BW - ____31____

MECHANICAL INTEGRITY TEST (MITs)

Submit 1 Copy To Appropriate District Office
District I – (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II – (575) 748-1283
811 S. First St., Artesia, NM 88210
District III – (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV – (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

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

Form C-103
Revised July 18, 2013

WELL API NO. 30-025-36781

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.)

7. Lease Name or Unit Agreement Name: SCHUBERT 7

1. Type of Well: Oil Well ☐ Gas Well ☒ Other (Brine Supply)

8. Well Number 1

2. Name of Operator: H.R.C., Inc.

9. OGRID Number: 131652

3. Address of Operator: P. O. Box 5102, Hobbs, NM 88241

10. Pool name or Wildcat: BSW-Saldo

4. Well Location
Unit Letter J : 2313 feet from the South line and 2313 feet from the East line
Section 7 Township 19S Range 39E NMPM County Lea

11. Elevation *(Show whether DR, RKB, RT, GR, etc.)*
3585 GL

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

NOTICE OF INTENTION TO:				SUBSEQUENT REPORT OF:			
PERFORM REMEDIAL WORK	☐	PLUG AND ABANDON	☐	REMEDIAL WORK	☐	ALTERING CASING	☐
TEMPORARILY ABANDON	☐	CHANGE PLANS	☐	COMMENCE DRILLING OPNS.	☐	P AND A	☐
PULL OR ALTER CASING	☐	MULTIPLE COMPL	☐	CASING/CEMENT JOB	☐		
DOWNHOLE COMMINGLE	☐						
CLOSED-LOOP SYSTEM	☐						
OTHER: MIT TEST	☒			OTHER: MIT TEST	☒		

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

11/20/16 PRESSURE FORMATION TO 300 PSI -- SHUT IN 8 P.M.
11/21/16 SHUT IN
11/22/16 RIG UP CHART RECORDER; OPEN CSG. TO CHART RECORDER @ 300 PSI @ 8:15 AM; WITNESS: MARK WHITAKER; 4 HR. TEST CLOSE CSG. @ 12:15 PM WITNESS GEORGE BOWEN -- HELD @ 300 PSI.
1:00 PM - OPEN WELL TO TANKS -- BLEED PRESSURE TO 200 PSI
7:00 PM - PRODUCE BRINE @ 200 PSI

Spud Date: | Rig Release Date:

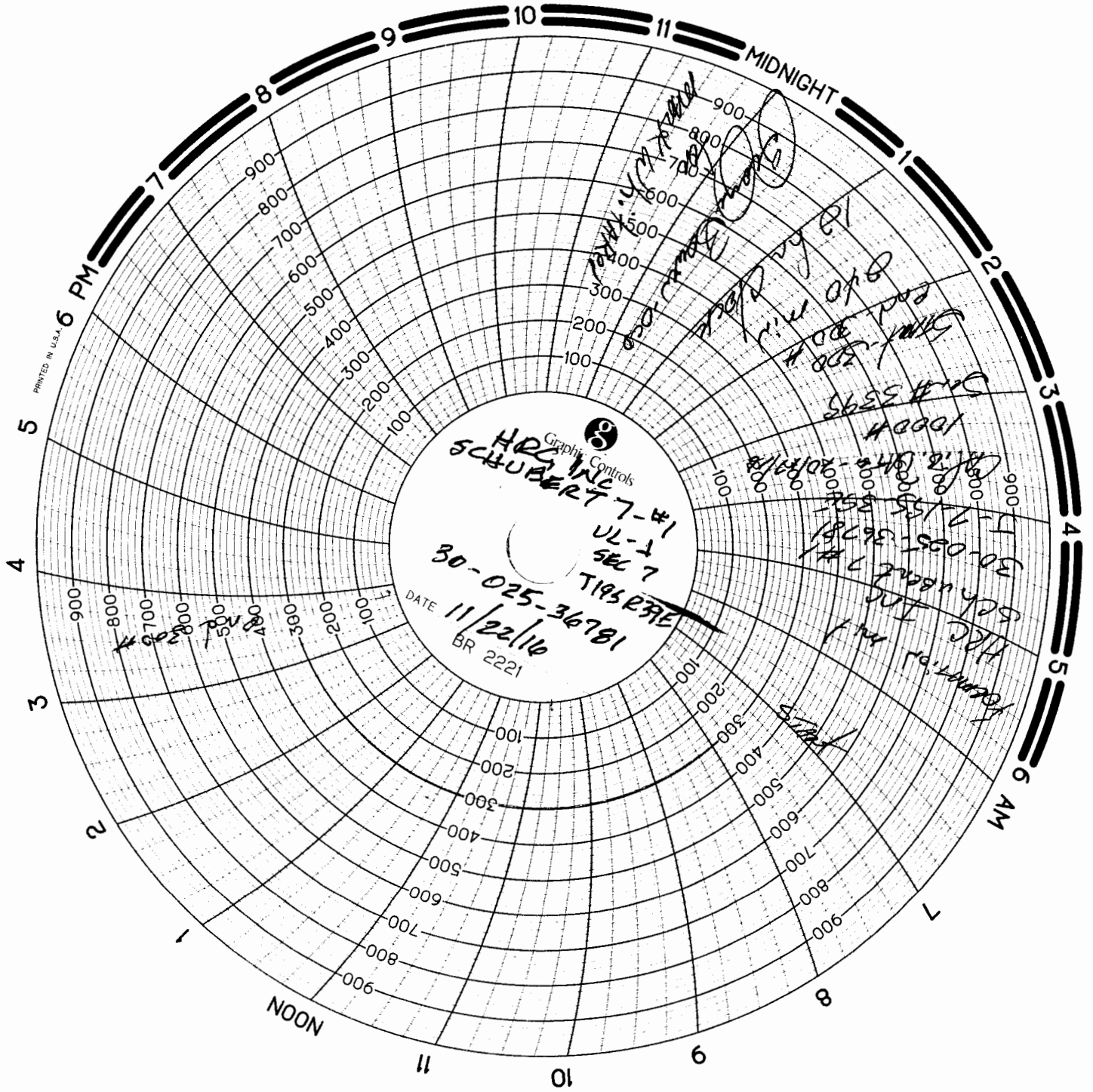
I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Gary M. Schubert TITLE President DATE 11-16-2016

Type or print name Gary M. Schubert E-mail address: garymschubert@gmail.com PHONE: 575-393-3194

For State Use Only

APPROVED BY: TITLE Senior Engineer **DATE** 12/1/2016
Conditions of Approval (if any):


MIDNIGHT
NOON
6 PM
6 AM
PRINTED IN U.S.A.
Graphic Controls
HRS INC
SCHUBERT 7-#1
UL-1
SEC 7
T19S R39E
30-025-36781
DATE 11/22/16
BR 2221

American Valve & Meter, Inc.

1113 W. BROADWAY

P.O. BOX 166 HOBBS, NM 88240

T0: RENTAL **DATE: 10/17/16**

This is to certify that :

I, Tony Flores, Technician for American Valve & Meter Inc.

has checked the calibration of the following instrument.

8"_Pressure recorder **Ser# 3399**

at these points:

	Pressure #1000			**Temperature *or Pressure #**	
Test	**Found**	**Left**	**Test**	**Found**	**Left**
- 0	-	-0	-	-	-
- 500	-	- 500	-	-	-
- 700	-	- 700	-	-	-
- 1000	-	- 1000	-	-	-
- 200	-	- 200	-	-	-
- 0	-	- 0			

Remarks:_____

_____

_____

Signature: Tony Flores

Gmail **Gary Schubert <garymschubert@gmail.com>**

BW-31 (HRC, Inc. Schubert 7 Well No. 1 API# 30-025-36781): MIT

2 messages

Chavez, Carl J, EMNRD <CarlJ.Chavez@state.nm.us> Tue, Nov 22, 2016 at 5:23 PM
To: Gary Schubert <garymschubert@gmail.com>
Cc: "Whitaker, Mark A, EMNRD" <MarkA.Whitaker@state.nm.us>

Gary:

Hi. I spoke with Mark Whitaker today regarding the recent MIT.

Could you please send to me a C-103 Form for the MIT, copy calibration sheet, and original chart so I may update the admin. record.

Thank you.

RECEIVED OCD
2016 NOV 30 P 2:29

Mr. Carl J. Chavez

New Mexico Oil Conservation Division

Energy Minerals and Natural Resources Department

1220 South St Francis Drive

Santa Fe, New Mexico 87505

Ph. (505) 476-3490

E-mail: CarlJ.Chavez@state.nm.us

"Why not prevent pollution, minimize waste to reduce operating costs, reuse or recycle, and move forward with the rest of the Nation?" (To see how, go to: http://www.emnrd.state.nm.us/OCD and see "Publications")

Gary Schubert <garymschubert@gmail.com> Tue, Nov 29, 2016 at 2:29 PM
Draft To: "Chavez, Carl J, EMNRD" <CarlJ.Chavez@state.nm.us>

Carl,

As per your request please see attached information:

C-103 Form
Calibration sheet from American Valve and Meter (rental chart recorder unit)
Original chart (witnessed by OCD)

Thanks for your cooperation.

Best Regards,

Gary

[Quoted text hidden]
--
Gary M. Schubert

Chavez, Carl J, EMNRD

From: Chavez, Carl J, EMNRD
Sent: Wednesday, October 19, 2016 5:20 PM
To: 'Gary Schubert'
Cc: Griswold, Jim, EMNRD; Brown, Maxey G, EMNRD; Whitaker, Mark A, EMNRD; Sanchez, Daniel J., EMNRD
Subject: BW-31 HRC Schubert 7 #1 30-025-36781 J-7-19S-39E (BW-31) Last MIT Date: 8/13/2009
Attachments: EPA 5-Yr Casing MIT 10-12-2016 CJC.pdf; UIC Class III Cavern MIT Guidence 10-12-16CJC..pdf

Mr. Schubert:

Re: BW-31 A HRC HRC Schubert 7 #1 30-025-36781 J-7-19S-39E 2313 2313 32.673851 -103.083629 Lea Hobbs 2 Private Private 1 Re-entry Sahara Schubert 7 #1 Active
10/1/06 10/1/06 30 80 1800 1865 2300 4352,268,081
340,212 1,819,073 126 0.0678 12/16/2007 6/22/2011 Garymschubert@gmail.com & Tony (tony@waternex.com) (575) 393-3194 or 393-6662

Good afternoon. The New Mexico Oil Conservation Division (OCD) has reviewed its administrative record for the above subject brine well, and notice that your brine well must be tested on or before November 30, 2016.

Please contact Mr. Mark A. Whitaker (see contact information below) to schedule either your Casing MIT or Cavern MIT (see attached procedures). The choice is yours.

District 1
1625 N. French Drive
Hobbs, New Mexico 88240
OFFICE: (575) 393-6161 FAX: (575) 393-0720
EMERGENCY NUMBER - MOBILE: (575) 370-3186
Business Hours:
7:00 AM-12:00 PM and 1:00 - 4:00 PM
Monday through Friday

Mark A. Whitaker - Petroleum Engineering Specialist
Phone extension: 120
Mobile: (575) 399-3202
- Field Inspections, Plug and Abandonment, Orphan Well Plugging, P&A Site Release

Please contact me if you have questions. Thank you.

Mr. Carl J. Chavez
New Mexico Oil Conservation Division
Energy Minerals and Natural Resources Department
1220 South St Francis Drive
Santa Fe, New Mexico 87505
Ph. (505) 476-3490
E-mail: CarlJ.Chavez@state.nm.us

“Why not prevent pollution, minimize waste to reduce operating costs, reuse or recycle, and move forward with the rest of the Nation?” (To see how, go to: http://www.emnrd.state.nm.us/OCD and see “Publications”)

UIC Program
Brine Well EPA 5-Yr. MIT Guidance

(30-minute hydrostatic well casing MIT closed to formation)

1) A work over rig must remove all tubing from the hole.

2) A packer or plug must be set within 20 feet of the casing shoe depth and piping must be filled, and pressured up from 300 to 500 psi. The casing/tubing annulus must be loaded with inert fluid at least 24 hours prior to testing.

2) Have manpower and equipment available for pressure test. Wellhead shall be prepared for test and all valves and gauges should be in good working order.

3) Pumps, tanks, external lines etc. must be isolated from the wellhead during test.

4) A continuous recording pressure device with a 1 **or 4-hour clock** shall be installed on the casing annulus. The pressure range shall not be greater than 500 psig. The operator must provide proof that the pressure-recording device has been calibrated within the past 6 months.

5) A minimum of one pressure gauge shall be installed on the casing/tubing annulus.

6) OCD must witness the beginning of test (putting chart on) and ending of test (removing chart). At the end of test operator may be required to bleed-off well pressure to demonstrate recorder and gauge response into an adequately sized containment vessel(s) for this purpose and to verify that there were no obstructions in the well during the test. Effluent from this vessel must be discharged back into the well at the completion of the test.

7) The Operator shall supply the following information on the pressure chart:

   A. Company Name, Well Name, API #, Legal Location.

B. Test Procedure (1) Casing + Formation (2) Casing Test Only (3) Both (4) Other
C. Testing Media: Water, Gas, Oil, Etc.
D. Date, time started and ending.
E. Name (printed) and signature of company representative and OCD Inspector

8) **TEST ACCEPTANCE:** The OCD will use the following criteria in determining if a well has passed the Mechanical Integrity Test:

A. **Passes** if Zero Bleed-Off during the test.
B. **Passes** if Final Test Pressure is within ± 10% of Starting Pressure, if approved by the OCD inspector.
C. **Fails** if any Final Test Pressure is greater than ± 10% of Starting Pressure. Operators must investigate for leaks and demonstrate that mechanical integrity of the well(s) by ensuring there are no leaks in the casing, or packer, and injected/produced fluids are confined within the piping and injection zones. Wells shall not resume operations until approved by OCD.

Note: OCD recognizes that different operations, well designs, formation characteristics and field conditions may cause variations in the above procedures. If operator wishes to make or anticipate changes, please notify the OCD for approval. All operators are responsible to notify OCD of any procedure that may cause harm to the well system or formation. Please be advised that OCD approval does not relieve any operator of liability should operations result in pollution of surface water, groundwater, or the environment.

Also note: This document is intended to provide technical guidance to operators on technical means to achieve compliance with the rules and regulations of the Oil Conservation Division and the Oil and Gas Act. The test procedures set forth are not regulations or policies and therefore other methods may exist to achieve compliance with the rules and regulations and the Oil and Gas Act.

NMOCD recommends that a licensed professional engineer or licensed geologist, or a licensed professional engineer or licensed geologist designee supervise all test procedures and associated field activity.

OCD UIC Program
Draft Brine Well Cavern MIT Guidance (4-hour hydrostatic well test open to the salt formation)

1) The cavern and all piping must be filled, pressured up and stabilized for a period of at least 24 hours prior to testing. If this test requires a packer then casing/tubing annulus must be loaded with inert fluid 24 hours prior to testing.

2) Have manpower and equipment available for pressure test. Wellhead shall be prepared for test and all valves and gauges should be in good working order.

3) Pumps, tanks, external lines etc. must be isolated from the wellhead during test.

4) A continuous recording pressure device with an **8 or 12-hour clock** shall be installed on the casing/tubing annulus. The pressure range shall not be greater than 500 psig. The operator must provide proof that the pressure-recording device has been calibrated within the past 6 months. **Note: Wells with packer installed: If this test requires both the casing/tubing annulus and cavern to be tested then two recording devices must be supplied or one recording device with two pins.**

5) A minimum of one pressure gauge shall be installed on the casing/tubing annulus.

6) OCD must witness the beginning of test (putting chart on) and ending of test (removing chart). Ensure that fluids from the well are not spilled onto the ground.

7) The Operator shall supply the following information on the pressure chart:

   A. Company Name, Well Name, API #, Legal Location.
   B. Test Procedure (1) Casing + Formation (2) Casing Test Only (3) Both (4) Other
   C. Testing Media: Water, Gas, Oil, Etc.
   D. Date, time started and ending.
   E. Name (printed) and signature of company representative and OCD

Inspector

8) **TEST ACCEPTANCE:** The OCD will use the following criteria in determining if a well has passed the Mechanical Integrity Test:

A. **Passes** if Zero Bleed-Off during the test.

B. **Passes** if Final Test Pressure is within ± 1% of Starting Pressure, if approved by the OCD inspector.

C. **Fails** if any Final Test Pressure is greater than ± 1% of Starting Pressure. Operators must investigate for leaks and demonstrate that mechanical integrity of the well(s) by ensuring there are no leaks in the tubing, casing, or packer, and injected/produced fluids are confined within the piping and injection zones. Wells shall not resume operations until approved by OCD. Caution is urged to reduce pressure appropriately as a function of depth to the salt cavern to prevent fracturing during testing.

Note: OCD recognizes that different operations, well designs, formation characteristics and field conditions may cause variations in the above procedures. If operator wishes to make or anticipate changes please notify the OCD for approval. All operators are responsible to notify OCD of any procedure that may cause harm to the well system or formation. Please be advised that OCD approval does not relieve any operator of liability should operations result in pollution of surface water, groundwater, or the environment.

Also note: This document is intended to provide technical guidance to operators on technical means to achieve compliance with the rules and regulations of the Oil Conservation Division and the Oil and Gas Act. The test procedures set forth are not regulations or policies and therefore other methods may exist to achieve compliance with the rules and regulations and the Oil and Gas Act.

OCD recommends that a licensed professional engineer or licensed geologist, or a licensed professional engineer or licensed geologist designee supervise all test procedures and associated field activity.

Griswold, Jim, EMNRD

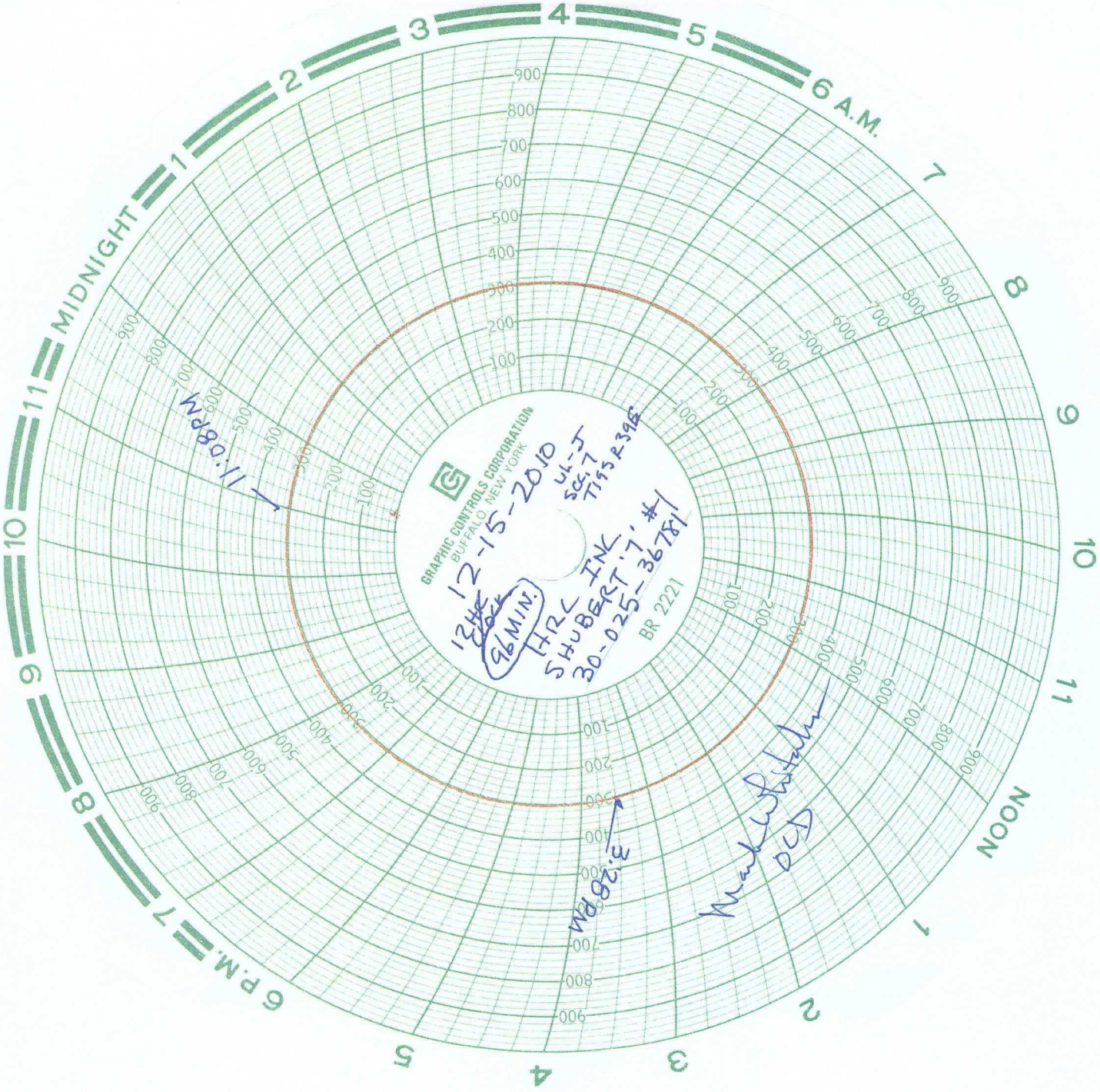
From: Gary Schubert [garymschubert@gmail.com]
Sent: Wednesday, December 29, 2010 4:31 PM
To: Griswold, Jim, EMNRD
Subject: bw-31
Attachments: CCF12292010_00001.jpg; CCF12292010_00002.jpg; CCF12292010_00003.jpg

Jim,

As per our recent discussion we performed the 4 hr. cavern test on bw-31 on 12/15/10. I am sending you a scanned copy of the test with this email and I will forward the original in the mail. Mark Whitaker witnessed the start and finish as you will see on the chart. One other thing--when they were setting up the chart they mistakenly set the chart revolution at 96 minutes so the chart made a couple of revolutions. Mark Whitaker noted this on the chart and recorded his witness times. There was no pressure change at all--we just have a funny looking chart. I hope this makes sense to you. Thanks for all of your help and cooperation.

Gary Schubert
H.R.C. Inc.
575-631-0962

--
Gary M. Schubert


GRAPHIC CONTROLS CORPORATION
BUFFALO NEW YORK
12-15-2010
1246
46 MIN.
HRL INC
SHUBERT '7' #1
30-025-36781
BR 2221
MIDNIGHT
6 A.M.
NOON
6 P.M.
3:28 PM
11:08 AM

American Valve & Meter, Inc.

1113 W. BROADWAY
P.O. BOX 166
HOBBS, NM 88240

TO: Maclaskey **DATE:** 11-03-10

This is to certify that:

I, Bud Collins, **Technician for American Valve & Meter, Inc., has checked the calibration of the following instrument.**

8" Pressure recorder **Serial No:** 11853

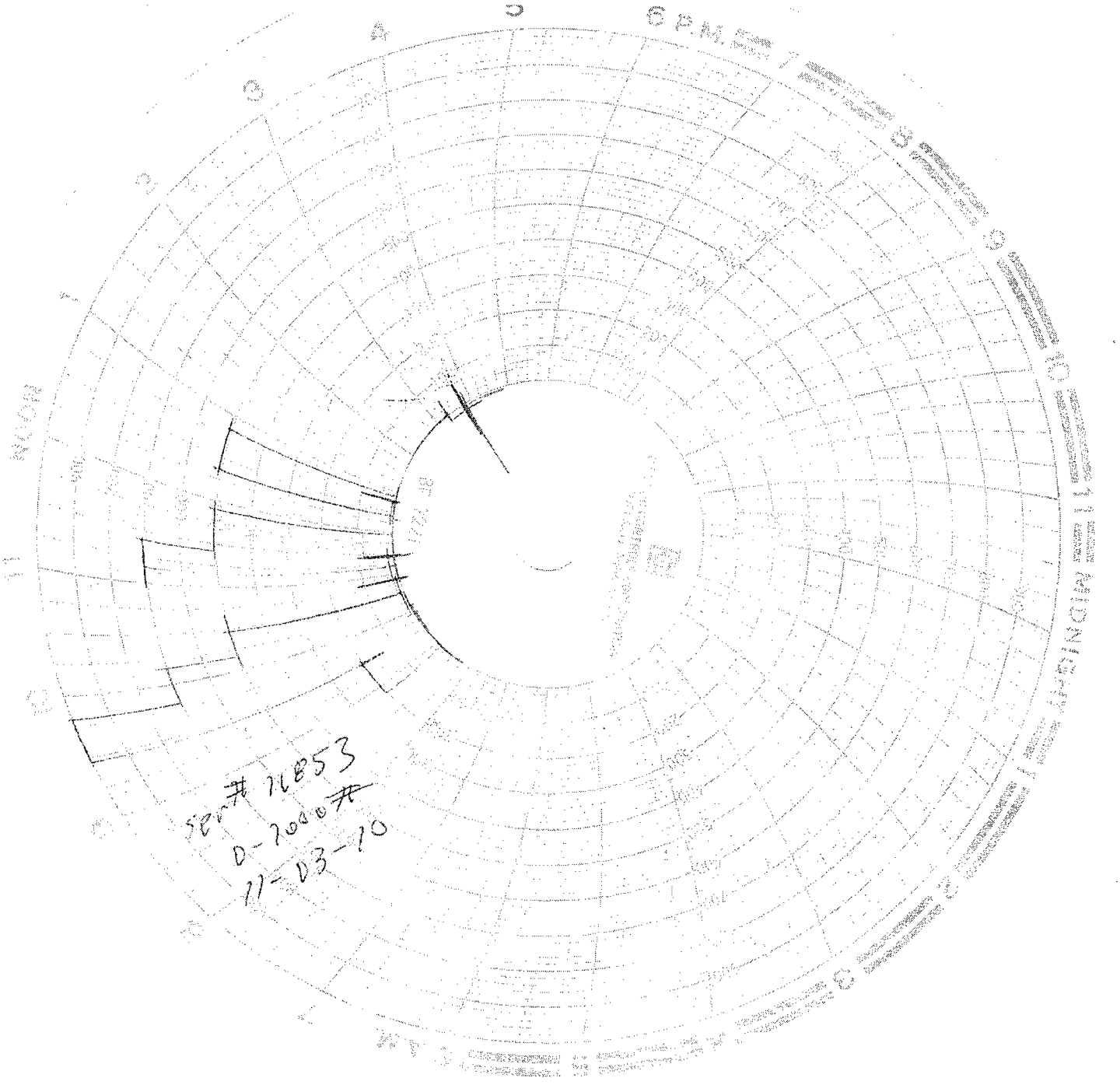
at these points.

Pressure 0 - 1000 # **Temperature** _____

Test	Found	Left	Test	Found	Left
0	___	0	___	___	___
500	___	500	___	___	___
700	___	700	___	___	___
1000	___	1000	___	___	___
200	___	200	___	___	___
0	___	0	___	___	___

Remarks: _____

Signature Bud Collins


Serial #1853
D-2000 #
11-03-10

Chavez, Carl J, EMNRD

From: Chavez, Carl J, EMNRD
Sent: Friday, April 23, 2010 6:56 AM
To: 'Alvarado, David'; 'lyn.sockwell@basicenergyservices.com'; 'James Millett'; Clay Wilson; 'Patterson, Bob'; 'gandy2@leaco.net'; 'Gary Schubert'; 'Dan Gibson'
Cc: VonGonten, Glenn, EMNRD; Griswold, Jim, EMNRD
Subject: New Mexico UIC Class III Brine Well MIT Scheduling with Completion by September 30, 2010

Gentlemen:

Re:

Basic Energy Services: BW-002 & BW-025
Gandy Corporation: BW-004 & BW-022
Key Energy Services, LLC: BW-028
Mesquite: BW-027 (MITs on 2-Well System Completed this Season) & BW-030
Salty Dog: BW-008
HRC: BW-031

Good morning. It is that time of year again to remind operators that their MITs for this season must be completed by 9/30/2010. The list of operator names w/ associated brine wells are provided above and as in the past, the OCD attempts to schedule MITs logistically on the same day and it in a route with start times that is most efficient in the field.

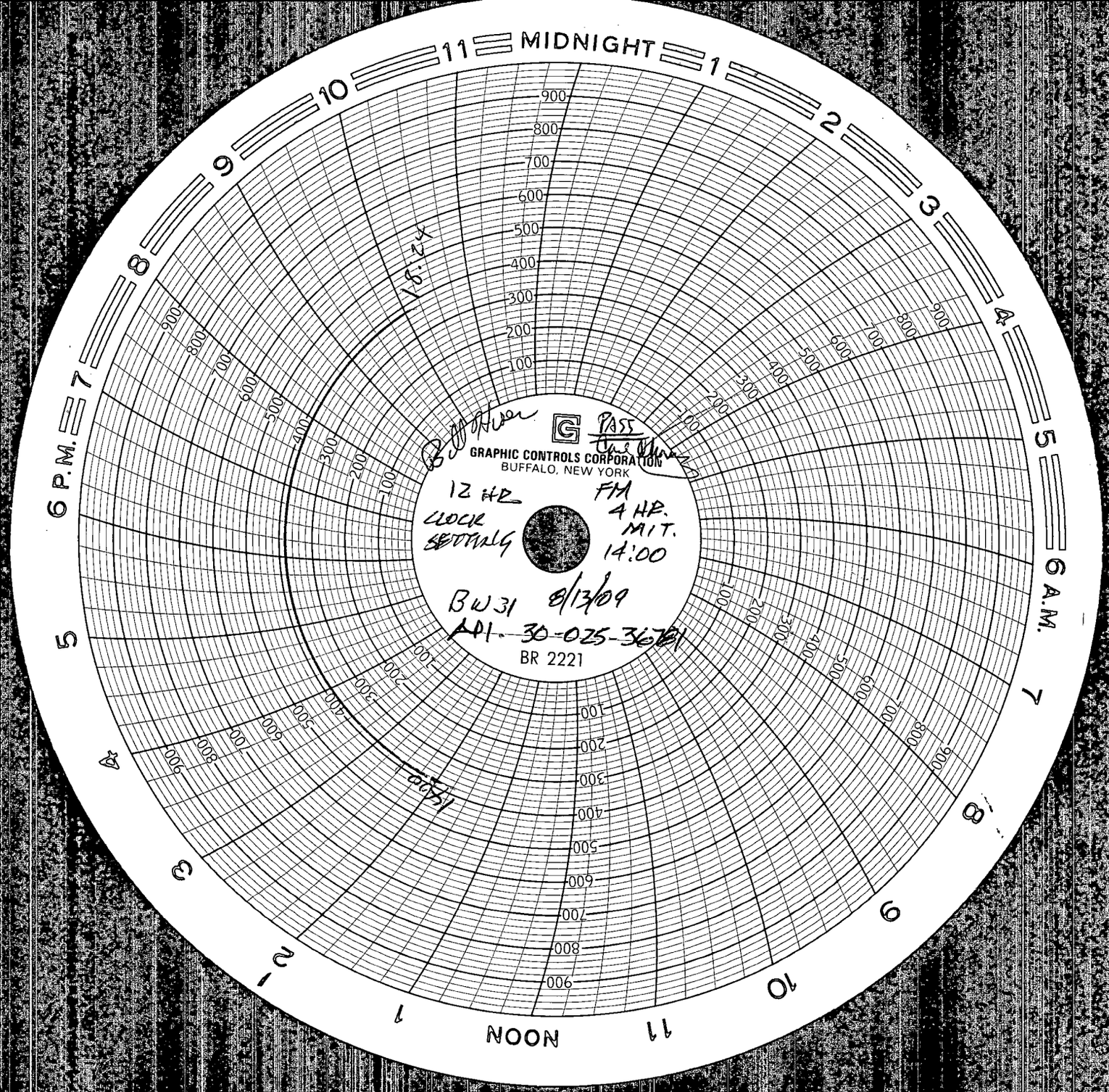
Operators are aware of the annual formation MIT (4-hr @ 300 psig or less depending on historical pressure and TD of well) and every 5-yrs. or after well workover. EPA MIT (30 min. @ 500 psig). Operators need to review well MIT records to inform OCD-EB of the type of MIT it will run this year and inform OCD-EB of any issues or concerns associated with this season's MIT.

You may access your well information on OCD Online either by API# and/or Permit Number at http://ocdimage.emnrd.state.nm.us/imaging/AEOrderCriteria.aspx and http://www.emnrd.state.nm.us/OCD/OCDPermitting/Data/Wells.aspx. For information on New Mexico's UIC Program and training information, please go to: http://www.emnrd.state.nm.us/ocd/Publications.htm.

Please contact Jim Griswold at (505) 476-343465 on or before May 7, 2010 to schedule your preferred MIT date and time. Jim will work to finalize the witness schedule with each of you. Thank you in advance for your cooperation.

Copy: Brine Well Files BWs- 2, 4, 8, 22, 25, 27, 28, 30 & 31

Carl J. Chavez, CHMM
UIC Program Quality Assurance & Quality Control Officer
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")


MIDNIGHT
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11
GRAPHIC CONTROLS CORPORATION
BUFFALO, NEW YORK
12 HR
CLOCK
SETTING
FM
4 HR.
MIT.
14:00
BW31 8/13/09
API- 30-025-36781
BR 2221
PASS
15.2 x
Rope

MACLASKEY
OILFIELD SERVICES

5900 WEST LOVINGTON HWY. HOBBS,N.M. 88240
505-393-1016

THIS IS TO CERTIFY THAT: DATE: 8-10-09

I, Albert Rodriguez METER TECHNICAN FOR MACLASKEY OILFIELD SERVICES, INC. HAS CHECKED THE CALIBRATION ON THE FOLLOWING INSTRUMENT. _____ PRESSURE RECORDER.

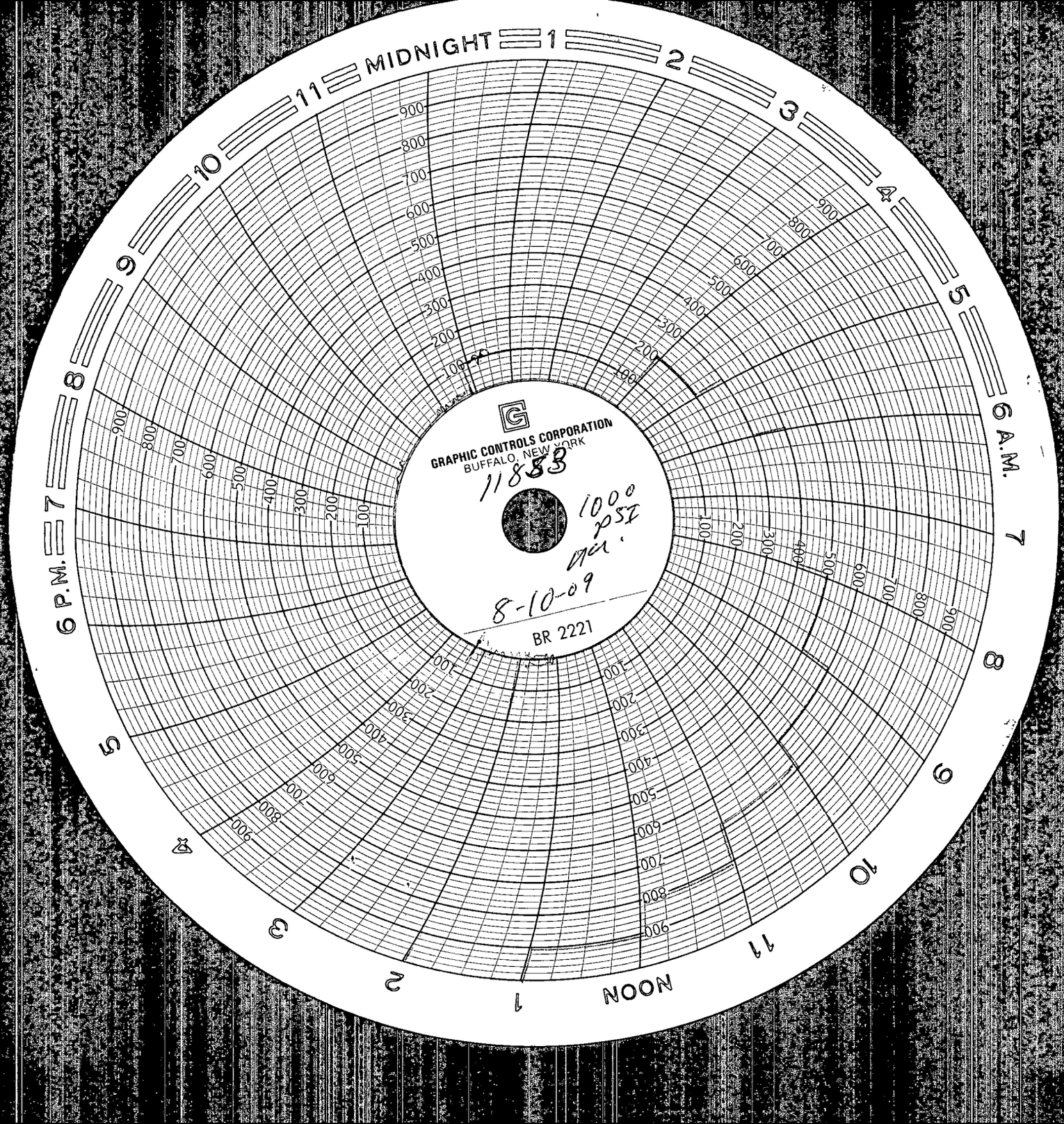
SERIAL NUMBER
11853

TESTED AT THESE POINTS.

PRESSURE TEST	AS FOUND	CORRECTED	PRESSURE TEST	AS FOUND	CORRECT
0	100	✓	600	600	✓
100	200	✓	600	700	✓
200	300	✓	700	800	✓
300	400	✓	800	900	✓
400	500	✓	900	1000	✓

REMARKS: _____

SIGNED: Albert Rodriguez


MIDNIGHT
1
2
3
4
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6 A.M.
7
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NOON
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6 P.M.
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100
200
300
400
500
600
700
800
900
GRAPHIC CONTROLS CORPORATION
BUFFALO, NEW YORK
11853
1000 PSI
Max.
8-10-09
BR 2221

Chavez, Carl J, EMNRD

From: Chavez, Carl J, EMNRD
Sent: Thursday, July 02, 2009 11:53 AM
To: 'seay04@leaco.net'; 'David Pyeatt'; 'garymschubert@aol.com'
Cc: Griswold, Jim, EMNRD; VonGonten, Glenn, EMNRD
Subject: 2009 MIT Scheduling Request

Gentlemen:

OCD records show that your brine wells have not been MIT'd this season. The OCD needs the owner/operator to contact the OCD to schedule an MIT before the end of the EPA Federal Fiscal Year or by COB on 9/30/2009.

Brine Wells Needing an MIT this season are as follows:

BW-4 EPA 30 min. MIT w/ tubing pulled out of casing w/ packer or plug set near casing shoe (from 300 – 500 psig)

BW-22 EPA 30 min. MIT w/ tubing pulled out of casing w/ packer or plug set near casing shoe (from 300 – 500 psig)

BW-30 Fm. MIT 4-Hr. (similar pressure as last formation MIT)

BW-31 EPA 30 Min. MIT w/ tubing pulled out of casing w/ packer or plug set near casing shoe (from 300 – 500 psig)

If you have completed an MIT this season, but did not send in the chart and calibration information, please let me know ASAP.

Please contact me within 5 working days to tentatively schedule a date and time for the test in order for the OCD to identify a couple of days where we can witness all of the MITs. The month of August would probably allow enough time for scheduling, etc. and to beat the 9/30/09 deadline.

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) 476-3490
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")

7/2/2009

Active Brine Well Facilities

• **BW-2** Basic Energy/P&S Eunice #1 (API 30-025-26884)
Began production in July 1980.
Depth to top-of-salt 1320 ft bgs. Casing shoe @ 1440 ft bgs. Tubing depth 1718 ft bgs.
Last sonar log completed February 2009. Interval imaged 1440 to 1666 ft bgs. Log indicates only 21,000 bbls of cavern volume despite historic production of 6.8 Mbbls. Cavern should be ~1Mbbls.
Permit renewal date: 1/6/2014

• **BW-4** Gandy Corporation/Eidson State #1 (API 30-025-26883)
Began production in August 1980.
Depth to top-of-salt 1865 ft bgs. Casing shoe @ 1895 ft bgs. Tubing depth 2461 ft bgs.
Last sonar log completed October 2008. Interval imaged 1909 to 1944 ft bgs. Log indicates only 11 bbls of cavern volume despite historic production of 5.28 Mbbls. Cavern should be ~800,000 bbls.
Permit renewal date: 6/11/2011

• **BW-8** PAB Services/Brine Supply #1 (API 30-025-26307)
Began production in May 1979.
Depth to top-of-salt 2000 ft bgs. Casing shoe @ 1871 ft bgs. Tubing depth 2552 ft bgs.
Last sonar log completed February 2009. Interval imaged 1871 to 1903 ft bgs. Log indicates only 720 bbls of cavern volume despite historic production of perhaps 12 Mbbls. Cavern should be 1.8 Mbbls.
Permit renewal application currently under review.

• **BW-22** Gandy Corporation/Watson #1 (API 30-025-28162)
Began production in April 1983.
Depth to top-of-salt 2290 ft bgs. Casing shoe @ 2249 ft bgs. Tubing depth 2870 ft bgs.
Last sonar log completed August 2008. Interval imaged 2200 to 2220 ft bgs. Log indicates only 11,289 bbls of cavern volume despite historic production of perhaps 18 Mbbls. Cavern should be 2.7 Mbbls.
Permit renewal date: 3/11/2012

• **BW-25** Basic Energy/Salado #2 (API 30-025-32394)
Began production in September 1993.
Depth to top-of-salt 1220 ft bgs. Casing shoe @ 1220 ft bgs. Tubing depth 1385 ft bgs.
No sonar log run. Historic production of perhaps 1.7 Mbbls, indicating cavern volume of 25,500 bbls.
Permit renewal application currently under review.

• **BW-27** Mesquite SWD/Dunaway #1 and #2 (APIs 30-015-28083 and 28084)
Began production in January 1995.
Depth to top-of-salt 1060 ft bgs. Casing shoe @ 1064 ft bgs. Tubing depth 1024 ft bgs.
Last sonar log attempted December 2008 but failed to get any data due to configuration of casing and tubing.
Permit renewal date: 9/21/2009

• **BW-28** Key Energy/State Brine Well #1 (API 30-025-33547)
Began production in October 1996.
Depth to top-of-salt 1390 ft bgs. Casing shoe @ 1390 ft bgs. Tubing depth 2074 ft bgs.
Sonar log completed 5/20/09. Report not yet provided. Estimated production of perhaps 4 Mbbls. indicating cavern volume of 600,000 bbls.
Permit renewal date: 7/18/2011

• **BW-30** Liquid Resource/Hobbs State #10 (API 30-025-35915)
Began production in July 2002.
Depth to top-of-salt 1645 ft bgs. Casing shoe @ 1633 ft bgs. Tubing depth 1930 ft bgs.
OCD did not require them to run sonar due to shortness of operational life. Estimated brine production of 1.4 Mbbls, indicateing cavern may be 207,000 bbls.
Permit renewal date: 5/29/2012

• **BW-31** HRC/HRC Schubert 7 #1 (API 30-025-36781)
Began production in October 2006.
Depth to top-of-salt 1800 ft bgs. Casing shoe @ 1865 ft bgs. Tubing depth 2300 ft bgs.
No sonar log run. Estimated production of only 560,000 bbls and thus cavern only 84,000 bbls.
Permit renewal date: 6/22/2011

Chavez, Carl J, EMNRD

From: Chavez, Carl J, EMNRD
Sent: Wednesday, December 17, 2008 4:26 PM
To: 'garymschubert@aol.com'
Cc: Price, Wayne, EMNRD
Subject: RE: brine well test

Gary:

Approved.

The OCD agrees with your request for exemption from the recent requirement for brine well operators to conduct a sonar test. Your brine well was recently constructed and the production history to date does not warrant a sonar test at this time.

According to OCD records, a formation MIT was performed on your brine well on 12/13/2007 and was acceptable. Normally, the OCD requires an annual formation MIT (4-Hr.) for 4 consecutive years before running an EPA 5-Yr. MIT (30 min.). The EPA MIT is also run after well workovers, etc. are completed. However, if you wish to run the EPA MIT this season, and continue on w/ the annual meets afterward, this is fine too.

Please send me a date and time for your MIT and it must be run before July 31, 2009. The OCD will work to witness the test. Thank you.

Carl J. Chavez, CHMM
New Mexico Energy, Minerals & Natural Resources Dept.
Oil Conservation Division, Environmental Bureau
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Office: (505) 476-3491
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Website: http://www.emnrd.state.nm.us/ocd/index.htm
(Pollution Prevention Guidance is under "Publications")

From: garymschubert@aol.com [mailto:garymschubert@aol.com]
Sent: Wednesday, December 17, 2008 9:56 AM
To: Chavez, Carl J, EMNRD
Subject: brine well test

Carl,

I would like to schedule the 30 min. MIT annual test for the Schubert 7 Well No. 1 brine supply well. I would like to request that this well be exempt from the sonar test because it is a very new well (2006) and the "calculation" on the recent questionnaire is very low. I know that you like to do as many tests as possible on the same trip to our area and I will work around your schedule to fit our test in with some of the others if that would work for you. If you will let me know when you will be available to the area with others we can firm up a date and time. Once again we are prepared on very short notice and can do the test when it works for you. Thank you for your cooperation and I will await your response.

Thanks again,

Gary Schubert