

Ezeanyim, Richard, EMNRD

From: John M <jcm@maxeyengineering.com>
Sent: Wednesday, April 17, 2013 11:42 AM
To: Ezeanyim, Richard, EMNRD
Cc: Ernest Padilla
Subject: KC Resources SWD Application - Jones D #5
Attachments: Producing Well Data Sheet OCD Form.pdf; Inject Well Data Sheet on OCD Form.pdf; Betty Sue #1.pdf

Richard,

I went back to the hearing documents and found the injection set up schematic for the subject well that was done on the OCD published form. I noted the casing setting depth on the schematic and attached to this email. I had thought you stated you didn't know the injection packer setting depth, but it is on the attached schematic. The OCD form only requested injection tubing size and lining material, but if you need additional information the injection tubing is 4.7 pounds per foot, J55, 8rd EUE material, and the packer will be a model equivalent to a Baker Lok-Set. I've also attached a schematic of the wellbore in it's current configuration, also done on the OCD published form.

Finally, you indicated you had no information on the Betty Sue #1 which was P&A. I've also attached the hearing document for that well which sets out hole and casing size, setting depth, plug, and cementing information.

The guidance that I've always used for presenting data for injection is that found in the instructions on page 2, Part III, para A of the C108 form. If you need any more detailed information please just shoot me an email and I'll respond promptly.

Thanks for your call.

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Chuck & David:

I have received a request from one of my other clients to help them with an application before the OCD. I will not take the matter if Lime Rock, an offset operator, has an objection to the application. I am enclosing the C-108 proposed by KC Resources. The location of the well is 2310 FSL and 330 FWL, Unit L (NW/4SW/4) of Section 18, T18S, R27E. Injection will be into the San Andres formation. Thanks.

Ernest L. Padilla
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INJECTION WELL DATA SHEET

OPERATOR: KC Resources

WELL NAME & NUMBER: Jones D #5

WELL LOCATION: 2310 FSL & 330 FWL, Unit L, Sec 18 T18S R27E

FOOTAGE LOCATION

UNIT LETTER

SECTION

TOWNSHIP

RANGE

WELL CONSTRUCTION DATA

Surface Casing

Hole Size: 11" Casing Size: 8 5/8"

Cemented with: 500 sx. *or* ft³

Top of Cement: Surface Method Determined: Circ

Intermediate Casing

Hole Size: Casing Size:

Cemented with: sx. *or* ft³

Top of Cement: Method Determined:

Production Casing

Hole Size: 7 7/8 Casing Size: 5 1/2

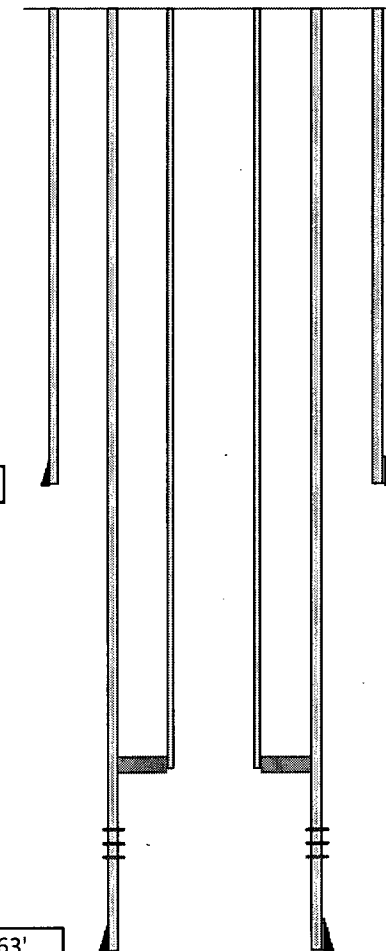
Cemented with: 500 sx. *or* ft³

Top of Cement: Surface Method Determined: Circ

Total Depth: 1963

Perforated Injection Interval

1779 feet to 1934



INJECTION WELL DATA SHEET (Current Configuration)

OPERATOR: KC Resources

WELL NAME & NUMBER: Jones D #5

WELL LOCATION: 2310 FSL & 330 FWL, Unit L, Sec 18 T18S R27E

FOOTAGE LOCATION

UNIT LETTER

SECTION

TOWNSHIP

RANGE

WELL CONSTRUCTION DATA

Surface Casing

Hole Size: 11" Casing Size: 8 5/8"

Cemented with: 500 sx. *or* ft³

Top of Cement: Surface Method Determined: Circ

Intermediate Casing

Hole Size: Casing Size:

Cemented with: sx. *or* ft³

Top of Cement: Method Determined:

Production Casing

Hole Size: 7 7/8 Casing Size: 5 1/2

Cemented with: 500 sx. *or* ft³

Top of Cement: Surface Method Determined: Circ

Total Depth: 1963

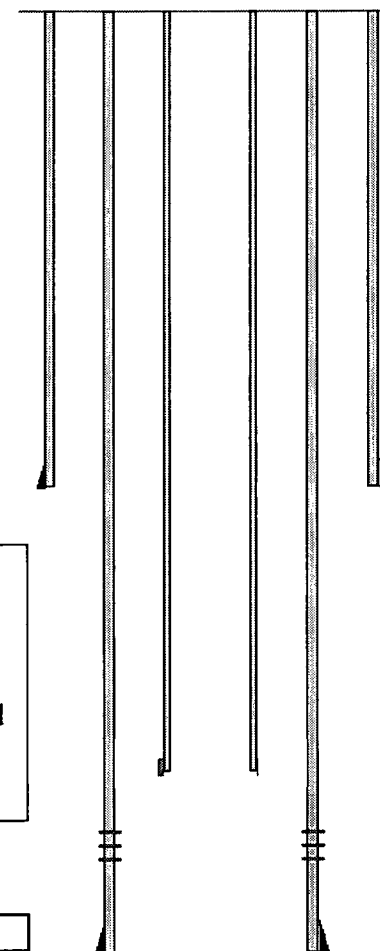
Perforated Production Interval

1779 feet to 1934

8 5/8" set @ 1005'

The current configuration of the well is 2 7/8" tubing landed open ended at 1877' w/ rods and a rod pump landed in the tubing.

5 1/2" set @ 1963'



INJECTION WELL DATA SHEET

Tubing Size: 2 3/8 Lining Material: Internally Plastic Coated

Type of Packer: Nickel Plated Tension Packer

Packer Setting Depth: 1679

Other Type of Tubing/Casing Seal (if applicable): _____

Additional Data

1. Is this a new well drilled for injection? _____ Yes X No

If no, for what purpose was the well originally drilled? _____

2. Name of the Injection Formation: San Andres

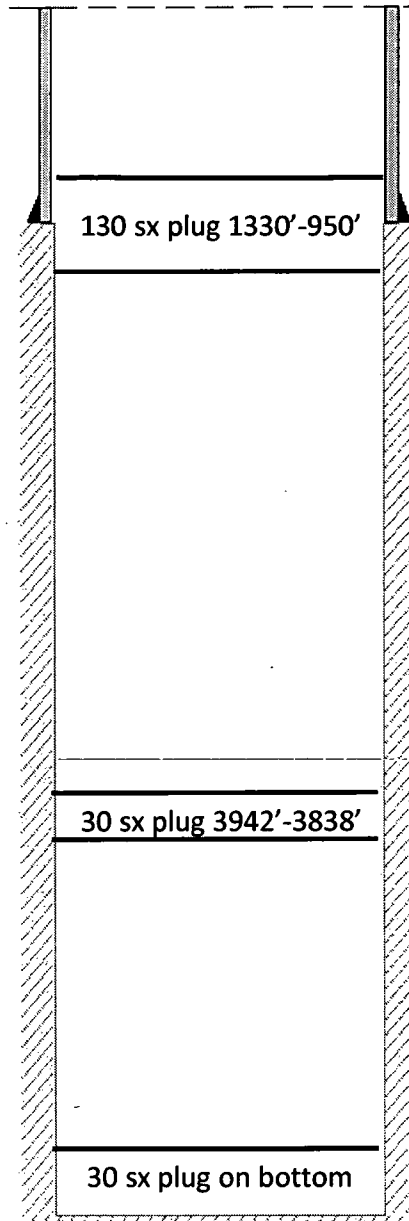
3. Name of Field or Pool (if applicable): Atoka

4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used. No

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: Yeso is approximately 800' below the top of the San Andres and

there are no known producing intervals above the San Andres in the area of review.

C108 Schematic for P&A Well



12 1/2" hole x 8 5/8" Csg set
@ 1028' cmt w/ 900 sx.
No record of cmt top, but
calc top is surface.

API Number: 300-15-00922
Well Name & No: Betty Sue #1
Operator: Resler & Sheldon
Surface Loc: 990 FSL & 1650 FWL
Sec - Twp - Rng: 18 T18S R27E
Bottom Hole Loc: Same
Sec - Twp - Rng:
County, State: Eddy, NM
Spud: 7/62
TD: 5700'
Status & Date: P&A 9/62

Casing Record

	Size	Depth	Cmt Sx	Hole	TOC	By
Surf	8 5/8	1028	900	12 1/2	Surf	Circ
Inter 1						
Inter 2						
Prod						
Liner						

7 7/8" Open Hole to
TD of 5700'.

Case No. 14907

KC Resources – Pressure Maintenance

John Maxey PE

- 4 Atoka Field – Jones D Lease D5 well
- 5 Injection interval in San Andres. 1750-1900
2 P&A wells, both plugged across SA
- 6 Reservoir in “advanced state of depletion,” but 2 new wells recently completed.
GOR indicates solution gas drive.
80 BW/ day avg, 300 BW/day max. (200 – see p. 20) at 0.2 psi per foot.
- 7 Injected water from same formation.
Well North of Capitan Reef.
Injection formation 150 feet thick – lenticular.
- 9 Wlls in green on Ex. 4 are producing wells w/in ½ mile. B6, B7, B5 and B9 op by Lime Rock. Others by KC.
- 10 Lowest wells in AOR are 8-9% oil cut; injection well 15%. Highest well 31%.
- 12 Wells to the SE, not compl in SA, have high water saturation – 30% higher than lowest well.
D5 is in a transition zone.
- 13 D5 no long economic to produce – Producing barely 1 bopd.
- 14 Sure there is plenty of water in this res. that moves.
Cum 175,000 BO; 688,000 BW. 900,000 B fluid produced leaves plenty of room,
Projected 45,000 BOR rmg primary, but probably uneconomic.
- 15 Lime Rock has no objection “as long as not overpressured situation.”
- 20-21 Will raised a question about sufficiency of plugging in the Betty Sue #1
- 22 W confirms water won’t go out of zone there because formation is so wet.
- 25-26 Continued for proof of notice on surface owner and non-op WI owners.