MECHANICAL INTEGRITY TEST (MITs)

Office Office	State of New Me	exico	Form C-103	
District I – (575) 393-6161	Energy, Minerals and Natural Resources		Revised July 18, 2013	
1625 N. French Dr., Hobbs, NM 88240			WELL API NO.	
District II - (575) 748-1283	OIL CONSERVATION DIVISION		30-045-35747	
811 S. First St., Artesia, NM 88210 District III – (505) 334-6178			5. Indicate Type of Lease	
1000 Rio Brazos Rd., Aztec, NM 87410	1220 South St. Fran		STATE FEE	
District IV – (505) 476-3460	Santa Fe, NM 87	7505	6. State Oil & Gas Lease No.	
1220 S. St. Francis Dr., Santa Fe, NM			÷	
87505	THE LAND DEPOSITE OF THE PARTY	-	7 1 27	
	CES AND REPORTS ON WELLS		7. Lease Name or Unit Agreement Name	
(DO NOT USE THIS FORM FOR PROPOS DIFFERENT RESERVOIR, USE "APPLIC				
PROPOSALS.)	ATION FOR PERMIT (FORM C-101) FO	JK SUCH		
	Gas Well 🛛 Other Wastewater I	8. Well Number: WDW #2		
2. Name of Operator	<u> </u>		9. OGRID Number 267595	
Western Refining Southwest,,Inc.			7. Coldin Hamour 201070	
3. Address of Operator			10. Pool name or Wildcat	
50 County Road 4990 (PO Box 159	Rloomfield NM 87413		Entrada	
	, 2.50mmord, 14141 07413		- Indiana	
4. Well Location			and the second s	
Unit LetterH:	2028feet from theNo	rthline and	East feet from the line	
Section 27	Township 29N	Range 11W	NMPM San Juan County	
PART PROPERTY OF THE PART OF T	11. Elevation (Show whether DR			
	The state of the s	,,,,,		
		>		
		037	D (01 D)	
12. Check A	ppropriate Box to Indicate N	ature of Notice,	Report or Other Data	
NOTICE OF IN	TENTION TO:	CLID	SECUENT DEPORT OF	
NOTICE OF IN			SEQUENT REPORT OF:	
PERFORM REMEDIAL WORK	PLUG AND ABANDON	REMEDIAL WOR		
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐ COMMENCE DRILLING OPNS.☐ P AND A				
PULL OR ALTER CASING	MULTIPLE COMPL	CASING/CEMEN	T JOB	
DOWNHOLE COMMINGLE		, a		
CLOSED-LOOP SYSTEM				
OTHER	2 2 2		nhead Test Report	
13. Describe proposed or compl	eted operations. (Clearly state all		d give pertinent dates, including estimated da	
			mpletions: Attach wellbore diagram of	
proposed completion or reco				
1 1 Presson of took	_			
	5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5			
			Permit (UICI-011), Western Refining	
			ngs of WDW #2 on Tuesday, September	
17, 2019. A representative of NM	IOCD was on-site to witness the	e test. Attached is	s a copy of the Test Report.	
z - L	× 0	10 y	y A. W.	
*		1		
Spud Date:	Rig Release Da	ate:	a	
Spud Date.	Kig Kelease Da	att.		
	-			
	-	E 5		
I hereby certify that the information a	bove is true and complete to the b	est of my knowledg	e and belief.	
^	ngarouse to produce consistent relations to the Marie To	(C)		
./ () .	S-1			
SIGNATURE COLUN	TITLE Enviro	onmental Superviso	DATE 9/24/2019	
		Jimientai Saper (180	<u> </u>	
Type or print name Kelly Robi	KOM F-mail address krol	hinson3@marathon	petroleum.com PHONE: (505) 8015616	
For State Use Only	L-man address. Klo	omoono (comaraciion	111011D. (2007) 0013010	
roi state use only				
ADDROVED DV	TITLE		DATE	
APPROVED BY:	111LE		DAIE	
Conditions of Approval (if any):				



NEW MEXICO ENERGY, MINERALS & NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE
1000 RIO BRAZOS ROAD
AZTEC NM 87410
(505) 334-5178 FAX; (505) 334-5170
http://emnrd.state.nm.us/ocd/District III/3distric.htm

BRADENHEAD TEST REPORT

(submit 1 copy to above address)						
Date of Test 9.11.19 Operator Westernal SWAPI#30-0 45.35 747						
Property Name Wash Droposa [Well No. 2 Location: Unit H Section 27 Township 29 Range !						
Well Status(Shut-In or Producing) Initial PSI: Tubing 150 Intermediate 1 Casing 5 Bradenhead 24						
OPEN BRADENHEAD AND INTERMEDIATE TO ATMOSPHERE INDIVIDUALLY FOR 15 MINUTES EACH						
PRESSURE Testing Bradenhead INTERM BH Int Csg Int Csg	FLOW CHARACTERISTICS BRADENHEAD INTERMEDIATE					
TIME 0 0 2 0 2	Steady Flow					
10 min 0 0 2 0 2	Surges					
15 min 0 0 2 0 2	Down to Nothing					
20 min	Nothing					
25 min	Gas					
30 min	Gas & Water					
	Water					
If bradenhead flowed water, check all of the descriptions	that apply below:					
CLEAR FRESH SALTY	SULFURBLACK					
5 MINUTE SHUT-IN PRESSURE BRADENHEAD O INTERMEDIATE O						
REMARKS BH. Slowly o Dened deul at 18 Deconds. Duff when						
Deved affer Spien Shuter for light blow to clearly						
at 24 DeCords- daring when opened of fee 5 min Shutin						
By FRANK Ocoling Witness Mouda Califul						
(Position) E-mail address						
E-man address						

Robinson, Kelly

From:

Dooling, Frank

Sent:

Wednesday, September 18, 2019 7:22 AM

To:

Robinson, Kelly; Roberts, Tommy D

Cc:

monica.kuehling@state.nm.us; Davis, Bruce D

Subject:

braiding head test.

Attachments:

20190918071559361.pdf

Hello all,

This is the corrected copy of the braden head test report.

The correction is on the intermediate string previously marked as n/a corrected to a reading of 0 psi.

Please disregard the previous copy I sent.

Frank Dooling

Bloomfield Product Terminal

FFDooling@Marathonpetroleum.com

Marathon petroleum

50 Rd 4990 Bloomfield, NM 87413 505-632-4142 Office 505-634-6138 Cell 505-632-3911 Fax

Office Office	State of New Mexico	Form C-103				
District I - (575) 393-6161	Energy, Minerals and Natural Resources	Revised July 18, 2013				
1625 N. French Dr., Hobbs, NM 88240	988	WELL API NO.				
District II — (575) 748-1283	OIL CONSERVATION DIVISION	30-045-35747				
811 S. First St., Artesia, NM 88210 <u>District III</u> – (505) 334-6178		5. Indicate Type of Lease				
1000 Rio Brazos Rd., Aztec, NM 87410	1220 South St. Francis Dr.	STATE FEE				
District IV - (505) 476-3460	Santa Fe, NM 87505	6. State Oil & Gas Lease No.				
1220 S. St. Francis Dr., Santa Fe, NM	6:					
87505						
SUNDRY NOT	7. Lease Name or Unit Agreement Name					
	OSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A CATION FOR PERMIT" (FORM C-101) FOR SUCH					
PROPOSALS.)	CATION TORTEIGNET (TORM C-101) TOR SUCIT					
1. Type of Well: Oil Well	Gas Well Other Wastewater Disposal Well	8. Well Number: WDW #2				
2. Name of Operator	1	9. OGRID Number 267595				
Western Refining Southwest, Inc.						
3. Address of Operator		10. Pool name or Wildcat				
50 County Road 4990 (PO Box 15	9) Bloomfield, NM 87413	Entrada				
4. Well Location	7,					
Unit Letter H	: 2028 feet from the North line	and <u>East</u> feet from the <u>line</u>				
Section 27	Township 29N Range 11W					
	11. Elevation (Show whether DR, RKB, RT, GR,	, etc.)				
12 Check	Appropriate Box to Indicate Nature of Not	ice Report or Other Data				
12. Chook	ppropriate Box to indicate Nature of 140	ice, Report of Other Data				
NOTICE OF IN	NTENTION TO:	SUBSEQUENT REPORT OF:				
PERFORM REMEDIAL WORK	VORK ☐ ALTERING CASING ☐					
TEMPORARILY ABANDON	15.86	BRILLING OPNS. PANDA				
PULL OR ALTER CASING	MENT JOB					
DOWNHOLE COMMINGLE	MULTIPLE COMPL CASING/CE	ALCIA (30D				
CLOSED-LOOP SYSTEM ☐ OTHER ☐	OTHED: B	radenhead Test Report				
		s, and give pertinent dates, including estimated date				
of starting any proposed w	ork). SEE RULE 19.15.7.14 NMAC. For Multiple	s, and give periment dates, including estimated date				
proposed completion or rec		Completions. Attach wendore diagram of				
proposed completion of fee	completion.					
Pursuant to Condition 3.D.1 of the	he Bloomfield Terminal Injection Well Discha	rge Permit (UICI-011), Western Refining				
Southwest, Inc. conducted a pres	sure test on the Bradenhead and Intermediate	casings of WDW #2 on Monday, April 15th,				
2019. A representative of NMO	CD was on-site to witness the test. Attached i	s a copy of the Bradenhead Test Report				
Spud Date:	Rig Release Date:	}				
	rag roscuss bate.					
71 1 12 1 1 1 7 7						
I hereby certify that the information above is true and complete to the best of my knowledge and belief.						
1.4 /) +						
SYCHALL STATE OF THE STATE OF T	LAN TITLE Environmental	Sucretar DATE 4-15-2019				
SIGNATURE M. SULKOLLUBUM TITLE Environmental Sepanion DATE 7-13-2019						
Tono	15 ps by y 1	NIA T				
Type or print name	E-mail address:	PHONE;				
For State Use Only		Eag III				
ADDROVED BY	RHOVER, TITLE Environmental	Engineer DATE 4/18/19				
APPROVED BY:	KNYWES TITLE ZILVIPORINGS	Engineer DATE 4/18/19				
Conditions of Approval (if any):						



(Position)

E-mail address ___

OIL CONSERVATION DIVISION AZTEC DISTRICT OFFICE 1000 RIO BRAZOS ROAD AZTEC NM 87410

(505) 334-6178 FAX: (505) 334-6170 http://emnrd.atale.nm.us/ocd/District III/3distric.htm

BRADENHEAD TEST REPORT

(submit 1 copy to above address) Operator Western Leting API #30-0 45-35747 Date of Test_ Location: Unit // Section 27 Township 29 Range // Well Status (Shuf-In or Producing) Initial PSI: Tubing 707 Intermediate Casing 77 Bradenhead // OPEN BRADENHEAD AND INTERMEDIATE TO ATMOSPHERE INDIVIDUALLY FOR 15 MINUTES EACH **PRESSURE FLOW CHARACTERISTICS Testing** Bradenhead **INTERM** BRADENHEAD INTERMEDIATE Int Int Csg Csg TIME Steady Flow_____ 5 min 10 min_ Down to Nothing____ 15 min Nothing____ 20 min_ 25 min Gas & Water_____ 30 min Water_ If bradenhead flowed water, check all of the descriptions that apply below: CLEAR FRESH SALTY____ SULFUR_____ BLACK_ **5 MINUTE SHUT-IN PRESSURE** BRADENHEAD INTERMEDIATE REMARKS:

Chavez, Carl J, EMNRD

From: Robinson, Kelly <Kelly.Robinson@wnr.com>

Sent: Friday, June 9, 2017 12:42 PM

To: Chavez, Carl J, EMNRD; Powell, Brandon, EMNRD

Cc: Roberts, Dale; Schmaltz, Randy; Krakow, Matt; Kuehling, Monica, EMNRD

Subject: Sundry Notice: Class #1 WDW #2 Test Reports

Attachments: MIT_HP_BH Sundry Notice_WNR.pdf

Good Afternoon Gentlemen,

On June 8th, 2017 Western Refining Southwest, Inc. ("Western") conducted the following tests on WDW #2:

- Mechanical Integrity Test
- Bradenhead Test
- High-Pressure Shutdown Test

All tests were witnessed by a representative of the NMOCD Aztec District Office. An electronic copy of the Sundry Notice for these activities and the associated Test Reports are attached for your reference. A hard copy is being provided to you via certified mail.

If you have any questions regarding these test, please don't hesitate to contact me at your convenience. Thank you for your time, and have a great weekend!

Sincerely,

Kelly R. Robinson I Environmental Supervisor

Western Refining I 111 County Road 4990 I Bloomfield, NM 87413 (o) 505-632-4166 I (c) 505-801-5616 I (e) Kelly.robinson@wnr.com

Submit 1 Copy To Appropriate District Form C-103 State of New Mexico Office Revised July 18, 2013 Energy, Minerals and Natural Resources District I - (575) 393-6161 WELL API NO. 1625 N. French Dr., Hobbs, NM 88240 District II - (575) 748-1283 30-045-35747 OIL CONSERVATION DIVISION 811 S. First St., Artesia, NM 88210 5. Indicate Type of Lease District III - (505) 334-6178 1220 South St. Francis Dr. STATE _ FEE X 1000 Rio Brazos Rd., Aztec, NM 87410 Santa Fe, NM 87505 6. State Oil & Gas Lease No. District IV - (505) 476-3460 1220 S. St. Francis Dr., Santa Fe, NM SUNDRY NOTICES AND REPORTS ON WELLS 7. Lease Name or Unit Agreement Name (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 8. Well Number WDW #2 1. Type of Well: Oil Well Gas Well Other: Wastewater Disposal Well 9. OGRID Number 267595 2. Name of Operator Western Refining Southwest, Inc. 3. Address of Operator 10. Pool name or Wildcat #50 County Road 4990 (PO Box 159), Bloomfield, NM 87413 SWD; Entrada 4. Well Location Unit Letter ; 2028 feet from the North line and 111' feet from the East line Township 29N Range 11W Section NMPM San Juan County 11. Elevation (Show whether DR, RKB, RT, GR, etc.) 12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF: REMEDIAL WORK PERFORM REMEDIAL WORK PLUG AND ABANDON ALTERING CASING TEMPORARILY ABANDON **CHANGE PLANS** COMMENCE DRILLING OPNS P AND A PULL OR ALTER CASING MULTIPLE COMPL CASING/CEMENT JOB DOWNHOLE COMMINGLE CLOSED-LOOP SYSTEM OTHER: X: MIT, Bradenhead, and High Pressure Shutdown Tests OTHER: 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. On June 8th, 2017, Western Refining Southwest, Inc. ("Western") conducted the following tests were performed on WDW #2: Braden Head Test: The Bradenhead Test was performed on the bradenhead and intermediate casing strings. Mechanical Integrity Test (MIT): The MIT was performed on the 7"x4-1/2" annulus and packer to 500 psi. The pressure was held for 30 minutes. High-Pressure Shutdown: The high-pressure shutdown setting was tested on the injection pump. All were witness by Monica Kueling with the NMOCD Aztec office. All tests passed. A copy of the test reports are attached for reference. At the end of testing, Ms. Kueling witnessed the start-up of the injection well pump and provided approval for return to full operation. Normal full-time operation of the WDW#2 resumed by approximately 2:20pm on June 8th, 2017. Spud Date: Rig Release Date: I hereby certify that the information above is true and complete to the best of my knowledge and belief. Kolluddi TITLE Environmental Supervisor DATE E-mail address: Kelly.Robinson@wnr.com PHONE: 505-632-4166 Type or print name Kelly Robinson For State Use Only

Change PHILE Environmental Engineer DATE

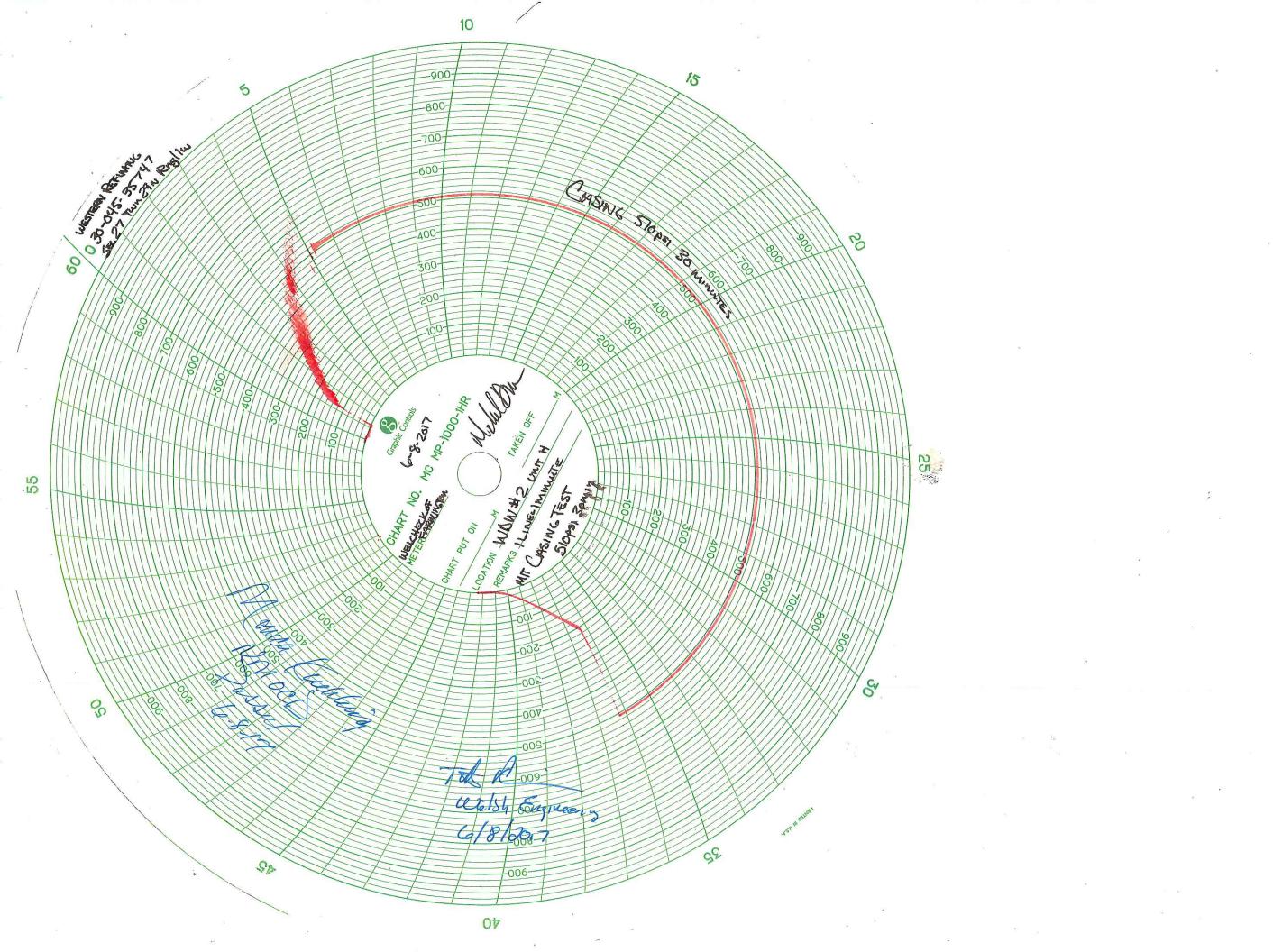
Conditions of Approval (if any)



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

MECHANICAL INTEGRITY TEST REPORT

	(TA UK UIC)		
Date of Test 6-8-17 Operator	Nestern Ce	L. Sw. Juchi # 30	1-0 45-35747
Property Name Waste Dis Well.	Well# Z		Sec <u>27 Twn 29 Rge //</u>
Land Type: State Federal Private Indian	Well	Type: Water Injection Salt Water Dispos Gas Injection Producing Oil/Gate Pressure obervation	al n as
Temporarily Abandoned Well (Y/V):	TA E	xpires:	
	g. SI Pres.	Max. I	nj. Pres
REMARKS: e			·········
Yacka Set 72	0) Du	1312-1470)
dropped to sos held to	ust 15 mu	w.	•
(Operator Representative)	witness //	(NMOCD)	P
(Position)	1	Revis	sed 02-11-02





(Position)

E-mail address

NEW MEXICO ENERGY, MINERALS & NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE
1000 RIO BRAZOS ROAD
AZTEC NM 87410
(505) 334-6178 FAX: (505) 334-6170
http://emnrd.state.nm.us/ocd/District III/3distric.htm

BRADENHEAD TEST REPORT

(submit 1 copy to above address) Date of Test Location: Unit <u>H</u> Section <u>77</u> Township <u>79</u> Range ! Property Name Well Status(Shut-In or Producing) Initial PSI: Tubing OPEN BRADENHEAD AND INTERMEDIATE TO ATMOSPHERE INDIVIDUALLY FOR 15 MINUTES EACH **PRESSURE** FLOW CHARACTERISTICS BRADENHEAD INTERMEDIATE **INTERM** Testing Bradenhead BH Int Csg Int Csg TIME Steady Flow_ 5 min Surges 10 min Down to Nothing 15 min. 20 min Nothing 25 min Gas & Water 30 min If bradenhead flowed water, check all of the descriptions that apply below: SULFUR BLACK_ CLEAR FRESH INTERMEDIATE BRADENHEAL **5 MINUTE SHUT-IN PRESSURE** REMARKS: Witness

Chavez, Carl J, EMNRD

From: Perrin, Charlie, EMNRD

Sent: Thursday, February 16, 2017 10:27 AM

To: Hains, Allen; Powell, Brandon, EMNRD; John Thompson; Kuehling, Monica, EMNRD

Cc: Dooling, Frank; Robinson, Kelly; Krakow, Matt; Goetze, Phillip, EMNRD; Griswold, Jim, EMNRD;

Chavez, Carl J, EMNRD; Davis, Bruce; Roberts, Dale; Marks, Allison, EMNRD; Sanchez, Daniel J.,

EMNRD

Subject: RE: Mechanical Integrity Test of Waste Disposal Well #2 - 30-045-35747

Mr. Hains

Greetings,

In reviewing your email request dated 2-13-2017 "Respectfully, Western requests that NMOCD reconsider the language written on the MIT report."

Our review finds:

Tubing pressure was not checked or monitored before or during MIT.

Surface casing pressure was not checked or monitored before or during MIT.

Intermediate casing pressure was not checked or monitored before or during MIT.

Western was notified of these issues onsite and opted to continue testing after being informed of the testing inadequacies.

Considering these inadequacies the MIT report and Chart should NOT have been marked as passed officially or unofficially.

Western was notified of these issues onsite and on:

The statement on the MIT Test Report "Retest when injection pump and plug out + BHT" was included with "This is not official test."

The statement on the chart "Retest when injection set up."

The Subsequent sundry report received 1-3-2017 includes OCD statement "MIT is not official test as all strings were not monitored during test"

The testing of WDW #2 was not performed correctly and as such is not an acceptable test.

Administrative Order SWD 1629 A Proper Mechanical Integrity Test is required prior to injection.

"After installing tubing, the casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge or an approved leak detection device in order to determine leakage in the casing, tubing, or packer. The casing shall be pressure tested from the surface to the packer setting depth to assure casing integrity.

The well shall pass an initial mechanical integrity test ("MIT") prior to initially commencing disposal and prior to resuming disposal each time the disposal packer is unseated. All MIT procedures and schedules shall follow the requirements in Division Rule 19.15.26.11(A) NMAC. The Division Director retains the right to require at any time wireline verification of completion and packer setting depths in this well."

Rule 19.15.26.11 TESTING, MONITORING, STEP-RATE TESTS, NOTICE TO THE DIVISION, REQUESTS FOR PRESSURE

INCREASES:

A. Testing.

(1) Prior to commencement of injection and any time the operator pulls the tubing or reseats the packer, the operator shall test the well to assure the integrity of the casing and the tubing and packer, if used, including pressure testing of the casing-tubing annulus to a minimum of

300 psi for 30 minutes or such other pressure or time as the appropriate district supervisor may approve. The operator shall use a pressure recorder

and submit copies of the chart to the appropriate division district office within 30 days following the test date.

- (2) At least once every five years thereafter, the operator shall test an injection well to assure its continued mechanical integrity. Tests demonstrating continued mechanical integrity shall include the following:
- (a) measurement of annular pressures in a well injecting at positive pressure under a packer or a balanced fluid seal;
- (b) pressure testing of the casing-tubing annulus for a well injecting under vacuum conditions; or
- (c) other tests that are demonstrably effective and that the division may approve for use.
- (3) Notwithstanding the test procedures outlined in Paragraphs (1) and (2) of Subsection A of 19.15.26.11 NMAC, the division may require the operator to conduct more comprehensive testing of the injection well when deemed advisable, including the use of tracer surveys, noise

logs, temperature logs or other test procedures or devices.

- (4) In addition, the division may order that the operator conduct special tests prior to the expiration of five years if the division believes conditions so warrant. The division shall consider a special test that demonstrates a well's continued mechanical integrity the equivalent of
- an initial test for test scheduling purposes, and the regular five-year testing schedule shall be applicable thereafter.
- (5) The operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced so the division may witness the tests.

Western experienced extreme loss of circulation issues during drilling.

Western reported "...Continue pressuring up to 3200 psi to open DV tool. Establish good circulation out DV tool. Note: partial to no returns while pumping 1st stage.

The well is located approximately 1310 feet from the San Juan river.

After reviewing the well and testing information, OCD District III hereby denies Westerns request and as such a properly conducted MIT and Bradehead test is required prior to beginning disposal operations. Please provide the district a minimum 24 hours' notice prior to testing.

Thank you Charlie

Charlie Perrin
Energy Minerals and Natural Resources Department
Oil Conservation Division
District III Supervisor
1000 Rio Brazos Road
Aztec NM, 87410
505-334-6178 ext. 111

From: Hains, Allen [mailto:Allen.Hains@wnr.com]

Sent: Monday, February 13, 2017 6:56 PM

To: Powell, Brandon, EMNRD <Brandon.Powell@state.nm.us>; John Thompson <john@walsheng.net>; Kuehling, Monica, EMNRD <monica.kuehling@state.nm.us>

Cc: Dooling, Frank Frank.Dooling@wnr.com>; Robinson, Kelly <Kelly.Robinson@wnr.com>; Krakow, Matt
<Matt.Krakow@wnr.com>; Perrin, Charlie, EMNRD <charlie.perrin@state.nm.us>; Goetze, Phillip, EMNRD
<Phillip.Goetze@state.nm.us>; Griswold, Jim, EMNRD <Jim.Griswold@state.nm.us>; Chavez, Carl J, EMNRD

<CarlJ.Chavez@state.nm.us>; Davis, Bruce <Bruce.Davis@wnr.com>; Roberts, Dale <Dale.Roberts@wnr.com> **Subject:** RE: Mechanical Integrity Test of Waste Disposal Well #2 - 30-045-35747

Brandon,

In the present economic climate, I must justify (to our management) the expense of re-testing this well when the chart shows that the previous MIT has passed. Respectfully, Western requests that NMOCD reconsider the language written on the MIT report.

Please review the following excerpts from the attached UIC Manual and NMAC.

- 20.6.2.5204 NMAC Mechanical Integrity for Class I Wells and Class II Wells: describes requirements for an
 internal MIT. There is no mention of testing outside the injection (production) casing (external MIT). The
 regulation is below.
- The concept of "internal" and "external" MITs are discussed in Sections IV.A.3 and 4, respectively, of the attached UIC Manual
- In Section IV.A.4., "A well is considered to have external mechanical integrity if the well is constructed and cemented so as to preclude the migration of injected fluid, behind the casing, to any USDW or other formations".
- The previously submitted well design information shows that all casing strings were cemented to surface.
- In Section IV.A.5., "In addition to the pressure testing of all wells every five years, an annual bradenhead test of each injection well, except for those cemented to the surface, will be scheduled and witnessed by the district compliance officers to assure the integrity of the casing/tubing and casing/casing annuli".

Please Note: a Bradenhead test is not required for Class II wells cemented to surface according to the UIC Manual. We would expect the same for Class I wells and will formally request an exception to the Permit.

Western Refining looks forward to resolving this issue.

Thank you,

Allen S. Hains Manager Remediation Projects

Western Refining 212 N. Clark Street El Paso, Texas 79905 915 534-1483 915 490-1594 (cell)

Please Note: new physical address

20.6.2.5204 MECHANICAL INTEGRITY FOR CLASS I WELLS AND CLASS III WELLS:

A. A Class I well or Class III well has mechanical integrity if there is no detectable leak in the casing, tubing or packer which the secretary considers to be significant at maximum operating temperature and pressure; and no detectable conduit for fluid movement out of the injection zone through the well bore or vertical channels adjacent to the well bore which the secretary considers to be significant.20.6.2 NMAC 48

- **B.** Prior to well injection and at least once every five years or more frequently as the secretary may require for good cause during the life of the well, the discharger must demonstrate that a Class I well or Class III well has mechanical integrity. The demonstration shall be made through use of the following tests:
- (1) for evaluation of leaks:
- (a) monitoring of annulus pressure (after an initial pressure test with liquid or gas before operation commences); or
- **(b)** pressure test with liquid or gas;
- (2) for determination of conduits for fluid movement:
- (a) the results of a temperature or noise log; or
- (b) where the nature of the casing used for Class III wells precludes use of these logs, cementing records and an appropriate monitoring program as the secretary may require which will demonstrate the presence of adequate cement to prevent such movement; (3) other appropriate tests as the secretary may require.
- C. The secretary may consider the use by the discharger of equivalent alternative test methods to determine mechanical integrity. The discharger shall submit information on the proposed test and all technical data supporting its use. The secretary may approve the request if it will reliably demonstrate the mechanical integrity of wells for which its use is proposed. For Class III wells this demonstration may be made by submission of adequate monitoring data after the initial mechanical integrity tests.
- **D.** In conducting and evaluating the tests enumerated in this section or others to be allowed by the secretary, the discharger and the secretary shall apply methods and standards generally accepted in the affected industry. When the discharger reports the results of mechanical integrity tests to the secretary, he shall include a description of the test(s), the method(s) used, and the test results. In making an evaluation, the secretary's review shall include monitoring and other test data submitted since the previous evaluation. [9-20-82, 12-1-95; 20.6.2.5204 NMAC Rn, 20 NMAC 6.2.V.5204, 1-15-01; A, 12-1-01; A, 8-31-15]

From: Powell, Brandon, EMNRD [mailto:Brandon.Powell@state.nm.us]

Sent: Monday, February 13, 2017 3:36 PM

To: John Thompson <<u>john@walsheng.net</u>>; Kuehling, Monica, EMNRD <<u>monica.kuehling@state.nm.us</u>>; Hains, Allen <Allen.Hains@wnr.com>

Cc: Dooling, Frank < Frank.Dooling@wnr.com; Robinson, Kelly < Kelly.Robinson@wnr.com; Krakow, Matt Kelly.Robinson@wnr.com; Kelly.Robinson@wnr.com; Kelly.Robinson@wnr.com; Kelly.Robinson@wnr.com; Kelly

Subject: RE: Mechanical Integrity Test of Waste Disposal Well #2 - 30-045-35747

This email was sent by an external sender. Please use caution when opening attachments, clicking web links, or replying until you have verified this email sender.

Good afternoon John,

We at the Oil Conservation Division certainly understand cost concerns. As such when we determined we could not perform a proper Mechanical Integrity Test (MIT) we informed Western and their contractor an official MIT could not be performed as all the casing valves could not be monitored. Please note, the MIT requirements for an injection well are different from a production well and contained in a separate rule specifically for injection wells. The special MIT requirements on injection wells are to ensure segregation to help prevent underground waste or contamination of fresh waters due to fluid being disposed down the wellbore. This includes the monitoring of each casing annulus. We normally conduct the BHT prior to commencing the MIT. Below are the pertinent rules and the reasons the test did not conform to the rules.

Rule 19.15.26.11.A

(1) Prior to commencement of injection and any time the operator pulls the tubing or reseats the packer, the operator shall test the

well to assure the integrity of the casing and the tubing and packer, if used, including pressure testing of the casing-tubing annulus to

a minimum of 300 psi for 30 minutes or such other pressure or time as the appropriate district supervisor may approve. The operator

shall use a pressure recorder and submit copies of the chart to the appropriate division district office within 30 days following the test date.

(2) At least once every five years thereafter, the operator shall test an injection well to assure its continued mechanical integrity.

Tests demonstrating continued mechanical integrity shall include the following:

- (a) measurement of annular pressures in a well injecting at positive pressure under a packer or a balanced fluid seal;
- (b) pressure testing of the casing-tubing annulus for a well injecting under vacuum conditions; or
- (c) other tests that are demonstrably effective and that the division may approve for use.
- (3) Notwithstanding the test procedures outlined in Paragraphs (1) and (2) of Subsection A of 19.15.26.11 NMAC, the division may

require the operator to conduct more comprehensive testing of the injection well when deemed advisable, including the use of tracer surveys, noise logs, temperature logs or other test procedures or devices.

Please note this rule specifically mentions casing and tubing, and does not single out only the production casing. The rule goes on and separately and specifically mentions the testing of the casing-tubing annulus. To comply with this rule we require the operator not only to monitor the production casing, but all casing strings and tubing. The day of the test Western was informed the test was not going to be official due to the inability to monitor all the annuluses and tubing. When informed of the test nature and reasoning Western nor their representative made any effort to properly set up the well for an official test.

Furthermore,

Rule 19.15.5.11 ENFORCEABILITY OF PERMITS AND ADMINISTRATIVE ORDERS: A person who conducts an activity pursuant to a

permit, administrative order or other written authorization or approval from the division shall comply with every term, condition and provision of

the permit, administrative order, authorization or approval.

The conditions written on the MIT form indicate the test was unofficial and the condition written on the chart states "Retest when injection is set up". These are conditions added to the forms, which Western was explicitly made aware of on the day the test was performed.

I hope this helps you understand why the test was classified and documented as an unofficial test. A proper MIT must be performed prior to injection operations beginning.

Thank You

Brandon Powell

Office: (505) 334-6178 ext. 116

"He who wishes to gain knowledge is wiser than he who thinks he has knowledge (unknown)"

From: John Thompson [mailto:john@walsheng.net]

Sent: Sunday, February 12, 2017 2:37 PM

To: Kuehling, Monica, EMNRD <monica.kuehling@state.nm.us>; Hains, Allen <Allen.Hains@wnr.com>

Cc: Frank.Dooling@wnr.com; Kelly.Robinson@wnr.com; 'Krakow, Matt' < Matt.Krakow@wnr.com'>; Powell, Brandon,

EMNRD <Brandon.Powell@state.nm.us>; Perrin, Charlie, EMNRD <charlie.perrin@state.nm.us>

Subject: RE: Mechanical Integrity Test of Waste Disposal Well #2 - 30-045-35747

Hi Monica,

Appreciate the email but what I'm looking for is what is actually required for an MIT. This was not a practice MIT, it was a real, paid for MIT, which passed. I'm not familiar nor can I find anything about monitoring any other strings than the one being tested on the NMOCD website. I'm not questioning anything other than the rational or reasoning to pay for another one? Of course the BH test and kill switch test need to performed as well and I'm sure as soon as Western has their facility ready they will be scheduling those to be witnessed.

Thanks!

John C. Thompson

Walsh Engineering & Production Corp.
O 505.327.4892
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E john@walsheng.net

From: Kuehling, Monica, EMNRD [mailto:monica.kuehling@state.nm.us]

Sent: Wednesday, February 08, 2017 1:38 PM

To: John Thompson

Cc: Frank.Dooling@wnr.com; Kelly.Robinson@wnr.com; Krakow, Matt (Matt.Krakow@wnr.com); Powell, Brandon,

EMNRD; Perrin, Charlie, EMNRD

Subject: FW: Mechanical Integrity Test of Waste Disposal Well #2 - 30-045-35747

Hello John,

In answer to your question on Friday, February 3, 2017 regarding official testing:

During the casing test of the Waste Disposal Well #2 on December 16, 2016 the bradenhead intermediate and tubing were unable to be monitored. Part of the Mechanical Integrity test is the ablility to monitor all strings during the pressuring of the production casing. At the time of the above test monitoring of the bradenhead was not available due to water in the cellar making the bradenhead inaccessible and a gauge was not available for the tubing. Thus the inability to monitor all strings made this an unofficial test.

During the test Kelly Robinson, Matt Krakow, and Frank Dooling were present. At that time I explained to them the need to do an official Mechanical Integrity Test when the well was ready to inject. A bradenhead test would also have to be performed and a kill check on their limiting devise. All of these tests need to be performed prior to injecting.

If you have any questions, please let me know.

Monica Kuehling Deputy Oil and Gas Inspector New Mexico Oil Conservation Division District III

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