

From: Kautz, Paul, EMNRD
Sent: Thursday, January 30, 2014 10:17 AM
To: 'mnewman@sianoil.com'
Cc: Dawson, Scott, EMNRD; Sanchez, Daniel J., EMNRD; Mull, Donna, EMNRD; Brown, Maxey G, EMNRD; Whitaker, Mark A, EMNRD
Subject: Siana Operating LLC Curry State # 6 well violation of Conditions of Approval

Importance: High

Tracking:

HOBBS OCD
JAN 30 2014
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Recipient**Delivery****Read**

'mnewman@sianoil.com'

Dawson, Scott, EMNRD

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Sanchez, Daniel J., EMNRD

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Mull, Donna, EMNRD

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Brown, Maxey G, EMNRD

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Whitaker, Mark A, EMNRD

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Read: 1/30/2014 10:18 AM

Mandy Newman

The APD for Siana Operating LLC., Curry State # 6 required that the surface casing be set at 1025. Also a "Condition of Approval" stated the following: "Surface casing must be set 25' below the top of the Rustler Anhydrite in order to seal off protectable water". The top of the Rustler Anhydrite is at approximately 1000'. Waters in the Santa Rosa sands of the Chinle formation are classified as protectable according to the Office of the State Engineers. By setting your surface casing at 630' Siana has left the Santa Rosa unprotected. Siana Operating LLC is in violation of the surface casing setting depth and "Conditions of Approval" as stated on your APD. Any changes to an approved APD must be submitted on a C-103 to the appropriate district office for approval prior to drilling the well.

Siana Operating LLC. Will be required to circulate cement to the surface on the intermediate casing. If cement does not circulate to the surface, Siana will notify the Hobbs District office of the New Mexico Oil Conservation and run either a Cement Bond Log or Temperature Survey to determine top of cement before drilling out below your intermediate casing. You can notify us at 575-393-6161 and after working hours at 575-370-3186.

Paul Kautz
Hobbs District Geologist
NM Oil Conservation Division
1625 N French Dr.
Hobbs NM 88240
575-393-6161 ext. 104