

Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Tuesday, November 08, 2011 6:00 PM
To: 'Randall Harris'
Cc: Ezeanyim, Richard, EMNRD; Griswold, Jim, EMNRD; Dade, Randy, EMNRD; 'Wesley_Ingram@blm.gov'
Subject: Disposal application from Endurance Resources LLC: Base Ball Park #1 30-015-24974 Delaware Disposal 4052 to 4690 feet

Tracking:	Recipient	Read
	'Randall Harris'	
	Ezeanyim, Richard, EMNRD	Read: 11/9/2011 8:40 AM
	Griswold, Jim, EMNRD	Read: 11/9/2011 8:08 AM
	Dade, Randy, EMNRD	Read: 11/9/2011 6:45 AM
	'Wesley_Ingram@blm.gov'	

Hey Randall,
I know you guys are in a hurry - I just looked over this application.

Since there are three wells still "active" as producers from this proposed SWD interval, we can't call this an SWD permit application without further evidence at an examiner hearing. If you squeeze off these intervals in those three wells, we could still work on permitting this as an SWD well – I am relatively sure you would not want to do that.

To speed up the hearing process, please have your attorney submit an application for examiner hearing to establish a lease waterflood/pressure maintenance project – or have your Landman consolidate some leases and unitize them – then present the waterflood case at hearing. If unitization cannot be voluntary, there is a statutory unitization option (your Landman or Attorney will know). The hearing would need some testimony as to the "lands" involved and also some reservoir engineering and geology. Any possible lateral or vertical connection to karst rocks should be talked about.

There is one inactively plugged well in the AOR. The 30-015-26266 would need to be re-entered and plugged to isolate the proposed injection interval.

The newspaper notice is just over 6 months old – but that does not matter anymore since this must be processed at a hearing.

The City of Carlsbad should be formally noticed (as were Oxy and KF) if Endurance wants to pursue this application in any form.

You sent the tops of the Delaware. Are these proposed intervals within the Cherry Canyon? Do you see the tops of the members of the Delaware in this area? What is the top of the Bone Spring (or base of the Delaware) ?

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

The link above is for "Financial Assurance" for Endurance Resources LLC – it shows 2 wells needing a single well bond. Someone at Endurance should work with Randy Dade in Artesia to make sure these bonds are needed and if so, work with Dorothy Phillips of this office to post the bonds.

<http://www.emnrd.state.nm.us/OCD/OCDPermitting/Report/Stats/InactiveWellList.aspx?Production=15&Operator=270329&ACO=Exclude&TA=Exclude>

The link above shows 9 inactive wells – which is too many for an operation of 207 total wells – someone with Endurance could work with Daniel Sanchez of this office to come up with a plan to re-activate those wells or plug them. If there is an Agreed Compliance order in effect – these wells should not in theory show up on this report. Let me know if that is the case.

Since Rule 5.9 does not allow the OCD to release SWD or Injection permits if there are problems, the latest practice here is to hear any case an operator proposes at an examiner hearing and at that hearing, the examiner will set a time limit for all the Rule 5.9 issues to be resolved. If the time limit is met, then the hearing order would be released.

Thanks for the thorough application,

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