



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Lori Wrotenberg

Director

Oil Conservation Division

ADMINISTRATIVE ORDER SWD-892

***APPLICATION OF GOODSON SWD L.L.C. FOR SALT WATER DISPOSAL, LEA
COUNTY, NEW MEXICO.***

**ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION**

Under the provisions of Rule 701(B), Goodson SWD L.L.C. made application to the New Mexico Oil Conservation Division on September 4, 2003 for permission to utilize for salt water disposal its Keach Well No. 1 (API 30-025-34565) located 467 feet from the South line and 2310 feet from the East line (Unit O) of Section 4, Township 20 South, Range 38 East, NMPM, Lea County, New Mexico.

THE DIVISION DIRECTOR FINDS THAT:

- (1) The application has been duly filed under the provisions of Rule 701(B) of the Division Rules and Regulations;
- (2) Satisfactory information has been provided that all offset operators and surface owners have been duly notified;
- (3) The applicant has presented satisfactory evidence that all requirements prescribed in Rule 701 will be met; and
- (4) No objection to the application has been received by the Division within the time period prescribed in Rule 701.

IT IS THEREFORE ORDERED THAT:

Goodson SWD L.L.C. is hereby authorized to complete its Keach Well No. 1 (API 30-025-34565) located 467 feet from the South line and 2310 feet from the East line (Unit O) of Section 4, Township 20 South, Range 38 East, NMPM, Lea County, New Mexico, in such a manner as to permit the injection of produced water for disposal purposes into the Paddock and Blinbry formations through the perforated interval from a depth of 5,884 feet to 6,070 feet through 2-7/8 inch plastic-lined tubing set in a packer located at approximately 5,825 feet.

IT IS FURTHER ORDERED THAT:

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.

Prior to commencing injection operations, the applicant shall cement squeeze the existing perforations in the well from a depth of 4,224 feet to 4,294 feet in a manner acceptable to the supervisor of the Division's Hobbs District Office.

The casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge at the surface or left open to the atmosphere to facilitate detection of leakage in the casing, tubing, or packer.

The injection well or system shall be equipped with a pressure limiting device which will limit the wellhead pressure on the injection well to **no more than 1177 psi**.

The Director of the Division may authorize an increase in injection pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the injected fluid from the injection formations. Such proper showing shall consist of a valid step-rate test run in accordance with and acceptable to this office.

The operator shall notify the supervisor of the Hobbs district office of the Division of the date and time: i) cement squeeze operations will be conducted; ii) disposal equipment will be installed; and iii) the mechanical integrity pressure test conducted, in order that these operations may be witnessed.

The operator shall immediately notify the supervisor of the Hobbs district office of the Division of the failure of the tubing, casing, or packer in said well and shall take such steps as may be timely and necessary to correct such failure or leakage.

PROVIDED FURTHER THAT, jurisdiction is retained by the Division for the entry of such further orders as may be necessary for the prevention of waste and/or protection of correlative rights or upon failure of the operator to conduct operations (1) to protect fresh water or (2) consistent with the requirements in this order, whereupon the Division may, after notice and hearing, terminate the injection authority granted herein.

The operator shall submit monthly reports of the disposal operations on Division Form C-120-A, in accordance with Rule Nos. 706 and 1120 of the Division Rules and Regulations.

The injection authority granted herein shall terminate one year after the effective date of this order if the operator has not commenced injection operations into the subject well, provided

Administrative Order SWD-892

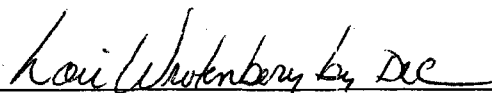
Goodson SWD L.L.C.

October 14, 2003

Page 3

however, the Division, upon written request by the operator, may grant an extension thereof for good cause shown.

Approved at Santa Fe, New Mexico, on this 14th day of October, 2003.



LORI WROTENBERY, Director

LW/DRC

cc: Oil Conservation Division – Hobbs