Rose-Coss, Dylan H, EMNRD

From: Rose-Coss, Dylan H, EMNRD
Sent: Monday, April 12, 2021 9:56 AM
To: Goetze, Phillip, EMNRD; Nathan Alleman; Powell, Brandon, EMNRD
Cc: Tomastik/ALL Consulting, Tom; Lori Hearon; jdorman@oeswd.com; Smolik, Danny, EMNRD
Subject: RE: Overflow - Rose SWD #1 - Alternative to CBL Condition

Nathan,

OCD UIC staff have reviewed ALL Consulting and Overflow Energy's proposed alternative plan regarding the CBL requirements for the Rose SWD No. 1 (30-015-45221). After consideration of the proposal, the OCD requests that Overflow Energy pull the tubing, and run a CBL on the well as per permit conditions set forth in SWD-2395

> b. Permittee shall circulate to surface the cement for the surface and intermediate casings. If cement does not circulate on any casing string, Permittee shall run a cement bond log ("CBL") to determine the top of cement, then notify the appropriate OCD district office and submit the CBL prior to continuing with any further cementing on the Well. If the cement did not tie back into next higher casing shoe, Permittee shall perform remedial cement action to bring the cement to a minimum of two hundred (200) feet above the next higher casing shoe.

And SWD-1785

> *If cement does not circulate on any casing string, the operator shall run a CBL or other log to determine top of cement and shall notify the Division's District II office with the top of cement on the emergency phone number prior to continuing with any further cement activity with the proposed well. If cement did not tie back in to next higher casing shoe, the operator shall perform remedial cement job to bring cement, at a minimum, 200 feet above the next higher casing shoe.*
>
> *The operator shall run a CBL (or equivalent) for the 7⅝-inch liner to demonstrate placement cement and the cement bond with the tie-in with the next shallower casing string. The operator shall provide a copy of the CBL to the Division's District II prior to commencing disposal.*

However, the Packer and the tubing within 100 ft of the packer may remain in place.

Thanks for your time and attention to these matters.

Regards,

Dylan Rose-Coss

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From: Goetze, Phillip, EMNRD <Phillip.Goetze@state.nm.us>
Sent: Monday, March 29, 2021 10:44 AM
To: Rose-Coss, Dylan H, EMNRD <DylanH.Rose-Coss@state.nm.us>
Subject: FW: Overflow - Rose SWD #1 - Alternative to CBL Condition

For your review. PRG

From: Nathan Alleman <nalleman@all-llc.com>
Sent: Friday, March 19, 2021 7:00 AM
To: Goetze, Phillip, EMNRD <Phillip.Goetze@state.nm.us>
Cc: Tom Tomastik <ttomastik@all-llc.com>; Lori Hearon <lhearon@oeswd.com>; Elizabeth Valenzuela <evalenzuela@oeswd.com>; Jimmy Dorman <jdorman@oeswd.com>; Smolik, Danny, EMNRD <Danny.Smolik@state.nm.us>
Subject: [EXT] Overflow - Rose SWD #1 - Alternative to CBL Condition

Mr. Goetze,

After Overflow Energy's (Overflow) Injection Permit was approved for the Rose SWD #1 (attached), ALL Consulting (ALL) has been assisting Overflow in getting their well files in compliance with OCD requirements so they can commence injection operations. Overflow and ALL would like to propose an alternative to delay the original CBL requirement to avoid pulling the existing tubing and packer. The details associated with the proposed alternative plan are included below.

We initially ran this proposal by Dan Smolik at the District Office, and he indicated that any such approval constituting a deviation from the approved Injection Permit would have to be reviewed and approved by you.

Background
The Rose SWD #1 Injection Permit includes a permit condition requiring that a CBL be run on any casing strings where cement did not circulate to surface. As shown in the attached WBD, the Rose SWD #1 has a 7" production liner set inside the 9-5/8" (2nd Intermediate Casing), so the cement on the production liner did not circulate to the surface. However, since the tubing and packer has already been installed in this well, pulling the tubing and packer to run the CBL and then re-running the tubing and packer would be very expensive.

ALL reviewed the drilling and cementing records for the Rose SWD #1 and located the daily drilling record (attached). This drilling report indicated that after the 7" production liner was cemented, the cementing service company circulated 2 barrels of cement out of the hole (which would have left cement above the top of the production liner and inside the 9-5/8" casing). The excess cement was circulated out of the well so that they wouldn't have to drill out additional cement inside the 9-5/8" intermediate casing. Additionally, ALL performed cement calculations (attached) based on

cement fill-up and the calculated top of the cement was well above the top of the production liner and within the 9-5/8" intermediate casing. Although a CBL has not been performed, the cementing records and cement calculations confirm that the cement on the 7"production liner did indeed tie back into the 9-5/8" casing.

Proposed Alternative Plan

Since ALL knows that cement was circulated above the 7" production liner and into the 9-5/8" casing, Overflow proposes the following alternative to having to pull the tubing and packer and running a CBL prior to commencing injection operations:

1. Continuous pressure monitoring of both the production casing-injection tubing annulus and the injection tubing so that they can demonstrate the well has continuous mechanical integrity,
2. Install a Murphy Kill Switch on the injection pump so the pump would shut down in the event that the production casing-injection tubing annulus pressure exceeded the set threshold, and
3. Run a CBL the next time that the tubing and packer needs to be pulled for repair or replacement.

Please let us know if this would be an acceptable alternative approach to having to pull the tubing and packer and run a CBL prior to commencing injection operations.

We would happy to have a conference call to discuss in further detail, if that would be helpful.

Regards,

Nate Alleman
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