

KELLAHIN AND KELLAHIN

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

June 10, 1997

W. THOMAS KELLAHIN*

*NEW MEXICO BOARD OF LEGAL SPECIALIZATION
RECOGNIZED SPECIALIST IN THE AREA OF
NATURAL RESOURCES-OIL AND GAS LAW

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Mr. William J. LeMay, Director
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

HAND DELIVERED

**Re: Application of Stevens & Tull, Inc.
for approval of the BF State Well No. 1
for Salt Water Disposal, Lea County, New Mexico.**

Dear Mr. LeMay:

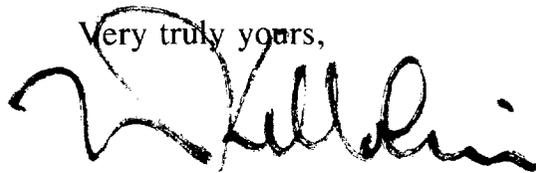
On behalf of Stevens & Tull, Inc., please find enclosed Division Form C-108 which is an application for approval of the reference well for salt water disposal which we request be set for hearing on the Examiner's docket now scheduled for July 10, 1997. Also enclosed is our proposed advertisement of this case for the NMOCD docket.

On May 27, 1997, Stevens & Tull, Inc. filed this application as an administrative request for approval of a salt water disposal well. Because water produced from the Yates-Seven Rivers formations is to be re-injected back into that same formation, the Division has advised that it considers this to be a pressure maintenance project which would require an Examiner's hearing.

Stevens & Tull, Inc. does not believe it can qualify this well as a "pressure maintenance project" because it does not intend to create a positive injection response in any of its producing wells.

Accordingly, we request that this matter be set for hearing as a salt water disposal case in the event the Division continues to believe that it cannot process this case administratively. For your information, there was no objection filed by any of the offset operators notified when this application was original filed on May 27, 1997.

Very truly yours,



W. Thomas Kellahin

cc: Stevens & Tull, Inc.

PROPOSED ADVERTISEMENT

Case No. 507 Application of Stevens & Tull, Inc. for salt water disposal, Lea County, New Mexico. Applicant seeks authority to dispose of produced water produced from the Yates-Seven Rivers formation back into the Yates-Seven Rivers formation of the West Teas Yates-Seven Rivers Pool in the interval from 2989 feet to 3212 feet in its State "BF" Well No. 1 located 1980 feet from the north line and 1980 feet from the east line (Unit G). In addition, applicant seeks approval of a surface injection pressure of 1,000 psi and an administrative procedure for obtaining further increases in said limitation. Said well is located approximately 3-1/2 miles northeast from the intersection of Us. Highway 180 and New Mexico Highway 176, New Mexico.

Case 11507

APPLICATION FOR AUTHORIZATION TO INJECT

I. PURPOSE: Secondary Recovery Pressure Maintenance Disposal Storage
Application qualifies for administrative approval? Yes No

II. OPERATOR: STEVENS & TULL, INC.

ADDRESS: P.O. Box 11005, Midland, Texas 79702

CONTACT PARTY: Michael G. Mooney

PHONE: 915/699-1410

III. WELL DATA: Complete the data required on the reverse side of this form for each well processed 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 SWD - 631

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 geological data on the injection zone including appropriate lithologic detail, geological 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.

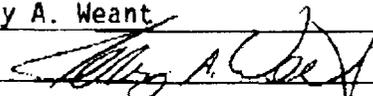
XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground source of drinking water.

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: Jerry A. Weant

TITLE: Landman

SIGNATURE: 

DATE: 5/27/97

* 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 circumstance of the earlier submittal. This information was previously submitted with our Application to Inject for SWD - 631. Also for Application for Anasaz

DISTRIBUTION: Original and one copy to Santa Fe with one copy to the appropriate District Office. 16 State #1 Well.

III. WELL DATA

A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:

- (1) Lease name; Well No.; Location by Section, Township, and Range; and footage location within the section.
- (2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.
- (3) A description of the tubing to be used including its size, lining material, and setting depth.
- (4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District Offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.

- (1) The name of the injection formation and, if applicable, the field or pool name.
- (2) The injection interval and whether it is perforated or open-hole.
- (3) State if the well was drilled for injection or, if not, the original purpose of the well.
- (4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.
- (5) Give the depth to and name of the next higher and next lower oil or gas zone in the area of the well, if any.

XIV. PROOF OF NOTICE

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

- (1) The name, address, phone number, and contact party for the applicant;
- (2) The intended purpose of the injection well; with the exact location of single wells or the section, township, and range location of multiple wells;
- (3) The formation name and depth with expected maximum injection rates and pressures; and
- (4) A notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, PO Box 2088, Santa Fe, NM 87504-2088 within 15 days.

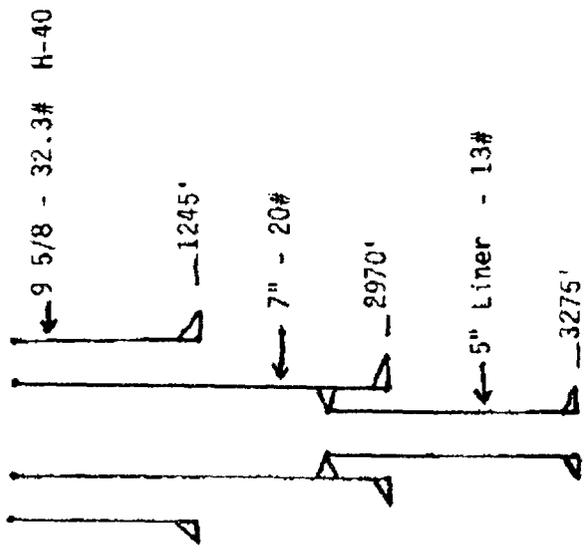
NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

INJECTION WELL DATA SHEET

OPERATOR STEVENS & TULL, INC. LEASE STATE "BF"
 WELL NO. 1 - G-1980' FNL & FEL SECTION 16 TOWNSHIP 20-S RANGE 33-E
 FOOTAGE LOCATION

Schematic



Well Construction Data

Surface Casing
 Size 9 5/8 Cemented with 500 sx.
 TOC surface feet determined by circulated
 Hole Size 12 1/4"

Intermediate Casing
 Size 7 Cemented with 500 sx.
 TOC surface feet determined by circulated
 Hole Size 8 3/4"

Long String
 Size 5 Cemented with 100 sx.
 TOC 2925 feet determined by top of liner
 Hole Size 6 1/4"
 Total Depth 3275'

Injection Interval

2989 feet to 3212 feet (perforated)
 (perforated or open-hole; indicate which)

INJECTION WELL DATA SHEET

Tubing Size 2 7/8" lined with not lined set in a _____
 packer at 2950 feet
 Balur AD-1 (type of internal coating)

Other type of tubing / casing seal if applicable None

Other Data

1. Is this a new well drilled for injection? Yes No

If no, for what purpose was the well originally drilled? Yates - Seven Rivers Producer

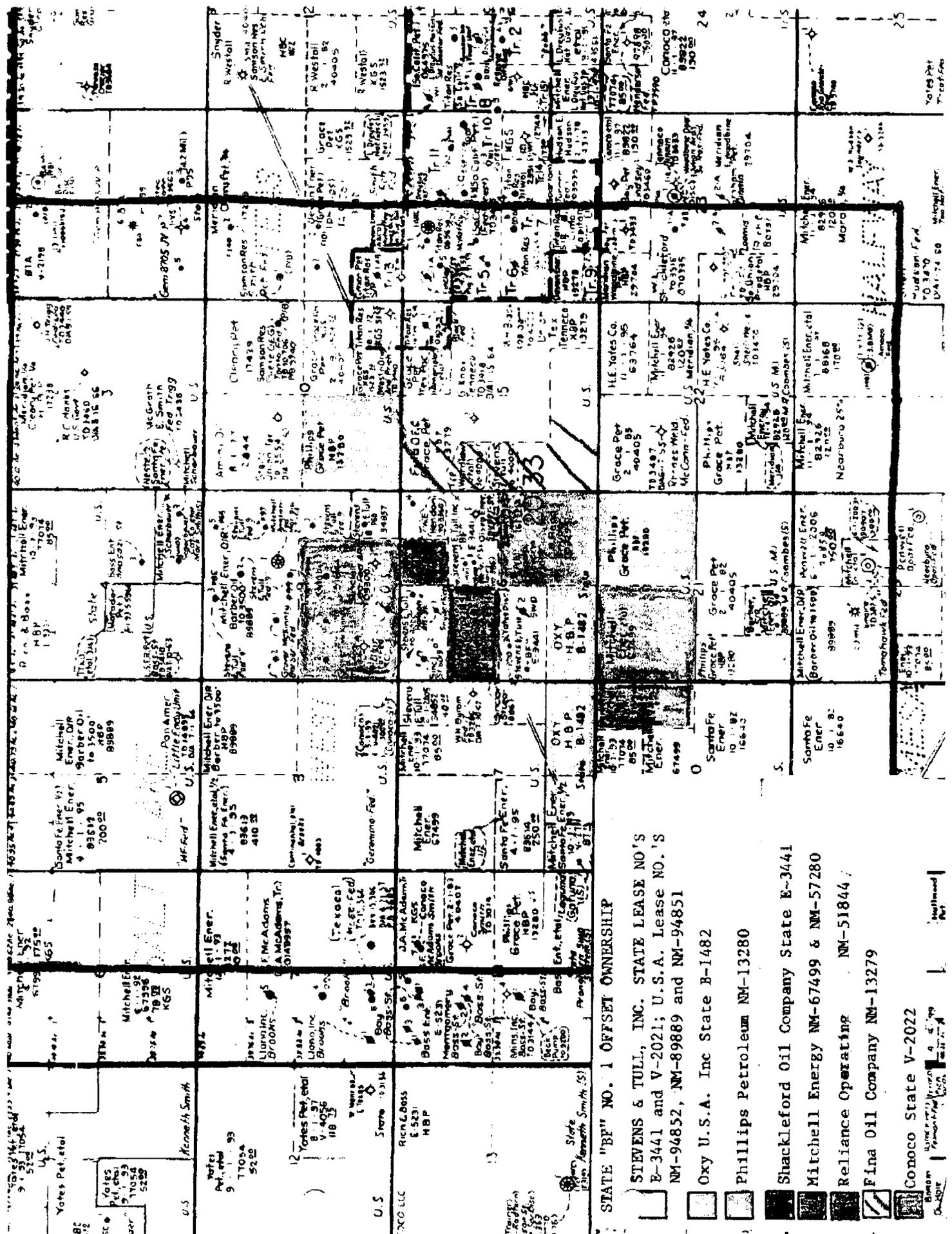
2. Name of the injection formation Yates - Seven Rivers

3. Name of Field or Pool (if applicable) West Teas Yates - Seven Rivers

4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e., sacks of cement or plug(s) used. Only intervals from 2989' to 3212'

5. Give the names and depths of any over or underlying oil or gas zones (pools) in this area. _____

None



STATE "BP" NO. 1 OFFSET OWNERSHIP

STEVENS & TULL, INC. STATE LEASE NO'S E-3441 and V-2021; U.S.A. Lease NO.'S NM-94852, NM-89889 and NM-94851

Oxy U.S.A. Inc State B-1482

Phillips Petroleum NM-13280

Shackelford Oil Company State E-3441

Mitchell Energy NM-67499 & NM-57280

Reliance Operating NM-51844

Fina Oil Company NM-13279

Conoco State V-2022

Various other lease and ownership details.