



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON  
Governor  
Betty Rivera  
Cabinet Secretary

Lori Wrotenbery  
Director  
Oil Conservation Division

ADMINISTRATIVE ORDER SWD-834

## *APPLICATION OF DKD, LLC FOR SALT WATER DISPOSAL, LEA COUNTY, NEW MEXICO.*

### ADMINISTRATIVE ORDER OF THE OIL CONSERVATION DIVISION

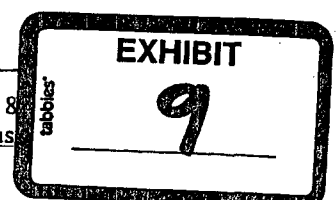
Under the provisions of Rule 701(B), DKD, LLC made application to the New Mexico Oil Conservation Division on March 27, 2002, for permission to re-enter for produced water disposal its Watson 6 Well No. 1 (API No. 30-025-34197) located 2857 feet from the South line and 1417 feet from the West line (Unit N) of Section 6, Township 16 South, Range 36 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 objections have been received within the waiting period prescribed by said rule.

#### IT IS THEREFORE ORDERED THAT:

DKD LLC is hereby authorized to re-enter its Watson 6 Well No. 1 (API No. 30-025-34197) located 2857 feet from the South line and 1417 feet from the West line (Unit N) of Section 6, Township 16 South, Range 36 East, NMPM, Lea County, New Mexico, in such a manner as to permit the injection of produced water for disposal purposes into the Cisco and Canyon (Pennsylvanian) formations from a depth of 10340 feet to 11062 feet through 2 7/8 inch plastic-lined tubing set in a packer located approximately at 10280 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.

The casing shall be pressure tested from the surface to the packer setting depth to assure the integrity of said casing.

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 2068 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 formation. 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 of the installation of disposal equipment and of any mechanical integrity test so that the same may be inspected and 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-115, 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 however, the Division, upon written request by the operator, may grant an extension thereof for good cause shown.

*Administrative Order SWD-834*

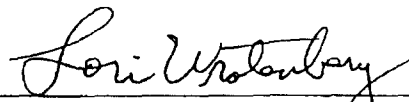
*DKD, LLC*

*April 26, 2002*

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Approved at Santa Fe, New Mexico, on this 26th day of April 2002.



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LORI WROTENBERY, Director

LW/WVJ

cc: Oil Conservation Division – Hobbs

Submit 3 Copies To Appropriate District

Office

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Ave., Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-103

Revised March 25, 1999

WELL API NO.  
30-025-34197

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

21706

7. Lease Name or Unit Agreement Name:

Watson 6

8. Well No.

#1

9. Pool name or Wildcat

Cisco

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:

Oil Well ☐ Gas Well ☒ Other ☐ SWD

2. Name of Operator

DKD, L.L.C.

3. Address of Operator

P.O. Box 682 Tatum, NM 88267

4. Well Location

Unit Letter N : 2857 feet from the South line and 1417 feet from the West line

Section 6 Township 16 S Range 36 E NMPM County Lea

10. Elevation (Show whether DR, RKB, RT, GR, etc.)

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐

TEMPORARILY ABANDON ☐ CHANGE PLANS ☐

PULL OR ALTER CASING ☐ MULTIPLE COMPLETION ☐

OTHER: Injet Formation Water ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐

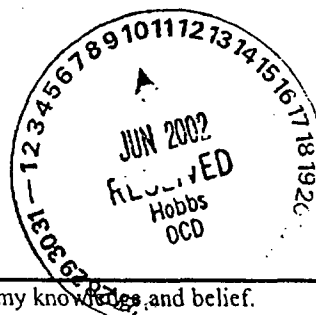
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐

CASING TEST AND CEMENT JOB ☐

OTHER: ☐

12. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

6/5/02 Run 2 7/8 tubing with seat nipple and 5 1/2 model R Packer to 10,280' estimated depth. Flush with Packer fluid SCT Packer. Load casing with Packer fluid. Let casing set over night and pressure casing up with recorder following day. Will call Bill when ready.



I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE \_\_\_\_\_ TITLE President DATE 6/2/02

Type or print name Danny R. Watson

Telephone No. 505-398-3490

(This space for State use)

APPROVED BY \_\_\_\_\_  
Conditions of approval, if any:

ORIGINAL SIGNED BY  
GARY W. WINK  
OC FIELD REPRESENTATIVE II/STAFF MANAGER

JUN 13 2002