

Goetze, Phillip, EMNRD

From: Goetze, Phillip, EMNRD
Sent: Thursday, May 3, 2018 4:26 PM
To: 'Bill Carr'
Cc: Tom Kendall; 'Walls, Christopher'; Riley, Heather, EMNRD; McMillan, Michael, EMNRD; Cody Layton; Thomas Zelenka; Podany, Raymond, EMNRD
Subject: RE: Ronco Federal SWD No. 1 Well, (API No. 30-015-44420), Unit C, Sec. 19, T17S, R30E, Eddy County, New Mexico; Oil Conservation Division Administrative Order SWD-1677.

Bill:

Sorry for the delay, but you know the story of scheduling. I have placed any motion to recommend to the Director to have the injection authority cancelled for the Ronco. The Division will maintain the status quo of the SWD order and will wait the outcome of the well test. As stipulated in the SWD order and emphasized in your e-mail, the BLM, as the mineral estate owner, will provide the final determination as to whether COG's results sufficiently demonstrates that the use of the Ronco as an SWD well will not impact hydrocarbon resources. Please provide the Division with a summary of the well's latest activities by June 16th as requested along with any the plans for future presentation of data obtained in the production study. PRG

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From: Bill Carr <WCarr@concho.com>
Sent: Tuesday, April 17, 2018 4:18 PM
To: Goetze, Phillip, EMNRD <Phillip.Goetze@state.nm.us>
Cc: Tom Kendall <TKendall@concho.com>
Subject: Ronco Federal SWD No. 1 Well, (API No. 30-015-44420), Unit C, Sec. 19, T17S, R30E, Eddy County, New Mexico; Oil Conservation Division Administrative Order SWD-1677.

Phil:

COG received Division authorization to transport oil from the Ronco Well on March 15th. Since then, we have removed and sold the oil recovered during the initial testing of the well and have resumed our flow back test. We are now in our 14th day of the this test and, as shown by the Day 13 Production Graphs previously provided, the oil cut has declined from initially more than 75% to currently a little more than 30%. However, this well has not produced long enough to enable us to collect the information required to make a reliable determination on its long term producing ability. We request a 60 day authorization to accomplish this work.

On January 3rd the BLM approved this well subject to Conditions of Approval which, among other things, require COG to "obtain BLM approval prior to using the well as a disposal well." ConocoPhillips and the BLM have expressed concern about the impact of the disposal of produced water into the Cisco Canyon formation. We share those concerns but

need to point out that COG is not injecting water into this formation. We are only flowing back the well to collect information needed respond to the BLM condition of approval noted above.

I want you to know that we will meticulously comply with the BLM's Conditions of Approval and OCD rules as we continue to test this well. I will provide periodic progress reports on the status of our work. If you have any questions concerning this matter, please call.

Thank you for meeting with me this morning.

Bill

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