

Extension Letter and Completion Timeline

1/29/2020



PERMIAN

Overflow Energy Permian LLC
Permitting Division
P.O. Box 354
Booker, TX 79005
806-650-2215
A part of Overflow Energy LLC

January 29, 2020

New Mexico Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

RE: **Administrative Order SWD-1785: Extension**
Rose SWD # 1 API #: 30-015-45221
E-32-23S-27E
Eddy Co., New Mexico

To Whom It May Concern,

Overflow Energy is currently in the process of receiving the commission's approval of the form C-105 for the Rose SWD # 1 and its companioned sundry notices. We spudded the well back on September 22, 2019 and moved the completion rig in directly after drilling was completed. Several issues have arisen on sundry notices and the completion report that Overflow must resolve to remain in compliance. We respectfully request for a hundred-eighty (180) day extension of Order SWD-1785 to resolve the issues. We understand that we may not inject into the Rose until we have received NMOCD approval.

If you should have any questions or concerns, please feel free to call us at 806-650-2215 or email us at permitting@oeswd.com.

Sincerely,

Elizabeth Valenzuela
Regulatory Technician

Rose-Coss, Dylan H, EMNRD

From: Lori Hearon <lhearon@oeswd.com>
Sent: Tuesday, March 3, 2020 8:55 AM
To: Goetze, Phillip, EMNRD; Rose-Coss, Dylan H, EMNRD
Cc: Smolik, Danny, EMNRD; Elizabeth Valenzuela
Subject: [EXT] Overflow Energy- Rose SWD
Attachments: Rose Sundry Timeline - FINAL.xlsx

Philip & Dylan,

Please see attached the timeline of events in regards to our Rose SWD. The timeline begins with our request and approval details for the casing change before drilling on 9-19-19 and details out our communication with the state and series of actions followed. We put this together in hopes it will answer some of your questions and we can get our completion and permit extension approved on the Rose.

After reviewing please contact us for a time to discuss in further detail. We would like to get this resolved as quickly as possible so we can be compliant with the state. We appreciate your attention to this matter.

Thank You!
Lori Hearon
VP, Development

723 Hwy 15 West Ind., PO Box 354 Booker, TX 79005
806-650-2216 Office 806-658-7836 Fax 713-213-6679 Cell

Rose-Coss, Dylan H, EMNRD

From: Rose-Coss, Dylan H, EMNRD on behalf of Engineer, OCD, EMNRD
Sent: Tuesday, January 28, 2020 4:37 PM
To: Lowe, Leonard, EMNRD
Cc: Goetze, Phillip, EMNRD
Subject: FW: [EXT] Rose: Extension Letter
Attachments: Rose - Order Extension Letter.pdf

Leonard,

Here is that extension of time letter that I was telling you about. Could you look into it and let them know if they need to do anything else?

Thanks,

Dylan Rose-Coss

Petroleum Specialist
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

(505) 476-3477



From: Elizabeth Valenzuela <evalenzuela@oeswd.com>
Sent: Tuesday, January 28, 2020 4:13 PM
To: Engineer, OCD, EMNRD <OCD.Engineer@state.nm.us>
Cc: Lori Hearon <lhearon@oeswd.com>
Subject: [EXT] Rose: Extension Letter

Good Afternoon,

Please see the attached extension letter for the Administrative Order SWD-1785, Rose SWD # 1. The hardcopy is currently being mailed to you.

Let me know if you have any questions.

Thanks,

Elizabeth Valenzuela
Regulatory Technician



OVERFLOW ENERGY
PO Box 354
Booker, TX 79005
Phone: (806) 650-2215
Fax: (806) 650-2218

Date	Action	Confirmation Email
9/19/2019	John Prejean (OE representative) discussed changing the permit casing design to match updated geology prognosis with Mike Batchner (District Supervisor). He asked that OE run these changes by Ray Padany (District Geologist) and then transferred John over to Ray. After discussing the discrepancies with the permit depth of the Salado and concern with not pushing our 1st intermediate string into the Delaware Series Sands, Ray gave his verbal approval to make the discussed changes and asked that a formal sundry be submitted to the district office by mail, as they could not accept emailed sundries at that time. The C-103 with the casing design changes was sent to Elizabeth Valenzuela (OE representative), by email, to be signed and mailed, per Ray's instructions.	Yes
9/22/2019	Rose SWD #1 was SPUD at 14:30	No
9/23/2019	Elizabeth mailed off the casing design C-103 to the District II office.	Yes
9/25/2019	Elizabeth mailed off the Surface Casing C-103 to the District II office.	Yes
9/30/2019	Intermediate Casing Point has been reached.	No
10/1/2019	Elizabeth mailed off the Intermediate Casing C-103 to the District II office.	Yes
10/8/2019	Overflow Energy received call from the OCD District II concerning the changes to the surface and intermediate depths. Gilbert Cordero followed up with an email stating that we need to send them to Phillip Geotze.	Yes
10/8/2019	Elizabeth notifies John that the State of NM has issues with our surface and intermediate casing depths	Yes
10/9/2019	John had a phone conversation with Gilbert Cordero about the issues with the Casing Design Sundry. He informed John that the District Office should not have given us a verbal approval, as all SWD changes must go through Phillip Goetze. Gilbert shared Phillip's phone number and John called him directly to determine how to address their issues. Over the phone, Phillip explained that he would have to approve the changes - not the District Office. He asked that John send him all of the reports and logs that would help him make a decision on this matter.	Yes
10/9/2019	John emailed Phillip the Casing Design Change Sundry, Mud Log of the surface hole and a recap of the surface & intermediate casing & cementing reports.	Yes
10/15/2019	Due to not getting a response from the email on 10/9 and we were preparing to set our 2nd intermediate casing string, John called Phillip to confirm we had his approval to move forward with operations. He expressed disappointment that we didn't follow the proper procedures to file the change and that we could continue and expected us to follow proper procedures in the future. John followed up the call with an email to Phillip. This was the last communication that John had with Phillip.	Yes
10/16/2019	Did not circulate cement to surface on the 9 5/8" casing (2nd Intermediate). Robert Barrera (OE Rig Site Representative) called District II inspector, ran Temperature Log, found TOC around 190' and ran 1" tubing to 196' and tagged up, then topped off cement to surface.	No
10/29/2019	Elizabeth mailed off the 2nd Intermediate Casing C-103 to District II office.	No
11/4/2019	Elizabeth prepared the 2nd Intermediate Casing C-103 to re-submitted due to a phone call from the District II office.	No
11/5/2019	Elizabeth re-mailed the 2nd Intermediate Casing C-103 to both District II & Phillip per the district's instructions.	No
11/6/2019	Elizabeth informed John that she had to start sending the C-103s to both the District II office and Phillip.	Yes
11/16/2019	Well TD.	No
11/21/2019	Elizabeth mailed off the 3rd Intermediate Liner C-103 to both District II office & Phillip.	Yes
11/22/2019	Drilling Rig is moved off of location	No
12/24/2019	Elizabeth mailed off C-105 along with physical copies of the logs and Rita's C-103 casing changes.	No
12/31/2019	Overflow received an email from Amalia Bustamante concerning apparent lack of C-103s, no C-102, and to submit the logs digitally. Elizabeth emailed her stating she would try to get to the logs that week and that the C-103s were already submitted. She replied that she would need the physical copies of the C-103s.	Yes
12/31/2019	Amalia called to discuss the C-105 more in depth. She told Elizabeth that we need a new C-102. Elizabeth told her that they should have all the C-103s.	No
1/2/2020	Created an account to submit the logs online. Elizabeth submitted Caliper, Porosity, and Resistivity logs.	No
1/16/2020	Overflow noticed that the C-103s were denied along with Rose's C-105.	No
1/28/2020	Lori Hearn (OE representative) got a hold of Dylan Rose-Coss with the NMOCD concerning the permit being technically expired and the denied forms. We were informed that we need to apply for an extension on the Rose permit until we can get the C-103s and C-105 approved. He told us to get together with Amalia Bustamante about getting C-103s and C-105 approved. We were told to email the extension letter to the engineering department and send a physical letter to them as well.	No
1/28/2020	Elizabeth prepared the extension letter and emailed it to the engineering department.	Yes
1/29/2020	Amalia and Elizabeth talked over the phone about what needed to be done to have the C-105 approved. Overflow would need to have an up-to-date C-102, correct the pooling information on the C-103s, and send in the MIT and pull test.	No

1/30/2020	Elizabeth emailed Amalia for further clarification on the C-102. She stated that what we have is good but would need to put "Amended Report" and "As-Drilled" on it. We discussed that we should send in the C-103s and follow up with the C-105 and the C-102 "As-Drilled". Dan Smolik further confirmed that our MIT will be good enough to submit.	Yes
1/31/2020	John Garcia emailed us stating in order for them to evaluate our extension request we needed to send in statements concerning any new wells in the AOR penetrating the injection interval and another about any change in affected parties.	Yes
2/11/2020	Elizabeth mailed off required statements for the extension as well as notice letters to the newly affected parties.	No
2/11/2020	Dan Smolik with District II called stating that he could not approve of the C-103s due to the very first C-103 concerning the change of casing plans. Elizabeth asked him about the inclination report and he told her to send it to him to look at.	No
2/11/2020	Elizabeth emailed Dan the inclination report.	Yes
2/14/2020	Elizabeth sent a follow up email to Dan about the inclination report.	Yes
2/14/2020	Dan called saying that we should send the inclination report with a C-103 as well as the C-102 to a Laura Tulk. He further explains to send the first C-103 to Phillip and then send him the rest of the C-103s to him once that one is approved.	No
2/15/2020	Elizabeth overnighted the C-103 for the casing changes to Phillip.	No
2/18/2020	Elizabeth overnighted the C-102 and inclination report to a Laura Tulk.	No
2/18/2020	Received a call from Jimmy Dorman (OE Representative) about talking to Phillip to do a step-rate test on the Rose and Dan Smolik being worried about a C-103. Elizabeth talked to Dan and was told to talk to Phillip about where we were at on that C-103 for casing changes. We attempted to reach Phillip Geotze several times that day.	No
2/19/2020	Phillip informed Elizabeth to send him a request email to have the C-103 moved up the queue to be reviewed. He said we would need to submit another C-103 with our intent to conduct an injection survey to the District II. Elizabeth sent the request email after the conversation.	Yes
2/19/2020	Elizabeth talked to Dan about what Phillip said about submitting a C-103. He told her to send him C-103 through email as well as mail it to him.	No
2/19/2020	Elizabeth emailed the C-103 for our intent to conduct an injection survey to Dan.	Yes
2/21/2020	Elizabeth mailed out the C-103 of our intent to conduct an injection survey to the District II office.	No
2/25/2020	Elizabeth emailed Phillip to check in on the status of the C-103 for casing changes. His reply indicated that there are still issues with the completion paperwork.	Yes
2/26/2020	Elizabeth replied back to Phillip to reassure him that we did run tests and that they have been submitted to the District II office, and that we had a mudlog and were in the process of getting a CBL ran. She asked him if he would like to meet a representative of the company. After the email, Elizabeth submitted the mudlog.	Yes
2/26/2020	Lori reached out to Dylan to talk about a process forward to get these issues resolved and have our completion and permit extension approved. He suggested we put together a timeline and they would review and set up a meeting with all parties.	No