

Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Saturday, July 07, 2012 1:22 PM
To: Swazo, Sonny, EMNRD; Sanchez, Daniel J., EMNRD; Sharp, Karen, EMNRD
Cc: 'Padilla Law Firm, P.A.'; 'Randall Harris'
Subject: RE: Endurance Resources Cases 14799 and 14800 Injection/Disposal

Hello Daniel and Sonny,

I checked the Rule 5.9 status of Endurance today and our system shows:

5 of 204 wells as inactive - which is OK.

However, single well bonds are still needed for Baseball Park #4 and Merland #1.

Please see emails below from last month. Apparently Endurance maintains that if the Division grants injection status for one of the wells of the above cases, and that well is then converted, then the two bond requirements would go away. I have no idea how long it would take for this to happen.

Just checking to see if Endurance has worked out an Agreed Compliance Order with you so I could release the two requested injection/disposal permits (Cases 14799 and 14800)?

Next week is another Acid Gas group meeting (that really sounds bad...) and another Division hearing.

For scheduling purposes: If you give me the OK that an AGO is in place, I could possibly have these two "under advisement" cases disposed of within 2 weeks.

Will

From: Padilla Law Firm, P.A. [mailto:padillalaw@qwestoffice.net]
Sent: Wednesday, June 06, 2012 10:01 AM
To: Jones, William V., EMNRD
Subject: FW: Endurance Resources Cases 14799 and 14800 Injection/Disposal

Mr. Jones:

Attached is an email from Randall Harris to me concerning the above-referenced cases. Mr. Harris's email is self-explanatory. The Baseball Park No. 4 and the Merland No.1 will be put back to production as soon as Endurance has Baseball Park No.1 is converted to an injection well. I do not have OCD clearances on the final inspections for the wells that were plugged. Let me know if you have any questions. Thanks

From: Padilla Law Firm, P.A. [<mailto:padillalaw@qwestoffice.net>]
Sent: Tuesday, May 08, 2012 11:36 AM
To: 'Randall Harris'
Subject: RE: Endurance Resources Cases 14799 and 14800 Injection/Disposal

I will let Will Jones know.

From: Randall Harris [<mailto:rharrisnm@yahoo.com>]
Sent: Tuesday, May 08, 2012 11:14 AM
To: Padilla Law Firm, P.A.
Cc: Donald Ritter
Subject: Re: Endurance Resources Cases 14799 and 14800 Injection/Disposal

Ernest,

The Base Ball Park #4 and the Merland #1 are shut in until the Base Ball Park #1 is converted to an injection well, this was the reason for the conversion that was agreed with the OCD. The final completion for the Myrtle Myra #2 was filled last week. We are removing the berms on the Merland SWD and will be able to file the final on it by the end of the week.

Randall

From: "Padilla Law Firm, P.A." <padillalaw@qwestoffice.net>
To: Randall Harris <rharrisnm@yahoo.com>
Sent: Tuesday, May 1, 2012 2:15 PM
Subject: FW: Endurance Resources Cases 14799 and 14800 Injection/Disposal

Mr. Harris:

Attached is an Inactive Well Financial Assurance Report that I obtained from the OCD here in Santa Fe. The four wells with problems have a "Y" in the far right column. The Baseball No. 4 and the Merland No.1 have not produced in 24 months, therefore, they require single well bonding of \$5000 plus \$1.00 per foot of measured depth. The two plugged and abandoned wells simply need to get released. Let me know if you have any questions.

Ernie

From: Padilla Law Firm, P.A. [<mailto:padillalaw@qwestoffice.net>]
Sent: Tuesday, May 01, 2012 1:44 PM
To: Randall Harris (rharrisnm@yahoo.com)
Subject: FW: Endurance Resources Cases 14799 and 14800 Injection/Disposal

Mr. Harris:

As you can see from the Karen Sharp e-mail there are 4 wells with problems according to the OCD. I will check with the OCD here in Santa Fe for bonding requirements based on increased single well bond requirements. You should get the 2 wells that have been plugged and abandoned inspected by the OCD to get them released.

From: Jones, William V., EMNRD [<mailto:William.V.Jones@state.nm.us>]
Sent: Tuesday, May 01, 2012 1:33 PM
To: padillalaw@gwestoffice.net
Cc: Sharp, Karen, EMNRD; Phillips, Dorothy, EMNRD; Swazo, Sonny, EMNRD
Subject: FW: Endurance Resources Cases 14799 and 14800 Injection/Disposal

Hello Ernie,

Here below is what the Artesia district office shows.

It could be your client had posted all necessary bonds, but then other wells came up as needing bonds? This happens to many operators.

I believe if a single well bond is posted and then no longer needed, the operator can ask for the bond to be returned – you probably know more about that than myself.

Anyway, I will work towards getting these two hearing orders ready to release next week, but then must wait for the bonds to be posted.

Thank You,

Will Jones
New Mexico
Oil Conservation Division
[Images](#) [Contacts](#)

From: Sharp, Karen, EMNRD
Sent: Tuesday, May 01, 2012 1:25 PM
To: Jones, William V., EMNRD
Subject: RE: Endurance Resources Cases 14799 and 14800 Injection/Disposal

The last well, Will, actually has a month or so grace period still (1 year cleanup required after well P&A), so that one is probably ok. For the quick moment...

From: Sharp, Karen, EMNRD
Sent: Tuesday, May 01, 2012 12:45 PM
To: Jones, William V., EMNRD; Mull, Donna, EMNRD

Cc: Dade, Randy, EMNRD; Gonzales, Elidio L, EMNRD; Swazo, Sonny, EMNRD; Phillips, Dorothy, EMNRD
Subject: RE: Endurance Resources Cases 14799 and 14800 Injection/Disposal

I researched the wells which are indicating additional bonding requirements and found them all to be legitimate requirements:

30-015-25584 Baseball Park #4	last oil/gas production for this well was in October, 2009
30-015-21036 Merland #1	last oil/gas production for this well was in March, 2010
30-015-22980 Merland SWD #1	well was plugged and abandoned 5-18-10 / location has not been released / subsequent P&A C-103 has not been received
30-015-21146 Myrtle Myra #2	well was plugged and abandoned 6-21-11 / location has not been released / subsequent P&A C-103 has not been received.

I have now updated CLOG on all of these wells as to total depth so that bonding amounts required can be reflected.
Thank you ~

Karen Sharp
(575) 748-1283 x 109

"A ship in port is safe, but that's not what ships are built for"

From: Jones, William V., EMNRD
Sent: Tuesday, May 01, 2012 9:56 AM
To: Sharp, Karen, EMNRD; Mull, Donna, EMNRD
Cc: Dade, Randy, EMNRD; Gonzales, Elidio L, EMNRD; Swazo, Sonny, EMNRD; Phillips, Dorothy, EMNRD
Subject: FW: Endurance Resources Cases 14799 and 14800 Injection/Disposal

Karen and Donna,
Ernie's reply indicates they disagree with our Rule 5.9 bonding issues as shown on the web site.
Do you see any bonding requirements for Endurance Resources LLC in your districts?

I know you are busy – Thanks in advance for checking.

I must hold up working on these hearing orders until someone in the Districts lets me know.

Will

From: Padilla Law Firm, P.A. [mailto:padillalaw@qwestoffice.net]
Sent: Tuesday, May 01, 2012 9:22 AM
To: Jones, William V., EMNRD
Subject: RE: Endurance Resources Cases 14799 and 14800 Injection/Disposal

Mr. Jones:

My client tells me that it is compliant with all bonding requirements. Also, if I recall correctly, this question was addressed at the hearing. Let me know if you believe that something is missing and I will chase it down.

Ernie

From: Jones, William V., EMNRD [mailto:William.V.Jones@state.nm.us]
Sent: Friday, April 27, 2012 9:23 AM
To: padillalaw@qwestoffice.net
Cc: Brooks, David K., EMNRD; Sanchez, Daniel J., EMNRD; Swazo, Sonny, EMNRD; Mull, Donna, EMNRD; Sharp, Karen, EMNRD; Ezeanyim, Richard, EMNRD
Subject: Endurance Resources Cases 14799 and 14800 Injection/Disposal

Hello Ernie,
As attorney for Endurance in these matters:

Was picking these two cases up to work on them and noticed that Endurance Resources LLC may have Rule 5.9 (19.15.5.9 NMAC) issues from some single well bond requirements.

In order to make sure these wells REALLY need bonds, Endurance or an agent should look at the wells involved and the status of those wells and work with the appropriate district office to make sure the bonds are needed.

If they are not needed, let me know.

If they ARE needed, Endurance should post the bonds and let me know when that happens so I can release these two hearing orders.

Here is the link which shows the potential problem:

<https://wwwapps.emnrd.state.nm.us/OCD/OCDPermitting/Report/Stats/InactiveWellFinancialAssuranceReport.aspx?Operator=270329>

Hope all is well with you,

Regards,

William V Jones, P.E.
Engineering, Oil Conservation Division
1220 South St. Francis Drive, Santa Fe, NM 87505
Tel 505.476.3448 ~ Fax 505.476.3462

