

McMillan, Michael, EMNRD

From: Neel Duncan <neel.duncan@iptenergyservices.com>
Sent: Friday, March 1, 2019 10:16 AM
To: Goetze, Phillip, EMNRD
Cc: Jones, William V, EMNRD; McMillan, Michael, EMNRD; Kautz, Paul, EMNRD; Klein, Ranell, EMNRD; Sanchez, Daniel J., EMNRD; Cordero, Gilbert, EMNRD; Bower, George, EMNRD; Wade, Gabriel, EMNRD; Bratcher, Mike, EMNRD; Podany, Raymond, EMNRD; Wade, Gabriel, EMNRD
Subject: [EXT] RE: Recent Issues with NGL Well Completions

Thank you Phillip. Procedures being reviewed with immediate effect.

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From: Goetze, Phillip, EMNRD <Phillip.Goetze@state.nm.us>
Sent: Friday, March 1, 2019 9:48 AM
To: Neel Duncan <neel.duncan@iptenergyservices.com>
Cc: Jones, William V, EMNRD <WilliamV.Jones@state.nm.us>; McMillan, Michael, EMNRD <Michael.McMillan@state.nm.us>; Kautz, Paul, EMNRD <paul.kautz@state.nm.us>; Klein, Ranell, EMNRD <Ranell.Klein@state.nm.us>; Sanchez, Daniel J., EMNRD <daniel.sanchez@state.nm.us>; Cordero, Gilbert, EMNRD <Gilbert.Cordero@state.nm.us>; Bower, George, EMNRD <George.Bower@state.nm.us>; Wade, Gabriel, EMNRD <Gabriel.Wade@state.nm.us>; Bratcher, Mike, EMNRD <mike.bratcher@state.nm.us>; Podany, Raymond, EMNRD <Raymond.Podany@state.nm.us>; Wade, Gabriel, EMNRD <Gabriel.Wade@state.nm.us>
Subject: Recent Issues with NGL Well Completions
Importance: High

Neel:

Both field and staff personnel from District II (Artesia) have identified issues regarding the completions of salt water disposal wells having NGL as the operator. Specifics include the following:

Red Road SWD No. 1 (30-015-45235)

From forms submitted to District II office:

- 20-inch casing: *"No pressure test on 20" csg."* [C-103 Sundry dated 2/12/2019]
- 9 5/8-inch casing: *"Pressure test to 1000 psi 15 mins."* [C-103 Sundry dated 2/12/2019]
- 7 5/8-inch liner: *"Pressure test 7" (sic) at 1000 psi for 15 mins."* [C-103 Sundry dated 2/12/2019]

Striker 1 SWD No. 1 (30-015-44406)

Verbal communication with OCD inspector stated that the four casing tests conducted for this well ranged from four minutes to 15 minutes.

The approval of an APD for a well (regardless of category) are required, at a minimum, to conduct the casing tests as detailed in 19.15.16.10 (I) NMAC.

TITLE 19 NATURAL RESOURCES AND WILDLIFE
CHAPTER 15 OIL AND GAS
PART 16 DRILLING AND PRODUCTION

19.15.16.10 CASING AND TUBING REQUIREMENTS:

I. The operator shall test casing strings except conductor pipe after cementing and before commencing other operations on the well. The operator shall file form C-103 with the division for each casing string reporting the grade and weight of pipe used. In the case of combination strings utilizing pipe of varied grades or weights, the operator shall report the footage of each grade and weight

used. The operator shall also report results of the casing test, including actual pressure held on pipe and the pressure drop observed on the same form C-103.

(1) *The operator shall pressure test casing strings in wells drilled with rotary tools. Minimum casing test pressure shall be approximately one-third of the manufacturer's rated internal yield pressure except that the test pressure shall not be less than 600 psi and need not be greater than 1500 psi. In cases where combination strings are involved, the above test pressure shall apply to the lowest pressure rated casing used. The operator shall apply test pressures for a period of 30 minutes. If a drop of more than ten percent of the test pressure occurs the casing shall be considered defective and the operator shall apply corrective measures.*

(2) The operator may test casing strings in wells drilled with cable tools as outlined in Paragraph (1) of Subsection I of 19.15.16.10 NMAC, or by bailing the well dry in which case the hole shall remain satisfactorily dry for a period of at least one hour before the operator commences further operations on the well.

The lack of a successful casing test on the 20-inch surface casing for the Red Road SWD No. 1 (30-015-45235) is of particular concern since this is the "water protection" string. Please review your protocols for well completions and inform your personnel that the casing tests must be conducted according to rule. Failure to perform the proper casing tests on these wells may jeopardize the approved status of the SWD order (UIC permit) which relies on these tests for validation of the well's mechanical integrity. Meanwhile, we should have a discussion as to how to address the lack of proper testing for the C-103s already submitted along with other issues related to NGL operations. Please contact me with any questions regarding the content of this email at your convenience. PRG

Phillip Goetze, PG

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