

K-7.20-2

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

**IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:**

**CASE NO. 11470
CASE NO. 11470 (Reopened)
ORDER NO. R-10847**

**APPLICATION OF ENERGY DEVELOPMENT
CORPORATION FOR SALT WATER DISPOSAL
AND DESIGNATION OF A PORTION OF THE
MENELEE MEMBER OF THE MESAVERDE
FORMATION AS AN "EXEMPTED AQUIFER",
SANDOVAL COUNTY, NEW MEXICO.**

**APPLICATION OF PRIDE ENERGY COMPANY
TO REOPEN ENERGY DEVELOPMENT
CORPORATION'S CASE NO. 11470 FOR
SALT WATER DISPOSAL AND DESIGNATION
OF A PORTION OF THE MENELEE MEMBER
OF THE MESAVERDE FORMATION AS AN
"EXEMPTED AQUIFER", SANDOVAL COUNTY,
NEW MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on March 21 and May 2, 1996, at Santa Fe, New Mexico, before Examiners David R. Catanach and Michael E. Stogner, respectively.

Reopened Case No. 11470 came on for hearing at 8:15 a.m. on March 6 and May 15, 1997, at Santa Fe, New Mexico, before Examiners Michael E. Stogner and David R. Catanach, respectively.

NOW, on this 23rd day of July, 1997, the Division Director, having considered the testimony, the record and the recommendations of the Examiner, and being fully advised in the premises,

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FINDS THAT:

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

(2) Case No. 11470 was originally heard by the Division on March 21 and May 2, 1996. The applicant, Energy Development Corporation, sought authority to dispose of produced water into the Menefee member of the Mesaverde formation through perforations from 2,438 feet to 2,624 feet in its existing San Isidro (Shallow) Unit Well No. 7-11, located 2074 feet from the South line and 1650 feet from the West line (Unit K) of Section 7, Township 20 North, Range 2 West, NMPM, Sandoval County, New Mexico. Applicant further sought to designate a portion of the Menefee member of the Mesaverde formation underlying the W/2 E/2 and W/2 of Section 7, and the N/2 NW/4 of Section 18, Township 20 North, Range 2 West, and the E/2 E/2 of Section 12, Township 20 North, Range 3 West, NMPM, as an "Exempted Aquifer" pursuant to Division Rule No. 701.E. and applicable Federal Underground Injection Control Program Rules and Regulations, as contained within the Code of Federal Regulations, 40 CFR Parts 145 and 146, thereby enabling the injection of produced water, for purpose of disposal, into said interval.

(3) Case No. 11470 was taken under advisement by the Division on May 2, 1996.

(4) Pursuant to the Underground Injection Control Program Memorandum of Agreement executed between the State of New Mexico and the United States Environmental Protection Agency (USEPA), the Division submitted, on April 8, 1996, the record and evidence presented in Case No. 11470 to the USEPA for their approval of the proposed "Aquifer Exemption".

(5) In subsequent discussions, the USEPA informally informed the Division that the technical evidence presented in Case No. 11470 was insufficient to approve the proposed "Aquifer Exemption".

(6) Division records indicate that on February 3, 1997, Pride Energy Company assumed operations on the San Isidro (Shallow) Unit Well No. 7-11 from Energy Development Corporation.

(7) In February, 1997, Pride Energy Company requested authority to reopen Energy Development Corporation's Case No. 11470 in order to present additional technical evidence to support the proposed "Aquifer Exemption".

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

(See other
in-
structions)

FOR APPROVED
OMB NO. 1004-0137
Expires: December 31, 1991

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WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

1a. TYPE OF WELL: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DRY <input type="checkbox"/> OTHER <input type="checkbox"/>		2. NAME OF OPERATOR Amoco Production Company		Attention: Melissa Velasco	
b. TYPE OF COMPLETION: NEW WELL <input type="checkbox"/> WORK OVER <input type="checkbox"/> DEEP-EN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> DIFF. RESVR. <input type="checkbox"/> OTHER <input checked="" type="checkbox"/> DHC = 2662		3. ADDRESS AND TELEPHONE NO. P.O. Box 3092 Houston, TX		281-366-2548	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)* At surface 2340' FNL 1450' FEL At top prod. interval reported Unit G At total		14. PERMIT NO.		DATE ISSUED 05/31/2000	
15. DATE SPUDDED 04/05/2079		16. DATE T.D. REACHED 04/13/2079		17. DATE COMPL. (Ready to prod.) 09/15/2000	
20. TOTAL DEPTH, MD & TVD 7635		21. PLUG, BACK T.D., MD & TVD 7600'		22. IF MULTIPLE COMPL., HOW MANY*	
23. INTERVALS DRILLED BY Rotary		24. ROTARY TOOLS		25. CABLE TOOLS	
26. TYPE ELECTRIC AND OTHER LOGS RUN Ind. - GR; CDL, Caliper		27. WAS WELL CORED N		28. CASING RECORD (Report all strings set in well)	
29. LINER RECORD		30. TUBING RECORD		31. PERFORATION RECORD (Interval, size, and number)	
32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.		33. PRODUCTION		34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)	
35. LIST OF ATTACHMENTS		36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records		37. SIGNED	

*(See Instructions and Spaces for Additional Data on Reverse Side)

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

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(8) Upon application of Pride Energy Company, Case No. 11470 was reopened and heard by the Division on March 6 and May 15, 1997. Pride Energy Company proposed no changes to Energy Development Corporation's original application, however, additional technical data was presented at the March 6, 1997 hearing to support the application.

(9) On April 30, 1997, the Division submitted the record and new technical evidence presented in reopened Case No. 11470 to the USEPA for approval of the proposed "Aquifer Exemption".

(10) By letter dated June 27, 1997, the USEPA approved the proposed "Aquifer Exemption" as requested by the Division.

(11) Pride Energy Company, being successor operator of the San Isidro (Shallow) Unit Well No. 7-11, should be substituted as applicant in Case No. 11470, and, Energy Development Corporation, having no interest in Case No. 11470 at the present time, should be dismissed as applicant.

(12) Pursuant to Division Rules and Regulations, "Underground Sources of Drinking Water" (USDW's) are defined as aquifers which supply water for human consumption or which contain ground water having total dissolved solids concentrations of 10,000 mg/l or less. Injection into such aquifers for purpose of produced water disposal is prohibited pursuant to Division Rule No. 701.E.

(13) An "Exempted Aquifer" is defined by the USEPA as an aquifer or portion thereof which meets the criteria in the definition of a USDW, but which by virtue of meeting certain criteria has been exempted from protection by produced water injection.

(14) An analysis of formation water obtained from the Menefee member of the Mesaverde formation within the San Isidro (Shallow) Unit Well No. 7-11 indicates a total dissolved solids concentration of 8,790 mg/l.

(15) Among the criteria to be met in approving an "Exempted Aquifer", as contained within CFR Part 146.4, are the following:

- a) It does not currently serve as a source of drinking water; and
- b) It cannot now and will not in the future serve as a source of drinking water because:

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09/29/00

09/05/00 MIRUSU @ 0900 hrs. NDWH & NU BOP's. TOH W/TBG.

09/06/00 TIH & set a CIBP @ 5650'. Load hole w/2% KcL water. Pressure Test CSG to 2500#. Held Ok. SDFN.

09/07/00 RU & Perf 1st Stage as follows w/2 JSPF, .340 inch diameter, total shots fired 22:

5073'	5118'	5150'	5470'
5102'	5128'	5165'	5478'
5108'	5140'	5455'	

Perf 1st Stage as follows w/1 JSPF, .340 inch diameter, total shots fired 18:

5262'	5290'	5322'	5348'	5375'	5388'
5270'	5300'	5324'	5350'	5378'	5402'
5280'	5312'	5334'	5358'	5385'	5415'

09/08/00 RU & Frac 1st Stage w/80,000# of 16/30 Arizona Sand & 70% Foam. RU & TIH w/CIBP & set @ 4985'.

RU & Perf 2nd Stage as follows w/1 JSPF, .340 inch diameter, total shots fired 23:

4654'	4686'	4715'	4752'	4804'	4832'
4663'	4690'	4725'	4768'	4812'	4840'
4670'	4695'	4732'	4782'	4820'	4842'
4676'	4700'	4742'	4795'	4825'	

RU & Perf 2nd Stage as follows w/2 JSPF, .340 inch diameter, total shots fired 12:

4865	4943'
4906'	4948'
4935'	4958'

RU & Frac 2nd Stage w/80,000# of 16/30 Arizona Sand & 70% Foam. RU & Flow back well thru $\frac{1}{4}$ " choke all night.

09/11/00 Open well up to 3" line. RU & TIH w/ 3 7/8" mill & 2 $\frac{1}{4}$ " TBG & tag fill @ 4820". RU & C/O sand to top of CIBP set @ 4985'. PU above perfs. SDFN.

09/12/00 TIH & tag fill @ 4970'. RU & C/O to top of CIBP @ 4985'. PU above liner top & flowed well all night.

09/13/00 TOH tag fill @ 7524. CIRC hole clean to PBD 7600'. PU above perfs & flowed well through 3" lines. SDFN.

09/14/00 TIH & tag fill @ 7594'.

09/15/00 TIH & Land TBG @ 7357'. ND BOP's & NUWH. Pull TBG plug & ran into hole w/TBG.

RDMOSU. Rig Release @ 0700 hrs.

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- 1) It is mineral, hydrocarbon or geothermal energy producing, or can be demonstrated by a permit applicant as part of a permit application for a Class II or III operation to contain mineral or hydrocarbons that considering their quantity and location are expected to be commercially producible;
 - 2) It is situated at a depth or location which makes recovery of water for drinking water purposes economically or technically impractical;
 - 3) It is so contaminated that it would be economically or technologically impractical to render that water fit for human consumption; or
 - 4) It is located over a Class III mining area subject to subsidence or catastrophic collapse; or
- c) The total dissolved solids content of the ground water is more than 3,000 and less than 10,000 mg/l and is not reasonably expected to supply a public water system.

(16) The technical evidence presented by Pride Energy Company in this case indicates that the proposed "Aquifer Exemption" meets the following criteria for exemption:

Parts (a), (b)(1), (b)(2), (b)(3), and c) (As described in Finding No. (15) above.

(17) No offset operator and/or interest owner appeared at the hearing in opposition to the proposed disposal operations and proposed "Aquifer Exemption".

(18) The area described in Finding No. (2) above, which represents the area which will ultimately be affected by the proposed injection, is reasonable and should be adopted as the "Exempted Aquifer" area.

(19) Pride Energy Company should be authorized to utilize its San Isidro (Shallow) Unit Well No. 7-11 to dispose of produced water into the Menefee member of the Mesaverde formation as proposed.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE*
(See other instructions on reverse side)

FOR APPROVED
OMB NO. 1004-0137
Expires: December 31, 1991

WELL COMPLETION OR RECOMPLETION REPORT AND LOG *

1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☒ DRY ☐ Other ☐
2. TYPE OF COMPLETION: NEW WELL ☐ WORK OVER ☐ DEEP-EN ☐ PLUG BACK ☐ DIFF. REMVR. ☐ Other ☐ ADD FRUITLAND SAND ZONE

3. NAME OF OPERATOR
TEXAKOMA OIL & GAS CORPORATION
4. ADDRESS AND TELEPHONE NO.
5400 LBJ FREEWAY, SUITE 500, DALLAS, TX 75240 (972) 701-9106

5. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*
At surface 1080' FNL and 1490' FEL, SEC 8 T30N R12W

At top prod. interval reported below SAME AS ABOVE

At total depth SAME AS ABOVE

14. PERMIT NO.

DATE ISSUED

6. LEASE DESIGNATION AND SERIAL NO.
NM-0493

7. IF INDIAN, ALLOTTEE OR TRIBE NAME
N/A

8. UNIT AGREEMENT NAME
N/A

9. FARM OR LEASE NAME, WELL NO.
FEDERAL 8-1 FC

10. API WELL NO.
30-045-28927

11. FIELD AND POOL, OR WILDCAT
FLORA VISTA FRUITLAND SAND

12. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA
SEC 8, T30N R12W

13. COUNTY OR PARISH
SAN JUAN

14. STATE
NEW MEXICO

15. ELEVATIONS (OF RKB, RT, OR, ETC.)*
5832' RKB

16. ELEV. CASING HEAD
5816'

17. TOTAL DEPTH, MD & TVD
2150'

18. PLUG BACK T.D., MD & TVD
2106'

19. IF MULTIPLE COMPL., HOW MANY*
2

20. INTERVALS DRILLED BY
0'-2150'

21. ROTARY TOOLS
CABLE TOOLS

22. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)*
FLORA VISTA FRUITLAND SAND (1749'-1845')

23. TYPE ELECTRIC AND OTHER LOGS RUN
DUAL COMPENSATED POROSITY, MICRO-RESISTIVITY, GR-CBL

24. WAS DIRECTIONAL SURVEY MADE
NO

25. WAS WELL CORRED
NO

26. CASING RECORD (Report all strings set in well)

27. AMOUNT PULLED
NONE
NONE

28. LINER RECORD

29. TUBING RECORD

30. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

31. AMOUNT AND KIND OF MATERIAL USED
62,076g. 20# Gel w/ 138,000#
12/20 Sand

32. PRODUCTION

33. DATE FIRST PRODUCTION
10/13/00

34. PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)
FLOWING

35. WELL STATUS (Producing or shut-in)
PRODUCING

36. DATE OF TEST
10/15/00

37. HOURS TESTED
24

38. CHOKER SIZE
NA

39. PROD'N. FOR TEST PERIOD
OIL—BBL. 0 GAS—MCF. 300 WATER—BBL. 65 OIL GRAVITY-API (CORR.) NA

40. CASING PRESSURE
580

41. CALCULATED 24-HOUR RATE
OIL—BBL. 0 GAS—MCF. 300 WATER—BBL. 65

42. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)
SOLD

43. LIST OF ATTACHMENTS

44. TEST WITNESSED BY
BRAD SALZMAN

45. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED Tom Sprinkle TITLE DRILLING MANAGER DATE 10-20-00

*(See Instructions and Spaces for Additional Data on Reverse Side)

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(20) Injection should be accomplished through 2 7/8 inch ceramic-lined tubing installed in a packer located at approximately 2,350 feet; the casing-tubing annulus should be filled with an inert fluid; and 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.

(21) Prior to commencing injection operations, the casing in the subject well should be pressure-tested throughout the interval from the surface down to the proposed packer setting depth, to assure the integrity of such casing.

(22) The injection well or system should be equipped with a pressure limiting switch or other acceptable device which will limit the surface pressure on the injection well to no more than 488 psi.

(23) The Director of the Division should be authorized to administratively approve an increase in the injection pressure upon a proper showing by the operator that such higher pressure will not result in migration of the injected fluid from the Menefee member of the Mesaverde formation.

(24) The operator should notify the supervisor of the Aztec district office of the Division of the date and time of the installation of disposal equipment and of the conductance of the mechanical integrity pressure test in order that the same may be witnessed.

(25) The operator should take all steps necessary to ensure that the injected water enters only the proposed injection interval and is not permitted to escape to other formations or onto the surface.

(26) Approval of the subject application will prevent the drilling of unnecessary wells and otherwise prevent waste and protect correlative rights.

(27) The injection authority granted herein should terminate one year after the effective date of this order if the applicant has not commenced injection operations into the subject well, provided however, the Division, upon written request by the applicant, may grant an extension thereof for good cause shown.

37. SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof; cored intervals; and all drill-stem, tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and all recoveries):

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	38. GEOLOGIC MARKERS		
				NAME	MEAS. DEPTH	TOP TR VERT. I
FRUITLAND	1700'	1830'	ALTERNATING GRAY SILTSTONE & GRAY TO BLACK SHALES - NO SHOW			
FRUITLAND SAND	1830'	2036'	GRAY TO WHITE, FINE TO VERY FINE GRAINED MINERAL INCLUSIONS, HARD, NO VISIBLE POROSITY, THIN COALS, SLIGHT BUBBLING OF GAS			
BASAL COAL	2036'	2056'	BLACK, BANDED, SEMI BRIGHT TO BRIGHT, BLOCKY, RESTINOUS, GOOD GAS SHOW			
PICTURE CLIFFS	2056'	2150'	SANDSTONE - WHITE TO GRAY, SUB RD TO RD, SALT & PEPPER, FINE GRAIN, SOME CLAY FILLED POLOSITY, GAS SHOW @ TOP DECREASING THROUGHOUT			

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IT IS THEREFORE ORDERED THAT:

(1) The applicant in Case No. 11470 (Reopened), Pride Energy Company, is hereby authorized to utilize its San Isidro (Shallow) Unit Well No. 7-11, located 2074 feet from the South line and 1650 feet from the West line (Unit K) of Section 7, Township 20 North, Range 2 West, NMPM, Sandoval County, New Mexico, to dispose of produced salt water into the Menefee member of the Mesaverde formation through the perforated interval from approximately 2,438 feet to 2,624 feet.

(2) The applicant in original Case No. 11470, Energy Development Corporation, is hereby dismissed as applicant in said case.

(3) Injection shall be accomplished through 2 7/8 inch ceramic-lined tubing installed in a packer set at approximately 2,350 feet; the casing-tubing annulus shall be filled with an inert fluid and a pressure gauge or approved leak detection device shall be attached to the annulus in order to determine leakage in the casing, tubing or packer.

(4) Prior to commencing injection operations, the casing in the subject well shall be pressure-tested throughout the interval from the surface down to the proposed packer setting depth, to assure the integrity of such casing.

(5) The injection well or system shall be equipped with a pressure limiting switch or other acceptable device which will limit the surface pressure on the injection well to no more than 488 psi.

(6) The Director of the Division shall be authorized to administratively approve an increase in the injection pressure upon a proper showing by the operator that such higher pressure will not result in migration of the injected fluid from the Menefee member of the Mesaverde formation.

(7) The operator shall notify the supervisor of the Aztec district office of the Division of the date and time of the installation of disposal equipment and of the conductance of the mechanical integrity pressure test in order that the same may be witnessed.

(8) The operator shall take all steps necessary to ensure that the injected water enters only the proposed injection interval and is not permitted to escape to other formations or onto the surface.

Submit to
Appropriate
District Office
State Lease -- 6DISTRICT I
P.O. Box 1980, Hobbs, NM 88240DISTRICT II
P.O. Drawer DD, Artesia, NM 88210DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088WELL API NO.
30-045-3C2675. Indicate Type of Lease
STATE ☐ FEE ☒

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name
Uptegrove Gas Com8. Well No.
1B9. Pool name or Wildcat
Blanco Mesaverde

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well:
OIL WELL ☐ GAS WELL ☒ DRY ☐ OTHER ☐b. Type of
NEW WELL ☒ WORK OVER ☐ DEEPEN ☐ PLUG BACK ☐ DIFF RESVR ☐ OTHER ☐2. Name of Operator
Amoco Production Company
Attention
Melissa Velasco3. Address of Operator
P.O. Box 3092 Houston, Texas 77253-30924. Well Location
Unit Letter O : 790' Feet From The South Line and 2170' Feet From The East Line

Section 33 Township 32N Range 10W NMPM San Juan County

10. Date Spudded 07-29-00 11. Date T.D. Reached 08-03-00 12. Date Compl. (Ready to Prod.) 10-24-00 13. Elevations (DF & RKB, RT, GR, etc.) 5859' 14. Elev. Casinghead

15. Total Depth 5224' 16. Plug Back T.D. 5196' 17. If Multiple Compl. How Many Zones? 18. Intervals Drilled By Rotary Tools YES Cable Tools NO

19. Producing Interval(s), of this completion - Top, Bottom, Name 4229' - 5070' Blanco Mesaverde 20. Was Directional Survey Made

21. Type Electric and Other Logs Run TDT 22. Was Well Cored

23. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
9 5/8" H-40	32.3#	146'	13 1/2"	260 SXS CLS B to Surface	
7" N-80J-55	20# & 23#	2104'	8 3/4"	311 SXS CLS B Surface	

24. LINER RECORD				25. TUBING RECORD		
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET
4 1/2"	2080'	5156'	300 SXS		2 3/8"	5006'

26. Perforation record (interval, size, and number)
4741' - 5070' 2 JSPF 0.330 inch diameter, total shots 50
4229' - 4657' 2 JSPF 0.330 inch diameter, total shots 46

27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
4741' - 5070'	99,500# 20/40 Arizona Sand & Slickwater
4229' - 4657'	99,500# 20/40 Arizona Sand & Slickwater

28. PRODUCTION

Date First Production	Production Method (Flowing, gas lift, pumping - Size and type pump)				Well Status (Prod. or Shut-in)	
	F				SI	
Date of Test	Hours Tested	Choke Size	Prod'n For	Oil - Bbl.	Gas - MCF	Water - Bbl.
24 Oct 2000	13	3/4"	Test Period	Trace	2500 MCF	
Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate	Oil - Bbl.	Gas - MCF	Water - Bbl.	Oil Gravity - API - (Corr.)
158#	300#					

29. Disposition of Gas (Sold, used for fuel, vented, etc.)
To Be Sold
Test Witnessed By

30. List Attachments

31. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief

Signature Melissa Velasco Printed Name Melissa Velasco Title Permitting Assistant Date 10-26-2000

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(9) The operator shall immediately notify the supervisor of the Division's Aztec district office of the failure of the tubing, casing, or packer in said well or the leakage of water from or around said well and shall take such steps as may be timely and necessary to correct such failure or leakage.

(10) The applicant shall conduct disposal operations and submit monthly reports in accordance with Rules 702 through 706, 708 and 1120 of the Division Rules and Regulations.

(11) The injection authority granted herein shall terminate one year after the effective date of this order if the applicant has not commenced injection operations into the subject well, provided however, the Division, upon written request by the applicant, may grant an extension thereof for good cause shown.

(12) An "Exempted Aquifer" which comprises a portion of the Menefee member of the Mesaverde formation and horizontally comprises the following described area in Sandoval County, New Mexico, is hereby established:

TOWNSHIP 20 NORTH, RANGE 2 WEST, NMPM

Section 7: W/2 E/2, W/2

Section 18: N/2 NW/4

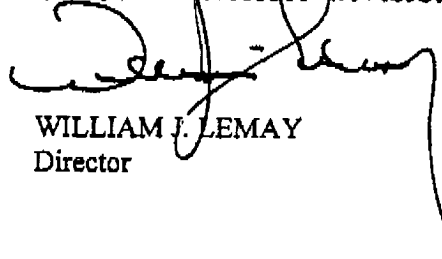
TOWNSHIP 20 NORTH, RANGE 3 WEST, NMPM

Section 12: E/2 E/2

(13) Jurisdiction is hereby retained for the entry of such further orders as the Division may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director

S E A L

19

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Northwestern New Mexico

OIL OR GAS SANDS OR ZONES

IMPORTANT WATER SANDS

LITHOLOGY RECORD (Attach additional sheet if necessary)

From	To	Thickness in Feet	Lithology

From	To	Thickness in Feet	Lithology