

Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Saturday, February 12, 2011 6:14 PM
To: 'jamesbruc@aol.com'
Cc: 'Mike Pippin'; Chuck Reagan; 'Ocean Munds-Dry'; Brooks, David K., EMNRD; Ezeanyim, Richard, EMNRD
Subject: Case 14563 Lime Rock Cooperative Waterflood

Hello Jim:

Understand Lime Rock is ready for a decision on this Case, so I am working on the opinion. Have some questions.

- a. The application said Lime Rock Resources, LLP, but what OGRID is applying for this? Lime Rock has wells under two different ones. (What I see are Lime Rock Resources II-A, L.P. and Lime Rock Resources A, L.P. both have lots of wells under them)
- b. In our exhibit packet are numbers: 1, 2A, 3A, 4, 5, 6, 7, 8, and 9. Were there any Exhibits 2 and 3? There were some issues at the hearing as to number of copies of exhibits available and maybe the court reported did not end up with all of them.
- c. The application says that the W/2 NW/4 of Sec 32 is out of the "project area" and that is consistent with the list of leases involved. The SW/4 NW/4 of Section 32 is not listed in Yellow on Exhibit 2A showing Lime Rock acreage and the entire NW/4 is not shown in the NW Artesia Unit. The testimony was that (in all acreage being proposed for waterflooding located OUTSIDE of the NW Artesia Unit) only State Lands were involved and Lime Rock owned 100% of the WI. So guess I am wondering about the ownership of this SW/4 NW/4 of Section 32 and why it is not colored in Yellow on the maps?
- d. We talked about the effects of waterflooding on any ORRI and Mr. Brooks at one point asked the ORRI info be added to the record and you also talked about a State Land Office Memo of Regulations as to how ORRI are protected. It does seem that all tracts of land (San Andres formation) should be separately identified and the owners (including any ORRI) of each tract listed.
- e. Don't see that anyone ever asked how the participating leases have agreed to split up the costs and allocate future production – is this a simple answer?
- f. The Application and Advertisement had errors as to location of the NW 32 State Wells 6 and 7, but this was explained in the Exhibits presented at the hearing.
- g. The Application showed location of State Lease 647-405 as NE/4 NE/4 of Section 31. Shouldn't that really be NE/4 SE/4 ?? **(No)**
- h. It seems that the condition of the AoR wells will be as difficult to ascertain as it was for BP on the Washington 33 State Lease Waterflood directly to your east. BP had to do remedial work on several AoR wells in order to implement its waterflood.
- i. Thank you for sending the spreadsheet of the MANY AoR wells. It could be I am not seeing all the data included, but would you guys add to this spreadsheet for each well the following data:
 - a. Total Depth of the well
 - b. Producing interval in each well.
 - c. Status of each well (inactive, active, plugged)
 - d. Well Type: Oil or Gas
 - e. Intermediate and Production Casing Depth
 - f. Intermediate and Production Casing, Cement Tops and say if these cement tops are measured or calculated.
 - g. Location of DV tools in the production casing – for wells drilled below the San Andres.
 - h. Anything else to verify cement coverage over the 2400 to 3400 foot San Andres interval.

Thank You,