

Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Friday, August 13, 2010 12:16 PM
To: 'billy@pwlrc.net'; Blaise Campanella
Cc: Ezeanyim, Richard, EMNRD; Gray, Darold, EMNRD; 'Omundsdry@hollandhart.com'
Subject: Disposal application from Judah Oil LLC: Tecolote State #1 30-015-27346 Bell and Cherry Canyon Disposal intervals

Hello Bill and Blaise:

Thanks for the recent reply to my questions. I have looked those over. The only other issue I see is that the advertisement and application is for a "lease disposal" - I can discuss this with management here and our attorneys - but it is likely we must hold you to "lease only disposal" as language in the permit - or you can re-advertise this application?

The other issue is a protest has been received. I have been instructed to treat any received protest the same. This application can no longer be considered administratively until retraction of the protest. If you wish to have a hearing on this matter, please have your attorney contact Florene Davidson.

This well was proposed in the past by a Mr. Gant surface owner and we would therefore also need a retraction letter from Mr. Gant to proceed even though you may have purchased Mr. Gant's interests. If any hearing is held, please notify Mr. Gant and the currently protesting parties, Mr. Regan P. Weems and Mary Ann Weems.

One of the previous submittals to use this well for SWD in a lower interval was protested by BEPCO represented by Ocean Munds-Dry, Esq. with Holland and Hart. Please keep Ms. Munds-Dry and BOPCO informed of any further correspondence and notify Holland&Hart/BOPCO of any upcoming hearing.

Regards,

Will Jones
New Mexico
Oil Conservation Division
Images Contacts

From: Jones, William V., EMNRD
Sent: Wednesday, June 30, 2010 3:06 PM
To: 'billy@pwlrc.net'; Blaise Campanella
Cc: Ezeanyim, Richard, EMNRD; Dade, Randy, EMNRD; Reeves, Jacqueta, EMNRD; Gray, Darold, EMNRD
Subject: Disposal application on behalf of Judah Oil LLC: Tecolote State #1 30-015-27346 Bell and Cherry Canyon Disposal intervals

Hello Bill:

Concerning this application, some of the usual questions:

a. Please plan on plugging back within the 5-1/2 inch pipe to within 200 feet of the bottom of the (disposal interval 3530 to 4916) - you might consider adding more cement on top of the planned 5650 foot CIBP to reach 5100 feet.

b. The previous application states the 5-1/2 inch casing has numerous holes in it above the calculated cement top and the intention was to pull the old pipe and install new pipe and cement it in. The current application says the cement top is calculated at 4589 and the

casing will be squeezed from 4150 up to a level above the intermediate shoe. Why did the plans get changed from last year to this year?

c. How did you determine which is the actual surface owner? The ONGARD system shows the BLM as the surface owner, your 2009 application for this well showed Joe Erwin Gant (and he protested), the latest application shows Southwest Petroleum Land Service.

d. BEPCO is now BOPCO, please let us know if the address and contacts are the same or if not, please send BOPCO a notice. BEPCO opposed the use of this well for disposal in 2009 - did you or Blaise talk to BOPCO before the latest application or work something out?

e. The offsetting plugged well has the top and bottom of the entire Delaware isolated but not the interval you plan on disposing into. The subject well apparently watered out or at least was a high water producer in the Delaware (with perfs below your proposed injection interval). Is the subject well on top of any Delaware structure or is the offsetting plugged well actually higher on structure?

f. Is there any possibility of production from the proposed disposal interval? How will you know? Do you have a mudlog or log analysis or do you plan to swab test?

g. The application and the advertisement specifies this will be used for lease disposal - would you please list which lease this is and which producing wells will be sending water to this well?

William V Jones, P.E.
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