

Goetze, Phillip, EMNRD

From: Goetze, Phillip, EMNRD
Sent: Friday, August 10, 2018 3:19 PM
To: 'Neel Duncan'
Cc: Bill Moodie (Contractor); Johnny Musso; John Kroshus; Jones, William V, EMNRD; Bratcher, Mike, EMNRD; Riley, Heather, EMNRD; Cordero, Gilbert, EMNRD
Subject: Use of Larger Tubing in Sidetrack at Striker 2

RE: Striker 2 SWD No. 1; 30-015-44416; SWD-1721

Neel:

After review of your information and discussion with Will and the Director, the Bureau will reverse its requirement for limiting the tubing size to a 4 ½-inch diameter (as detailed in the COA correspondence by the Division dated August 7, 2018) and allow the use of the 5-inch diameter tubing approved by the District in the C-103 submitted June 28, 2018. This e-mail along with the supporting e-mails will be placed into the well file as confirmation of the change in the COA. Please contact me with any questions regarding this matter. PRG

Phillip Goetze, PG
Engineering Bureau, Oil Conservation Division, NM EMNRD
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From: Neel Duncan <neel.duncan@iptenergyservices.com>
Sent: Wednesday, August 8, 2018 2:00 PM
To: Jones, William V, EMNRD <WilliamV.Jones@state.nm.us>; Goetze, Phillip, EMNRD <Phillip.Goetze@state.nm.us>
Cc: Bill Moodie (Contractor) <Bill.moodie@whmoodie.com>; Johnny Musso <johnny.musso@iptenergyservices.com>; John Kroshus <john.kroshus@iptenergyservices.com>
Subject: Sidetrack at Striker 2

Dear Will and Phillip,

The dog leg severity for the sidetrack will be only 3 degrees per 100' where the new wellbore is kicked off. I think the wellbore diagrams throw off people's thinking about these things, as a 3 degree dogleg is not considered severe. Just looks scary on a not-to-scale sketch. Additionally, there is no change in clearance. All sections of the completion will have the same ID as the 7.625" 39# casing. I attach the technical data on the whipstock.

We found the root cause of our Devonian well troubles. The problem has been the liner hangar packers we were using – they did not have enough hold down capability. We are now using the Halliburton Versa Flex expandable liner hanger system, the same one Mesquite uses. The side track liner will be run with the Halliburton liner system.

Yes we have had our troubles. But we have learned from our failures and that's what makes us a successful company. Please bear with us.

Neel L. Duncan
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State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

Heather Riley, Division Director
Oil Conservation Division



Underground Injection Control Program

August 7, 2018

RE: NGL Water Solutions Permian, LLC
Operator Proposed Changes to the Well Design for the Striker 2 SWD 001
API 30-015-44416; UL D, Sec 23, T24S, R31E, NMPM, Eddy County, New Mexico

Conditions of approval for proposal to sidetrack above referenced well:

1. The approved tubing in the SWD order (SWD-1721) for the 7 5/8-inch FJ casing is 4 1/2-inch diameter. This shall not be changed.
2. NGL Solutions (the operator) shall review the AOR and 1/2-mile notification information provided in the C-108 application, and provide a letter identifying any changes in this information based on the new bottom hole location of this well (the lateral relocation by an estimated 100 feet).
3. Prior to commencing injection operation, the operator shall provide copies of a CBL to the District and to the Engineering Bureau (Santa Fe) for the side track, at a minimum, starting at the tie-in with the 9 5/8-inch casing and continuing to the shoe of the 7 5/8-inch FJ casing. After receipt of the CBL by the Division, the operator shall be required to obtain the approval of the District prior to commencing injection.
4. The frequency of the internal mechanical integrity testing (MIT) shall be changed from every five (5) year interval, to annually, until further notice.
5. The Bureau shall retain these conditions to be included in the amended order once the operator submits the final formation top depths for correction of the interval described in order SWD-1721.

Be advised that the Division has concerns with the sidetrack occurring in the lower Bone Spring and a successful cementing of the casing is vital for approved use of this well. Of particular concern is, previously permitted production wells in the 3rd Bone Spring formation in close proximity to this well bore.

If there are any questions or concerns, please contact me or the Santa Fe Engineering Bureau.

Mike Bratcher
NMOCD District 2
811 South First Street
Artesia, NM 88210
575-748-1283 X108

OCD approval does not relieve the operator of responsibility should their operations pose a threat to ground water, surface water, human health or the environment. In addition, OCD approval does not relieve the operator of responsibility for compliance with any other local, state, federal, rules, regulations or laws.