

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Tony Delfin
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



May 6, 2016

Mr. Eddie Seay, agent
MNA Enterprises LTD Co.
601 W. Illinois
Hobbs, NM 88242
575-392-2236

RE: Administrative Order SWD-471; Commercial Disposal

Russell Federal 35 SWD Well No. 2 (API 30-015-05891)

Unit A, Sec 35, T26S, R31E, NMPM, Eddy County, New Mexico

Order Date: April 8, 1992

Disposal into the upper Delaware formation; approved OH interval: 4106 feet to 4118 feet

Dear Mr. Seay:

Reference is made to your letter, received May 6, 2016, on behalf of MNA Enterprises LTD Co. providing notice of your intent to convert this disposal well from lease-only into a commercial disposal well. Your letter asks the Division to consider this action and provide feedback.

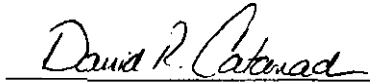
This well has been used to re-inject the water produced from surrounding producing wells completed also in the Delaware Mountain Group [Mason; Delaware, North Pool (44859)] and operated by MNA Enterprises LTD Co. It is surrounded on all sides by producers, some of which are still producing oil. Two of these wells seem to have watered out. The conversion to commercial disposal will have either a positive or negative effect on the remaining producing wells. It is our understanding that the BLM has not objected to this.

There are a few items that the Division asks:

- a. Supply the Division with recent verification of the total depth of this well. This should be by wireline or tubing tally witnessed by or approved by the Artesia district office inspectors. Any deepening of this open hole must be approved by the BLM and the Division and also approved by the Santa Fe office after submission of another form C-108.
- b. Provide a contact person for this operator to Denise Gallegos in the Santa Fe office.
- c. Supply the Division with copies of any logs the operator has in its files on this well.
- d. Begin henceforth reporting tubing pressures on the C-115 report for this well.
- e. Verify to the Artesia district inspectors by chart recorder or other approved device that this well always remains below the 821 psi tubing pressure limit.

All requirements of the above referenced administrative order remain in effect. In addition, without a revised or updated C-108 application, the submissions of the 1992 application remain in full force and effect.

Sincerely,



DAVID R. CATANACH
Director

DRC/wvjj

cc: Oil Conservation Division – Artesia District Office
Well File API 30-015-05891 and SWD-471
Bureau of Land Management – Carlsbad Field Office

Mr. Patrick McMahon, Esq.,
Heidel Samberson Cox & McMahon Law Firm
311 North 1st Street,
Lovington, NM, 88260

May 2016

RECEIVED 003
2016 MAY -6 P 2:34

NMOCD Engineering
ATTN: Will Jones
1220 South St. Francis Drive
Santa Fe, NM 87505

RE: MNA Enterprises LTD Co.
Russell Federal 35 #2 SWD-471
Convert to Commercial

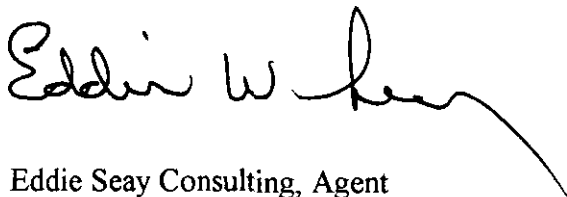
Mr. Jones:

As required, MNA is giving notice that they plan to convert the above listed well to a "Commercial SWD", a copy of the SWD approval is attached.

MNA has notified BLM, as they required, with a 3160 sundry notice, a copy is attached. The Russell Federal 35 #2 is in compliance with the OCD and BLM rules and regulations.

Please let us know if we need anything further. Your consideration is appreciated.

Thanks,



Eddie Seay Consulting, Agent
Eddie W. Seay
601 W. Illinois
Hobbs, Nm 88242
575-392-2236
seay04@leaco.net

Cc: Patrick McMahon, MNA Legal
David Catanach, Director

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: January 31, 2018

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No.

NMLC 068282 A

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well

☐ Oil Well

☐ Gas Well

☒ Other *SWD 471*

7. If Unit of CA/Agreement, Name and/or No.

8. Well Name and No.

Russell 35 Federal #002

2. Name of Operator

MNA Enterprises LTD CO

9. API Well No.

30-015-05891

3a. Address

106 W. Alabama Street Hobbs, NM 88242

3b. Phone No. (include area code)

(575) 392-2702

10. Field and Pool or Exploratory Area

SWD; Delaware

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

433' FNL & 660' FEL Section 35 Tws. 26S, Rng 31E

11. Country or Parish, State

Eddy Co., New Mexico

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Hydraulic Fracturing	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input checked="" type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

Convert SWD 471 to commercial disposal.

1. Injection will be through 2 in. tubing.
2. Inject into Delaware formation 4106'- 4118'.
3. Packer set within 100 ft. of top perms. approximately 4006'.
4. MIT will be run when requested.
5. File monthly reports as required.

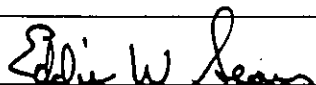
14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)

Eddie W. Seay

Agent

Title

Signature



Date

04/10/2016

THE SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C Section 1001 and Title 43 U.S.C Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)