

Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Tuesday, April 26, 2011 11:41 AM
To: 'Ocean Munds-Dry'
Cc: Warnell, Terry G, EMNRD; Ezeanyim, Richard, EMNRD
Subject: Case 14611 Alamo Resources Waterflood Re-instatement

Tracking:	Recipient	Read
	'Ocean Munds-Dry'	
	Warnell, Terry G, EMNRD	Read: 4/26/2011 11:45 AM
	Ezeanyim, Richard, EMNRD	

Hello Ocean:

I don't think anyone else appeared in this hearing or case – if so, please let me know and I will include them in the correspondence?

Just a quick note to consider passing on to Alamo.

Regret the delay, but this is my next hearing order to get out the door by the end of next week at least – and I remember during the hearing that Mr. Seale said that this waterflood needed a high injection pressure in order to be effective. I can understand this, often these shallow sandstone oil reservoirs are tight and only respond to higher injection pressures. At the same time, fracturing could ruin the waterflood if done without some control.

During the waterflood hearing, I don't remember any evidence being presented to justify the higher pressures. My thought was and still is to research the files on these wells and this old waterflood to find old evidence justifying the higher pressures and work them into the Order.

However, would save time if Alamo could do this themselves? Send me any data on which Step Rate Tests were run on wells in this waterflood in the past.

If this data can't be found, I must start the permitted injection pressure out at a surface gradient of 0.2 psi/foot. For example, the 2100 foot wells would get 420 psi maximum surface injection pressure.

If Alamo needs more pressure than this, they should work with Terry Warnell here in this office administratively to obtain a higher pressure. Terry would likely require Alamo to run Step Rate Tests on representative wells around the waterflood (work with him to pick these wells) or even on all injection wells and would then evaluate the tests to see if more pressure could be granted without fracturing the reservoir.

If Alamo really feels it needs more pressure than Step Rate Tests would give – then it could run the Step Rate Tests along with injection surveys or other supporting data and present this data at an examiner hearing pleading the need for the higher pressure to obtain the oil from the reservoir with the evidence that the injected waters won't cause waste of oil and gas or travel vertically above the waterflood interval.

Look for example at Case No. 13249 or 13127 for evidence that could possibly be presented.

Thanks again and please ask Alamo to only correspond through yourself as its attorney in this case.

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