

Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Monday, May 04, 2009 11:33 AM
To: 'brian wood'
Cc: Ezeanyim, Richard, EMNRD; Brooks, David K., EMNRD; Warnell, Terry G, EMNRD; Kautz, Paul, EMNRD
Subject: Disposal Application on behalf of BC Operating, Inc.: Gulf State #3 30-025-07270 Sec 4 T16S R38E Lea County San Andres Disposal

Hello Brian:

Thank you for this thorough application. This well was previously permitted administratively for disposal in 2004 as SWD-947 by Platinum but never used. The following issues seem to exist with this application:

Please ask BC Operating if a Porosity log exists on this well – if so, please send a copy to the Hobbs district office attn: Paul Kautz. Please ask BC Operating to also send a copy of the recently run CBL to Paul Kautz in Hobbs for inclusion in this potential SWD's log file.

This well is surrounded by 3 to 5 plugged wells which were plugged in a manner which does not isolate the San Andres from the formations below: Glorieta, Clearfork equivalent, Tubb, and Abo. It seems the assumption is these four formations are non-productive and the only productive formation in this area is the Wolfcamp and the Devonian. However, this injection does violate the Division rules which state that disposal must be confined to the permitted injection interval. Mark Fesmire – sometime after this well was permitted in 2004 - instructed the engineering bureau to no longer administratively permit disposal applications in which offsetting wells did not confine the disposal to the intended depth interval.

Therefore, per instructions from the Division director, this application can only be considered after notice and hearing. At this hearing BC Operating can make its case that an exception to any pertinent Division rules is warranted and waste will not occur and correlative rights will not be violated. Please ask your client to have its attorney contact Florene Davidson of this office and schedule a date to hear this application – and send Florene a complete copy of this application. As part of the hearing application, please re-notify all affected parties (Cimarex, Charles Ray, State Land Office, etc) that this application will be heard at a specific examiner hearing and they have a right to appear.

This administrative application is being denied and BC Operating is welcome to present this at an examiner hearing.

Regards,

William V. Jones PE
New Mexico Oil Conservation Division
1220 South St. Francis
Santa Fe, NM 87505
505-476-3448

Injection Permit Checklist (7/8/08)

Case SWD-947-A R- WFX PMX IPI Permit Date 5/10/09 UIC Or (A.M.U.)

Wells 1 Well Name: GULF STATE #3

API Num: (30-) 025-07270 Spud Date: New/Old: 0 (UIC primacy March 7, 1982)

Footages 66054/1880FWL Lot 3 Sec 4 Tsp 16S Rge 38E County LEA

Operator: PC Operating, Inc. Contact BRIAN WOOD (Perrin Water)

OGRIID: 160825 RULE 40 Compliance (Wells) 1/114 (Finan Assur) OK

Operator Address: PO BOX 50820, MIDLAND, TX, 79710

Current Status of Well: PTA 1956 / R-entire BT PLATINUM in 2007

Planned Work to Well:

Planned Tubing Size/Depth: 3 1/2" @ 4950'

	Sizes Hole.....Pipe	Setting Depths	Cement Sx or Cf	Cement Top and Determination Method
Existing <input checked="" type="checkbox"/> Surface	<u>17 1/2 13 3/8</u>	<u>350</u>	<u>300</u>	<u>CIRC ?</u>
Existing <input checked="" type="checkbox"/> Intermediate	<u>12 1/4 9 5/8</u>	<u>500</u>	<u>2000</u>	<u>?</u>
Existing <input type="checkbox"/> Long String	<u>8 3/4</u>			

DV Tool ? ☒ Liner Open Hole 500-6500 Total Depth 13346

Well File Reviewed ☒

Diagrams: Before Conversion ☒ After Conversion ☒ Elogs in Imaging File: Later today

Intervals:	Depths	Formation	Producing (Yes/No)
Above (Name and Top)			
Above (Name and Top)	<u>4985</u>	<u>SA TOP</u>	
Injection.....	<u>5000</u>	<u>SA</u>	<u>NO</u>
Interval TOP:	<u>5000</u>	<u>SA</u>	<u>NO</u>
Interval BOTTOM:	<u>6500</u>	<u>SA</u>	<u>NO</u>
Below (Name and Top)	<u>6525</u>	<u>GULF TOP</u>	

SEE PLATINUM
SWD-947

1000 PSI Max: WHIP
☒ Open Hole (Y/N)

Deviated Hole?

Sensitive Areas: Capitan Reef Cliff House Salt Depths 2277' to 3223'

Potash Area (R-T-T-P) Potash Lease Noticed?

Fresh Water: Depths: 0-126' Wells (Y/N) ☒ Analysis Included (Y/N): ☒ Affirmative Statement ☒

Salt Water: Injection Water Types: SA/DEV/WC Analysis? ☒

Injection Interval..... Water Analysis: ☒ Hydrocarbon Potential Get LOG

Notice: Newspaper (Y/N) ☒ Surface Owner SLD Mineral Owner(s)

RULE 701B(2) Affected Parties: CIMOREX / Charles Ray

Area of Review: Adequate Map (Y/N) ☒ and Well List (Y/N) ☒

Active Wells 0 Num Repairs Producing in Injection Interval in AOR NO

P&A Wells 215 Num Repairs All Wellbore Diagrams Included?

Questions to be Answered:

Copy of Recent CBL

CHECK THIS

Required Work on This Well: Request Sent Reply:

AOR Repairs Needed: Request Sent Reply:

Request Sent Reply:

Gulf State
Clayton
IVBB
abo



SUSPENSE 4/14/09	ENGINEER W. Jones	LOGGED IN 5/11/09	TYPE SWD	APP NO OKAA0912133054
---------------------	----------------------	----------------------	-------------	--------------------------

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505

2009 APR 14 AM 8 39

ABOVE THIS LINE FOR DIVISION USE ONLY

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
NSL NSP SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
DHC CTB PLC PC OLS OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
WFX PMX SWD IPI EOR PPR

[D] Other: Specify _____

BC Operating's 160825
Gulf State 3 (SWD-947)
API# 30-025-07270

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or _ Does Not Apply

[A] Working, Royalty or Overriding Royalty Interest Owners

☒ [B] Offset Operators, Leaseholders or Surface Owner

☒ [C] Application is One Which Requires Published Legal Notice

☒ [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

☒ [E] For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] Waivers are Attached

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Print or Type Name

BRIAN WOOD
(505) 466-8120
FAX 466-9682

Signature

Title

CONSULTANT

Date

4-11-09

e-mail Address

brian@permitswest.com