

Goetze, Phillip, EMNRD

From: Goetze, Phillip, EMNRD
Sent: Wednesday, April 5, 2017 9:46 AM
To: Ben Stone (ben@sosconsulting.us)
Cc: Podany, Raymond, EMNRD; Inge, Richard, EMNRD; Catanach, David, EMNRD; Jones, William V, EMNRD
Subject: Administrative Order SWD-1585: Request for Change in Conditions of Approval

RE: Administrative Order SWD-1585; Pardue 30 Com. SWD No. 1 (30-015-24144); UL E, Sec 30, T23S, R28E, NMPM

Mr. Stone:

The Division is in receipt of your client's request for the change in the condition of the administrative order regarding the logging of cement for the referenced well. I have discussed this request with the District Geologist along with staff of the Engineering Bureau and the Director. The Division shall approve Probity's request for logging the only the injection interval as long as the cement bond log is of good quality and includes the top of cement for the 7-inch casing. This log would provide documentation of the well's integrity should concerns be raised later regarding this well's disposal operation in the Delaware Mountain Group. All other conditions and requirements as provided in the administrative order (including proposed re-entry and final completion of the well) remain in full force and effect, and are subject to approval by the District prior to implementation.

Since an amended order will not be issued, this e-mail correspondence will serve as approval of the change for the logging requirement and shall be made part of the administrative record (well file and administrative order). Please contact me with any questions regarding this matter. PRG

Phillip Goetze, PG
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March 20, 2017

New Mexico Oil Conservation Division
811 S. First Street
Artesia, New Mexico 88210

Attn: Mr. David Catanach, Director

Re: Variance Request for Probitry SWD, LLC's Pardue 30 Com No.1 SWD as Permitted with Conditions by Division Order SWD-1585.

Dear Mr. Catanach,

Probitry SWD, LLC is preparing to configure its Pardue 30 Com Well No.1 as a salt water disposal well as permitted by SWD-1585 on October 1, 2015. The subject well was a non-economic deep gas well with the perforated interval being below 12,000 feet covered by a 4-1/2" liner with the top of liner at 10,195 feet. The permitted interval for disposal is into the Bell Canyon and Cherry Canyon formation from 2500 feet to 4590 feet.

SWD-1585 came with the condition of running a cement bond log from the top of the 4-1/2 inch liner continuing to whatever depth the top of cement is determined to be behind the 7-inch production casing string. The well file indicates that the 7-inch casing was set with 1375 sacks of Class H Neat cement. In an 8-1/2" hole, this volume was apparently calculated to push well above the intermediate casing shoe depth of 2330 feet although, the top of cement was not reported nor did it circulate. We therefore understand the need to determine if adequate cement exists behind as well as above and below the proposed interval. However, with the long extent of pipe below the proposed interval down to the original producing interval, it's difficult to see that there is a compelling reason to log such a long interval.

We would therefore like to propose the following (rigged up, tubulars pulled and well killed):

- 1) Set a cast iron bridge plug to isolate the perforations below 12,000 feet and cap with 35 sacks of cement.*
- 2) Run a cement bond log from approximately 5100 feet to 2000 feet. This would determine the cement bond approximately 500 feet ABOVE and BELOW the proposed interval. CBL logging intervals may be extended after initial evaluation.*
- 3) Once the cement issue is resolved by logging and squeezing if necessary, continue with configuring the wellbore by loading the hole with plugging mud (minimum 9.5#), cement plugs will be spotted at the depths previously approved on the C-101 dated January 11, 2017 to properly plug the lower portion of the well.*
- 4) Set CIBP at 4750 feet and cap with 35 sacks cement; finish with usual SWD set up and configuration per SWD-1585 and the C-101; perforate & acidize; run packer and tubing, conduct mechanical integrity test with OCD to witness, etc.*

We believe that this proposal adequately ensures that fluid migration behind pipe will not occur above or below the intended interval.

This is the only variance Probity is requesting. We too would like to make sure this is a quality SWD and that integrity is maintained for all aspects of the well. Probity's intent is to make prudent decisions based on good data and sound judgement. The proposed variance described accounts for a risk-based analysis of the situation and provides for the contingency of logging a more extensive interval in the event it is necessary.

I respectfully request that this variance be granted swiftly and if you or your staff require additional information or have any questions, please do not hesitate to call or email me.

Best regards,

A handwritten signature in black ink, appearing to read "Ben Stone", written in a cursive style.

Ben Stone, Partner
SOS Consulting, LLC
Agent for Probity SWD, LLC

Attachments: SWD-1585; C-101
Cc: Project file