

BW - 6

Plug & Abandonment

Chavez, Carl J, EMNRD

From: Shallon Finkbone [shallon@iandwinc.com]
Sent: Tuesday, December 23, 2008 10:43 AM
To: Price, Wayne, EMNRD; Chavez, Carl J, EMNRD
Subject: FW:
Attachments: kevinocdstuff.tif

Mr. Wilson was concerned that you did not receive these back in October when we had originally sent them to you. Please let us know if you are having any problems opening the attachment.

Merry Christmas to you and your families.

Thank you

From: Shallon Finkbone [mailto:shallon@iandwinc.com]
Sent: Friday, October 31, 2008 9:28 AM
To: 'wayne.price@state.nm.us'; 'carlj.chavez@state.nm.us'
Subject:

I was asked by Mr. Kevin Wilson with I&W Inc. to send this to you. If you have any replies please send them to iwcarlsbad@plateautel.net.

Thank you

This inbound email has been scanned by the MessageLabs Email Security System.

Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
June 19, 2008

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

WELL API NO.

30-015-22574

5. Indicate Type of Lease

STATE ☐ FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

Eugenie

8. Well Number 1

9. OGRID Number

10. Pool name or Wildcat

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 BRINE Supply

2. Name of Operator
I & W INC.

3. Address of Operator
P.O. Box 1685, Carlsbad NM 88220

4. Well Location

Unit Letter M : 995 feet from the South line and 641 feet from the West line
Section 17 Township 22S Range 27E NMPM County Eddy

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

3126 GL

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 ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☒
CASING/CEMENT JOB ☐

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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Pulled all tubing out of well. RAN CIBP IN 7" CASING AND Set AT 456'. Circulated cement to surface. Installed DRY hole MARKER to complete operation.

Spud Date:

Rig Release Date:

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

SIGNATURE

Kevin Wilson

TITLE

Operations Manager

DATE

10/31/08

Type or print name

Kevin Wilson

E-mail address:

office
PHONE: 575-885-6663
cell 575-703-2041

For State Use Only

APPROVED BY:

TITLE

DATE

Conditions of Approval (if any):

CEMENT JOB REPORT



CUSTOMER I & W Inc		DATE 01-OCT-08	F.R. # 526110219	SERV. SUPV. JUSTIN L CARTWRIGHT	
LEASE & WELL NAME EUGINE #1		LOCATION		COUNTY-PARISH-BLOCK Eddy New Mexico	
DISTRICT Artesia		DRILLING CONTRACTOR RIG # PULLING UNIT		TYPE OF JOB Plug & Abandon	

SIZE & TYPE OF PLUGS		LIST CSG HARDWARE		PHYSICAL SLURRY PROPERTIES						
				SACKS OF CEMENT	SLURRY WGT PPG	SLURRY YLD FT ³	WATER GPS	PUMP TIME HR:MIN	Bbl SLURRY	Bbl MIX WATER
MATERIALS FURNISHED BY BJ										
C+2%CACL2				95	14.8	1.34	6.34		22	13.92
Available Mix Water	130	Bbl.	Available Displ. Fluid	130	Bbl.	TOTAL			22	13.92

HOLE			TBG-CSG-D.P.				COLLAR DEPTHS			
SIZE	% EXCESS	DEPTH	SIZE	WGT.	TYPE	DEPTH	GRADE	SHOE	FLOAT	STAGE
7		456	2.875	6.48	TBG	456	J-55			

LAST CASING		PKR-CMT RET-BR PL-LINER		PERF. DEPTH		TOP CONN		WELL FLUID			
SIZE	WGT.	TYPE	DEPTH	BRAND & TYPE	DEPTH	TOP	BTM	SIZE	THREAD	TYPE	WGT.
				NO PACKER	0			2.875	11V	FRESH WATER	8.34

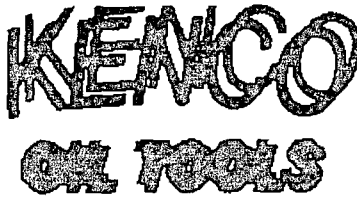
DISPL. VOLUME		DISPL. FLUID		CAL. PSI	CAL. MAX PSI	OP. MAX	MAX TBG PSI		MAX CSG PSI		MAX WATER
VOLUME	UOM	TYPE	WGT.	BUMP PLUG	TO REV.	SQ. PSI	RATED	Operator	RATED	Operator	
0	BBLs			0	0	0	3300	2640	0	0	TRANSPORT

EXPLANATION: TROUBLE SETTING TOOL, RUNNING CSG, ETC. PRIOR TO CEMENTING: NONE

PRESSURE/RATE DETAIL						EXPLANATION	
TIME HR:MIN.	PRESSURE - PSI		RATE BPM	Bbl. FLUID PUMPED	FLUID TYPE	SAFETY MEETING: BJ CREW <input checked="" type="checkbox"/> CO. REP. <input checked="" type="checkbox"/>	
	PIPE	ANNULUS				TEST LINES 3300 PSI	
04:30						CIRCULATING WELL - RIG BJ	
05:00						YARD TIME	
06:00						DEPART FOR LOCTION	
06:15						ARRIVE ON LOCTION	
10:30						SPOT TRUCKS ON LOCTION	
11:04	3300	0	1	1	H2O	SAFETYE MEETING	
11:07	124	0	2	2	H2O	LINE TEST	
11:09	175	0	2	3	CMT	FRESH WATER SPACER	
11:11	0	0	0	0		FRIST PLUG @14.8	
11:15	175	0	2	3	CMT	SHUT DOWN	
11:17						SECOND PLUG @14.8	
11:22	124	0	2	3	CMT	SHUT DOWN	
11:23	0	0	0	0		THRID PLUG @14.8	
11:27	124	0	2	3	CMT	SHUT DOWN	
11:29						FOUR PLUG @14.8	
11:33	100	0	2	3	CMT	SHUT DOWN	
11:36						CMT TO SURFACE	
						SHUT DOWN	
						THANK YOU JUSTIN AND CREW	
						CIRCULATED TO PIT SKS4	

BUMPED PLUG	PSI TO BUMP PLUG	TEST FLOAT EQUIP.	BBL CMT RETURNS/ REVERSED	TOTAL BBL. PUMPED	PSI LEFT ON CSG	SPOT TOP OUT CEMENT	SERVICE SUPERVISOR SIGNATURE:
Y	N	Y	N	17	0	Y	N

3710 S. FM 303 (808) 229-2087
Sundown, TX 79372



410 East Main (505) 748-1372
Artesia, NM 88210-2173

Date 10/01/2008

Company I&W Inc. Company Man Kevin

Well Name Eugenie No.1 Csg. Size & Wt. 7"

Job Description Set 7" C.I.B.P. at 456.0' with 14 joints.

Directions Go to carlsbad then turn towards loving to I&W yard to location.

Tool Type No. 1	7" setting tool	Length of Tools	4.11"	% Tool
Tool Type No. 2		KB		X/O
Tool Type No. 3		KBC		Tbg. Grade
Tool Type No. 4		SN		Tbg. Size

Services	Description	Cost		
Service Man	10/1/2008	\$ 550.00	Jts. On Loc.	17
Mileage \$1.25/m	70 Miles r/t	\$ 87.50	Jts. In	14
RENTAL	7" setting tool	\$ 400.00	Tailpipe	
RENTAL			Jts. Out	3
SALE	Bucket of thread dope	\$ 55.00	Average	
sale	7" C.I.B.P.	\$ 1,670.00	Subs	
			Tbg. Tally	
			[1] jt bellow pkr	
			% Tool	
			Top Pkr.	
			Btm Pkr.	456.0'
			BOTT. OF	
			landing nippr	
	Sub Total	\$ 2,762.50		
	7.0625% Tax	\$ 195.10		
	Total	\$ 2,957.60		

Comments	Old Perfs	
	New Perfs	0
		0
Billing Invoice #	TD	0
serviceman Jerry Knapp	PBTD	0
Company Rep.	DV/T	0
Sign		
AFE #		

Chavez, Carl J, EMNRD

From: Chavez, Carl J, EMNRD
Sent: Thursday, December 11, 2008 11:42 AM
To: 'iwcarlsbad@plateautel.net'
Cc: 'Shallon Finkbone'; Price, Wayne, EMNRD; Guye, Gerry, EMNRD; Sanchez, Daniel J., EMNRD
Subject: I & W Eugenie Brine Well C-103 Plug and Abandonment Status (BW-6) Carlsbad

Kevin:

Good morning. Can you please update the OCD on the status of plugging and abandonment of the brine well (API# 30-015-22574) at the I & W Facility? According to OCD records, we received a C-103 dated 7/24/2008 with PA description and indication that the C-103 was verbally approved by Wayne Price OCD District IV.

General OCD conditions for closure of the facility is to implement a subsidence monitoring program and install a seismograph at the facility with monitoring for 30 years with additional financial assurance to ensure that monitoring is maintained.

My Supervisor, Mr. Wayne Price will be in the office next week. Please contact me to discuss any questions that you may have. Also, the OCD is awaiting the final signed C-103 indicating that the well has been properly plugged and abandoned. Thank you.

Carl J. Chavez, CHMM
New Mexico Energy, Minerals & Natural Resources Dept.
Oil Conservation Division, Environmental Bureau
1220 South St. Francis Dr., Santa Fe, New Mexico 87505
Office: (505) 476-3491
Fax: (505) 476-3462
E-mail: CarlJ.Chavez@state.nm.us
Website: <http://www.emnrd.state.nm.us/oed/index.htm>
(Pollution Prevention Guidance is under "Publications")

Chavez, Carl J, EMNRD

From: Price, Wayne, EMNRD
Sent: Friday, October 31, 2008 10:06 AM
To: Chavez, Carl J, EMNRD
Subject: FW:
Attachments: kevinocdstuff.tif

From: Shallon Finkbone [mailto:shallon@iandwinc.com]
Sent: Friday, October 31, 2008 9:28 AM
To: Price, Wayne, EMNRD; Chavez, Carl J, EMNRD
Subject:

I was asked by Mr. Kevin Wilson with I&W Inc. to send this to you. If you have any replies please send them to iwcarlsbad@plateautel.net.

Thank you

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June 19, 2008

OIL CONSERVATION DIVISION
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Santa Fe, NM 87505

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.)		WELL API NO. 30-015-22574
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other BRINE Supply		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator I & W INC.		6. State Oil & Gas Lease No.
3. Address of Operator P.O. Box 1685, Carlsbad NM 88220		7. Lease Name or Unit Agreement Name Eugenie
4. Well Location Unit Letter M : 995 feet from the South line and 641 feet from the West line Section 17 Township 22S Range 27E NMPM County Eddy		8. Well Number 1
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3126 GL		9. OGRID Number
		10. Pool name or Wildcat

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input checked="" type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
OTHER: <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Pulled all tubing out of well. RAN CIBP IN 7" CASING AND Set At 456'. Circulated cement to surface. Installed DRY hole MARKER to complete operation.

Spud Date:

Rig Release Date:

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

SIGNATURE

Kevin Wilson

TITLE

Operations Manager

DATE

10/31/08

Type or print name

Kevin Wilson

E-mail address:

PHONE:

office 575-885-6663
cell 575-703-2041

For State Use Only

APPROVED BY:

TITLE

DATE

Conditions of Approval (if any):

CEMENT JOB REPORT



CUSTOMER J & W Inc			DATE 01-OCT-08 F.R. # 526110219			SERV. SUPV. JUSTIN L CARTWRIGHT		
LEASE & WELL NAME EUGINE #1			LOCATION			COUNTY-PARISH-BLOCK Eddy New Mexico		
DISTRICT Artesia			DRILLING CONTRACTOR RIG # PULLING UNIT			TYPE OF JOB Plug & Abandon		

SIZE & TYPE OF PLUGS		LIST-CSG-HARDWARE		PHYSICAL SLURRY PROPERTIES						
				SACKS OF CEMENT	SLURRY WGT PPG	SLURRY YLD FT ³	WATER GPS	PUMP TIME HR:MIN	Bbl SLURRY	Bbl MIX WATER
MATERIALS FURNISHED BY BJ										
C+2%CACL2				95	14.8	1.34	6.34		22	13.92
Available Mix Water 130 Bbl. Available Displ. Fluid 130 Bbl.				TOTAL					22	13.92

HOLE			TBG-CSG-D.P.				COLLAR DEPTHS			
SIZE	% EXCESS	DEPTH	SIZE	WGT.	TYPE	DEPTH	GRADE	SHOE	FLOAT	STAGE
7		456	2.875	6.48	TBG	456	J-55			

LAST CASING		PKR-CMT RET-BR PL-LINER		PERF. DEPTH		TOP CONN		WELL FLUID			
SIZE	WGT	TYPE	DEPTH	BRAND & TYPE	DEPTH	TOP	BTM	SIZE	THREAD	TYPE	WGT.
				NO PACKER		0		2.875	11V	FRESH WATER	8.34

DISPL. VOLUME		DISPL. FLUID		CAL. PSI	CAL. MAX PSI	OP. MAX	MAX TBG PSI		MAX CSG PSI		MIX
VOLUME	UOM	TYPE	WGT.	BUMP PLUG	TO REV.	SQ. PSI	RATED	Operator	RATED	Operator	WATER
0	BBLs			0	0	0	3300	2640	0	0	TRANSPORT

EXPLANATION: TROUBLE SETTING TOOL, RUNNING CSG, ETC. PRIOR TO CEMENTING: NONE

PRESSURE/RATE DETAIL						EXPLANATION	
TIME HR:MIN.	PRESSURE - PSI		RATE BPM	Bbl. FLUID PUMPED	FLUID TYPE	SAFETY MEETING: BJ CREW <input checked="" type="checkbox"/> CO. REP. <input checked="" type="checkbox"/>	
	PIPE	ANNULUS				TEST LINES	3300 PSI
04:30						CIRCULATING WELL - RIG BJ	
05:00						YARD TIME	
06:00						DEPART FOR LOCTION	
06:15						ARRIVE ON LOCTION	
10:30						SPOT TRUCKS ON LOCTION	
11:04	3300	0	1	1	H2O	SAFETYE MEETING	
11:07	124	0	2	2	H2O	LINE TEST	
11:09	175	0	2	3	CMT	FRESH WATER SPACER	
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11:15	175	0	2	3	CMT	SHUT DOWN	
11:17						SECOND PLUG @14.8	
11:22	124	0	2	3	CMT	SHUT DOWN	
11:23	0	0	0	0		THRID PLUG @14.8	
11:27	124	0	2	3	CMT	SHUT DOWN	
11:29						FOUR PLUG @14.8	
11:33	100	0	2	3	CMT	SHUT DOWN	
11:36						CMT TO SURFACE	
						SHUT DOWN	
						THANK YOU JUSTIN AND CREW	
						CIRCULATED TO PIT SKS4	

BUMPED PLUG	PSI TO BUMP PLUG	TEST FLOAT EQUIP.	BBL.CMT RETURNS/ REVERSED	TOTAL BBL. PUMPED	PSI LEFT ON CSG	SPOT TOP OUT CEMENT	SERVICE SUPERVISOR SIGNATURE:
Y N		Y N		17	0	Y N	<i>Justin L. Cartwright</i>

Comments	Old Perfs	
	New Perfs	0
		0
Billing Invoice #		
Service Man Jerry Knapp	TD	0
Company Rep.		
	PBTD	0
Sign		
AFE #	DV/T	0

Chavez, Carl J, EMNRD

From: Chavez, Carl J, EMNRD
Sent: Friday, October 31, 2008 10:05 AM
To: Gum, Tim, EMNRD
Cc: Price, Wayne, EMNRD
Subject: FW:
Attachments: kevinocdstuff.tif

FYI.

Carl J. Chavez, CHMM
New Mexico Energy, Minerals & Natural Resources Dept.
Oil Conservation Division, Environmental Bureau
1220 South St. Francis Dr., Santa Fe, New Mexico 87505
Office: (505) 476-3491
Fax: (505) 476-3462
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June 19, 2008

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WELL API NO.

30-015-22574

5. Indicate Type of Lease

STATE ☐ FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

Eugenie

8. Well Number 1

9. OGRID Number

10. Pool name or Wildcat

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Section 17 Township 22S Range 27E NMPM County Eddy

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

3126 GL

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TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
DOWNHOLE COMMINGLE ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☒
CASING/CEMENT JOB ☐

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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

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Spud Date:

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SIGNATURE

Kevin Wilson

TITLE

Operations Manager

DATE

10/31/08

Type or print name

Kevin Wilson

E-mail address:

office

PHONE: 575-885-6663

For State Use Only

cell 575-703-2041

APPROVED BY:

TITLE

DATE

Conditions of Approval (if any):

CEMENT JOB REPORT



CUSTOMER I & W Inc		DATE 01-OCT-08	F.R. # 526110219	SERV. SUPV. JUSTIN L CARTWRIGHT			
LEASE & WELL NAME EUGINE #1		LOCATION		COUNTY-PARISH-BLOCK Eddy New Mexico			
DISTRICT Artesia		DRILLING CONTRACTOR RIG # PULLING UNIT		TYPE OF JOB Plug & Abandon			
SIZE & TYPE OF PLUGS		LIST CSG-HARDWARE		PHYSICAL SLURRY PROPERTIES			
		SACKS OF CEMENT	SLURRY WGT PPG	SLURRY YLD FT ³	WATER GPS	PUMP TIME HR:MIN	Bbl SLURRY
							Bbl MIX WATER
MATERIALS FURNISHED BY BJ							
C+2%CACL ₂		95	14.8	1.34	6.34		22 13.92
Available Mix Water 130 Bbl.		Available Displ. Fluid 130 Bbl.		TOTAL			22 13.92
HOLE		TBG-CSG-D.P.				COLLAR DEPTHS	
SIZE	% EXCESS	DEPTH	SIZE	WGT	TYPE	DEPTH	GRADE
7		456	2.875	6.48	TBG	456	J-55
LAST CASING		PKR-CMT RET-BR PL-LINER		PERF. DEPTH		TOP CONN	
SIZE	WGT	TYPE	DEPTH	BRAND & TYPE	DEPTH	TOP	BTM
				NO PACKER	0		
						2.875 11V FRESH WATER	
DISPL. VOLUME		DISPL. FLUID		CAL. PSI		CAL. MAX PSI	
VOLUME	UOM	TYPE	WGT.	BUMP PLUG	TO REV.	SG. PSI	RATED
0	BBLs			0	0	0	3300
						2640	
						0	
						0 TRANSPORT	

EXPLANATION: TROUBLE SETTING TOOL, RUNNING CSG, ETC. PRIOR TO CEMENTING: NONE

PRESSURE/RATE DETAIL						EXPLANATION	
TIME HR:MIN.	PRESSURE - PSI PIPE	ANNULUS	RATE BPM	Bbl. FLUID PUMPED	FLUID TYPE		
04:30						SAFETY MEETING: BJ CREW <input checked="" type="checkbox"/> CO. REP. <input checked="" type="checkbox"/>	
05:00						TEST LINES 3300 PSI	
06:00						CIRCULATING WELL - RIG <input type="checkbox"/> BJ <input type="checkbox"/>	
06:15						YARD TIME	
10:30						DEPART FOR LOCTION	
11:04	3300	0	1	1	H2O	ARRIVE ON LOCTION	
11:07	124	0	2	2	H2O	SPOT TRUCKS ON LOCTION	
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11:29	0	0	0	0		THRID PLUG @14.8	
11:33	100	0	2	3	CMT	SHUT DOWN	
11:36						FOUR PLUG @14.8	
						SHUT DOWN	
						CMT TO SURFACE	
						SHUT DOWN	
						THANK YOU JUSTIN AND CREW	
						CIRCULATED TO PIT SKS4	
BUMPED PLUG	PSI TO BUMP PLUG	TEST FLOAT EQUIP.	BBL.CMT RETURNS/ REVERSED	TOTAL BBL. PUMPED	PSI LEFT ON CSG	SPOT TOP OUT CEMENT	SERVICE SUPERVISOR SIGNATURE:
Y N		Y N		17	0	Y N	<i>Justin L. Cartwright</i>

3710 S. FM 303 (808) 229-2087
Sundown, TX 79372

KENCO

OIL TOOLS

410 East Main (505) 748-1372
Artesia, NM 88210-2173

Date 10/01/2008

Company I&W Inc. Company Man Kevin

Well Name Eugenie No. 1 Csg. Size & Wt. 7"

Job Description Set 7" C.I.B.P. at 456.0' with 14 joints.

Directions Go to carsbad then turn towards loving to I&W yard to location.

Tool Type No. 1	7" setting tool	Length of Tools	4.11"	% Tool
Tool Type No. 2		KB		X/O
Tool Type No. 3		KBC		Tbg. Grade
Tool Type No. 4		SN		Tbg. Size

Services	Description	Cost		
Service Man	10/1/2008	\$ 550.00	Jts. On Loc.	17
Mileage \$1.25/m	70 Miles r/t	\$ 87.50	Jts. In	14
RENTAL	7" setting tool	\$ 400.00	Tailpipe	
RENTAL			Jts. Out	3
SALE	Bucket of thread dope	\$ 55.00	Average	
sale	7" C.I.B.P.	\$ 1,670.00	Subs	
			Tbg. Tally	
			[1] jt bellow pkr	
			% Tool	
			Top Pkr.	
			Btm Pkr.	456.0'
			BOTT. OF	
			landing nippl	
		Sub Total	\$ 2,762.50	
		7.0625% Tax	\$ 195.10	
		Total	\$ 2,957.60	

Comments		
	Old Perfs	
	New Perfs	0
		0
Billing Invoice #		
Service Man Jerry Knapp	TD	0
Company Rep.	PBTD	0
Sign		
AFE #	DV/T	0

Chavez, Carl J, EMNRD

From: Shallon Finkbone [shallon@iandwinc.com]
Sent: Friday, October 31, 2008 9:28 AM
To: Price, Wayne, EMNRD; Chavez, Carl J, EMNRD
Attachments: kevinocdstuff.tif

I was asked by Mr. Kevin Wilson with I&W Inc. to send this to you. If you have any replies please send them to iwcarlsbad@plateautel.net.

Thank you

This inbound email has been scanned by the MessageLabs Email Security System.

Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
June 19, 2008

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

WELL API NO.

30-015-22574

5. Indicate Type of Lease

STATE ☐ FEE ☐

6. State Oil & Gas Lease No.

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 BRINE Supply

2. Name of Operator
I+W INC.

3. Address of Operator
P.O. Box 1685, Carlsbad NM 88220

4. Well Location

Unit Letter M : 995 feet from the South line and 641 feet from the West line
Section 17 Township 22S Range 27E NMPM County Eddy

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

3126 GL

7. Lease Name or Unit Agreement Name

Eugenie

8. Well Number 1

9. OGRID Number

10. Pool name or Wildcat

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 ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☒
CASING/CEMENT JOB ☐

OTHER: ☐

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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Pulled all tubing out of well. RAN CIBP IN 7" CASING AND
Set at 456'. Circulated cement to surface. Installed
dry hole marker to complete operation.

Spud Date:

Rig Release Date:

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

SIGNATURE

Kevin Wilson

TITLE

Operations Manager

DATE

10/31/08

Type or print name

Kevin Wilson

E-mail address:

PHONE:

575-885-6663

For State Use Only

cell 575-703-2041

APPROVED BY:

TITLE

DATE

Conditions of Approval (if any):

CEMENT JOB REPORT



CUSTOMER I & W Inc		DATE 01-OCT-08		F.R. # 526110219		SERV. SUPV. JUSTIN L CARTWRIGHT	
LEASE & WELL NAME		LOCATION		COUNTY-PARISH-BLOCK		Eddy New Mexico	
EUGINE #1		DRILLING CONTRACTOR RIG #		TYPE OF JOB		Plug & Abandon	
DISTRICT Artesia		PULLING UNIT					
SIZE & TYPE OF PLUGS		LIST CSG HARDWARE		PHYSICAL SLURRY PROPERTIES			
				SACKS OF CEMENT	SLURRY WGT PPG	SLURRY YLD FT ³	WATER GPS
							PUMP TIME HR:MIN
							Bbl SLURRY
							Bbl MIX WATER
MATERIALS FURNISHED BY BJ							
C+2%CACL2				95	14.8	1.34	6.34
Available Mix Water 130 Bbl. Available Displ. Fluid 130 Bbl.							TOTAL 22 13.92
HOLE		TBC-CSG-D.P.		COLLAR DEPTHS			
SIZE	% EXCESS	DEPTH	SIZE	WGT.	TYPE	DEPTH	GRADE
7		456	2.875	6.48	TBG	456	J-55
LAST CASING		PKR-CMT RET-BR PL-LINER		PERF. DEPTH		TOP CONN	
SIZE	WGT.	TYPE	DEPTH	BRAND & TYPE	DEPTH	TOP	BTM
				NO PACKER	0		
						2.875 11V FRESH WATER	
DISPL. VOLUME		DISPL. FLUID		CAL. PSI		CAL. MAX PSI	
VOLUME	UOM	TYPE	WGT.	BUMP PLUG	TO REV.	SQ. PSI	MAX TBG PSI
0	BBLs			0	0	0	3300
						Operator 2640	
						MAX CSG PSI	
						Operator 0	
						0 TRANSPORT	

EXPLANATION: TROUBLE SETTING TOOL, RUNNING CSG, ETC. PRIOR TO CEMENTING: NONE

PRESSURE/RATE DETAIL						EXPLANATION	
TIME HR:MIN.	PRESSURE - PSI		RATE BPM	Bbl. FLUID PUMPED	FLUID TYPE		
	PIPE	ANNULUS					
04:30						SAFETY MEETING: BJ CREW <input checked="" type="checkbox"/> CO. REP. <input checked="" type="checkbox"/>	
05:00						TEST LINES 3300 PSI	
06:00						CIRCULATING WELL - RIG <input checked="" type="checkbox"/> BJ <input type="checkbox"/>	
06:15						YARD TIME	
10:30						DEPART FOR LOCTION	
11:04	3300	0	1	1	H2O	ARRIVE ON LOCTION	
11:07	124	0	2	2	H2O	SPOT TRUCKS ON LOCTION	
11:09	175	0	2	3	CMT	SAFETY MEETING	
11:11	0	0	0	0		LINE TEST	
11:15	175	0	2	3	CMT	FRESH WATER SPACER	
11:17						FRIST PLUG @14.8	
11:22	124	0	2	3	CMT	SHUT DOWN	
11:23	0	0	0	0		SECOND PLUG @14.8	
11:27	124	0	2	3	CMT	SHUT DOWN	
11:29	0	0	0	0		THRID PLUG @14.8	
11:33	100	0	2	3	CMT	SHUT DOWN	
11:36						FOUR PLUG @14.8	
						SHUT DOWN	
						CMT TO SURFACE	
						SHUT DOWN	
						THANK YOU JUSTIN AND CREW	
						CIRCULATED TO PIT SKS4	
BUMPED PLUG	PSI TO BUMP PLUG	TEST FLOAT EQUIP.	BBL.CMT RETURNS/ REVERSED	TOTAL BBL. PUMPED	PSI LEFT ON CSG	SPOT TOP OUT CEMENT	SERVICE SUPERVISOR SIGNATURE:
Y N		Y N	17	0	Y N		<i>Justin L</i>

**KENCO
OIL TOOLS**

410 East Main (505) 748-1372
Albany, NM 88210-2173

Date 10/01/2008

Company I&W Inc. Company Man Kevin

Well Name Eugenie No.1 Csg. Size & Wt 7"

Job Description Set 7" C.I.B.P. at 456.0' with 14 joints.

Directions Go to carlsbad then turn towards loving to I&W yard to location.

Tool Type No. 1	7" setting tool	Length of Tools	4.11"	% Tool
Tool Type No. 2		KB		X/O
Tool Type No. 3		KBC		Tbg. Grade
Tool Type No. 4		SN		Tbg. Size

Services	Description	Cost		
Service Man	10/1/2008	\$ 550.00	Jts. On Loc.	17
Mileage \$1.25/m	70 Miles r/t	\$ 87.50	Jts. In	14
RENTAL	7" setting tool	\$ 400.00	Tailpipe	
RENTAL	Bucket of thread dope	\$ 55.00	Jts. Out	3
SALE	7" C.I.B.P.	\$ 1,670.00	Average	
sale			Subs	
			Tbg. Tally	
			[1] jt bellow pkr	
			% Tool	
			Top Pkr.	
			Btm Pkr.	456.0'
			BOTT. OF	
			landing nipple	
	Sub Total	\$ 2,762.50		
	7.0625% Tax	\$ 195.10		
	Total	\$ 2,957.60		

Comments

Old Perfs

New Parts

0

Q

Billing Invoice #

TO

0

viceman Jerry Knapp

PBTD

0

Sign

AFE #

DV/Т

0

Chavez, Carl J, EMNRD

From: Chavez, Carl J, EMNRD
Sent: Thursday, October 02, 2008 11:42 AM
To: 'Lisa Rice'
Subject: RE: Eugenie #1 (BW-006)

Lisa:

I sent a final signed OCD version to Randall on 9/30 that should have addressed the message below. Thanks.

Carl J. Chavez, CHMM
New Mexico Energy, Minerals & Natural Resources Dept.
Oil Conservation Division, Environmental Bureau
1220 South St. Francis Dr., Santa Fe, New Mexico 87505
Office: (505) 476-3491
Fax: (505) 476-3462
E-mail: CarlJ.Chavez@state.nm.us
Website: <http://www.emnrd.state.nm.us/ocd/index.htm>
(Pollution Prevention Guidance is under "Publications")

From: Lisa Rice [mailto:lisa@iandwinc.com]
Sent: Tuesday, September 30, 2008 9:47 AM
To: Chavez, Carl J, EMNRD
Subject: RE: Eugenie #1 (BW-006)

Mr. Chavez

Re: BW-6 Plug and Abandonment

There was a C-103 submitted on July 24, 2008 From a Mr. Randall L. Harris regarding the plugging and abandoning of the Eugenie. I would be more than glad to re-submit a copy to you and Mr. Gum if needed. Via fax, E-mail or anyway needed. Please contact me as soon as possible as to what you would like for us to do regarding this matter.

Thank you for your time regarding this matter, and I look forward to hearing from you.

Lisa Rice

From: Chavez, Carl J, EMNRD [mailto:CarlJ.Chavez@state.nm.us]
Sent: Tuesday, September 30, 2008 8:40 AM
To: iwcarlsbad@plateautel.net
Cc: lisa@iandwinc.com; Lowells@pvtnetworks.net; Price, Wayne, EMNRD; Gum, Tim, EMNRD
Subject: FW: Eugenie #1 (BW-006)

Kevin, et. al:

Re: BW-6 Plug and Abandonment

The OCD became aware of your intent to plug and abandon the I&W Brine Well yesterday. You had indicated that you had a verbal approval from Wayne Price. According to Wayne, this is NOT the case.

Please submit an OCD C-103 Form to me and Mr. Tim Gum of the OCD District Office at outlining your plans for the plug and abandonment method for the OCD to review and approve. Once approved, and when the plug and abandonment is completed, another C-103 Form with exact details of the plug and abandonment is required for the file.

Please contact me if you have questions. Thank you.

Carl J. Chavez, CHMM
New Mexico Energy, Minerals & Natural Resources Dept.
Oil Conservation Division, Environmental Bureau
1220 South St. Francis Dr., Santa Fe, New Mexico 87505
Office: (505) 476-3491
Fax: (505) 476-3462
E-mail: CarlJ.Chavez@state.nm.us
Website: <http://www.emnrd.state.nm.us/ocd/index.htm>
(Pollution Prevention Guidance is under "Publications")



From: Price, Wayne, EMNRD
Sent: Tuesday, July 22, 2008 4:19 PM
To: lisa@iandwinc.com
Cc: lowells@pvtnetworks.net; Chavez, Carl J, EMNRD; Macquesten, Gail, EMNRD; Altomare, Mikal, EMNRD; Gum, Tim, EMNRD; Sanchez, Daniel J., EMNRD; Fesmire, Mark, EMNRD
Subject: FW: Eugenie #1 (bw-006)

Attention I&W: In addition, please make sure any make-up water added is brine water (not fresh water). Monitor volumes released or added and record pressure weekly. OCD would like to see 50 psig, plus and minus 10 psig, maintained at the well head monitored on the casing. Please note we have recommended a changed from 100 psig to 50 psig. The reason is to make sure the formation frac gradient is not exceeded if you experience salt creep and a pressure build-up. Please notify OCD immediately of any surface cracks, subsidence, or any anomaly in the system.

Please confirm you, Kevin Foster and the owners have received this E-mail and shall be made part of your existing permit and attached thereto.



From: Lisa Rice [<mailto:lisa@iandwinc.com>]
Sent: Tuesday, July 22, 2008 3:30 PM
To: Price, Wayne, EMNRD
Subject: Eugenie #1 (bw-006)

New Mexico state Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

July 22, 2008

Attn: Mr. Wayne Price
Environmental Bureau Chief

This Letter is solely to inform you and the oil conservation division that I & W, Inc. has voluntarily and permanently shut in our Eugenie #1 Brine well (BW-006).

We will continue to monitor the pressure on the well on a daily basis not allowing the pressure to drop below 100 lbs. In the event of any unforeseen problems I & W, Inc. will immediately contact your office.



Sincerely,

Kevin Wilson
Operations Manager I & W, Inc.

This inbound email has been scanned by the MessageLabs Email Security System.

Confidentiality Notice: This e-mail, including all attachments is for the sole use of the intended recipient(s) and may contain confidential and privileged information. Any unauthorized review, use, disclosure or distribution is prohibited unless specifically provided under the New Mexico Inspection of Public Records Act. If you are not the intended recipient, please contact the sender and destroy all copies of this message. -- This email has been scanned by the Sybari - Antigen Email System.

This inbound email has been scanned by the MessageLabs Email Security System.

Chavez, Carl J, EMNRD

From: Chavez, Carl J, EMNRD
Sent: Tuesday, September 30, 2008 2:16 PM
To: 'Randall Harris'
Cc: 'iwcarlsbad@plateautel.net'; 'lisa@iandwinc.com'; Gum, Tim, EMNRD; Price, Wayne, EMNRD
Subject: BW-6 C-103 Plug and Abandonment Approval w/ Conditions
Attachments: BW-6 PA Approval w Conditions 9-30-08.tif

Randall:

Please find attached the OCD's approval of your C-103 Form. Thank you.

Carl J. Chavez, CHMM
New Mexico Energy, Minerals & Natural Resources Dept.
Oil Conservation Division, Environmental Bureau
1220 South St. Francis Dr., Santa Fe, New Mexico 87505
Office: (505) 476-3491
Fax: (505) 476-3462
E-mail: CarlJ.Chavez@state.nm.us
Website: <http://www.emnrd.state.nm.us/oed/index.htm>
(Pollution Prevention Guidance is under "Publications")

Submit 3 Copies To Appropriate District Office

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Ave., Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103

May 27, 2004

WELL API NO.

30-015-22574

5. Indicate Type of Lease

STATE ☐ FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

Eugenie

8. Well Number 1

9. OGRID Number

10. Pool name or Wildcat

SUNDY 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 Brine Supply

2. Name of Operator

I & W, Inc

AUG - 6 2008

3. Address of Operator

P.O. Box 1685, Carlsbad, NM 88220

OCD ARTESIA

4. Well Location

Unit Letter M : 995 feet from the South line and 641 feet from the West line

Section Township Range NMPM County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

3126 GL

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type Depth to Groundwater Distance from nearest fresh water well Distance from nearest surface water

Pit Liner Thickness: mil Below-Grade Tank: Volume bbls; Construction Material

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 ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☐ - P AND A ☐

CASING/CEMENT JOB ☐

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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Will set CIBP at base of casing 7" casing 456' circulate cement from CIBP to surface with approximately 80 sxs Class C 2% CaCl 1.32 CuFt per sack. This plan verbally approved by Wayne Price OCD District IV, Santa Fe.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed/maintained according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE TITLE Geologist/Agent for I & W DATE 07/24/2008

Type or print name Randall L Harris

E-mail address: rharrisnm@aol.com Telephone No. 575.365.7747

For State Use Only
APPROVED BY:

TITLE

ERC 9/30/08

DATE

8/6/08

Accepted for record
NMOCD

C-103 Eugenie Well No. 1 (BW-6)
Conditions of Approval

- 1) Cement must be circulated back to surface under adequate pressure.
- 2) A plug and abandonment marker shall be set.
- 3) Final C-103 Form shall be submitted within 30 days of plug and abandonment with specific details.

Chavez, Carl J, EMNRD

From: Lisa Rice [lisa@iandwinc.com]
Sent: Tuesday, September 30, 2008 9:47 AM
To: Chavez, Carl J, EMNRD
Subject: RE: Eugenie #1 (BW-006)

Mr. Chavez

Re: BW-6 Plug and Abandonment

There was a C-103 submitted on July 24, 2008 From a Mr. Randall L. Harris regarding the plugging and abandoning of the Eugenie. I would be more than glad to re-submit a copy to you and Mr. Gum if needed. Via fax, E-mail or anyway needed. Please contact me as soon as possible as to what you would like for us to do regarding this matter.

Thank you for your time regarding this matter, and I look forward to hearing from you.

Lisa Rice

From: Chavez, Carl J, EMNRD [mailto:CarlJ.Chavez@state.nm.us]
Sent: Tuesday, September 30, 2008 8:40 AM
To: iwcarsbad@plateautel.net
Cc: lisa@iandwinc.com; Lowells@pytnetworks.net; Price, Wayne, EMNRD; Gum, Tim, EMNRD
Subject: FW: Eugenie #1 (BW-006)

Kevin, et. al:

Re: BW-6 Plug and Abandonment

The OCD became aware of your intent to plug and abandon the I&W Brine Well yesterday. You had indicated that you had a verbal approval from Wayne Price. According to Wayne, this is NOT the case.

Please submit an OCD C-103 Form to me and Mr. Tim Gum of the OCD District Office at outlining your plans for the plug and abandonment method for the OCD to review and approve. Once approved, and when the plug and abandonment is completed, another C-103 Form with exact details of the plug and abandonment is required for the file.

Please contact me if you have questions. Thank you.

Carl J. Chavez, CHMM
New Mexico Energy, Minerals & Natural Resources Dept.
Oil Conservation Division, Environmental Bureau
1220 South St. Francis Dr., Santa Fe, New Mexico 87505
Office: (505) 476-3491
Fax: (505) 476-3462
E-mail: CarlJ.Chavez@state.nm.us
Website: <http://www.emnrd.state.nm.us/ocd/index.htm>
(Pollution Prevention Guidance is under "Publications")

From: Price, Wayne, EMNRD
Sent: Tuesday, July 22, 2008 4:19 PM
To: lisa@iandwinc.com
Cc: lowells@pytnetworks.net; Chavez, Carl J, EMNRD; Macquesten, Gail, EMNRD; Altomare, Mikal, EMNRD; Gum, Tim, EMNRD; Sanchez, Daniel J., EMNRD; Fesmire, Mark, EMNRD
Subject: FW: Eugenie #1 (bw-006)

Attention I&W: In addition, please make sure any make-up water added is brine water (not fresh water). Monitor volumes released or added and record pressure weekly. OCD would like to see 50 psig, plus and minus 10 psig, maintained at the well head monitored on the casing. Please note we have recommended a changed from 100 psig to 50 psig. The reason is to make sure the formation frac gradient is not exceeded if you experience salt creep and a pressure build-up. Please notify OCD immediately of any surface cracks, subsidence, or any anomaly in the system.

Please confirm you, Kevin Foster and the owners have received this E-mail and shall be made part of your existing permit and attached thereto.

From: Lisa Rice [mailto:lisa@iandwinc.com]
Sent: Tuesday, July 22, 2008 3:30 PM
To: Price, Wayne, EMNRD
Subject: Eugenie #1 (bw-006)

New Mexico state Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

July 22, 2008

Attn: Mr. Wayne Price
Environmental Bureau Chief

This Letter is solely to inform you and the oil conservation division that I & W, Inc. has voluntarily and permanently shut in our Eugenie #1 Brine well (BW-006).

We will continue to monitor the pressure on the well on a daily basis not allowing the pressure to drop below 100 lbs. In the event of any unforeseen problems I & W, Inc. will immediately contact your office.

Sincerely,

Kevin Wilson
Operations Manager I & W, Inc.

This inbound email has been scanned by the MessageLabs Email Security System.

Confidentiality Notice: This e-mail, including all attachments is for the sole use of the intended recipient(s) and may contain confidential and privileged information. Any unauthorized review, use, disclosure or distribution is prohibited unless specifically provided under the New Mexico Inspection of Public Records Act. If you are not the intended recipient, please contact the sender and destroy all copies of this message. -- This email has been scanned by the Sybari - Antigen Email System.

This inbound email has been scanned by the MessageLabs Email Security System.

Chavez, Carl J, EMNRD

From: Chavez, Carl J, EMNRD
Sent: Tuesday, September 30, 2008 8:40 AM
To: 'iwcarlsbad@plateautel.net'
Cc: 'lisa@iandwinc.com'; 'Lowells@pvtnetworks.net'; Price, Wayne, EMNRD; Gum, Tim, EMNRD
Subject: FW: Eugenie #1 (BW-006)

Kevin, et. al:

Re: BW-6 Plug and Abandonment

The OCD became aware of your intent to plug and abandon the I&W Brine Well yesterday. You had indicated that you had a verbal approval from Wayne Price. According to Wayne, this is NOT the case.

Please submit an OCD C-103 Form to me and Mr. Tim Gum of the OCD District Office at outlining your plans for the plug and abandonment method for the OCD to review and approve. Once approved, and when the plug and abandonment is completed, another C-103 Form with exact details of the plug and abandonment is required for the file.

Please contact me if you have questions. Thank you.

Carl J. Chavez, CHMM
New Mexico Energy, Minerals & Natural Resources Dept.
Oil Conservation Division, Environmental Bureau
1220 South St. Francis Dr., Santa Fe, New Mexico 87505
Office: (505) 476-3491
Fax: (505) 476-3462
E-mail: CarlJ.Chavez@state.nm.us
Website: <http://www.emnrd.state.nm.us/ocd/index.htm>
(Pollution Prevention Guidance is under "Publications")

From: Price, Wayne, EMNRD
Sent: Tuesday, July 22, 2008 4:19 PM
To: lisa@iandwinc.com
Cc: lowells@pvtnetworks.net; Chavez, Carl J, EMNRD; Macquesten, Gail, EMNRD; Altomare, Mikal, EMNRD; Gum, Tim, EMNRD; Sanchez, Daniel J., EMNRD; Fesmire, Mark, EMNRD
Subject: FW: Eugenie #1 (bw-006)

Attention I&W: In addition, please make sure any make-up water added is brine water (not fresh water). Monitor volumes released or added and record pressure weekly. OCD would like to see 50 psig, plus and minus 10 psig, maintained at the well head monitored on the casing. Please note we have recommended a changed from 100 psig to 50 psig. The reason is to make sure the formation frac gradient is not exceeded if you experience salt creep and a pressure build-up. Please notify OCD immediately of any surface cracks, subsidence, or any anomaly in the system.

Please confirm you, Kevin Foster and the owners have received this E-mail and shall be made part of your existing permit and attached thereto.

From: Lisa Rice [mailto:lisa@iandwinc.com]
Sent: Tuesday, July 22, 2008 3:30 PM
To: Price, Wayne, EMNRD
Subject: Eugenie #1 (bw-006)

New Mexico state Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

July 22, 2008

Attn: Mr. Wayne Price
Environmental Bureau Chief

This Letter is solely to inform you and the oil conservation division that I & W, Inc. has voluntarily and permanently shut in our Eugenie #1 Brine well (BW-006).

We will continue to monitor the pressure on the well on a daily basis not allowing the pressure to drop below 100 lbs. In the event of any unforeseen problems I & W, Inc. will immediately contact your office.

Sincerely,

Kevin Wilson
Operations Manager I & W, Inc.

This inbound email has been scanned by the MessageLabs Email Security System.

Chavez, Carl J, EMNRD

From: Price, Wayne, EMNRD
Sent: Friday, July 25, 2008 1:48 PM
To: rharrisnm@aim.com
Cc: Fesmire, Mark, EMNRD; Sanchez, Daniel J., EMNRD; Chavez, Carl J, EMNRD; Gum, Tim, EMNRD; Jones, Brad A., EMNRD; Griswold, Jim, EMNRD; Hansen, Edward J., EMNRD; Lowe, Leonard, EMNRD; VonGonten, Glenn, EMNRD
Subject: RE: I & W Brine

Absolutely denied!

From: rharrisnm@aim.com [mailto:rharrisnm@aim.com]
Sent: Friday, July 25, 2008 11:14 AM
To: Price, Wayne, EMNRD
Subject: I & W Brine

Wayne,

Notice of intent to plug the I&W Brine well, sent to you and the Artesia office today.

I have reviewed the history of the I&W Brine well and I am not quite sure why the State is so adamant about shutting them down. Let me review, the Jims Brine well had casing run to 416' with only **50 sxs cement**. The I&W well has 9 5/8" set at 349' with **circulated cement** and 7" set at 456' with **cement circulated**. The well has never failed to hold pressure or given any other reason for concern. The sonar of the cavity ran in 2007 showed no abnormalities.

In addition the economic loss while going through the permitting process for a new brine well not to mention the cost of the new facility.

I would like to suggest that the OCD review the information on the I&W well and perhaps allow them to continue until a new facility is approved.

Randall Harris

The Famous, the Infamous, the Lane - in your browser. [Get the TMZ Toolbar Now!](#)

This inbound email has been scanned by the MessageLabs Email Security System.

Chavez, Carl J, EMNRD

From: Price, Wayne, EMNRD
Sent: Tuesday, July 22, 2008 4:19 PM
To: lisa@iandwinc.com
Cc: lowells@pvtnetworks.net; Chavez, Carl J, EMNRD; Macquesten, Gail, EMNRD; Altomare, Mikal, EMNRD; Gum, Tim, EMNRD; Sanchez, Daniel J., EMNRD; Fesmire, Mark, EMNRD
Subject: FW: Eugenie #1 (bw-006)

Attention I&W: In addition, please make sure any make-up water added is brine water (not fresh water). Monitor volumes released or added and record pressure weekly. OCD would like to see 50 psig, plus and minus 10 psig, maintained at the well head monitored on the casing. Please note we have recommended a changed from 100 psig to 50 psig. The reason is to make sure the formation frac gradient is not exceeded if you experience salt creep and a pressure build-up. Please notify OCD immediately of any surface cracks, subsidence, or any anomaly in the system.

Please confirm you, Kevin Foster and the owners have received this E-mail and shall be made part of your existing permit and attached thereto.

From: Lisa Rice [mailto:lisa@iandwinc.com]
Sent: Tuesday, July 22, 2008 3:30 PM
To: Price, Wayne, EMNRD
Subject: Eugenie #1 (bw-006)

New Mexico state Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

July 22, 2008

Attn: Mr. Wayne Price
Environmental Bureau Chief

This Letter is solely to inform you and the oil conservation division that I &W, Inc. has voluntarily and permanently shut in our Eugenie #1 Brine well (BW-006).

We will continue to monitor the pressure on the well on a daily basis not allowing the pressure to drop below 100 lbs. In the event of any unforeseen problems I & W, Inc. will immediately contact your office.

Sincerely,

Kevin Wilson
Operations Manager I & W, Inc.

This inbound email has been scanned by the MessageLabs Email Security System.

Chavez, Carl J, EMNRD

From: Price, Wayne, EMNRD
Sent: Tuesday, July 22, 2008 3:58 PM
To: Lisa Rice
Cc: Chavez, Carl J, EMNRD
Subject: RE: Eugenie #1 (bw-006)

Please correct the maintained pressure to 50 psig at the surface. Please respond and acknowledge.

From: Lisa Rice [mailto:lisa@iandwinc.com]
Sent: Tuesday, July 22, 2008 3:30 PM
To: Price, Wayne, EMNRD
Subject: Eugenie #1 (bw-006)

New Mexico state Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

July 22, 2008

Attn: Mr. Wayne Price
Environmental Bureau Chief

This Letter is solely to inform you and the oil conservation division that I & W, Inc. has voluntarily and permanently shut in our Eugenie #1 Brine well (BW-006).

We will continue to monitor the pressure on the well on a daily basis not allowing the pressure to drop below 100 lbs. In the event of any unforeseen problems I & W, Inc. will immediately contact your office.

Sincerely,

Kevin Wilson
Operations Manager I & W, Inc.

This inbound email has been scanned by the MessageLabs Email Security System.

Chavez, Carl J, EMNRD

From: Chavez, Carl J, EMNRD
Sent: Tuesday, May 05, 2009 3:13 PM
To: VonGonten, Glenn, EMNRD; Griswold, Jim, EMNRD
Cc: Macquesten, Gail, EMNRD
Subject: OCD I&W Brine Well Facility (BW-006) Field Notes (7/18/2008) and Follow-up Phone Call from Santa Fe w/ Gail Macquesten & Mikal Altmore on 7/22/2008

Glenn & Jim:

This is all I have in my notes.....

Facility Meeting on Friday 7/18/08:

12:00:

Wayne Price (OCD) and Carl Chavez (OCD) met with Kevin Wilson (I&W) at the I&W Facility in Carlsbad, NM.

OCD requested to know the status of the subsidence monitoring that OCD had been working with I&W on for past couple of years?

Informed I&W about the recent JWS brine well collapse (BW-005) and expressed concerns about I&W's brine well being much shallower and of even more concern that the JWS brine well.

12:17:

Discussed sonar test conducted ~ 8 mos. from date of meeting.

OCD discussed recent work plan with subsidence monuments and bench marks that OCD had reviewed and submitted comments to I&W on.

12:27:

OCD discussed the closest proximity of irrigation canal shut-off at Avalon Creek was 15 – 20 miles away in the event of a collapse, significant drainage would occur possibly into the collapsed cavern and would not be able to stop it.

Farmers are concerned about water supply for irrigation.

Depth to top of salt ~ 283' bgl with only 200' of overburden and a cavern diameter ~160'.

OCD expressed that it wanted the facility to shut-down based on the risk to public health and the environment from the I&W brine well.

Borrowed I&W's copy of the recent sonar to review over lunch.

12:50:

Kevin Wilson requested that he speak to Lowell Erby (I&W Owner) and get back with OCD. OCD departed to return again at 14:00.

14:00:

OCD expressed that the sonar test from 1996 depicted the top of the cavern to be wide.

14:30:

Kevin Wilson expressed that if it was an option for I&W to continue operations and could increase subsidence monitoring to bi-monthly?

I&W pondered the idea of a voluntary shut-down of operations due to the risk to public health and the environment.

14:36:

OCD inspected monuments.

Eugenie No. 2 Well PA'd (N 32.38900 W 104.21845 w/ EL. 3239)

Eugenie No. 1 Well in service (N 32.38811 W 104.21811 w/ EL. 3151) OCD concerned about the location of survey from this well.

14:48:

Inspected Carlsbad Irrigation District Bench Mark Datum EL. 3132.15

OCD paced the distance from canal to I&W brine well and distance was ~ 160 ft. Brine well producing ~ 200 – 300 bbl./day

15:00:

OCD took inspection photos of violations at the facility.

15:12

Eugenie No. 2 is about 66 ft. from roadway.

15:15:

Kevin Wilson said he'd talk with Lowell Erby (Owner) and go out to BW-005 Jims Water Service to see what collapse looks like.

15:18:

Discussed voluntary shut-down. End.....

Follow-up from Santa Fe on Tuesday 7/22/08:

10:14:

OCD Personnel: Wayne Price, Gail Macquesten and Carl Chavez call I&W Personnel Kevin Wilson and Lowell Erby (Owner)

OCD expressed extreme concern about possible collapse at BW-6.

OCD indicated that I&W has been negligent in implementing subsidence monitoring at the facility even though OCD tried to work with I&W.

OCD revealed that sonar test indicated a large cavern was present with similarity with Jims Water Service BW-5 and the potential for threat to public health and safety. The irrigation canal could drain into collapsed salt cavern with about 20 miles of drainage that could not be stopped before draining into collapsed cavern. There would be major economic impact to farmers relying on irrigation water for their crops.

OCD suggested to Kevin Wilson that he talk with Lowell Erby (Owner) about a voluntary shut-down of the facility. Kevin said that he had spoken to the owner since the last meeting in Carlsbad, but he hasn't heard back about it.

Lowell said sonar test was ok. according to George Parchman. OCD indicated that the sonar was of concern as there is 180 ft. of roof. Almost the same as Jims Water Service (BW=5) that collapsed.

Lowell wanted to know who determines when a brine well is unsafe? He thought it was the state that was supposed to review and deem well unsafe? They've been submitting reports. Wayne Price said no this is the responsibility of the owner/operator to determine when the well is unsafe. OCD says I&W has not implemented subsidence monitoring.

Owner says I&W was working toward it.

OCD asked if I&W was willing to shut-in? Owner says BW-6 makes good brine. I&W under impression that OCD was monitoring reports.

OCD for the record told the owner that the OCD has major concerns about his facility.

Owner states that he hates to shut-in well and have to turn it back on again later..... it is difficult to do.

Owner provides e-mail address: lowells@pvtnetworks.net for future communications.

Wayne Prices states that the OCD understands that the owner does not want to shut-down, but wants sonar test evaluated and if situation warrants, I&W will shut down.

OCD asks how long for sonar test to be evaluated? Owner will talk to Sonar company. Wayne Price provides his e-mail address and phone number.

Attorney Meeting 10:29:

I&W currently producing 20,000 bbl./month (Lowell Erby).
Mark Fesmire (OCD Director) wants Compliance Order or Emergency Order to make I&W shut-in well.
An Enforcement Order (EO) from Director would only last from 15-20 days. Have to file EO and application for hearing to be heard with expedited hearing within 2 weeks.
OCD opinion that facility needs to be PA and shut-down as the roof cavern is about 180' in diameter.
At an EO Hearing, must prove you can start back up and operate safely.
EO is under the Oil & Gas Act.
ACO is under the Water Quality Act w/ 30 days to respond and enter into an agreed order.
OCD preparing EO, ACO under WQA to enter into agreed order to respond by tomorrow.

10:43 Call to Lowell Erby:

Gail Macquesten will prepare EO to shut-in well, which will last from 15 to 20 days.
Presume ACO WQA will revoke permit/ACO.
Another option is a voluntary order to shut-in.
Lowell Erby will consider this and call back in 30 minutes or by 13:00 and talk to Wayne Price.

13:07:

Wayne Price, Carl Chavez, Mikal Altmire, and Gail Macquesten call I&W. Busy signal.
When I&W was reached, informed the OCD that it had shut-in production at 12:00.
I&W would like consultant to review sonar and is interested in drilling another brine well. OCD says that I&W should shut-in indefinitely. Send Sundry Notice to the OCD.
Wayne Price directs I&W to fill cavern with brine water and keep \leq 100 psig on the cavern. If pressure decreases, no fresh water only brine water. OCD will evaluate PA Sundry Notice.
I&W is on notice that there is no insurance coverage.

13:13:

OCD waits for e-mail. Message to Mark Fesmire from Wayne Price.

End.....

Carl J. Chavez, CHMM
New Mexico Energy, Minerals & Natural Resources Dept.
Oil Conservation Division, Environmental Bureau
1220 South St. Francis Dr., Santa Fe, New Mexico 87505
Office: (505) 476-3490
Fax: (505) 476-3462
E-mail: CarlJ.Chavez@state.nm.us
Website: <http://www.emnrd.state.nm.us/ocd/index.htm>
(Pollution Prevention Guidance is under "Publications")