

Testimony for Interim Energy Development and Transmission Committee April 8, 2014

Mr. Chairman and members of the Committee:

My name is Larry Peterson from Antler, North Dakota. I am a farmer, contract oil field pumper, land and mineral owner. I have worked in the oil fields for 30 plus years and am disturbed by the oil field violations that occur. I have been witness to many violations such as spills, inadequate equipment and dikes, and the many abandoned wells. The commission has regulations for these violations but they are ignored and put off until a later date, sometimes even years. The enforcement has not changed as Mr. Helms promised in past years. If fines were levied and not forgiven, these problems would be taken care of.

The sundry notices that are included is evidence that the Jespersion 31-29 Salt Water Disposal (a 30 year old well), file #11772, has 3 zones where the casing has failed and could contaminate fresh water aquifers. This well will be squeezed with concrete, only forcing leaks at other locations in the future. This well did not hold pressure as required by testing for the past several years, but was accepted by state inspectors. I have included (MIT) Mechanical Integrity Tests. These files are available on the North Dakota Industrial Oil and Gas site. There are many disposal wells wells in Bottineau County that have questionable test results and could cause contamination to fresh water zones and even come to the surface. Why are we taking these risks with our ND water resources?

Thank you for your time.



SUNDRY NOTICES AND REPORTS ON WELLS - FORM 1

INDUSTRIAL COMMISSION OF NORTH DAKOTA
OIL AND GAS DIVISION
600 EAST BOULEVARD DEPT 405
BISMARCK, ND 58505-0840
SFN 5748 (09-2006)



Well File No.
11772

PLEASE READ INSTRUCTIONS BEFORE FILLING OUT FORM.
PLEASE SUBMIT THE ORIGINAL AND ONE COPY.

<input type="checkbox"/> Notice of Intent	Approximate Start Date
<input checked="" type="checkbox"/> Report of Work Done	Date Work Completed November 20, 2013
<input type="checkbox"/> Notice of Intent to Begin a Workover Project that may Qualify for a Tax Exemption Pursuant to NDCC Section 57-51.1-03.	Approximate Start Date

<input type="checkbox"/> Drilling Prognosis	<input type="checkbox"/> Spill Report
<input type="checkbox"/> Redrilling or Repair	<input type="checkbox"/> Shooting
<input type="checkbox"/> Casing or Liner	<input type="checkbox"/> Acidizing
<input type="checkbox"/> Plug Well	<input type="checkbox"/> Fracture Treatment
<input type="checkbox"/> Supplemental History	<input type="checkbox"/> Change Production Method
<input type="checkbox"/> Temporarily Abandon	<input type="checkbox"/> Reclamation
<input checked="" type="checkbox"/> Other	Casing pressure diagnostics

Well Name and Number Jesperson 31-29					
Footages	Qtr-Qtr	Section	Township	Range	
660 F N L	1980 F E L	NWNE	29	163 N	82 W
Field	Pool	County			
North Haas	Dakota	Williams - Bokineau			

24-HOUR PRODUCTION RATE			
Before		After	
Oil	Bbls	Oil	Bbls
Water	Bbls	Water	Bbls
Gas	MCF	Gas	MCF

Name of Contractor(s) Hams Well Service			
Address	City	State	Zip Code
PO Box 223	Westhope	ND	58793

DETAILS OF WORK

The following logging and pressure diagnostic work was conducted on the referenced well:
 Retrieved Baker AD-1 packer and 2-3/8" EUE 8rd IPC tubing. Performed a bit and scraper run to 2,856' and ran a casing inspection log (provided as an attachment) from 2,510' to the surface. TIH with retrievable bridge plug and packer. Ran pressure diagnostics using 500 psi test pressure and determined that the following intervals had casing leaks: 850'-1,201', 1,849'-1,979', 2,238'-2,400'. TIH with 22 joints of 2-3/8" EUE 8rd workstring, 2-3/8" EUE 8rd x 2' pup joint, 52 joints of 2-3/8" EUE 8rd IPC production tubing and a 2-3/8" collar with mechanical seat nipple in order to temporarily store the tubulars until a remedial plan was developed. Well was left out of service. RDMO.

Company Murex Petroleum Corporation		Telephone Number 281-590-3313	
Address 363 N. Sam Houston Pkwy E., Suite 200			
City	State	Zip Code	
Houston	TX	77060	
Signature <i>Michael W. Henry</i>	Printed Name Michael W. Henry		
Title Sr. Petroleum Engineer	Date December 3, 2013		
Email Address mhenry@murexpetroleum.com			

FOR STATE USE ONLY	
<input checked="" type="checkbox"/> Received	<input type="checkbox"/> Approved
Date	12/5/13
By	<i>Kevin Connors</i>
Title	KEVIN CONNORS UNDERGROUND INJECTION SUPERVISOR

Well Integrity Report - Form 19 Summary

INDUSTRIAL COMMISSION OF NORTH DAKOTA
 OIL AND GAS DIVISION
 600 EAST BOULEVARD DEPT 405
 BISMARCK, ND 58505-0840

Well File No. **11772**
 UIC No. **W0058S0333C**

Test Date: **11/1/2013 9:47:30 AM** Contractor Performing Pressure Test: **Ham's Well Service**
 Operator: **MUREX PETROLEUM CORPORATION** Telephone: **2815903313**
 Address: **363 n. Sam Houston Pkwy. E.** City: **HOUSTON** State: **TX** Zip Code: **77060**
 Well Name: **JESPERSON 31-29** Field: **NORTH HAAS**
 Location: Qtr-Qtr: **NWNE** Section: **29** Township: **163** Range: **82** Cnty: **BOTTINEAU**

WELL TEST DATA

Formation:	DAKOTA		Perforations:	2515-2760 G Feet	
Tool Type:	PKR	Depth:	2451 Feet		
Tubing Size:	2.375 Inches		Packer Model:	Model AD-1 Coated	
Well Type:	Disposal Well	Reason for Test:	UIC MIT		Test Type: Annual MIT
	BEFORE TEST		START of TEST		END of TEST
Tubing Pressure:	325 PSIG	Shut In	325 PSIG	Shut In	325 PSIG Shut In
Annulus or Casing Pressure:	0 PSIG		700 PSIG		500 PSIG
Annulus or Casing Fluid:	Salt Water		Test Fluid:	Salt Water	
Amount of Fluid Needed to Fill Annulus or Casing:	4 Bbls				
Test Length:	15 Minutes	Was Annulus or Casing Bled to Zero After Test?:	Yes If No - Pressure Left: <input type="checkbox"/>		

INSPECTION COMMENTS

Test Result: **Failure** Report of Work Done Required: **No**

MIT Failed. Pumped up to 700 and it dropped to 500 during the 15 minute test. Will not hold at 700 for the test.

This Report is true and complete to the best of my knowledge.

Company Representative Witnessing Test: **Johan Garcia** Title: **Consturction Supervisor**
 Commission Field Inspector Witnessing Test: **Dan Wigen**

NDIC Initials **KCC**

Well Integrity Report - Form 19 Summary

INDUSTRIAL COMMISSION OF NORTH DAKOTA
 OIL AND GAS DIVISION
 600 EAST BOULEVARD DEPT 405
 BISMARCK, ND 58505-0840

Well File No. 11772
 UIC No. W0058S0333C

Test Date: 2/3/2009 8:53:17 AM Contractor Performing Pressure Test: Hamm's Well Service
 Operator: MUREX PETROLEUM CORPORATION Telephone: 2815903313
 Address: PO BOX 7 City: HUMBLE State: TX Zip Code: 77347-0007
 Well Name: JESPERSON 31-29 Field: NORTH HAAS
 Location: Qtr-Qtr: NWNE Section: 29 Township: 163 Range: 82 Cnty: BOTTINEAU

WELL TEST DATA

Formation:	<u>DAKOTA</u>		Perforations:	<u>2515-2760 G Feet</u>	
Tool Type:	<u>PKR</u>	Depth:	<u>2451 Feet</u>	Packer Model:	<u>Model AD-1 Coated</u>
Tubing Size:	<u>2.375 Inches</u>		Tubing Type:	<u>UNKNOWN</u>	
Well Type:	<u>Disposal Well</u>	Reason for Test:	<u>UIC MIT</u>	Test Type:	<u>Annual MIT</u>
	<u>BEFORE TEST</u>		<u>START of TEST</u>		<u>END of TEST</u>
Tubing Pressure:	<u>400 PSIG</u>	<u>Flowing</u>	<u>400 PSIG</u>	<u>Flowing</u>	<u>400 PSIG</u>
Annulus or Casing Pressure:	<u>0 PSIG</u>		<u>350 PSIG</u>		<u>250 PSIG</u>
Annulus or Casing Fluid:	<u>Salt Water</u>		Test Fluid:	<u>Salt Water</u>	
Amount of Fluid Needed to Fill Annulus or Casing:	<u>2.5 Bbls</u>				
Test Length:	<u>15 Minutes</u>	Was Annulus or Casing Bled to Zero After Test?:	<u>Yes If No - Pressure Left:</u>		

INSPECTION COMMENTS

Test Result:	<u>Conditionally Approved</u>	Approved TA Status:	<u>No</u>
Report of Work Done Required:	<u>No</u>		
<u>Pretty bitter cold. Tried it a couple of times with similar results. Has chart graph and annual MIT.</u>			

This Report is true and complete to the best of my knowledge.

Company Representative Witnessing Test: Shannon Holter Title: Field Supervisor
 Commission Field Inspector Witnessing Test: Scott Dihle

NDIC Initials TDS

Well Integrity Report - Form 19 Summary

INDUSTRIAL COMMISSION OF NORTH DAKOTA
 OIL AND GAS DIVISION
 600 EAST BOULEVARD DEPT 405
 BISMARCK, ND 58505 0840

Well File No. 11772
 UIC No. W0058S0333C

Test Date: 1/5/2007 9:25:50 AM Contractor Performing Pressure Test: Hamm's Well Service
 Operator: MUREX PETROLEUM CORPORATION Telephone: 2815903313
 Address: PO BOX 7 City: HUMBLE State: TX Zip Code: 77347-0007
 Well Name: JESPERSON 31-29 Field: NORTH HAAS
 Location: Qtr-Qtr: NWNE Section: 29 Township: 163 Range: 82 Cnty: BOTTINEAU

WELL TEST DATA

Formation:	<u>DAKOTA</u>		Perforations:	<u>2515-2760 G Feet</u>	
Tool Type:	<u>PKR</u>	Depth:	<u>2451 Feet</u>	Packer Model:	<u>Model AD-1 Coated</u>
Tubing Size:	<u>2.375 Inches</u>		Tubing Type:	<u>UNKNOWN</u>	
Well Type:	<u>Disposal Well</u>	Reason for Test:	<u>UIC MIT</u>	Test Type:	<u>5 Year MIT</u>
	BEFORE TEST		START of TEST		END of TEST
Tubing Pressure:	<u>200 PSIG</u>	<u>Shut In</u>	<u>200 PSIG</u>	<u>Shut In</u>	<u>200 PSIG</u>
Annulus or Casing Pressure:	<u>0 PSIG</u>		<u>700 PSIG</u>		<u>350 PSIG</u>
Annulus or Casing Fluid:	<u>Salt Water</u>		Test Fluid:	<u>Salt Water</u>	
Amount of Fluid Needed to Fill Annulus or Casing:	<u>2 Bbls</u>				
Test Length:	<u>15 Minutes</u>	Was Annulus or Casing Bled to Zero After Test?:	<u>Yes</u> If No - Pressure Left: <u> </u>		

INSPECTION COMMENTS

Test Result: Conditionally Approved Approved TA Status: No
 Report of Work Done Required: No

Pressure dropped slowly but steadily for about 3 minutes, but then held like a rock at 350#. Tried it twice, and did the same both times. Possible that there may have been some correlation with water temp. difference, but not likely. Not likely that it is a packer leak, either. Talked it over with Mark B. and Tom S. Conditionally approved for now, and they can keep pumping on it till they negotiate a plan with Murex.

This Report is true and complete to the best of my knowledge.

Company Representative Witnessing Test: Les Title: Field Supervisor
 Commission Field Inspector Witnessing Test: Scott Dihle

NDIC Initials 705