

Wednesday, February 13, 2008

Juniper SWD #1:

Coleman Oil & Gas would like to continue to use the Juniper SWD #1 as a disposal well and would continue to monitor the volumes, tubing pressure and tubing casing annulus pressure.

At the same time Coleman would proceed with the application process to re-enter the Monument #1 and convert it from a P&A well to an approved Entrada disposal well.

Monday, March 03, 2008

Juniper SWD #1:

As far as maximum injection volume and pressure, ultimately we would like to optimize volumes and stay below the parting pressure. I have sent a sundry to the District Office in Aztec requesting authorization to run a step rate test and I believe it has been approved. I wasn't planning on performing the step rate test until we had the hearing. After the step rate test has been conducted we would more then likely request a maximum disposal pressure. Along with the step rate test we would update the Hall Plot for this well (cumulative pressure verse cumulative rate) on a monthly basis. This would be used as a monitoring tool as well as ones (pressure, rate and bottom hole static annular pressure) mentioned in previously sent emails.

If you are looking for a maximum volume and pressure and the above will not satisfy. I would suggest 2,500 BPD with a maximum pressure rating below parting pressure, estimated at 1650 psig. We would need to run a step rate test for OCD approval. This volume and pressure is above what we are currently injecting however; it should allow us to maximize the wells currently going into this disposal.

I will attach the Hall Plot that I currently have on file.