

From: Goetze, Phillip, EMNRD
To: Jones, William V, EMNRD
Subject: Gas Storage in New Mexico
Date: Tuesday, April 9, 2019 4:46:11 PM
Attachments: image001.png
6703_7819.jpg
r-13174_1_ho.pdf
Case 14339_Ex 9_C108.pdf

Per our conversation. PRG

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From: Goetze, Phillip, EMNRD
Sent: Monday, April 1, 2019 12:06 PM
To: 'Paul Munding' <pmunding@flogistix.com>
Cc: Oran Smith <osmith@prismenergyllc.com>; Griswold, Jim, EMNRD <Jim.Griswold@state.nm.us>
Subject: RE: [EXT] Appreciate your time

Paul:

Sorry on the delay on getting info to you. Seems there was always something that developed as I put together a response. There are two active gas storage facilities in SE New Mexico: Grama Ridge and Washington Ranch. Both are Morrow intervals for gas storage. Information on the projects can be found by following the Division orders to their corresponding case files. The case files contain the technical information submitted for the hearing which eventually produced the R-order.

A search of hearing orders provides the following gas storage cases in formations (other than salt) and are active:

1. The Grama Ridge Gas Storage Unit project (T21/22S, R34E, NMPM) is authorized by orders: Division Orders R-11611, R-11611-A, R-11611-B, and R-13174; 5 wells.

Order Number	Case Number	Case Type	Order Date
R-11611	12441	MISC	7/3/2001
R-11611	12588	MISC	7/3/2001
R-11611-A	14333	MISC, SPR	9/29/2009
R-11611-B	14518	MISC	1/31/2011

2. The Washington Ranch Gas Storage (T25/26S, R24E, NMPM) is authorized by orders: Division Orders R-6175, R-6175-A, and R-6175-B: 8 wells.

Order Number	Case Number	Case Type	Order Date
R-6175	6703	MISC	11/2/1979
R-6175-A	7088	MISC	1/19/1981
R-6175-A	7088	MISC	1/19/1981
R-6175-B	8137	AMD	4/20/1984

In addition to the two reservoir/formation projects, there are three active LPG projects utilizing salt caverns:

1. The State LPG Storage Wells (Western Refining Co.; wells near Jal T23S, R37E, NMPM; in Salado at ~2500 ft); general authorization under R-313, but no specific hearing order; completed in 1953; 4 wells.
2. The LPG Storage Wells (Targa Midstream; T19/20S, R36E, NMPM; in Salado at ~2200 ft); no specific hearing order; completed in 1953; 2 wells.
3. The Leonard Wells (Loco Hills GSF, Ltd; T17S, R29E, NMPM; in Salado at ~660 ft); no specific hearing order; completed in 1953; 3 wells.

On the general program front, there are two items worthy of follow-up:

1. The new Director, Ms. Sandoval (starts April 2), has a strong regulatory background with air quality being one of the top priorities based on current program direction. Your project would be worth bringing to her attention once she has had an opportunity to settle in.

2. The Public Land Commissioner has made an effort to address the releases observed at tank batteries, etc. The following link was the latest public event involving the air quality issues surrounding facilities and state public lands.

<https://www.krqe.com/news/new-mexico/state-land-commissioner-visits-eddy-county-to-asses-oilfield-related-pollution/1884227884>

Contact me with any additional questions you may have regarding this subject. PRG

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From: Paul Munding <pmunding@flogistix.com>
Sent: Tuesday, March 5, 2019 12:24 PM
To: Goetze, Phillip, EMNRD <Phillip.Goetze@state.nm.us>; Griswold, Jim, EMNRD <Jim.Griswold@state.nm.us>
Cc: Oran Smith <osmith@prismenergyllc.com>
Subject: [EXT] Appreciate your time

Thank you gentleman and Kathleen for your time yesterday. Just wanted to re-iterate we don't work with EcoVapor and want to make sure Peter is unaware of anything we are going to do on injection capture. I called our geologist today and we are forwarding him those two areas we talked about for injection to look at structure. Once he confirms there is a structure then we will pursue purchasing those wells. In the meantime we will file our operators license here in the next week or so. Oran is going to swing by tomorrow and give Kathleen those map layers she requested. We will

stay in touch and keep you updated on our progress.

Thanks again,
Paul

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