

**BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION**

**APPLICATION OF SMITH & MARRS  
INC. FOR A PRESSURE MAINTENANCE  
PROJECT IN THE DELAWARE  
FORMATION, IN EDDY COUNTY,  
NEW MEXICO.**

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2015 AUG 11 A 10:06

Case No. 15371

**APPLICATION FOR LEASE PRESSURE MAINTENANCE**

Smith & Marrs Inc., by and through its undersigned attorney, applies for an order approving lease pressure maintenance, and in support thereof, states:

1. Applicant seeks approval to institute a lease pressure maintenance project in its Superior State #1, located in Unit H, Section 8, Township 25 South, Range 30 East, N.M.P.M., Eddy County, New Mexico.
2. Applicant intends to inject produced water into the Delaware Sand formation through its Superior State #1 well located 1980' FNL and 660' FEL, Unit H, Section 8, Township 25 South, Range 30 East, N.M.P.M., Eddy County, New Mexico, at depths of 3736' to 3776' feet (perforated).
3. Attached hereto is Form C-108.
4. The granting of this application will prevent waste and protect correlative rights.

**WHEREFORE**, Applicant requests that, after notice and hearing, the Division enter its order approving this application.

Respectfully submitted,

PADILLA LAW FIRM, P.A.

/s/ Ernest L. Padilla

ERNEST L. PADILLA,  
Attorney for Smith & Marrs Inc.  
PO Box 2523  
Santa Fe, New Mexico 87504  
505-988-7577

NMOCD Case No. 15371

***Application of Smith and Marrs Inc., for approval of a pressure maintenance project, in Eddy County, New Mexico;*** Applicant seeks approval to institute a lease pressure maintenance project in its Superior State Well #1, located 1980' FNL and 660' FEL, Unit H, Section 8, Township 25 South, Range 30 East, N.M.P.M., Eddy County, New Mexico. Applicant intends to inject produced water into the Delaware Sand formation at depths of 3736-3776 feet (perforated). The well is located approximately 10 miles south east of Malaga, New Mexico.

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Case 15371

APPLICATION FOR AUTHORIZATION TO INJECT

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I. PURPOSE: Secondary Recovery ☒ Pressure Maintenance ☐ Disposal ☐ Storage  
Application qualifies for administrative approval? ☒ Yes ☐ No 2005 AUG 11 A 10:08

II. OPERATOR: Smith and Marrs Inc.  
ADDRESS: Box 310 Memphis, Texas 79245  
CONTACT PARTY: Rickey Smith PHONE: 432-940-0490

III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection.  
Additional sheets may be attached if necessary.

IV. Is this an expansion of an existing project? ☐ Yes ☒ No  
If yes, give the Division order number authorizing the project: \_\_\_\_\_

V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.

VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.

VII. Attach data on the proposed operation, including:

1. Proposed average and maximum daily rate and volume of fluids to be injected;
2. Whether the system is open or closed;
3. Proposed average and maximum injection pressure;
4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).

\*VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.

IX. Describe the proposed stimulation program, if any.

\*X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).

\*XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.

XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.

XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.

XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

NAME: Rickey Smith TITLE: Owner

SIGNATURE: *Rickey Smith* DATE: 7/27/05

E-MAIL ADDRESS: rickeysmith@classicnet.net

\* If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstances of the earlier submittal: submitted when drilled.

## **ATTACHMENT TO APPLICATION C-108**

Superior State #1 (API 30-015-04745)  
Unit H, Sect. 8, Tws. 25 S., Rng. 30 E.  
Eddy Co., NM

### **III. WELL DATA**

- A.
  - 1) See injection well data sheets and attached schematics.
  - 2) See injection well data sheets and attached schematics.
  - 3) 2 7/8" coated tubing.
  - 4) Baker lock set or the equivalent.
- B.
  - 1) Injection formation is the Delaware Sand.
  - 2) Injection interval 3736' to 3776'.
  - 3) This is an existing well converted to SWD.
  - 4) The next higher producing zone is the base of salt at 3480'.  
The next lower producing zone is the Bone Springs at approximately 7500'.

### **IV. NO.**

### **V. MAP ATTACHED.**

### **VI. LIST OF WELLS AND DATA ATTACHED.**

### **VII. Smith and Marrs plans to convert the Superior State #1 to a SWD, to dispose of water from its own offset production from the Delaware formation. Will pull production equipment, go on hole and perforate as needed, acidize and put on injection. Plan to run 2 7/8" plastic coated tubing and packer set at approximately 3636' or within 100 ft. of upper most perms. Load backside with packer fluid, run MIT as OCD requires and put on injection.**

- 1) Plan to inject approximately 200 to 300 bpd of produced water from Smith and Marrs own wells, which are in the Delaware.
- 2) Closed system.
- 3) Average injection pressure should be approximately 600# or whatever limit OCD allows.
- 4) Only produced water from Delaware.

### **VIII. The proposed disposal formation is interbedded sand and limestone. The primary**

**Rena Seay**

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**From:** "Goetze, Phillip, EMNRD" <Phillip.Goetze@state.nm.us>  
**To:** <seay04@leaco.net>  
**Cc:** "Dawson, Scott, EMNRD" <Scott.Dawson@state.nm.us>; "McMillan, Michael, EMNRD" <Michael.McMillan@state.nm.us>; "Jones, William V, EMNRD" <WilliamV.Jones@state.nm.us>; "Holm, Anchor E." <aholm@slo.state.nm.us>  
**Sent:** Tuesday, June 23, 2015 10:07 AM  
**Subject:** Smith and Marrs' C-108 Application for Superior State No. 1  
**RE:** Superior Sate No. 1 (API 30-015-04745); Application No. pMAM1506933948

Mr. Seay:

OCD is in receipt of the agreement between BOPCO and Smith and Marrs (Marrs) for resolution of BOPCO's protest. Following this resolution, Division reviewed the C-108 application for Smith and Marrs' Superior State No. 1. This review revealed continued production within the interval identified for injection, including a producing well within 330 feet of the proposed disposal well. This well and several other wells have reported continued production within the same interval of the Corral Canyon; Delaware pool. Based on this production information, the current conditions of the adjacent operations (including Harvard Petroleum's Poker Lake State No. 1; SWD-716 (30-015-04744)) and the agreement with BOPCO, I have recommended that this application be sent to hearing to address the portion of the Oil and Gas Act regarding drowning of stratum capable of producing oil or gas. Please contact your client and see if they wish to proceed with the application. If so, I will proceed with placing the application on the next docket. Please contact me with any questions regarding this matter. PRG

Phillip R. Goetze, P.G.

Engineering and Geological Services Bureau, Oil Conservation Division  
1220 South St. Francis Drive, Santa Fe, NM 87505  
O: 505.476.3466 F: 505.476.3462  
phillip.goetze@state.nm.us

6/23/2015

# Affidavit of Publication

No. 23572

State of New Mexico

County of Eddy:

Danny Scott

being duly sworn says that she is the

Publisher

of the Artesia Daily Press, a daily newspaper of General circulation, published in English at Artesia, said county and state, and that the hereto attached

## Legal Notice

was published in a regular and entire issue of the said Artesia Daily Press, a daily newspaper duly qualified for that purpose within the meaning of Chapter 167 of the 1937 Session Laws of the state of New Mexico for 1 Consecutive weeks/day on the same

day as follows:

First Publication July 17, 2015

Second Publication

Third Publication

Fourth Publication

Fifth Publication

Sixth Publication

Subscribed and sworn before me this

17th day of July 2015



OFFICIAL SEAL  
Latisha Romine  
NOTARY PUBLIC-STATE OF NEW MEXICO

My commission expires: 5/12/2019

*Latisha Romine*

Latisha Romine

Notary Public, Eddy County, New Mexico

# Copy of Publication:

## LEGAL NOTICE

Pursuant to the rules and regulations of the Oil Conservation Division of the State of New Mexico, Smith and Marra Inc., Box 310, Memphis, TX 79245, is filing a C-108 to convert an existing well to a Pressure Maintenance Injection. The well being applied for is the Superior State #1, located in Unit H, 1980/N 680/E Section 8, township 25 South, Range 30 East, Eddy Co., NM. The injection formation is the Delaware Sand from 3736' to 3776' below surface. Expected maximum injection rate is 200 to 300 bpd, of Smith and Marra on Delaware produced water, the expected maximum injection pressure is 600 psi or what the OCD allows. Any questions about the application can be directed to Eddie W. Seay, (575)992-2236, or any objection or request for hearing must be directed to the Oil Conservation Division, (505)476-3440, 1220 south Saint Francis Drive, Santa Fe, NM 87504, within fifteen (15) days. Published in the Artesia Daily Press, Artesia, N.M., July 17, 2015 Legal No. 23572.