

BW - _____ 37 _____

C-103s

Chavez, Carl J, EMNRD

From: danny@pwllc.net
Sent: Wednesday, February 28, 2018 6:46 AM
To: Chavez, Carl J, EMNRD; Marvin
Cc: Griswold, Jim, EMNRD
Subject: RE: FW: Cutting the window.
Attachments: C-103 SN State 4 #1 022718 .pdf

Carl,
Per your request, below is the language in Llano's draft discharge permit application concerning proposed casing MIT and cavern MIT procedures. Please review and provide comments.

"Llano proposes to test the casing to 300 psi for 30 minutes using a packer or bridge plug during completion operations. Additionally, Llano proposes to pull production tubing and run a packer or bridge plug to test the casing to 300 psi for 30 minutes at intervals of five years or less. NMOCD personnel will be notified in advance for witnessing.

Concerning the open hole pressure test, Llano believes 500 psi surface pressure is too much pressure to put on the well/cavern. We propose to perform this annual test at 300 psi surface pressure for 4 hours. This would minimize the intensity of sudden pressure surges and releases which may cause damage to the formation."

Llano is mailing the original C-103 subsequent notice for the recent re-entry plug drill out and logging work to the District 1 Office today. Attached is a copy for your records.

Danny J. Holcomb
Cell: 806-471-5628
Email: danny@pwllc.net

----- Original Message -----
Subject: FW: Cutting the window.
From: "Chavez, Carl J, EMNRD" <CarlJ.Chavez@state.nm.us>
Date: Tue, February 27, 2018 3:35 pm
To: Marvin <burrowsmarvin@gmail.com>, "danny@pwllc.net" <danny@pwllc.net>
Cc: "Griswold, Jim, EMNRD" <Jim.Griswold@state.nm.us>

Marvin and Danny:

Good afternoon. Looks like we're good on the C-103.

You may opt to also send OCD the Casing MIT and Cavern MIT Methods to review or move forward to submit the application with the MIT procedures included.

Hard copies to DO1 and electronic copies to OCD-SF. DO1 is the lead on the approvals and processing of forms unless they defer the approvals and/or processing into the administrative record to OCD-SF.

Thanks everyone.

Mr. Carl J. Chavez, CHMM (#13099)
New Mexico Oil Conservation Division
Energy Minerals and Natural Resources Department
1220 South St Francis Drive
Santa Fe, New Mexico 87505
Ph. (505) 476-3490
E-mail: CarlJ.Chavez@state.nm.us

“Why not prevent pollution, minimize waste to reduce operating costs, reuse or recycle, and move forward with the rest of the Nation?” (To see how, go to: <http://www.emnrd.state.nm.us/OCD> and see “Publications”)

From: Kautz, Paul, EMNRD
Sent: Tuesday, February 27, 2018 2:31 PM
To: Chavez, Carl J, EMNRD <CarlJ.Chavez@state.nm.us>
Subject: RE: Cutting the window.

No issues

From: Chavez, Carl J, EMNRD
Sent: Tuesday, February 27, 2018 2:30 PM
To: Kautz, Paul, EMNRD <paul.kautz@state.nm.us>
Cc: Griswold, Jim, EMNRD <Jim.Griswold@state.nm.us>
Subject: RE: Cutting the window.

Paul:

Hi. Marvin responded (see highlighted sentence below). Are there still issues?

Thank you.

From: Chavez, Carl J, EMNRD
Sent: Tuesday, February 27, 2018 9:11 AM
To: Kautz, Paul, EMNRD <paul.kautz@state.nm.us>
Subject: FW: Cutting the window.

FYI.

From: Marvin [<mailto:burrowsmarvin@gmail.com>]
Sent: Tuesday, February 27, 2018 9:01 AM
To: Griswold, Jim, EMNRD <Jim.Griswold@state.nm.us>
Cc: Chavez, Carl J, EMNRD <CarlJ.Chavez@state.nm.us>; Darr Angell <darrangell@gmail.com>; Dannys (Elec And Permitting both) <danny@pwllc.net>
Subject: Re: Cutting the window.

Jim : We specifically discussed running a wireline CIBP, then dump bailing 10' of cement on it. If that was omitted from the 103, we'll correct it, then get it right

back to you. I think we did allow a short gap between the whipstock and the cement because I was afraid that having them in contact would interfere with the mechanical setting process. **If it's at all possible to have them in contact while setting, we'll do that.** Thanks.

M

Sent from my iPhone

On Feb 26, 2018, at 8:49 AM, Griswold, Jim, EMNRD <Jim.Griswold@state.nm.us> wrote:

Marvin,

Would you please consider Paul's concerns. Thanks.

Jim Griswold

Environmental Bureau Chief
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505
505.476.3465
email: jim.griswold@state.nm.us

-----Original Message-----

From: Kautz, Paul, EMNRD

Sent: Monday, February 26, 2018 7:16 AM

To: Chavez, Carl J, EMNRD <CarlJ.Chavez@state.nm.us>; Griswold, Jim, EMNRD <Jim.Griswold@state.nm.us>

Subject: RE: Cutting the window.

Jim & Carl,

I do not feel comfortable setting the whipstock directly on top of the CIBP.

- 1) CIBP have been known to leak.
- 2) Setting cement on top of CIBP would seal off any leaks
- 3) Cement would help hold whipstock in place

Paul Kautz
Hobbs District Geologist
Energy Minerals Natural Resources Dept.
Oil Conservation Division
1625 N. French Dr.
Hobbs, NM 88240
575-393-6161 ext. 104

-----Original Message-----

From: Chavez, Carl J, EMNRD

Sent: Friday, February 23, 2018 8:32 AM

To: Kautz, Paul, EMNRD <paul.kautz@state.nm.us>

Subject: FW: Cutting the window.

Paul:

Good morning. FYI: Whipstock.

-----Original Message-----

From: Marvin [mailto:burrowsmarvin@gmail.com]

Sent: Thursday, February 22, 2018 6:00 PM

To: Griswold, Jim, EMNRD <Jim.Griswold@state.nm.us>; Chavez, Carl J, EMNRD <CarlJ.Chavez@state.nm.us>

Subject: Cutting the window.

Jim and Carl :

Recall that I said I would send an illustration of cutting a window.

In this illustration, the green item is the "Whipstock". What you see below the Whipstock, is a support to hold the Whipstock from falling further downhole once you get it to the desired depth. We'll be using a CIBP for that purpose. As you can see, the Whipstock merely provides a angled surface that forces the cutter over against the side of the casing as the cutter is lowered down. Once the cutter contacts the casing, you rotate the workstring (tubing), which in turn rotates the cutter, to mill (or grind) a hole, or "window" into the side of the casing.

It's far from a new process. The normal use of doing this operation is to salvage a wellbore that has junk in the hole that can't be fished out. You "Whipstock" around it. Usually the obstruction is stuck drill pipe in uncased hole.

M

Submit 1 Copy To Appropriate District Office
 District I – (575) 393-6161
 1625 N. French Dr., Hobbs, NM 88240
 District II – (575) 748-1283
 811 S. First St., Artesia, NM 88210
 District III – (505) 334-6178
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV – (505) 476-3460
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 Revised July 18, 2013

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO. 30-025-26370
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name State '4'
8. Well Number 1
9. OGRID Number 370661
10. Pool name or Wildcat BSW; Salado
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3997' GL

SUNDRY NOTICES AND REPORTS ON WELLS
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well Gas Well Other - PxA Well

2. Name of Operator
Llano Disposal, LLC

3. Address of Operator
P.O. Box 190, Lovington, NM 88260

4. Well Location
 Unit Letter E : 1980 feet from the North line and 660 feet from the West line
 Section 4 Township 13S Range 36E NMPM Lea County

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

- PERFORM REMEDIAL WORK PLUG AND ABANDON
 TEMPORARILY ABANDON CHANGE PLANS
 PULL OR ALTER CASING MULTIPLE COMPL
 DOWNHOLE COMMINGLE
 CLOSED-LOOP SYSTEM
 OTHER:

SUBSEQUENT REPORT OF:

- REMEDIAL WORK ALTERING CASING
 COMMENCE ^{Re-entry} ~~DRILLING~~ OPNS. P AND A
 CASING/CEMENT JOB
 OTHER: Run CBL, CNL and caliper logs

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

In accordance with approved C-103 NOI, Llano Disposal LLC re-entered this P&A well to inspect casing for possible conversion to brine supply well service pending WQCC Discharge Permit approval:

- 1/24/2018 - Leveled location, set anchors, dug out around existing PxA marker, MI welder, cut off PxA marker, revealed good 13-3/8" and 8-5/8" casing, installed new casing risers and well head at ground level.
- 1/26/2018 - MIRU pulling unit, NU BOP, unloaded and tallied 2-7/8" workstring, set 2 frac tanks and filled one with FW.
- 1/29/2018 - MIRU reverse unit, swivel and stripping head, RIH with 7-7/8" skirted MT bit, bit sub, four 4-3/4" DCs and 2-7/8" workstring, drilled cement plug #8 (surface to 30') utilizing closed loop system, SDON.
- 1/30/2018 - Drilled cement plug # 7 (1700' - 1900'), tagged plug #6 at 4550', circulated hole clean, closed BOP, tested casing to 500# for 30 minutes, ok, POOH & LD 2-7/8" workstring, DCs, bit sub and bit, ND BOP, hooked up wellhead, secured well for night.
- 1/31/2018 - RDMO pulling unit, reverse unit, swivel and frac tanks, clean location.
- 2/2/2018 - MIRU WL, run CBL, CNL and casing caliper log on 8-5/8" casing from 3292' to surface, RDMO WL.
- 2/6/2018 - Submitted CBL, CNL and caliper logs to OCD Environmental Bureau (SF) and OCD District 1 (Hobbs). Suspended further well work until additional permitting is approved.

Re-entry Spud-Date: 1/29/2018

Rig Release Date: 1/31/2018

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE  TITLE Agent for Llano Disposal, LLC DATE 2/27/2018

Type or print name Danny J. Holcomb E-mail address: danny@pwlloc.net PHONE: 806-471-5628

For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____

Conditions of Approval (if any): _____