrative above that we have been aggressively trying to get this well online and injecting.

We are requesting your approval to continue our injection into this well. Fasken will re-submit the application should you deem that necessary to clean up the paper trail.

If you have questions concerning this, please call me at (432) 687-1777 office or (432) 349-0369 cell, or email me at this email address. Thank you for your consideration on this matter.

Jimmy D. Carlile

Fasken Oil and Ranch, Ltd.
303 West Wall, Suite 1800
Midland, TX 79701

PS. I will be in Santa Fe for the NMOGA Annual Meeting Sunday through Tuesday. I would be glad to meet face to face and discuss this if you would like.