State of New Mexico Energy, Minerals and Natural Resources Department

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March 23, 2016

TO: Daniel Sanchez, Field Operations Manager, OCD

FROM: Phillip Goetze, Engineering and Geological Services Bureau, OCD

RE: INFORMATION ON DISPOSAL WELLS OPERATED BY SIANA OPERATING LLC (OGRID 168687)

At your request, the Engineering and Geological Services Bureau reviewed the case files of the active UIC orders associated with Siana Operating LLC ("operator"). The database identified two active disposal wells, but no other injection wells including EOR projects. The APD Federal No. 1 is located on split-estate lands (State of New Mexico surface property and federal mineral estate) while the Curry Federal No. 2 is located on federal land and minerals managed by the BLM.

API Well No.	Well Name	Well No.	Stat	UL	Sec	Twp	Rng	Footage N/S	Footage E/W	Injection Authority
30-025-24003	CURRY FEDERAL	002	Α	N	22	23 S	34 E	660 S	1830 W	SWD-588
30-025-28554	APD FEDERAL	001	Α	0	10	23 S	34 E	990 S	1940 E	SWD-712

CURRY FEDERAL NO. 2

- 1. **Disposal Authority:** Administrative Order SWD-588; original operator: San Simon Disposal Company
- 2. **Permitted Interval:** Bell Canyon formation; 5230 feet to 6180 feet (950 feet through perforations)
- 3. Order Approval Date: April 11, 1995
- 4. Order Maximum Surface Injection Pressure: 1046 psi
- 5. **Injection Volume (latest C-115 filing):** ~2400 BWPD; historical injection rates (incorrectly reported) may be as great 4600 BWPD prior to the approval of IPI-273.
- 6. Cumulative Volume: 4,117,783 BW (Only to January 2009)
- 7. Pressure Increases: IPI-273; increase to 1360 psi; approved October 24, 2006.
- 8. Well Diagram: attached
- 9. Current MIT: July 6, 2011; 525 psi dropped to 500 psi over 30 minutes (5% loss); MIT approved.

General Notes: The well is a re-entry of a deeper Antelope Ridge, Morrow well. Initial MIT conducted in 1996. Well transferred to Siana on June 1, 2003. Conducted MIT December 12, 2005, after modifying well (see Completion Note) and repairing wellhead. Application for IPI submitted



in May 2006, but denied for deficient SRT data. Failed MIT on February 1, 2007 (300 psi dropped to 0 communicated out of surface casing); Repairs conducted May 7, 2007, and returned to service.

Completion Note: Well is currently injecting in interval not permitted under Order SWD-588. Operator filed subsequent report (state form C-103 dated November 29, 2005) that stated two CIBPs drilled out (6840 feet and 7110 feet). Additional perforations placed from 6220 feet to 7165 feet. No record of application to increase injection interval filed with OCD.

APD FEDERAL NO. 1

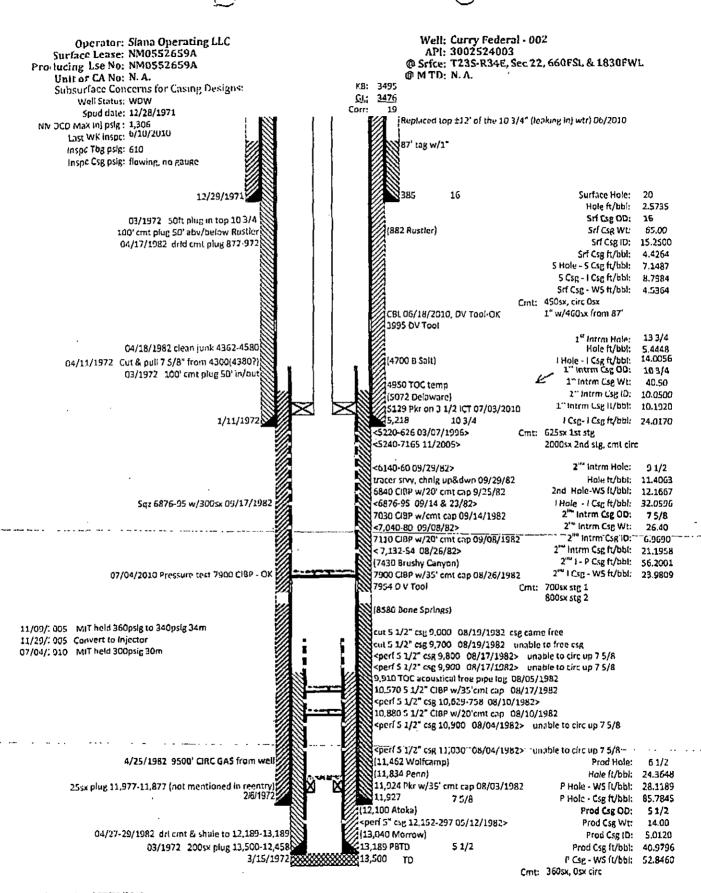
- 1. **Disposal Authority:** Administrative Order SWD-712; original operator: San Simon Disposal Company
- 2. **Permitted Interval:** Upper Bell Canyon formation; 5110 feet to 5650 feet (540 feet through perforations)
- 3. Order Approval Date: May 29, 1998
- 4. Order Maximum Surface Injection Pressure: 1022 psi
- 5. Injection Volume (latest C-115 filing): 519 BWPD (maximum in 2015 of 1119 BWPD)
- 6. Cumulative Volume: 1,125,084 BW
- 7. Pressure Increases: None
- 8. Well Diagram: attached (from C-108; no Sundry with completion information)
- 9. Current MIT: July 6, 2011; 550 psi dropped to 540 psi over 30 minutes (2% loss); MIT approved.

General Notes: The well is a re-entry of a deeper Antelope Ridge, Cherry Canyon well. P&A on February 11, 1984. Recompleted in 1997 to Brushy Canyon formation (7188 feet); perforations from 6981 feet to 7091 feet isolated by CIBP (and cement cap) at 6950 feet (no Sundries on these actions; information from C-108). Federal Sundries dated November 2000 note tubing and packer installation (packer set at 4,004 feet; see Completion Note). Initial MIT not on file. Well transferred to Siana on January 1, 2005. Conducted MIT August 14, 2001; successful. MIT (test not monitored) February 21, 2006, acceptable.

Completion Note: Initial records indicate that packer is not set either at a depth permitted under Order SWD-712 (4918 feet) or within 100 feet of the top perforation (permitted at 5110 feet). Operator shall be required to verify packer setting.

Attachments:

Completion Diagrams for Curry Federal No. 2 and APD Federal No. 1



agram I. st updated 07/05/2010



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