

H2S – 044

**FRONTIER
MALJAMAR GP
AGI Wells
H2S CP**

2016

Chavez, Carl J, EMNRD

From: Julie W. Gutierrez <jwg@geolex.com>
Sent: Thursday, January 14, 2016 10:31 AM
To: Chavez, Carl J, EMNRD
Subject: Frontier Maljamar H2S Contingency Plan
Attachments: OCD Acceptance Letter 11-5-2015.pdf; Maljamar AGI #2 Well Bore Schematic.pdf; Maljamar AGI#2_Sundry Well Con_OCD R-13443.pdf

Dear Carl,

The Frontier Maljamar H2S Contingency Plan was approved by OCD on November 5, 2015. A copy of that approval letter is attached for your reference. At the time the plan was approved, we indicated that although AGI #2 had not yet been drilled we were providing most up-to-date schematic that we had for AGI #2 well-bore. AGI #2 has still not been drilled, but will be spudded on January 25th. The design of the well-bore has changed somewhat from the one that was submitted when the above-referenced plan was approved. None of these subsurface design changes affect the approved Rule 11 plan as all the safety features and surface facilities such as the SSSV and the well tree design remain the same. This design change was approved by both the OCD director and BLM last month.

For your information, I am attaching a copy of the new schematic for the well-bore as well as a letter from OCD approving the new design to incorporate in your files for the approved Rule 11 Plan. This is an enhanced design that includes an additional string of casing to further assure that any H2S that might be encountered when drilling into the injection zone can be adequately controlled. The new design is also intended to avoid sticking of the drill string which was a problem between the 5,000' and 7,000' foot level during the drilling of AGI #1.

Please let me know if you have questions.

Hope your New Year is off to a good start.

Best regards,

Julie

Julie W. Gutiérrez
Geolex, Inc[®]
500 Marquette Avenue, NW Suite 1350
Albuquerque, NM 87102
505-842-8000 Ext. 101
505-842-7380 Fax

PRIVILEGED & CONFIDENTIAL

This message and attachment(s) contain confidential information belonging to the sender which is intended for the sole use of the individual(s) or entity named above. If you receive this message in error, you are hereby notified that any disclosure, copying, distribution, resending, forwarding or taking of any action in reliance on the contents of this email and/or any attachment(s) is strictly prohibited. If you have received this message in error, please notify the sender via return email and permanently delete this message and any attachment(s) from any computer(s).

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



NOVEMBER 5, 2015

Julie W. Gutiérrez
Geolex, Inc.[®]
500 Marquette Avenue, NW Suite 1350
Albuquerque, NM 87102

RE: Frontier Field Services, LLC Maljamar Gas Processing Plant and Maljamar AGI Facility (H2S-044): H2S Contingency Plan (Revised October 28, 2015) Section 21, Township 17 South, Range 32 East in Lea County, New Mexico

Dear Mrs. Gutiérrez:

The Oil Conservation Division (OCD) is in receipt of Frontier Field Services, LLC's "Maljamar Gas Processing Plant and Maljamar AGI Facility" H2S Contingency Plan".

OCD has completed its review of the revised plan and finds that it appears to meet the intent of the OCD Hydrogen Sulfide Gas Regulations (19.15.11 NMAC). Therefore, OCD hereby **accepts** the plan for record.

Please be advised that OCD approval of this plan does not relieve Frontier Field Services, LLC of responsibility should its operations fail to adequately detect, investigate, and/or undertake corrective actions to prevent or stop a hydrogen sulfide release(s) that may pose a threat to groundwater, surface water, human health, public safety or the environment. In addition, OCD approval does not relieve Frontier Field Services, LLC of responsibility for compliance with any other federal, state, or local laws and/or regulations.

If you have any questions, please contact Carl Chavez of my staff at (505) 476-3490, mail at the address below, or email at CarlJ.Chavez@state.nm.us. Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Griswold", is written over a horizontal line.

Jim Griswold
Environmental Bureau Chief

JG/cjc

cc: OCD Hobbs District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



December 29, 2015

Mr. Bryant Coy, Director of Operations
Aka Energy Group, LLC
65 Mercado Street
Durango, CO 81301

RE: Commission Orders No. R-13443-B and R-13443-C;
Approval of Sundry for Proposed Modifications to Well Construction
Maljamar AGI Well No. 2 (API 30-025-42628)
400' FSL and 2100' FEL; Unit O, Sec 21, T17S, R32E, NMPM, Lea County, New Mexico
Order Dates: November 19, 2014, and October 7, 2015, respectively
Injection into the Wolfcamp formation; approved interval: 9600 feet to 10200 feet

Mr. Coy:

Reference is made to your request on behalf of Frontier Field Services LLC ("Frontier" or "operator") for approval of modifications of the original well construction design as detailed in Form C-108 Application dated June 1, 2014, and submitted as Exhibit No. 1 in Case No. 15193.

Frontier later re-opened Case No. 15193 for approval of changes to Commission Order No. R-13443-B. This application approved an increase in the maximum injection rate for the Maljamar AGI Wells. The operator noted in the application that there may be modification to the well construction based on the review of the drilling reports for the Maljamar AGI Well No. 1 (Page 13 of Exhibit No. 3 for re-opened Case No. 15193).

Following the approval of Commission Order No. R-13443-C, Frontier filed a Sundry Notice of Intent with the Bureau of Land Management. This Sundry included a change in casing design that added a second intermediate casing string for increased well bore control during drilling and for improved safety and durability after completion. As a result of the additional casing string, other parameters for shallower casing strings had to be redesigned along with the drilling and cement programs. These new cement procedures satisfied the same safety and operational parameters approved in the above-referenced Commission orders.

Pursuant to Ordering Paragraph (4) of Commission Order No. R-13443-B, Frontier has requested that the changes, which are not substantive and will improve the well construction, be approved

administratively by the Division Director. It is the Division's understanding from your request that there have been no other significant changes in the applications submitted to the Commission in the above-referenced Commission orders.

The Division finds that granting this approval of the modifications contained in the Sundry Notice are in the interest of conservation, will prevent waste, and will protect the environment.

All requirements of the above-referenced Commission orders and agreements in the application remain in full force and effect.

The modifications of the final well construction design for the Maljamar AGI Well No. 2, as submitted in the Sundry Notice dated October 13, 2015, to the Bureau of Land Management, are hereby approved.

Sincerely,



DAVID R. CATANACH
Director and Commission Chairperson

DRC/prg

cc: Oil Conservation Division – Hobbs District Office
Bureau of Land Management – Carlsbad Field Office
Well File API 30-025-42628
File Case No. 15193

Frontier Field Services, LLC

Maljamar AGI #2

SHL: 400 FSL, 2,100' FEL Section 21, T17S, R32E

BHL: 350' FSL, 650' FWL Section 21, T17S, R32E

COUNTY: Lea, New Mexico

API#: 30-025-42628

TARGET: Exp. Wolfcamp Injection

G.L.: 4,019'

RKB: 18'

SPUD DATE: January 10, 2016



PROPOSED WELLBORE SCHEMATIC

