

Goetze, Phillip, EMNRD

From: Goetze, Phillip, EMNRD
Sent: Wednesday, October 07, 2015 3:09 PM
To: Dade, Randy, EMNRD; Inge, Richard, EMNRD
Cc: Sanchez, Daniel J., EMNRD
Subject: FYI: Basic Energy's Belco No. 1 and No. 2

Gents:

Just got done with a discussion with Mr. Alvarado of Basic regarding the two wells. Basic has agreed to conduct the following investigations for each well:

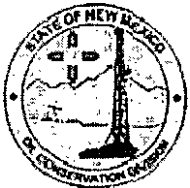
Belco 1: run a casing log to determine where perfs are located. Based on the information, relocate the packer to within 100 feet of top perf and if perfs are outside the approved interval, submit a C-108 for approval.

Belco 2: while reviewing the No. 1, I found the injection volumes were running above 1800 BWPD which is the rate at which the last SRT determined a parting pressure. They will run a new SRT for this well.

Please expect C-103 NOI for the proposed action for these wells. You (compliance at District level) might also be issuing NOV based on the outcomes of the information and you (compliance – in general) will determine whether SI is appropriate. I was told that the Belco 2 is currently off-line. Thanks. PRG

Phillip R. Goetze, PG

Engineering and Geological Services Bureau
Oil Conservation Division
New Mexico Energy, Minerals and Natural Resources Department
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Goetze, Phillip, EMNRD

From: Goetze, Phillip, EMNRD
Sent: Monday, September 28, 2015 10:11 AM
To: 'Alvarado, David'
Cc: Newman, James; Wigington, Lynn; Northcutt, Kevin; Inge, Richard, EMNRD; Jones, William V, EMNRD
Subject: Packer Placement - Belco State SWD No. 1

RE: Belco State SWD No. 1 (API 30-015-25141; SWD-666)

Dave:

Quick summary of the process - the injection orders are issued out of Santa Fe, but the Districts approve all the work done on the wells (regardless of well status – producer/injector/TA/PA). Though the District approved packer placement, this change in the conditions of a SWD order should have been confirmed by the operator with the Engineering Bureau prior to submitting the C-103 to District.

Now for the Belco's situation. The original approved packer location under SWD-666 was 5,675 feet (as requested by the applicant). Since the issuance of the order, OCD has followed the general 100-foot maximum distance from the uppermost perf which would make the packer placement no shallower than 5,626 feet. The current location (as of the latest C-103 reported by Richard) is 3,824 feet. This would indicate a distance of 1902 feet between the uppermost perf (as reported by the original operator) and the current packer location. This distance creates an issue since the interval cannot be monitored through the use of the of MIT (IMIT) including the two perforation zones (at 4184 feet to 4195 feet and 5218 feet to 5254 feet) that were squeezed in 1985. Additionally, Basic also provided a NOI (dated March 11, 2009) for the addition of perfs from 3950 feet to 4250 feet, but no subsequent report of these proposed perfs were completed.

First thing will to be establish a current status of the well. OCD is requesting, at this time, the three following items:

1. A current well completion diagram of the well;
2. A discussion/reason as to why a distance of 1902 feet is needed between the current packer location and the top of perforations; and
3. Current sources of disposal water, including any sampling results, if available.

The last item being requested is due to the conversion of the SWD from an operator-only to a commercial disposal well. The application, which was provided for evaluation and final issuance of the order, stated the operation would be 150 to 200 BWPD and from two wells in the area.

You can send your respond via e-mail or you can call/e-mail with any additional questions regarding this matter. Thank you. PRG

Phillip R. Goetze, PG
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From: Alvarado, David [mailto:David.Alvarado@basicenergyservices.com]
Sent: Monday, September 28, 2015 8:17 AM
To: Inge, Richard, EMNRD <richard.inge@state.nm.us>; Goetze, Phillip, EMNRD <Phillip.Goetze@state.nm.us>
Cc: Newman, James <James.Newman@basicenergyservices.com>; Wigington, Lynn
<Lynn.Wigington@basicenergyservices.com>; Northcutt, Kevin <Kevin.Northcutt@basicenergyservices.com>
Subject: RE: Belco # 1

Good Morning Phillip!

In communication with Richard Inge it looks as if Basic Energy Services acted upon two C-103 Intent and Subsequent reports back in 2009.

I looked for a C-105 and never encountered one in file nor on OCD on line.

Please advise as to what needs to be done.

Thanks

Dave

From: Alvarado, David
Sent: Monday, September 28, 2015 7:47 AM
To: Inge, Richard, EMNRD; Newman, James; Wigington, Lynn; Northcutt, Kevin
Subject: RE: Belco # 1

Will do Richard.

I will keep you all posted.

Sent via the Samsung GALAXY S5 5, an AT&T 4G LTE smartphone

----- Original message -----

From: "Inge, Richard, EMNRD" <richard.inge@state.nm.us>
Date: 09/28/2015 6:40 AM (GMT-07:00)
To: "Alvarado, David" <David.Alvarado@basicenergyservices.com>
Cc: "Goetze, Phillip, EMNRD" <Phillip.Goetze@state.nm.us>
Subject: RE: Belco # 1

David,

Please contact Phillip Goetz at the OCD-Santa Fe Engineering Bureau to discuss this. The addition of perforations outside of the permitted zone should not have been approved thru a c103 by the Artesia office. And I missed catching the position of the packer on the c103 where the chart was submitted.

Here is his contact information:

Phillip R. Goetze, PG

Engineering and Geological Services Bureau
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Thanks.

--Richard

From: Alvarado, David [<mailto:David.Alvarado@basicenergyservices.com>]

Sent: Thursday, September 24, 2015 4:08 PM

To: Inge, Richard, EMNRD; Ehrlich Mark

Cc: Newman, James; Wigington, Lynn

Subject: Belco # 1

Richard thanks for calling me on this issue.

Here are the last two Intent and subsequent C-103 reports that where filed in 2009

This was all I had to go with.

Also here is the current Well bore Diagram for you on the work that we currently did,

Dave