

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

February 20, 2001

Lori Wrotenbery
Director
Oil Conservation Division

ExxonMobil Production Company US West P.O. Box 4358 Houston, Texas 77210-4358

Attention: Mr. Michael E. Wise

Re:

April 10, 2000 Correspondence Reactivation of Division Order

No. SWD-733

State "27" Well No. 1

Unit B, Section 27, T-18S, R-35E,

Lea County, New Mexico

Dear Mr. Wise:

Reference is made to your letter dated April 10, 2000, whereby you requested that Division Order No. SWD-733, dated December 3, 1998, be reactivated. Division Order No. SWD-733 authorized Mobil Producing Texas & New Mexico, Inc. to utilize the State "27" Well No. 1 to dispose of produced water into the Devonian formation through perforations from 11,800 feet to 13,970 feet. This order further stipulated that:

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

ExxonMobil did not convert the State "27" Well No. 1 to water injection within the time limit prescribed by the disposal permit, and ExxonMobil did not request an extension of the permit in a timely manner.

Your request to reactivate Division Order No. SWD-733 is therefore denied.

In order to gain approval to utilize the State "27" Well No. 1 as a disposal well, a formal C-108 application (Authorization to Inject) will be required.

If you should have any questions, please contact me at (505) 476-3466.

Sincerely,

David Catanach

Engineer

Xc: OCD-Hobbs

File-SWD-733

State Land Office-Oil & Gas Division