



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

September 27, 1990

RECEIVED

GARREY CARRUTHERS
GOVERNOR

Basin Fuels, Limited
P.O. Box 50
Farmington, New Mexico 87499

OCT 1 '90

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

C. L. D.
ARTESIA, OFFICE

Attention: Brad Saltzman

Re: Injection Pressure Increase
Slick Well No. 1
Section 7, T-20 North, R-5 West, NMPM
McKinley County, New Mexico

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OCT 3 1990
OIL CON. DIV
DIST. 3

Dear Mr. Saltzman:

Reference is made to your request dated September 17, 1990, to increase the surface injection pressure on the Slick Well No. 1, as described above, to approximately 660 psi. It is my understanding that the subject well was approved for use as a Mesaverde injection well by Division Order No. R-5540 dated October 18, 1977, with injection into the perforated interval from approximately 2752 feet to 2796 feet. It is further my understanding that during August, 1990, the Division authorized the use of additional Mesaverde perforations from approximately 1948 feet to 2602 feet. I have discussed the results of the step rate test run on the subject well with Mr. Frank Chaves, and have determined that the test results are unsatisfactory to justify the proposed pressure increase. In addition, in accordance with Division policy regarding injection pressure limitations, the subject well will now be assigned a pressure limit of 390 psi. (0.2 psi X 1948 feet).

The Division will consider an increase in injection pressure on the above-described well based upon any subsequently run step rate tests. If you should have any questions, please contact myself at (505) 827-5800.

Sincerely,

David Catanach
David Catanach
Engineer

xc: OCD-Artesia
Rick Brown
Case File- 6033



2901 EAST 20TH STREET • P.O. BOX 50 • FARMINGTON, NEW MEXICO 87499

PHONE (505) 325-1702

September 17, 1990

Mr. David Catanach
Petroleum Engineer
New Mexico Oil Conservation Division
Energy, Minerals and Natural Resources Dept.
P. O. Box 2088
Santa Fe, New Mexico 87501

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SEP 20 1990
OIL CON. DIV.
DIST. 3

Re: Case No. 6033, Order No. 5540
Slick Well #1, Unit O, Section 7,
T20N, R5W, N.M.P.M., Franciscan Lake
Mesa Verde Pool, McKinley County, N.M.

Dear Mr. Catanach:

Mr. Frank Chavez of the Aztec office suggested that I write you advising of our recent field work on the above referenced disposal well.

Basin was given verbal permission to move the packer in the subject well a point up the hole which would allow us to dispose of produced water therein not only in the Point Lookout interval of the Mesa Verde Formation, but also the Menefee member thereof. Accordingly, on August 23, 1990, the packer was set at 1913.80. This will allow us to dispose of produced water in Point Lookout and Menefee Perforations found at:

2752' - 2796'	2156' - 2162'
2597' - 2602'	2044' - 2050'
2542' - 2548'	1948' - 1954'

All in accord with Order No. 5540 allowing Basin to dispose of produced water in the Mesa Verde Formation of the subject well. This action was approved by your office in order to lower injection pressure and to increase oil recoveries from Menefee sand in the injected area.

Mr. Chavez was present on location to witness a step-rate test on the subject well. Based upon the results from said test, we hereby request that said order be amended to raise the limitation on well head pressure in said well from 550 p.s.i. to 660 p.s.i.

If anything further is needed, please advise.

Very truly yours,
BASIN FUELS, LTD.

By: Brad Saltzman
Brad Saltzman, Field Representative

*Test was a bust. Recommend a
2100' / ft limitation on 390#
ZC.*

cc: Frank Chavez

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 6033
Order No. R-5540

APPLICATION OF BASIN FUELS, INC.,
FOR SALT WATER DISPOSAL,
McKINLEY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:



This cause came on for hearing at 9 a.m. on September 14, 1977, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 18th day of October, 1977, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Basin Fuels, Inc., is the owner and operator of the Slick Well No. 1, located in Unit O of Section 7, Township 20 North, Range 5 West, NMPM, Franciscan Lake-Mesaverde Pool, McKinley County, New Mexico.

(3) That the applicant proposes to utilize said well to dispose of produced salt water into the Mesaverde formation, with injection into the perforated interval from approximately 2752 feet to 2796 feet.

(4) That the nature of the proposed injection operation is such that it should more properly be classified as a pressure maintenance project.

(5) That the injection should be accomplished through 2 3/8-inch plastic lined tubing installed in a packer set at approximately 2660 feet; that the casing-tubing annulus should be filled with an inert fluid; and that a pressure gauge or approved leak detection device should be attached to the annulus in order to determine leakage in the casing, tubing, or packer.

(6) That the injection well or system should be equipped with a pop-off valve or acceptable substitute which will limit the well-head pressure on the injection well to no more than 550 psi.

(4) That the Secretary-Director of the Commission may administratively authorize a higher wellhead injection pressure upon a showing by the operator that such higher pressure will not fracture the confining strata.

(5) That the operator shall notify the supervisor of the Aztec district office of the Commission of the date and time of the installation of disposal equipment and semi-annual injection well annulus fluid level tests so that the same may be inspected.

(6) That the operator shall immediately notify the supervisor of the Commission's Aztec district office of evidence of casing failure in the aforesaid injection well, the leakage of water or oil from around any producing well, or the leakage of water or oil from any plugged and abandoned well within the project area and shall take such timely steps as may be necessary or required to correct such failure or leakage.

(7) That the project area shall comprise those proration units containing an injection well and any direct or diagonally offsetting proration unit containing a producing well.

(8) That the subject project is hereby designated the Franciscan Lake-Mesaverde Pressure Maintenance Project and shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

(9) That monthly progress reports of the project herein authorized shall be submitted to the Commission in accordance with Rules 704 and 1120 of the Commission Rules and Regulations.

(10) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Phil R. Lucero
PHIL R. LUCERO, Chairman

Emery C. Arnold
EMERY C. ARNOLD, Member

Joe D. Ramey
JOE D. RAMEY, Member & Secretary

S E A L

jr/