

BW-4

**COMPLIANCE
REVIEW**

2022

From: Chavez, Carl J, EMNRD
To: Wayne Price; Goetze, Phillip, EMNRD
Cc: jonrgandy Gandy
Subject: RE: [EXTERNAL] BW-04 Permit Review
Date: Wednesday, June 1, 2022 8:26:00 AM

Wayne, et al.,

Received.

OCD is reviewing and will respond soon.

Thank you.

Carl J. Chavez • UIC Group
Engineering Bureau
EMNRD - Oil Conservation Division
5200 Oakland Avenue, N.E. Suite 100 | Albuquerque, NM 87113
505.660.7923
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From: Wayne Price <wayneprice@q.com>
Sent: Tuesday, May 31, 2022 10:38 AM
To: Chavez, Carl J, EMNRD <CarlJ.Chavez@state.nm.us>; Goetze, Phillip, EMNRD <Phillip.Goetze@state.nm.us>
Cc: Wayne Price <wayneprice@q.com>; jonrgandy Gandy <JonRGandy@aol.com>
Subject: [EXTERNAL] BW-04 Permit Review

CAUTION: This email originated outside of our organization. Exercise caution prior to clicking on links or opening attachments.

Dear Carl,

Below are answers/comments marked in Red for your consideration.

From: "Chavez, Carl J, EMNRD" <CarlJ.Chavez@state.nm.us>
Date: March 23, 2022 at 11:54:19 AM CDT
To: jonrgandy Gandy <JonRGandy@aol.com>
Cc: "Goetze, Phillip, EMNRD" <Phillip.Goetze@state.nm.us>; "Powell, Brandon, EMNRD" <Brandon.Powell@state.nm.us>
Subject: Compliance Records Review BW-4

Mr. Gandy:

Re.: Discharge Permit Deliverables

Permit	Facility Name	Expiration	Facility ID#	OGRID#	Permit	Active	Operator	Well Name	API#	MIT Date
BW-4	BW-4 Eidson State #1	12/26/2024	iCJC2116630149	118677/130851	DP-321	A	Wasserhund, INC	Eidson State #1	30-025-26883	3/7/22

Good morning!

The New Mexico Oil Conservation Division (OCD) has completed a review of the administrative record for the above subject brine well facility.

Currently, OCD is awaiting a better quality Casing MIT Chart with Chart Recorder Calibration Sheet with Spring Weight parameters, etc. from the test conducted on 3/7/2022. OCD is currently reviewing Action ID# 91375 C-103 Sundry for the MIT for final approval.

Jon Gandy is currently trying to find the original chart and calibration sheet and will submit by June 23; If chart & calibration cannot be found then we would requests a one time approval since an OCD employee was on site and witnessed. The MIT black & white chart is in the well file with comments from the OCD inspector, which appeared to be OK with the test.

Based on a compliance review of the administrative record, OCD hereby requires the following deliverables be submitted via E-Permitting within 90-days from today's date or by COB on June 23, 2022.

- Condition 2.A & 2.A.1 (Semi-Annual Monitoring Requirements & Groundwater Monitoring Well): No brine nor groundwater monitor well data submitted. Covid-19 extension date for monitor well construction was 10/31/20, and MW has not been installed downgradient from the brine well.

Response (Brine Production): It's our under standing Wasserhund Inc has sent in all brine production data the old fashion way of E-mail, but will submit the year data for 2021 in the annual report. We had previously requested this data be sent in yearly and you gave a verbally acknowledged with the understanding we would notify you immediately if any issues arise.

Response (Ground Water Monitor Well): Wasserhund has previously requested a waiver due to the fact that the fresh water well is located in close proximity and any shallow groundwater impact would be detected. The other issue we pointed out there was no hearing, work group, or any input received when this new condition was imposed in the permit. There was no rational or concern given for the new requirement. Thousands of oil, gas, and injection wells have casing leaks and no monitor well has ever been required. Until OCD provides "due process" we respectfully request this condition be waived.

- Condition 2.B.1 & 5.C (Surface Subsidence Monitor Plan & Semi-annual Survey Results): Covid-19 extension date for submittal of plan is 4/15/21, and plan has not been submitted. Surveys not submitted due to no plan received.

Response: It's been a know fact that OCD has been aware that there is a tremendous difference between shallow constructed brine wells and ones that are developed in the deeper salt zones.

To this date, no brine wells that are developed in the deeper zones have exhibited any issues concerning collapse in New Mexico or other areas. We respectfully request a waiver on this requirement, as we have done in the past. However, we are willing to propose a different monitor plan that would suffice in any emergency

condition.

- Condition 2.B.2 & 5.D (Solution Cavern Characterization Program): Submitted with annual report in 2019 and per OCD's Covid-19 letter of May 14, 2020, Item# 5, OCD reviewed the characterization plan proposed therein utilizing the volume algorithm for cavern volume estimation based on cumulative brine production. OCD agrees with the estimation method and the cavern height estimation should be based on well work that allows for tagging of cavern bottom. OCD is not in agreement with the stated D/H 0.66 ratio for cavern safety collapse based on OCD cavern collapse ratio data to date which indicates the D/H ratio is 0.5 for cavern maturity and safety estimations. Resolution of this issue will likely occur when the ratio approaches the D/H of 0.5.

Response: Noted and will continue to use the Plan until further notice.

- Condition 2.B.3 (Annual Certification): Submitted since 2020, but without the basis of the D/H calculation. The Permittee's "Certification" must have a basis and it is the "D/H" ratio based on accurate cumulative brine production and cavern height estimation, monitoring for surface cracks, etc. If the Permittee is not in agreement with the above, OCD requires the Geophysical Method be applied.

Response: Noted and we certify pursuant to the WQCC requirements.

- Condition 2.H.3 (Environmental Monitoring): Same as Condition 2.A above. Brine and water well monitoring has been conducted, but the monitor well in Condition 2.A above has not been installed per the permit or Covid-19 extension date.

Response: See above response.

- Condition 2.J. (Annual Report): 2021 Reports have been received. The next annual report for 2021 is due in June of 2022.

Response: Noted and agree.

- Condition 3.F.(Fluids Injection & Brine Production Pressures/Vols.): Submitted but lacking associated injection pressure data. Complete brine production with injection pressures and cumulative volumes from start of production to date is required and for solution cavern characterization and maturity assessments.

Response: The Brine Production pressures vary from 260-280 psig and has been reported in the annual report. Please advise what you like to see?

As per Permit Condition 1.I (Compliance and Enforcement), any required items that are received by June 23, 2022 become subject to this provision of the brine well permit.

Please contact me if you have questions.

Thank you.

Carl J. Chavez • UIC Group
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<image001.jpg>

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505-715-2809

From: [Chavez, Carl J, EMNRD](#)
To: [Jonggandy, Gandy](#)
Cc: [Goetze, Phillip, EMNRD](#); [Powell, Brandon, EMNRD](#)
Bcc: [Shonna McFarlin](#)
Subject: Compliance Records Review BW-4
Date: Wednesday, March 23, 2022 10:54:00 AM
Attachments: [BW-4 DP Renewal of 12-26-19.pdf](#)

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