

Kellie Martinec

From: Amanda Miller <amiller@newfield.com>
Sent: Thursday, March 28, 2013 3:56 PM
To: rulescoordinator
Cc: Lloyd Hetrick
Subject: Statewide Rule 13 Newfield Comments
Attachments: Statewide Rule13 Newfield Comments.pdf

Please find attached Newfield Exploration Company's Statewide Rule 13 Comments.

Thank you

Amanda Miller

Executive Assistant, Operations VP

Office: 281-210-5114

Mobile: 281-785-6830

NEWFIELD





March 28, 2013

Railroad Commission of Texas
Office of General Counsel
P.O. Box 12967
Austin, Texas 78711-2967

Newfield Exploration Company
4 Waterway Square Place | Suite 100
The Woodlands, Texas 77380
PH 281-210-5100 | FAX 281-210-5101

Attention: Rules Coordinator

**Re: Newfield Comments on O&G Docket No. 20-0277738
Amendments to 16 TAC 3.13, aka SWR 13 as revised on January 29, 2013**

To Whom It May Concern,

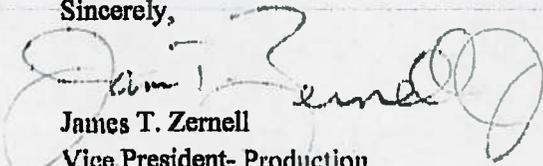
Newfield Exploration Company (Newfield) is an independent energy company engaged in the exploration, development and production of crude oil, natural gas and natural gas liquids. Our domestic areas of operations include the Rocky Mountains, Mid-Continent and onshore Texas. We currently operate more than 900 wells in Texas and plan to drill over 50 new wells during 2013.

I want to express our appreciation for the Commission's efforts over the past six months to meet with technical experts from industry regarding 16 TAC 3.13, more commonly known as Statewide Rule 13. We now have only clarification requests, all of which are attached in greater detail with a few summarized as follows:

- Drilling fluid requirements for the surface section of the well should be clarified to not exclude KCl additives; comment 9 attached.
- Production casing test pressures should be clarified to allow for the use of new hydraulic fracturing technology such as toe sleeves for the 1st stage; comment 13 attached.

We appreciate the continued opportunity to comment. If you have any questions, please do not hesitate to contact me at 281-210-5100.

Sincerely,



James T. Zernell
Vice President- Production
Newfield Exploration Company

Attachment

Cc:

Barry T. Smitherman, Commissioner
David Porter, Commissioner
Christi Craddick, Commissioner
Gil Bujano, Director Oil and Gas Division
Leslie Savage, Chief Geologist

Electronic submittal by email to

rulescoordinator@rrc.state.tx.us

Address for the ccs

Railroad Commission of Texas
Oil and Gas Division
P.O. Box 12967
Austin, Texas 78711-2967
(877) 228-5740

Newfield Comments on O&G Docket No. 20-0277738
Amendments to 16 TAC 3.13, aka SWR 13 as revised on January 29, 2013

1. Page 30 Line 19 – wellbore diameter (aka design) happens before equipment is selected

Casing and accessories are almost always selected after the drilling design, which includes the hole size. Suggest the following clarification: “All float equipment; centralizers, packers, cement baskets, and all other equipment run into the wellbore on casing shall be consistent with the manufacturer’s recommended wellbore diameter.”

2. Page 32 Line 26 – is a BOP stack required on the wellhead after a spudder rig departs?

Request a clarification for “batch set” wells drilled with a spudder rig having surface pipe set and cemented but not drilled out, that the dryhole tree left behind would qualify as the “... control head and other connections to keep the well under control at all times”

3. Page 33 Line 8 – this appears to require variable bore rams for all production casing and liners jobs.

Request a clarification that this section (iii) applies to ram type BOP equipment only, therefore does not preclude using the annular when running production casing and liners when variable bore rams are not available for the specific BOP / drill pipe / casing combination.

4. Page 33 Line 10 – BOP controls

Suggest a clarification that controls shall be accessible on the rig floor *and* at a safe remote location, not *or*.

5. Page 33 Line 15 - choke line of sufficient size

Please note that BOP outlets can vary from 2" to 4" depending on the manufacturer, size, and pressure rating. Often the rig provided BOP does not satisfy an operator’s needs and a different BOP is rented. These rental BOPs may have outlets different than the rig provided BOP and choke manifold. Therefore, we suggest adding a clarification that a “choke line of sufficient size” is no smaller than the nominal ID of the inlet flange of the choke body being utilized.

6. Page 34 Line 3 – is third party BOP certification required immediately upon the effective date of the new rule, or will there be a phase in period?

Request a clarification that the RRC will accept current BOP certifications and this independent third party requirement applies to the next and all subsequent BOP inspections.

7. Page 34 Line 11 – requires secondary closure from a remote location.

Request a clarification that this requires a secondary closure *station* at a remote location.

8. Page 34 Line 14 – BOP testing frequency

Request a clarification for testing frequency in section (I) for “before encountering any high-pressure formations” and suggest that section (II) adequately addresses BOP testing frequency requirements; however we would support a 14 day testing interval.

9. Page 35 Line 15 – air, fresh water or fresh water based drilling fluids for surface hole

Request a clarification that KCl additives will be allowed to prevent clay swelling.

10. Page 36 Line 6 – Casinghead test procedures

Request moving the last sentence of paragraph (i) to the beginning of paragraph (ii) to more clearly allow the operator to diagnose a well problem without first killing the well.

11. Page 36 Line 16 – testing wellhead connections

This portion of the rule requires the complete assembly and testing of the tree prior to installation. ~~Whether this assembly and testing is to take place at the vendor’s shop or at the field location is unclear.~~ We are in complete agreement with requiring the testing of the tree, but suggest a clarification that it be tested after installation and prior to production.

12. Page 37 Line 9 – all casing exposed to hydraulic fracturing pressure and MIYP ratings

Recommend inserting the word “string” to more clearly include the casing connections when determining this safety factor of 1.15.

13. Page 37 Line 12 – Casing test as written essentially eliminates the use of toe sleeves

Request a clarification that the “maximum anticipated pressure” excludes screen-outs in order to allow for the use of toe sleeves for the 1st stage of hydraulic fracturing.

14. Page 38 Line 13 – cement evaluation logging for minimum separation wells

As written, the entire minimum separation well must be logged: the lateral, the curve, and the vertical. Logging the well beyond the point in the curve at which gravity will no longer overcome friction requires a tractor or coil tubing unit, both of which introduce unwarranted mechanical risk. Request a clarification that the production casing must be logged down to the point in the curve at which gravity alone will not overcome line friction.

15. Page 43 Line 17 - centralizers for the surface casing

The proposed rule states: “In deviated holes, the operator shall provide additional centralization”. We request a clarification to answer: in additional to what and what does additional mean?

16. Page 47 Line 18 - alternate tubing requirements for oil wells

Tubing exceptions are allowed, but this language makes it sound as if they will be very few and far between. We request a clarification reference to the 180 day administrative exception found on page 52 line 19.