

Chavez, Carl J, EMNRD

From: Chavez, Carl J, EMNRD
Sent: Wednesday, October 19, 2016 5:20 PM
To: 'Gary Schubert'
Cc: Griswold, Jim, EMNRD; Brown, Maxey G, EMNRD; Whitaker, Mark A, EMNRD; Sanchez, Daniel J., EMNRD
Subject: BW-31 HRC Schubert 7 #1 30-025-36781 J-7-19S-39E (BW-31) Last MIT Date: 8/13/2009
Attachments: EPA 5-Yr Casing MIT 10-12-2016 CJC.pdf; UIC Class III Cavern MIT Guidance 10-12-16CJC..pdf

Mr. Schubert:

Re: BW-31 A HRC HRC Schubert 7 #1 30-025-36781 J-7-19S-39E 2313 2313 32.673851 -103.083629 Lea Hobbs 2 Private Private 1 Re-entry Sahara Schubert 7 #1 Active
10/1/06 10/1/06 30 80 1800 1865 2300 4352,268,081
340,212 1,819,073 126 0.0678 12/16/2007 6/22/2011 Garymschubert@gmail.com & Tony (tony@waternex.com) (575) 393-3194 or 393-6662

Good afternoon. The New Mexico Oil Conservation Division (OCD) has reviewed its administrative record for the above subject brine well, and notice that your brine well must be tested on or before November 30, 2016.

Please contact Mr. Mark A. Whitaker (see contact information below) to schedule either your Casing MIT or Cavern MIT (see attached procedures). The choice is yours.

District 1
1625 N. French Drive
Hobbs, New Mexico 88240
OFFICE: (575) 393-6161 FAX: (575) 393-0720
EMERGENCY NUMBER - MOBILE: (575) 370-3186
Business Hours:
7:00 AM-12:00 PM and 1:00 - 4:00 PM
Monday through Friday

Mark A. Whitaker - Petroleum Engineering Specialist

Phone extension: 120

Mobile: (575) 399-3202

- Field Inspections, Plug and Abandonment, Orphan Well Plugging, P&A Site Release

Please contact me if you have questions. Thank you.

Mr. Carl J. Chavez
New Mexico Oil Conservation Division
Energy Minerals and Natural Resources Department
1220 South St Francis Drive
Santa Fe, New Mexico 87505
Ph. (505) 476-3490
E-mail: CarlJ.Chavez@state.nm.us

“Why not prevent pollution, minimize waste to reduce operating costs, reuse or recycle, and move forward with the rest of the Nation?” (To see how, go to: <http://www.emnrd.state.nm.us/OCD> and see “Publications”)

UIC Program
Brine Well EPA 5-Yr. MIT Guidance
(30-minute hydrostatic well casing MIT closed to formation)

- 1) A work over rig must remove all tubing from the hole.
- 2) A packer or plug must be set within 20 feet of the casing shoe depth and piping must be filled, and pressured up from 300 to 500 psi. The casing/tubing annulus must be loaded with inert fluid at least 24 hours prior to testing.
- 2) Have manpower and equipment available for pressure test. Wellhead shall be prepared for test and all valves and gauges should be in good working order.
- 3) Pumps, tanks, external lines etc. must be isolated from the wellhead during test.
- 4) A continuous recording pressure device with a 1 or 4-hour clock shall be installed on the casing annulus. The pressure range shall not be greater than 500 psig. The operator must provide proof that the pressure-recording device has been calibrated within the past 6 months.
- 5) A minimum of one pressure gauge shall be installed on the casing/tubing annulus.
- 6) OCD must witness the beginning of test (putting chart on) and ending of test (removing chart). **At the end of test operator may be required to bleed-off well pressure to demonstrate recorder and gauge response into an adequately sized containment vessel(s) for this purpose and to verify that there were no obstructions in the well during the test. Effluent from this vessel must be discharged back into the well at the completion of the test.**
- 7) The Operator shall supply the following information on the pressure chart:
 - A. Company Name, Well Name, API #, Legal Location.

- B. Test Procedure (1) Casing + Formation (2) Casing Test Only (3) Both (4) Other
 - C. Testing Media: Water, Gas, Oil, Etc.
 - D. Date, time started and ending.
 - E. Name (printed) and signature of company representative and OCD Inspector
- 8) **TEST ACCEPTANCE:** The OCD will use the following criteria in determining if a well has passed the Mechanical Integrity Test:
- A. **Passes** if Zero Bleed-Off during the test.
 - B. **Passes** if Final Test Pressure is within $\pm 10\%$ of Starting Pressure, if approved by the OCD inspector.
 - C. **Fails** if any Final Test Pressure is greater than $\pm 10\%$ of Starting Pressure. Operators must investigate for leaks and demonstrate that mechanical integrity of the well(s) by ensuring there are no leaks in the casing, or packer, and injected/produced fluids are confined within the piping and injection zones. Wells shall not resume operations until approved by OCD.

Note: OCD recognizes that different operations, well designs, formation characteristics and field conditions may cause variations in the above procedures. If operator wishes to make or anticipate changes, please notify the OCD for approval. All operators are responsible to notify OCD of any procedure that may cause harm to the well system or formation. Please be advised that OCD approval does not relieve any operator of liability should operations result in pollution of surface water, groundwater, or the environment.

Also note: This document is intended to provide technical guidance to operators on technical means to achieve compliance with the rules and regulations of the Oil Conservation Division and the Oil and Gas Act. The test procedures set forth are not regulations or policies and therefore other methods may exist to achieve compliance with the rules and regulations and the Oil and Gas Act.

NMOCD recommends that a licensed professional engineer or licensed geologist, or a licensed professional engineer or licensed geologist designee supervise all test procedures and associated field activity.

DRAFT

OCD UIC Program
Draft Brine Well Cavern MIT Guidance (4-hour hydrostatic well test open to the salt formation)

- 1) The cavern and all piping must be filled, pressured up and stabilized for a period of at least 24 hours prior to testing. If this test requires a packer then casing/tubing annulus must be loaded with inert fluid 24 hours prior to testing.
- 2) Have manpower and equipment available for pressure test. Wellhead shall be prepared for test and all valves and gauges should be in good working order.
- 3) Pumps, tanks, external lines etc. must be isolated from the wellhead during test.
- 4) A continuous recording pressure device with an **8 or 12-hour clock** shall be installed on the casing/tubing annulus. The pressure range shall not be greater than 500 psig. The operator must provide proof that the pressure-recording device has been calibrated within the past 6 months. **Note: Wells with packer installed: If this test requires both the casing/tubing annulus and cavern to be tested then two recording devices must be supplied or one recording device with two pins.**
- 5) A minimum of one pressure gauge shall be installed on the casing/tubing annulus.
- 6) OCD must witness the beginning of test (putting chart on) and ending of test (removing chart). **Ensure that fluids from the well are not spilled onto the ground.**
- 7) The Operator shall supply the following information on the pressure chart:
 - A. Company Name, Well Name, API #, Legal Location.
 - B. Test Procedure (1) Casing + Formation (2) Casing Test Only (3) Both (4) Other
 - C. Testing Media: Water, Gas, Oil, Etc.
 - D. Date, time started and ending.
 - E. Name (printed) and signature of company representative and OCD

Inspector

- 8) **TEST ACCEPTANCE:** The OCD will use the following criteria in determining if a well has passed the Mechanical Integrity Test:
- A. **Passes** if Zero Bleed-Off during the test.
 - B. **Passes** if Final Test Pressure is within $\pm 1\%$ of Starting Pressure, if approved by the OCD inspector.
 - C. **Fails** if any Final Test Pressure is greater than $\pm 1\%$ of Starting Pressure. Operators must investigate for leaks and demonstrate that mechanical integrity of the well(s) by ensuring there are no leaks in the tubing, casing, or packer, and injected/produced fluids are confined within the piping and injection zones. Wells shall not resume operations until approved by OCD. **Caution is urged to reduce pressure appropriately as a function of depth to the salt cavern to prevent fracturing during testing.**

Note: OCD recognizes that different operations, well designs, formation characteristics and field conditions may cause variations in the above procedures. If operator wishes to make or anticipate changes please notify the OCD for approval. All operators are responsible to notify OCD of any procedure that may cause harm to the well system or formation. Please be advised that OCD approval does not relieve any operator of liability should operations result in pollution of surface water, groundwater, or the environment.

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