

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

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IN THE MATTER OF THE APPLICATION
OF BASIC ENERGY SERVICES FOR
AUTHORIZATION TO CONDUCT
INJECTION OPERATIONS, EDDY
COUNTY, NEW MEXICO.

CASE NO. 14666

APPLICATION

Basic Energy Services ("Basic"), through its undersigned counsel, Montgomery and Andrews, P.A. (J. Scott Hall, Esq.), applies pursuant to 19.15.26.8 NMAC for an order authorizing the injection of water into the Delaware, Bell Canyon and Cherry Canyon formations, South Loving Delaware Pool (40380) in Eddy County, New Mexico. In support of its Application, Basic states:

1. Applicant is the operator of the following well:

Belco State No. 2 SWD
API No. 30-015-25433
2310' FNL & 1980' FWL (Unit F)
Section 20
T-23-S, R-28-E, NMPM
Eddy County, New Mexico

2. The Belco State No. 2 well is drilled to a total depth of approximately 5,930'. Basic proposes to convert the well and utilize it for injection of water through a closed system into the Delaware, Bell Canyon and Cherry Canyon formations (top: 2,454'; base: 5,865') with an injection interval within the approximate depths of 2,540' to 5,865', through perforations from 5,846' to 5,865'.

3. Injection operations through the well will be conducted at an anticipated average daily injection pressure of 600 psi (surface) with a maximum surface injection pressure of 1,000 psi or as permitted by the Division. Applicant proposes injection of water at average daily rates

of approximately 1,500 bbls and at maximum daily rates of approximately 3,400 bbls. The source of the injected fluids will be formation water from production wells that have been drilled and are scheduled to be drilled in the area.


4. Applicant's proposed injection operation can be conducted in a safe and responsible manner without causing waste, impairing correlative rights or endangering fresh water, public health or the environment.

5. Applicant's request for administrative approval was originally filed with the Division on approximately January 25, 2011. Written objection was received and consequently, the matter must be set for hearing pursuant to NMAC §19.15.26.8 D, with notice to be given by the Division.

WHEREFORE, Applicant requests that this Application be set for hearing before a duly appointed examiner of the Oil Conservation Division on June 23, 2011 and that after notice and hearing as required by law, the Division enter its Order approving the utilization of the Belco State Well No. 2 for the injection of water into the South Loving Delaware, Bell Canyon and Cherry Canyon formations at the intervals and at the pressures, volumes and rates indicated, and making such other and further provisions as the Division determines appropriate.

Respectfully submitted,

MONTGOMERY & ANDREWS, P. A.

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CASE 14666

Application of Basic Energy Services for Authorization to Inject, Eddy County, New Mexico.

Applicant seeks an order authorizing the injection of salt water into the Delaware, Bell Canyon and Cherry Canyon formations (40380) in the following proposed well:

Belco State No. 2 SWD
API No. 30-015-25433
2310' FNL & 1980' FWL (Unit F)
Section 20
T-23-S, R-28-E, NMPM
Eddy County, New Mexico

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The subject well will be drilled to a proposed total depth of approximately 5,930' and will be utilized for injection of water through a closed system into the Delaware, Bell Canyon and Cherry Canyon formations (top: 2,454'; base: 5,865') with an injection interval within the approximate depths of 2,540' to 5,865' through perforations from 5,846' to 5,865'. Injection operations through the well will be conducted at an anticipated average daily injection pressure of 600 psi (surface) with a maximum surface injection pressure of 1,000 psi or as permitted by the Division. Applicant proposes injection of water at average daily rates of approximately 1,500 bbls and at maximum daily rates of approximately 3,400 bbls. The lands and well are located approximately 1 mile northwest of Loving, New Mexico.