

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary-Designate

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey, Division Director
Oil Conservation Division



October 2, 2013

Mr. Billy Prichard
Mar Oil and Gas Corporation
P. O. Box 5155
Santa Fe, NM 87502

RE: Packer Setting Depth Exception

Injection Authority: Order No. R-3115; Eumont Hardy Waterflood Unit
Pool: Eumont; Yates-Seven Rivers-Queen
Eumont Hardy Unit Well No. 37 API 30-025-09902
Unit F, Sec 5, T21S, R37E, NMPM, Lea County, New Mexico

Mr. Prichard:

Reference is made to your request on behalf of Mar Oil and Gas Corporation (OGRID 151228; the "operator") received by the Division on September 19, 2013, for the above named well. The operator applied for exception for setting the packer within 100 feet of the top of the approved injection interval.

It is our understanding that mechanical integrity testing conducted on this well following the replacement of tubing and packer system was only successful with the packer set at a depth of 3402 feet. This location of the packer is approximately 120 feet above the top of the open-hole injection interval that begins at 3522 feet. The approved injection interval is from 3522 feet to 3780 feet.

For the reasons stated in the application and because it appears that correlative rights are protected, waste will not occur and this modification will not endanger any fresh water aquifer or the environment, the exception is granted. The packer location within this well shall not be set higher than 120 feet unless the operator receives written approval from the Division Director.

The Division Director may rescind this exception if it becomes apparent that the injected fluid is not being confined to the permitted interval or is endangering any fresh water aquifer.

Packer Setting Depth Exception
Mar Oil and Gas Corp.
October 2, 2013
Page 2 of 2

Sincerely,

A handwritten signature in black ink, appearing to read "Jami Bailey", is written over a horizontal line.

JAMI BAILEY
Director

JB/prg

cc: Oil Conservation Division – Hobbs Office
Case File 3429
Well File API 30-025-09902

September 17, 2013

RECEIVED OCD

2013 SEP 19 P 1:45

Mr. Phillip Goetze
EMNRD
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87504

Dear Mr. Goetze

Exception to Rule 19.15.26.10A
Mar Oil and Gas Corporation
Eumont Hardy Unit # 037
API 30-025-09902
Lea County, New Mexico

Mar Oil and Gas Corporation request an exception to Rule 19.15.26.10A, concerning the US EPA guidance of 100 feet rule for injection packer setting depth.

Mar has pulled and replaced the internally plastic coated tubing and plastic coated packer on the Eumont Hardy Unit # 037. Several attempts were made to pressure test the well with the injection packer set at 3431 feet. Only after pulling the packer to a depth of 3402 feet were we able to get a successful pressure test. The casing shoe on EHU # 37 is set at 3522 feet above the open hole injection interval 3522 feet - 3780 feet.

A well bore schematic and a copy of the C103 that was submitted to NMOCD District 1 office for information and review.

Your administrative approval of this request will be appreciated. If additional information is desired, please contact me at 432-934-7680 or email at billy@pwllc.net

Yours truly,



Billy E. Prichard
Field Supervisor
Mar Oil and Gas Corporation

Attachments

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

Energy, Minerals and Natural Resources

Revised July 18, 2013

HOBBS OCD

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.
Santa Fe, NM 87505

SEP 11 2013

WELL API NO.

30-025-09902

7. Indicate Type of Lease

STATE ☐ FEE ☒

7. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

Eumont Hardy Unit

8. Well Number 037

9. OGRID Number

151228

10. Pool name or Wildcat

Eumont; Yates, 7 Rvrs, Queen

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 CR-1) FOR SUCH
PROPOSALS.)

1. Type of Well: Oil Well ☐ Gas Well ☐ Other **WIW**

2. Name of Operator

Mar Oil and Gas Corporation

3. Address of Operator

PO Box 5155 Santa Fe, NM 87502

4. Well Location

Unit Letter **F** 1980 feet from the **North** line and 1980 feet from the **West** line

Section **5** Township **21S** Range **37E** NMPM **Lea** County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
DOWNHOLE COMMINGLE ☐
CLOSED-LOOP SYSTEM ☐
OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐
OTHER: Return well to injection ☒

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

MIRUSU 8/27/2013

Pull existing injection tubing and packer

Run service packer and workstring

PSA 3400' x Pressure test casing to 500psi for 30 minutes x Okay

Pull service tools

Run Plastic Coated AD1 tension packer with New 2 3/8" Internally plastic coated tubing

Swing packer at 3431' x Displace casing x tubing annulus with packer fluid

PSA 3431' x Pressure test to 500psi for 30 minutes x Okay

RDMOSU 9/3/2013 Notify NMOCD District 1 of pending MIT

9/3/2013 Pressure test casing x tubing annulus to 410psi for 30 min x failed

Test witness by Mark Whitaker

Release pkr x pull 1jt x PSA 3402' x Prs tst to 340 psi x 60 min x OK x test not witnessed

Enclosed original pressure recorder chart x well bore diagram x tubing tally

Spud Date:

Rig Release Date:

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

SIGNATURE

Billy E. Prichard

TITLE Field Supervisor

DATE

9/4/13

Type or print name Billy E. Prichard

E-mail address: billy@pwllc.net

PHONE: 4329347680

For State Use Only

Accepted for Record Only

SEP 12 2013

APPROVED BY:

TITLE

DATE

Conditions of Approval (if any):

SEP 12 2013

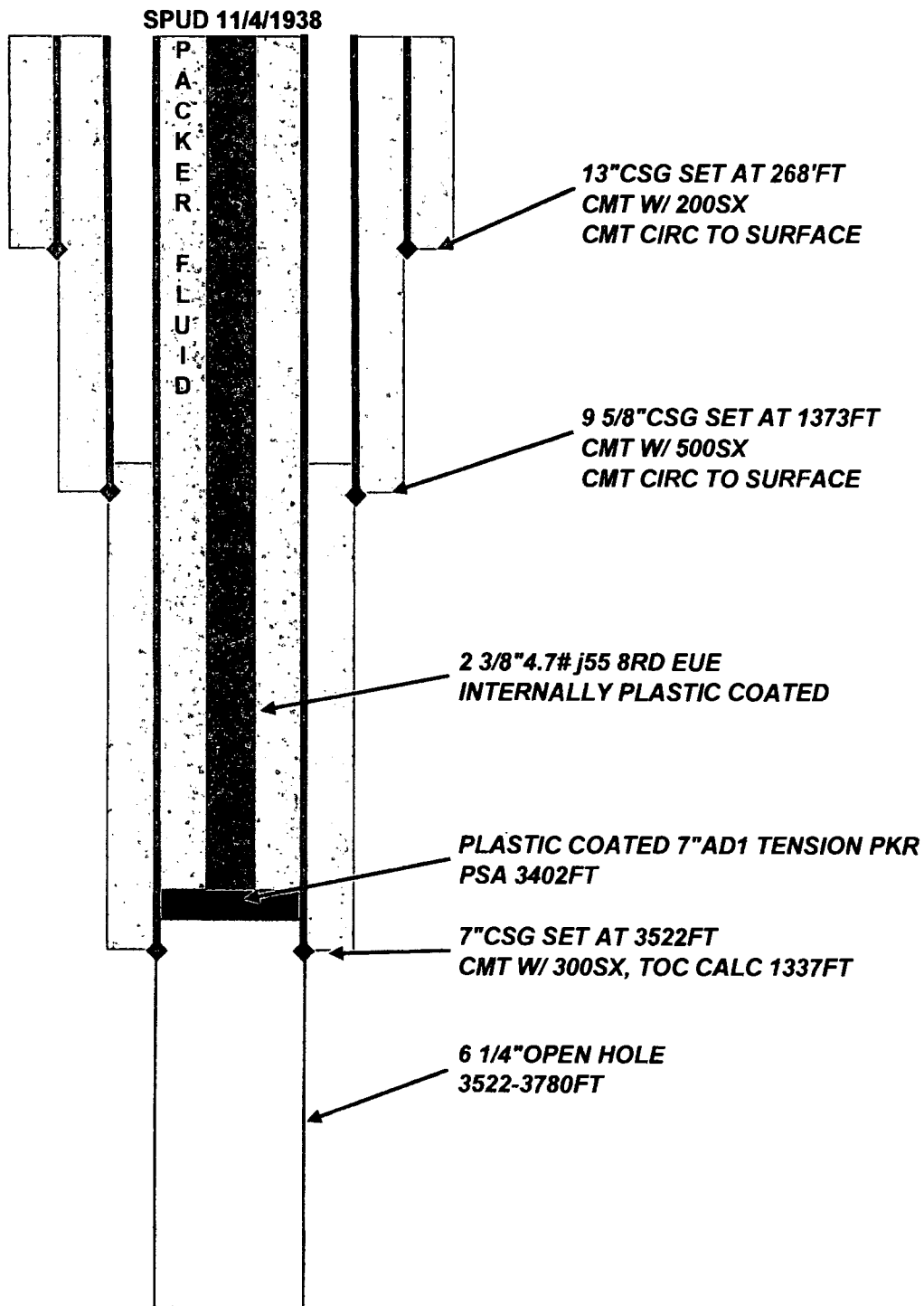
FOR RECORD ONLY
Operator to
Contact Santa Fe
Packer set 120'
above open hole.
MSB/9-12-2013

Mar Oil and Gas Corporation

Eumont Hardy Unit # 37

API 30-025-009902

WBD 9/3/2013



BEP

billy@pwllc.net

4329347680