

Chavez, Carl J, EMNRD

From: Chavez, Carl J, EMNRD
Sent: Tuesday, February 19, 2008 8:36 AM
To: 'Patterson, Bob'
Cc: Price, Wayne, EMNRD; Gum, Tim, EMNRD
Subject: Key Energy Services, LLC. BW-19 C-103 PA Approval
Attachments: BW-19 PA Approval 2-19-08.tif

Bob:

Please find attached OCD approval from Mr. Wayne Price (Environmental Bureau Chief) dated 2/19/2008 on Key Energy Services, LLC (Key) C-103 for Brine Well 19 (API# 30-015-21842). Please submit the final report within 30 days of completion of field work.

Also, Key will need to submit an APD to OCD Santa Fe with a copy to the OCD Artesia District Office for the new UIC Class III replacement brine well. We will need a bond in place for the new well. Perhaps a Rider to the existing \$50K bond with the new API# and well name, etc. would work. Key will need an API# for the new bond or bond rider. Thank you.

Carl J. Chavez, CHMM
New Mexico Energy, Minerals & Natural Resources Dept.
Oil Conservation Division, Environmental Bureau
1220 South St. Francis Dr., Santa Fe, New Mexico 87505
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E-mail: CarlJ.Chavez@state.nm.us
Website: <http://www.emnrd.state.nm.us/oed/index.htm>
(Pollution Prevention Guidance is under "Publications")

2/19/2008

Submit 3 Copies to Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

BW-19

Form C-103
May 27, 2004

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-015-21842
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name City of Carlsbad
8. Well Number 1
9. OGRID Number
10. Pool name or Wildcat Brine Mining Well

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)	
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other Brine	
2. Name of Operator Key Energy Services, LLC	
3. Address of Operator 6 Desta Drive, Suite 4400, Midland, Texas 79705	
4. Well Location Unit Letter H , 2420 feet from the North line and 330 feet from the East line Section 36 Township 22S Range 26E NMPM Lea County	
11. Elevation (Show whether DR, RKB, RT, GR, etc.)	
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/> Not applicable	
Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____	
Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____	

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input checked="" type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

See Attached wellbore diagram for details.

Key Energy plans to plug and abandon this well. The well is a brine well under Permit# M19264. Key Energy will drill a new brine well nearby into the same salt section at a future date. The salt section is from 710 to 930'.

In early 2008, four separate attempts to squeeze a casing leak between 95-105' were performed. The last attempt pumped 59 bbls of cement at an AIR of 0.8 bpm, AIP 1250 psi. After drilling out cement a pressure test of 300 psi bled back to 200 psi in 5 minutes. A subsequent temperature survey showed the squeeze cement to be positioned outside casing from 70-160 feet.

Proposed P&A procedure:

Set cement retainer at 600' (whipstock top at 628')

Pump 100 sx of Class C cement below retainer.

POOH to 100 feet, place cement plug from 100-600 feet. WOC. Tag top of cement plug.

Pump cement to fill casing to surface. Repeat, if necessary, until TOC remains at surface.

Cut off casing stubs, place P&A marker.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

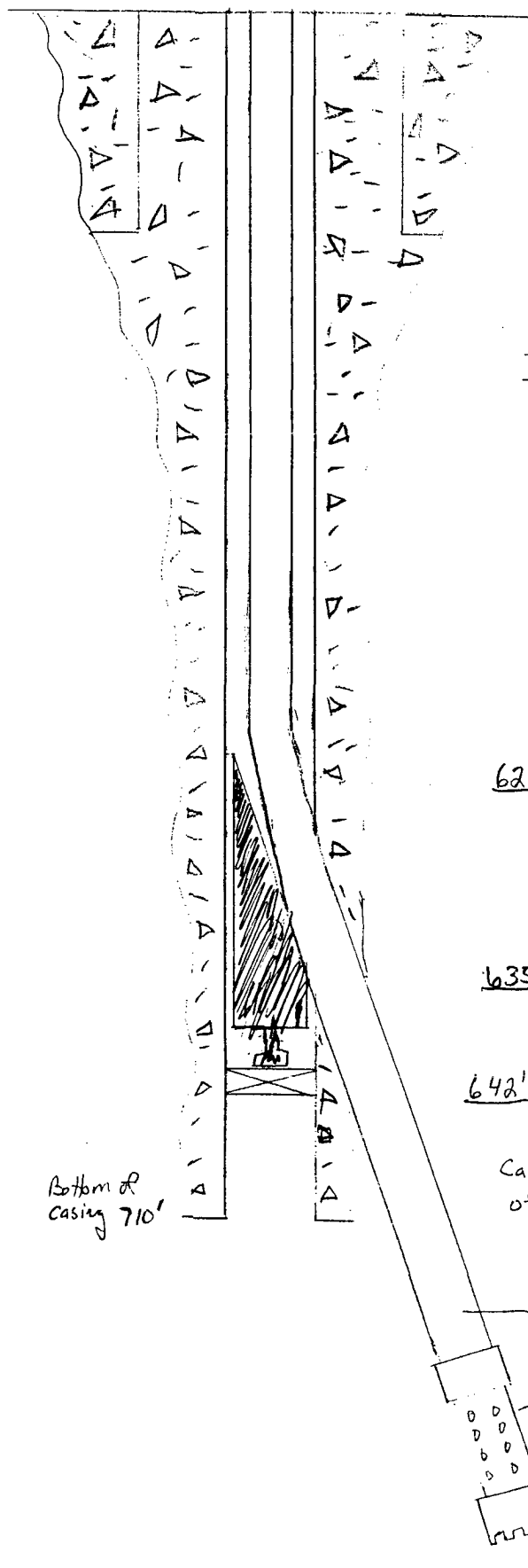
SIGNATURE Tom Duffin TITLE Agent for Key Energy DATE 2-7-2008

Type or print name For State Use Only E-mail address: _____ Telephone No. _____

APPROVED BY: [Signature] TITLE ENVIRONMENTAL BUREAU CHIEF DATE 2/17/08
Conditions of Approval (if any): _____

City of Carlsbad #1
Trucker's Drive #1 well
Current Wellbore Status

4-25-03



350' - 6 7/8" 26" 5-SS casing
Cemented w/ 150 sxs Class "C" + 4% GCI 2
Circulated to surface
27' csg joints

710' - 5 1/2" 15.5# Csg
Cemented w/ 150 sxs Class "C" + 4% GCI 2
Circulated to surface
32' csg joints

628' - Top of whipstock

635' - Bottom of whipstock

642' - Bridge plug set

Casing at 692' down to bottom
of csg at 710' is bad

Bottom of
casing 710'

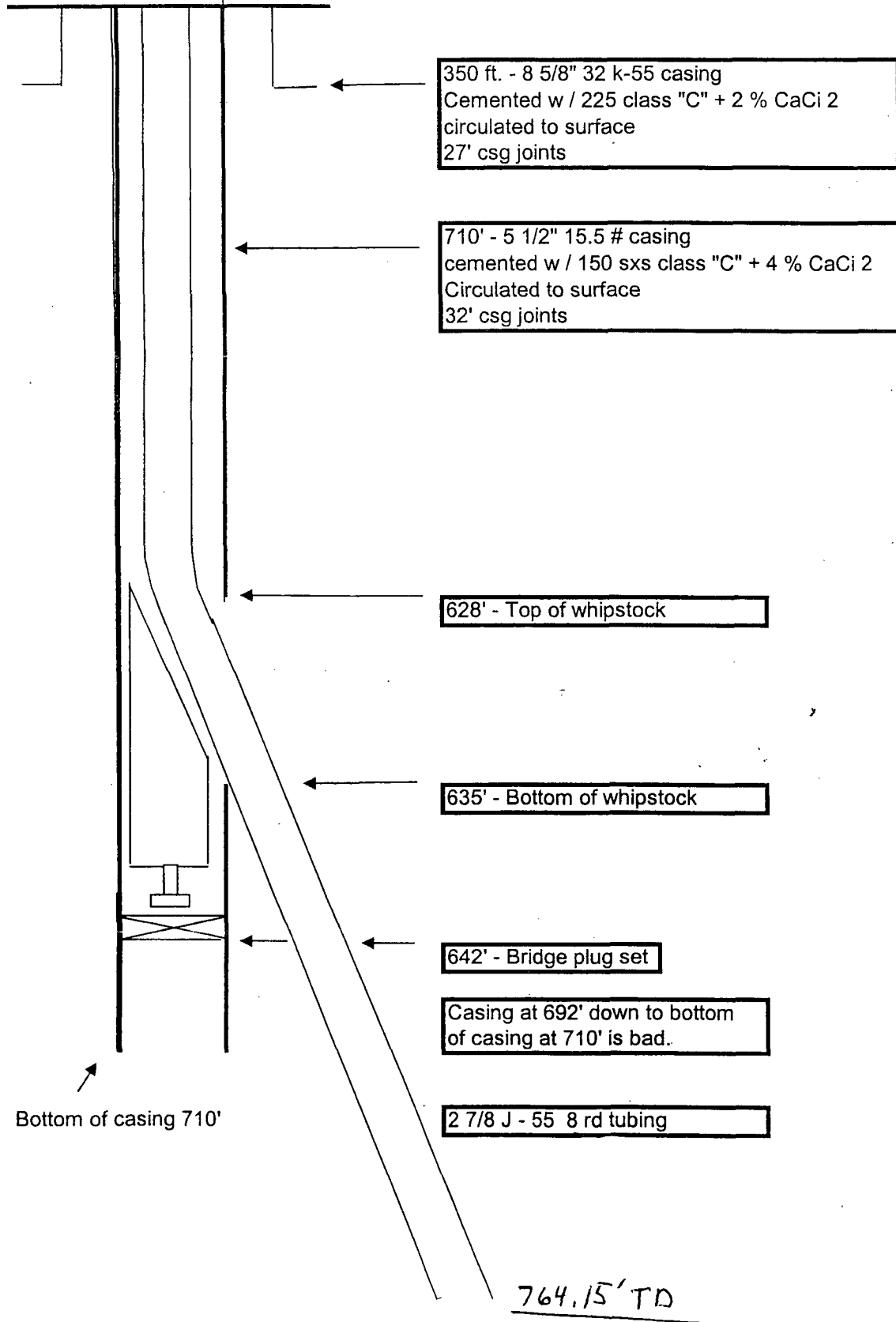
2 7/8 5-SS 8rd tubing

8' Perforated sub

Sloten collar

764.15' TD

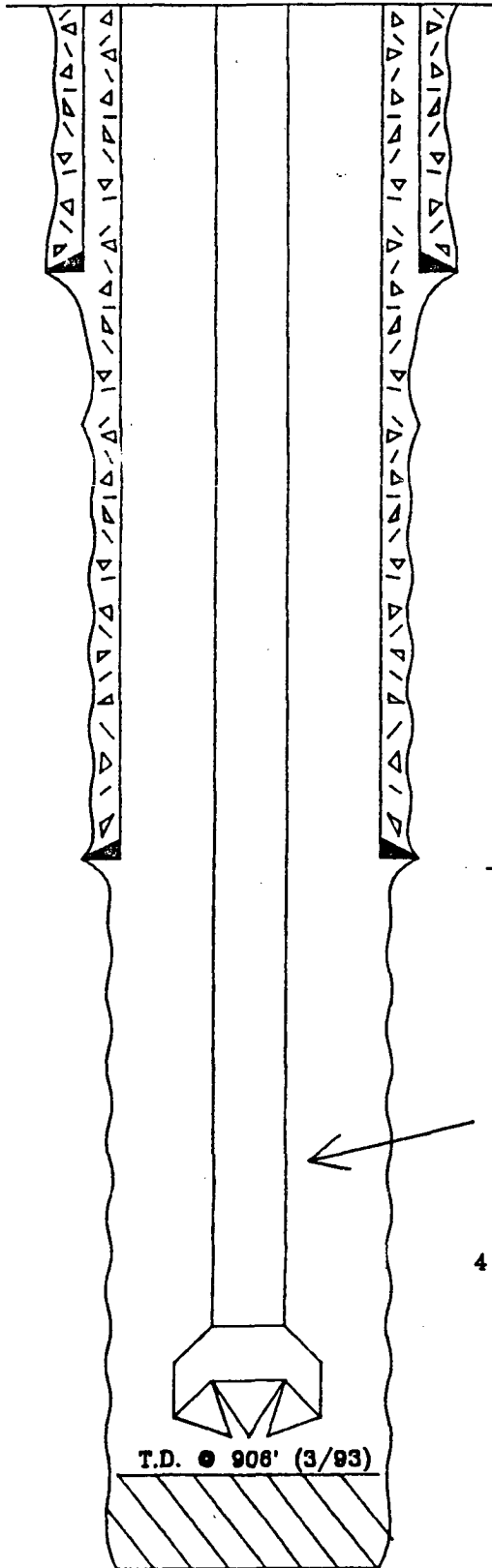
Key Energy Services
City of Carlsbad Well #1
2420' FNL + 330' FEL
S 36 T 22S R 26E ULH
Eddy Co. New Mexico



Elevation 3199'

Current Wellbore Status

3/25/93



350' - 8 5/8", 32#, K-55 Casing ✓

Cemented w/225 sxs Class "C" + 2% CaCl2

Circulated cement to surface

710' - 5 1/2", 15.5#, Casing ✓

Cemented w/150 sxs Class "C" + 4% CaCl2

Circulated 15 sxs to surface

2 7/8", 6.5#, 8rd tubing @ 886'

with 4 3/4" bit welded on bottom collar

4 3/4" Hole

T.D. @ 908' (3/93)

Original T.D. @ 930' ✓

ROWLAND TRUCKING, INC.
City of Carlsbad Well No. 1
2420' FNL & 330' FEL
Section 36, T-22S, R-26E
Eddy County, New Mexico