

Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Thursday, October 11, 2012 5:28 PM
To: 'Pam Inskeep'
Cc: Gonzales, Elidio L, EMNRD; Ezeanyim, Richard, EMNRD; Davidson, Florene, EMNRD; Dawson, Scott; Kautz, Paul, EMNRD
Subject: Injection application from BTA Oil Producers, LLC: 8705 JV-P Gem #3 WIW 30-025-30977 Delaware proposed perms: 6618 to 6648
Attachments: EddyNM_NASH_53_SWD.pdf

Case 14573

Hello Pam,

Got your emailed application today and looked it over today as promised,

As you probably know, applications for injection wells into producing horizons where a waterflood or pressure maintenance project has not already been started must be evaluated at an examiner hearing. Let me know who your attorney is and he/she can pick up my notes from this evaluation – or let me know the Case Number that is started and I will put the notes in there.

Your attorney can let you know what we will be expecting at hearing, but BTA will need a Landman to identify the lease or group of leases (voluntary unit agreement) it wants to waterflood, a Geologist to talk about the formation characteristics and continuity, and an Engineer to talk about whether this Delaware interval has favorable waterflooding capability and how that was determined. Based on what they decide, your application should be for either a pressure maintenance project, waterflood project, or SWD well.

You will need to submit a more legible hardcopy of the C-108 as an exhibit at the hearing and normally applicants include that as part of the 'application' that begins the Case file. When you do, please make the following corrections or additions to the C-108 that is presented for hearing.

C-108 issues that I see:

- a. The newspaper notice should include the API number of the subject well and also a layman's location, i.e. 4 miles West of Buckeye, NM (for example). Please correct this and renotice – or wait for instructions from your attorney.
- b. BTA drilled the Gem 8705 JV-P #6H well and did not report the location of the DV/Stage tool in the production string – since you have access to internal well files at BTA, please get some more detail about the cementing of the production casing in this well – location of the likely DV tool, and cement volumes above and below and whether cement circulated above and below that stage tool. If this information results in showing this well needs some cement work, then any deviation from that will need to be addressed at the hearing.
- c. The AOR Well Data table does not have API numbers of those wells – please put those API's on that table.
- d. Two wells on that AOR well data table say the type of well is "oil", yet the map you sent shows those wells are actually "gas" wells. Please correct.
- e. Please ask your field people to look for any fresh water wells within 1 mile of this location – if they find one, get a sample of the water and send the analysis in with this application. If no wells are found let us know.
- f. What member of the Delaware is at the proposed injection depths... is it the Cherry Canyon?

- g. The geology writeup sent with this application seems to have been done for a prior application and does not fit this proposed depth of injection – please ask your geologist to re-do that and also send a larger, readable copy of any cross-section supporting those statements and showing other wells in the AOR that produce from this interval.
- h. In the prior application resulting in SWD-794, BTA sent notice to several more parties than just Three Rivers. From your map, it appears Endurance and Nearburg may be additional affected persons. Please ask your Landman to identify the separately owned tracts of land within ½ mile of this well and the lessees or operators of those tracts – see the attached example as a way to portray this information. Make sure notice and a copy of this C-108 is sent to each of those owners and to the State Land Office and to the nearest Potash lessee. The definition of “affected persons” is at the beginning of the “Injection” section of the NMOCD Rules.
- i. You didn’t put formation tops on the application, but I found them in the well files – please add formation tops above and below your proposed interval to all disposal/injection applications.
- j. The latest injection/disposal ^{Permits} applications have included some sort of mechanism to verify the final injection perfs and packer setting depths.

Hope this helps speed things up.

Let me know who is your attorney and when he/she gets the application in to Florene Davidson of this office,

Will Jones