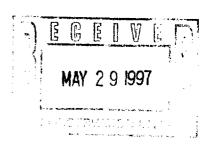
MIDLAND, TEXAS 79702

May 27, 1997

Oil Conservation Division 2040 Pacheco St. Santa Fe, New Mexico 87505



Jase 11807

Re: Application for Authorization to Inject
State "BF" #1 Well
1980' FNL & FEL Sec. 16

State "BF" #1 Well 1980' FNL & FEL Sec. 16, T-20-S, R-33-E, N.M.P.M., Lea County, New Mexico

Salt Lake Prospect

Gentlemen:

Please find enclosed for your and review Stevens & Tull, Inc.'s Application for Authorization to Inject covering the captioned well. As required, we have notified the offset leasehold owners of this application and put same in the Hobbs Star Sun newspaper.

We propose to inject up to 3000 bbls. of produced water per day from the Yates-Seven Rivers formation back into the Yates-Seven Rivers formation which is a known productive hydrocarbon formation. The proposed system will be a closed system. Our injection pressures will range from 500 to 1000 psi. We have submitted copies of paperwork on all wells located within 1/2 mile of the subject well. Additionally, we have enclosed a plat reflecting the leasehold ownership of the offset leases.

We have also enclosed for your review two (2) Exceptions to Order No. R-3221, being Case No. 4021, Order No. R-3682 and Case No. 4022, Order No. 3683, which thoroughly discuss the lack of fresh water zones in this area. The pits that were granted by these orders directly offset the proposed injection well. Also enclosed is a copy of Administrative Order SWD-631. The surface is owned by the State of New Mexico. We request that you give this matter your prompt attention. Should you have questions about this matter, please contact our office.

Yours very truly,

Jerry A. Weant, CPL

Landman

Oil Conservation Div. 2040 Pacheco St. Santa Fe, NM 87505

FORM C-108 Revised 7-1-81

Car 11867

APPLICATION FOR AUTHORIZATION TO INJECT

I.	PURPOSE: Secondary Recovery X Pressure Maintenance Disposal Storage Application qualifies for administrative approval? XYes No
II.	OPERATOR: STEVENS & TULL, INC.
	ADDRESS: P.O. Box 11005, Midland, Texas 79702
	CONTACT PARTY: Michael G. Mooney PHONE: 915/699-141
Ш.	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: X Yes No If yes, give the Division order number authorizing the project SWD - 631
٧.	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:
	 Proposed average and maximum daily rate and volume of fluids to be injected; Whether the system is open or closed; Proposed average and maximum injection pressure; Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and 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/1 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 7 TITLE: Landman
	NAME: Jerry A. Weant 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 Anasazi

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 cata 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 wit in 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.

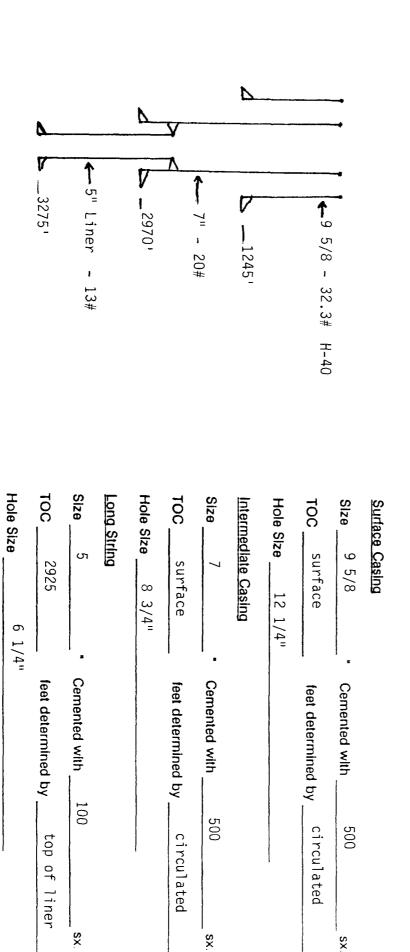
NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

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.

WELL NO.	OPERATOR
1 - G-1980' FNL & FEL	STEVENS & TULL, INC.
	LEASE .
16	STATE "BF"
20-S	
	1 - G-1980' FNL & FEL 16

Schematic

Well Construction Data



Total Depth

3275

Injection Interval

(perforated or open-hole; Indicate which)

3212

feet (perforated)

INJECTION WELL DATA SHEET

Tublnç	Tubing Size	2 7/8" Ilne	lined with		set in a
Bē	Balur AD-1		packer at	(type of internal coating)	feet
Other	type of tubln	Other type of tubing / casing seal if applicable	None		
Other Data	Data				
÷	Is this a ne	Is this a new well drilled for injection?	Yes	ON I	* ,
	If no, for w	hat purpose was the well origi	nally drilled?	If no, for what purpose was the well originally drilled? Yates - Seven Rivers Producer	rcer
8	Name of th	Name of the Injection formation Yates - Seven Rivers	- Seven Ri	Vers	•
က်	Name of Fi	Name of Field or Pool (if applicable)	West Teas Y	West Teas Yates - Seven Rivers	
4.	Has the well give pluggin to 3212'	Has the well ever been perforated in any other zone(s)? List give plugging detail, i.e., sacks of cement or plug(s) used.	other zone(s)? or plug(s) use	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'	. pul
က်	Give the na	mes and depths of any over o	r underlying oil	Give the names and depths of any over or underlying oil of gas zones (pools) in this area.	•
	None				

Bonoon State V-2022 Bonoon Value Ville Ville A 4 499 De Hole Value Ville Vil	ergy erati	Oxy U.S.A. Inc State Phillips Petroleum Shackleford Oil Con	NO. 1 & TULI and V-2 2, NM-8	Roses Store Trainger Minds In Minds In Store Store To 3144	TOCO LLC RICHE, Bass () 3 0 6 6 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7	Vacas Pet, etal Unan inc 18:1.37 Brooks 11:87 Brooks 11:87 Brooks 11:87 Brooks 11:1/4 Boy U.S. Store 11:1/4 Boy Bog	rates Prineral 91 93 17054 5200 Llonging Brooks	7/2 (See) Patres Patrician (See) 110 93 110 93 110 93 110 94 15200 152	135 (AK. 3) 25 / AK. (337) AK. (400 40) K. (30) 1 AK. (400 40) K. (30) 1 AK. (400 40) K. (30) 1 AK. (400 40) K. (
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OIL CONSERVATION DIVISION 2040 South Pacheco Street Santa Fe, New Mexico 87505 (505) 827-7131

ENTERED JUL 1 5 1996

ADMINISTRATIVE ORDER SWD-631

APPLICATION OF STEVENS & TULL, INC. FOR SALT WATER DISPOSAL, LEA COUNTY, NEW MEXICO.

ADMINISTRATIVE ORDER OF THE OIL CONSERVATION DIVISION

Under the provisions of Rule 701(B), Stevens & Tull, Inc. made application to the New Mexico Oil Conservation Division on May 9, 1996, for permission to complete for salt water disposal its BF State Well No.2 located 1980 feet from the South line and 1980 feet from the West line (Unit K) of Section 16, Township 20 South, Range 33 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:

The applicant herein, is hereby authorized to complete its BF State Well No.2 located 1980 feet from the South line and 1980 feet from the West line (Unit K) of Section 16, Township 20 South, Range 33 East, NMPM, Lea County, New Mexico, in such manner as to permit the injection of salt water for disposal purposes into the Yates formation at approximately 3,094 feet to 3,209 feet through 2 3/8-inch plastic-lined tubing set in a packer located at approximately 2,994 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.

Prior to commencing injection operations into the well, 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 619 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 Yates 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 the 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 of this cause is hereby retained by the Division for the entry of such further order or orders as may be deemed necessary or convenient for the prevention of waste and/or protection of correlative rights; upon failure of the operator to conduct operations in a manner which will ensure the protection of fresh water or in a manner inconsistent with the requirements set forth in this order, the Division may, after notice and hearing, terminate the injection authority granted herein.

The operator shall submit monthly reports of the disposal operations 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.

Approved at Santa Fe, New Mexico, on this 9th day of July, 1996.

WILLIAM J. LEMAY, Director

SEAL

WJL/BES

xc: Oil Conservation Division - Hobbs

State BF LEASE

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION OF NEW MEXICO FOR THE PURPOSE OF CONSIDERING: Premise to have such open pur fet such BF#2

CASE No. 4021 Order No. R-3682

APPLICATION OF CHARLES B. READ FOR AN EXCEPTION TO ORDER NO. R-3221, AS AMENDED, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 15, 1969, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 28th day of February, 1969, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Charles B. Read, is the owner and operator of the Synder Well No. 1, located in Unit J of Section 16, Township 20 South, Range 33 East, NMPM, West Teas Yates-Seven Rivers Pool, Lea County, New Mexico.
- (3) That effective January 1, 1969, Order (3) of Commission Order No. R-3221, as amended, prohibits in that area encompassed by Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico, the disposal, subject to minor exceptions, of water produced in conjunction with the production of oil or gas, or both, on the surface of the ground, or in any pit, pond, lake, depression, draw, streambed, or arroyo, or in any watercourse, or in any

-2-CASE No. 4021 Order No. R-3682

other place or in any manner which would constitute a hazard to any fresh water supplies and said disposal has not previously been prohibited.

- (4) That the aforesaid Order No. R-3221 was issued in order to afford reasonable protection against contamination of fresh water supplies designated by the State Engineer through disposal of water produced in conjunction with the production of oil or gas, or both, in unlined surface pits.
- (5) That the State Engineer has designated, pursuant to Section 65-3-11 (15), N.M.S.A., 1953 Compilation, all underground water in the State of New Mexico containing 10,000 parts per million or less of dissolved solids as fresh water supplies to be afforded reasonable protection against contamination; except that said designation does not include any water for which there is no present or reasonably foreseeable beneficial use that would be impaired by contamination.
- (6) That the applicant seeks an exception to the provisions of the aforesaid Order (3) to permit the continued disposal of salt water produced by the aforesaid Snyder Well No. 1 in an unlined surface pit located in Unit J of said Section 16.
- (7) That there are five producing shallow water wells located approximately 3 3/4 to 4 1/2 miles to the southwest of the subject pit.
- (8) That there is an abandoned shallow water well, the water from which was reported as too salty for cattle to drink, approximately four miles to the northwest of the subject pit.
- (9) That there is an abandoned shallow water well, the water from which was reported as too gypseous for cattle to drink, approximately 1 3/4 miles to the north of the subject pit.
- (10) That there is an abandoned shallow water well, the water from which was reported as of poor quality, approximately 3/4 of a mile south-southwest of the subject pit.
- (11) That the surface and subsurface drainage appears to be in a westerly direction from the subject pit toward a salt lake, known as Laguna Gatuna, located approximately 1 3/8 miles west of the subject pit.

-3-CASE No. 4021 Order No. R-3682

- (12) That there appears to be no water in the vicinity of the subject pit for which a present or reasonably foreseeable beneficial use is or will be made that would be impaired by contamination from said pit.
- (13) That the applicant should be permitted to continue to dispose of salt water, produced by applicant's said Snyder Well No. 1, in the above-described unlined surface pit.

IT IS THEREFORE ORDERED:

- (1) That the applicant, Charles B. Read, is hereby granted an exception to Order (3) of Commission Order No. R-3221, as amended, to continue to dispose of water produced in conjunction with the production of oil or gas, or both, by his Snyder Well No. 1, located in Unit J of Section 16, Township 20 South, Range 33 East, NMPM, West Teas Yates-Seven Rivers Pool, Lea County, New Mexico, in the unlined surface pit located in said Unit J until further order of the Commission.
- (2) That the Commission may by administrative order rescind such authority whenever it reasonably appears to the Commission that such rescission would serve to protect fresh water supplies from contamination.
- (3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

DAVID F. CARGO, Chairman

ALEX J. ARMIJO, Member

SEAL

esr/

A. L. PORTER, Jr., Member & Secretary

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION CONMISSION OF NEW MEXICO FOR THE PURPOSE OF CONSIDERING:

CASE No. 4022 Order No. R-3683

APPLICATION OF ERNEST A. HANSON FOR AN EXCEPTION TO ORDER NO. R-3221, AS AMENDED, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 15, 1969, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 28th day of February, 1969, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Ernest A. Hanson, is the owner and operator of the Atlantic State Well No. 1, located in Unit C of Section 16, Township 20 South, Range 33 East, NMPM West Teas Yates-Seven Rivers Pool, Lea County, New Mexico.
- (3) That effective January 1, 1969, Order (3) of Commission Order No. R-3221, as amended, prohibits in that area encompassed by Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico, the disposal, subject to minor exceptions, of water produced in conjunction with the production of oil or gas, or both, on the surface of the ground, or in any pit, pond, lake, depression, draw, streambed, or arroyo, or in any watercourse, or in any

-2-CASE No. 4022 Order No. R-3683

other place or in any manner which would constitute a hazard to any fresh water supplies and said disposal has not previously been prohibited.

- (4) That the aforesaid Order No. R-3221 was issued in order to afford reasonable protection against contamination of fresh water supplies designated by the State Engineer through disposal of water produced in conjunction with the production of oil or gas, or both, in unlined surface pits.
- (5) That the State Engineer has designated, pursuant to Section 65-3-11 (15), N.M.S.A., 1953 Compilation, all underground water in the State of New Mexico containing 10,000 parts per million or less of dissolved solids as fresh water supplies to be afforded reasonable protection against contamination; except that said designation does not include any water for which there is no present or reasonably foreseeable beneficial use that would be impaired by contamination.
- (6) That the applicant seeks an exception to the provisions of the aforesaid Order (3) to permit the continued-disposal of salt water produced by the aforesaid Atlantic State Well No. 1 in an unlined surface pit located in Unit C of said Section 16.
- (7) That there are 5 producing shallow water wells located approximately 3 3/4 to 4 1/4 miles to the southwest of the subject pit.
- (8) That there is an abandoned shallow water well, the water from which was reported as too salty for cattle to drink, approximately 3 1/2 miles to the northwest of the subject pit.
- (9) That there is an abandoned shallow water well, the water from which was reported as too gypseous for cattle to drink, approximately 1 1/2 miles to the north of the subject pit.
- (10) That there is an abandoned shallow water well, the water from which was reported as of poor quality, approximately one mile south-southwest of the subject pit.
- (11) That the surface and subsurface drainage appears to be in a westerly direction from the subject pit toward a salt lake, known as Laguna Gatuna, located approximately 1 1/8 miles west of the subject pit.

-3-CASE No. 4022 Order No. R-3683

- (12) That there appears to be no water in the vicinity of the subject pit for which a present or reasonably foreseeable beneficial use is or will be made that would be impaired by contamination from said pit.
- (13) That the applicant should be permitted to continue to dispose of salt water, produced by applicant's said Atlantic State Well No. 1, in the above-described unlined surface pit.

IT IS THEREFORE ORDERED:

- (1) That the applicant, Ernest A. Hanson, is hereby granted an exception to Order (3) of Commission Order No. R-3221, as amended, to continue to dispose of water produced in conjunction with the production of oil or gas, or both, by his Atlantic State Well No. 1, located in Unit C of Section 16, Township 20 South, Range 33 East, NMPM, West Teas Yates-Seven Rivers Pool, Lea County, New Mexico, in the unlined surface pit located in said Unit C until further order of the Commission.
- (2) That the Commission may by administrative order rescind such authority whenever it reasonably appears to the Commission that such rescission would serve to protect fresh water supplies from contamination.
- (3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

DAVID F. CARGO, Chairman

ALEX J. ARMIJO, Member

SEAL

A. L. PORTER, Jr., Member & Secretary

P. O. Box 11005

May 27, 1997

To: Kathi Bearden

Publisher - Hobbs Daily News

From: Jerry A. Weant, Landman

Please print the following notice in your paper on Wednesday, May 28, 1997. Please remit your invoice for such notice along with an Affidavit of Publication to our office at your earliest convenience. Should you have any questions, please contact me.

Stevens & Tull, Inc., P.O. Box 11005, Midland, Texas 79702, has submitted an Application to Inject to the New Mexico Oil Conservation Division for the State "BF" No. 1 well, located 1980' FNL & FEL of Section 16, T-20-S, R-33-E, N.M.P.M., Lea County, New Mexico. We propose to inject produced water from the Yates-Seven Rivers formation back into the Yates-Seven Rivers formation at a depth between 2989 feet to 3212 feet. Any party desiring to file an objection or request a hearing must contact the New Mexico Oil Conservation Division in writing at 2040 Pacheco Street, Santa Fe, New Mexico within 15 days of this notice. For additional information, you may contact Mr. Jerry A. Weant at 915-699-1410."

TRANSMISSION VERIFICATION REPORT

TIME: 05/27/1997 16:14 NAME : STEVENS & TULL:1A ; FAX : 9156991113 TEL : 9156991410

9156991410

DATE, TIME FAX NO./NAME DURATION PAGE(S) RESULT MODE

05/27 16:14 15053935724414 00:00:25 01 STANDARD

ECM.

915/699-1410

May 27, 1997

Reliance Operating P.O. Box 10946 Midland, Texas 79702

Re: Application for Authorization to Inject
State "BF" #1
1980' FNL & FEL Sec. 16,
T-20-S, R-33-E, N.M.P.M.,
Lea County, New Mexico
Salt Lake Prospect

Gentlemen:

Please find enclosed for your review a copy of our Application for Authorization to Inject in the captioned well. We request that you execute this letter signifying your waiver to any objection for the conversion of said well.

Please route an executed copy of this letter to the New Mexico Oil Conservation Division at 2040 Pacheco Street, Santa Fe, New Mexico. Thank you for your cooperation in this matter.

Yours very truly,

Jerry A. Weant, CPL

We hereby waive any objection to Stevens & Tull, Inc.'s Application for Authorization to Inject into the State "BF" #1 Well at the captioned location.

Reliance Operating

Ву:		
Title:		
Print $\overline{\mathtt{N}}$	ame:	
Date:		

May 27, 1997

Conoco Inc. 10 Desta Drive, Suite 100W Midland, Texas 79705-4500

Attn: Carl Sherrill

Re: Application for Authorization

to Inject State "BF" #1

1980' FNL & FEL Sec. 16, T-20-S, R-33-E, N.M.P.M., Lea County, New Mexico

Salt Lake Prospect

Gentlemen:

Please find enclosed for your review a copy of our Application for Authorization to Inject in the captioned well. We request that you execute this letter signifying your waiver to any objection for the conversion of said well.

Please route an executed copy of this letter to the New Mexico Oil Conservation Division at 2040 Pacheco Street, Santa Fe, New Mexico. Thank you for your cooperation in this matter.

Yours very truly,
Jerry A. Weant, CVL
Landman

We hereby waive any objection to Stevens & Tull, Inc.'s Application for Authorization to Inject into the State "BF" #1 Well at the captioned location.

Conoco Inc.

Ву: _			
Title:	:		
Print	Name:		
Date:	_		

P. O. Box 11005

May 27, 1997

Oxy USA Inc. P.O. Box 50250 Midland, Texas 79710

Attn: T. Kent Woolley, CPL

Re: Application for Authorization

to Inject State "BF" #1

1980' FNL & FEL Sec. 16, T-20-S, R-33-E, N.M.P.M., Lea County, New Mexico

Salt Lake Prospect

Gentlemen:

Please find enclosed for your review a copy of our Application for Authorization to Inject in the captioned well. We request that you execute this letter signifying your waiver to any objection for the conversion of said well.

Please route an executed copy of this letter to the New Mexico Oil Conservation Division at 2040 Pacheco Street, Santa Fe, New Mexico. Thank you for your cooperation in this matter.

Yours very truly Jerry A. Weant, CHL Landman

We hereby waive any objection to Stevens & Tull, Inc.'s Application for Authorization to Inject into the State "BF" #1 Well at the captioned location.

Oxy USA Inc.

Ву:		
Title:		
Print Na	ame:	
Date:		

MIDLAND, TEXAS 79702

915/699-1410

May 27, 1997

Phillips Petroleum Company 4001 Penbrook Odessa, Texas 79762

Re: Application for Authorization to Inject
State "BF" #1
1980' FNL & FEL Sec. 16,
T-20-S, R-33-E, N.M.P.M.,
Lea County, New Mexico
Salt Lake Prospect

Gentlemen:

Please find enclosed for your review a copy of our Application for Authorization to Inject in the captioned well. We request that you execute this letter signifying your waiver to any objection for the conversion of said well.

Please route an executed copy of this letter to the New Mexico Oil Conservation Division at 2040 Pacheco Street, Santa Fe, New Mexico. Thank you for your cooperation in this matter.

Yours very truly,

Jerry A. Weant, CPL
Landman

We hereby waive any objection to Stevens & Tull, Inc.'s Application for Authorization to Inject into the State "BF" #1 Well at the captioned location.

Phillips Petroleum Company

By:				
Title				
Print	Name:			
Date:	_	 	·	

STEVENS & TULL, INC.

P. O. Box 11005

MIDLAND. TEXAS 79702

915/699-1410

May 27, 1997

Wilbur Shackelford 512 New Mexico Drive Roswell, New Mexico 88201

Re: Application for Authorization

to Inject

State "BF" #1

1980' FNL & FEL Sec. 16, T-20-S, R-33-E, N.M.P.M., Lea County, New Mexico

Salt Lake Prospect

Gentlemen:

Please find enclosed for your review a copy of our Application for Authorization to Inject in the captioned well. We request that you execute this letter signifying your waiver to any objection for the conversion of said well.

Please route an executed copy of this letter to the New Mexico Oil Conservation Division at 2040 Pacheco Street, Santa Fe, New Mexico. Thank you for your cooperation in this matter.

Yours very truly,

Jerry A. Weant, CPL

Landman

We hereby waive any objection to Stevens & Tull, Inc.'s Application

for Authorization to Inject into the State "BF" #1 Well at the captioned location.

Shackleford Oil Company

By:				
Title	:			
Print	Name:		 	
Date:	_	_	 	

STEVENS & TULL, INC.

P. O. Box 11005

MIDLAND, TEXAS 79702

915/699-1410

May 27, 1997

Fina Oil & Chemical Company 6 Desta Drive, Suite 4400 Midland, Texas 79705

Re: Application for Authorization

to Inject
State "BF" #1

1980' FNL & FEL Sec. 16, T-20-S, R-33-E, N.M.P.M., Lea County, New Mexico

Salt Lake Prospect

Gentlemen:

Please find enclosed for your review a copy of our Application for Authorization to Inject in the captioned well. We request that you execute this letter signifying your waiver to any objection for the conversion of said well.

Please route an executed copy of this letter to the New Mexico Oil Conservation Division at 2040 Pacheco Street, Santa Fe, New Mexico. Thank you for your cooperation in this matter.

Yours very truly,

Jerry A. Weant, CP

Landman

We hereby waive any objection to Stevens & Tull, Inc.'s Application for Authorization to Inject into the State "BF" #1 Well at the captioned location.

Fina Oil & Chemical Company

By:				
Title	:			
Print	Name:			
Date:_	_			

915/699-1410

May 27, 1997

Oil Conservation Division 2040 Pacheco St. Santa Fe, New Mexico 87505

Re: Application for Authorization to Inject

State "BF" #1 Well

1980' FNL & FEL Sec. 16, T-20-S, R-33-E, N.M.P.M., Lea County, New Mexico

Salt Lake Prospect

Gentlemen:

Please find enclosed for your and review Stevens & Tull, Inc.'s Application for Authorization to Inject covering the captioned well. As required, we have notified the offset leasehold owners of this application and put same in the Hobbs Star Sun newspaper.

We propose to inject up to 3000 bbls. of produced water per day from the Yates-Seven Rivers formation back into the Yates-Seven Rivers formation which is a known productive hydrocarbon formation. The proposed system will be a closed system. Our injection pressures will range from 500 to 1000 psi. We have submitted copies of paperwork on all wells located within 1/2 mile of the subject well. Additionally, we have enclosed a plat reflecting the leasehold ownership of the offset leases.

We have also enclosed for your review two (2) Exceptions to Order No. R-3221, being Case No. 4021, Order No. R-3682 and Case No. 4022, Order No. 3683, which thoroughly discuss the lack of fresh water zones in this area. The pits that were granted by these orders directly offset the proposed injection well. Also enclosed is a copy of Administrative Order SWD-631. The surface is owned by the State of New Mexico. We request that you give this matter your prompt attention. Should you have questions about this matter, please contact our office.

Yours very truly,

Jerry A. Weant, CPL,

Landman

APPLICATION FOR AUTHORIZATION TO INJECT

I.	PURPOSE: Secondary Recovery X Pressure Maintenance Disposal Storage Application qualifies for administrative approval? X X YesNo
П.	OPERATOR: STEVENS & TULL, INC.
	ADDRESS: P.O. Box 11005, Midland, Texas 79702
	CONTACT PARTY: Michael G. Mooney PHONE: 915/699-1410
Ш.	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: X 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:
•vш.	 Whether the system is open or closed; Proposed average and maximum injection pressure; Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and 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.). 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/1 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 SIGNATURE: DATE: 5/27/97

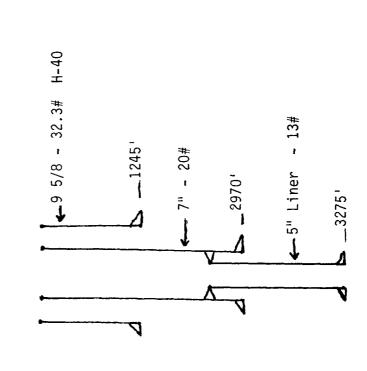
submitted with our Application to Inject for SWD - 631. Also for Application for Anasazi DISTRIBUTION: Original and one copy to Santa Fe with one copy to the appropriate District Office 16 State #1 Well.

OPERATOR	STEVENS & TULL, INC.	LEASE .	STATE "BF"	3F"		1
WELL NO.	1 - G-1980' FNL & FEL		16	20-8	33-E	1
	FOOTAGE LOCATION	0	SECTION	TOWNSHIP	RANGE	

Schematic

Well Construction Data

Surface Casing



Slze 9 5/8	. Cemented with	500 sx.	Ų
TOC surface	feet determined by	circulated	١
Hole Size 12 1/4"			
<u>Intermediate Casing</u>			
Size 7	Cemented with	500 sx.	.:
TOC surface	feet determined by	circulated	1
Hole Size 8 3/4"			
Long String			
Size 5	Cemented with 10	100 sx.	
TOC 2925	feet determined by	top of liner	1
Hole Size 6 1/4"	4"		

feet (perforated)

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

Injection Interval

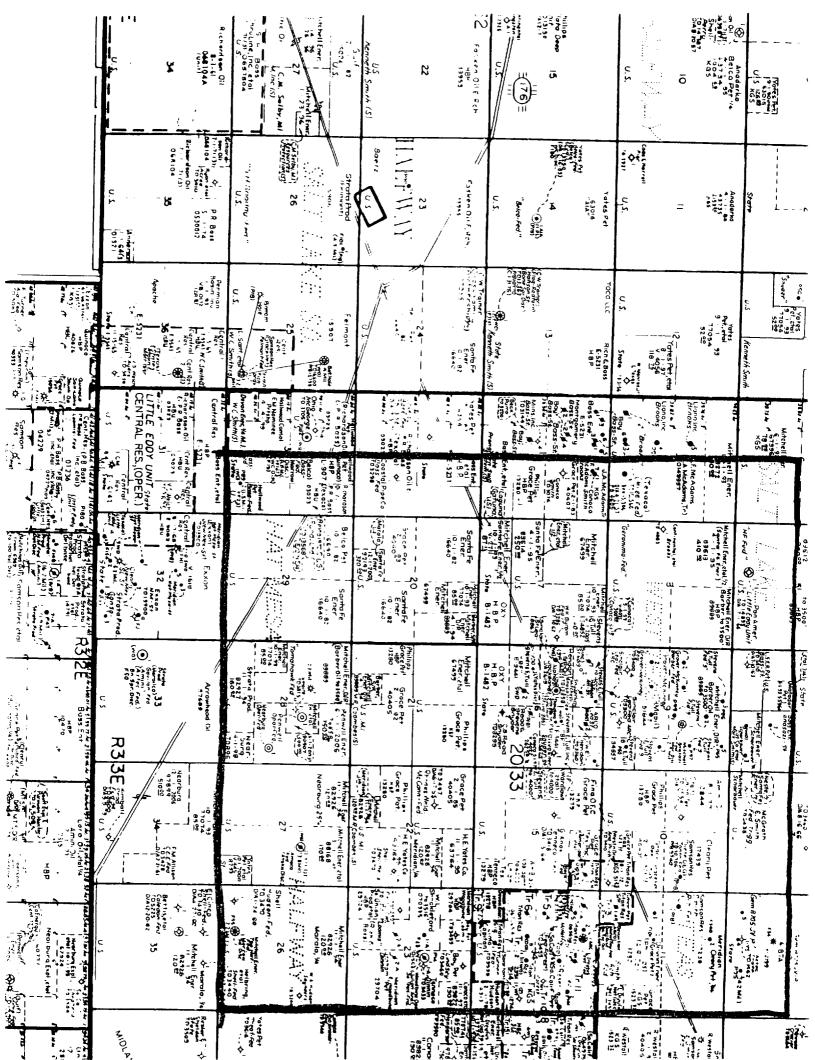
3275

Total Depth_

INJECTION WELL DATA SHEET

Tubin	Tubing Size 2 7/8"	lined with not lined	set in a	
В	Balur AD-1	(type of internal coating) packer at 2950	feet	
Other	Other type of tubing / casing seal if applicable	licable None		
Other Data	Data			
:-	Is this a new well drilled for injection?	tion? Yes X No	f .	•
	If no, for what purpose was the well originally drilled?	Yates - Seven Rivers	Producer	
'n	Name of the Injection formation	Yates - Seven Rivers		<i>;</i>
မှ	Name of Field or Pool (if applicable)	ole) West Teas Yates - Seven Rivers		
4.	Has the well ever been perforated in any other zone(s)? Li give plugging detail, i.e., sacks of cement or plug(s) used.	Has the well ever been perforated in any other zone(s)? List all such perforated intervals give plugging detail, i.e., sacks of cement or plug(s) used. Only intervals from 2 to 3212'	vals and om 2989'	V
Ċι	Give the names and depths of an	Give the names and depths of any over or underlying oil of gas zones (pools) in this area.	area.	
	None		Ď,	2

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OIL CONSERVATION DIVISION 2040 South Pacheco Street Santa Fe, New Mexico 87505 {505} 827-7131

ENTERED JUL 1 5 1996

ADMINISTRATIVE ORDER SWD-631

APPLICATION OF STEVENS & TULL, INC. FOR SALT WATER DISPOSAL, LEA COUNTY, NEW MEXICO.

ADMINISTRATIVE ORDER OF THE OIL CONSERVATION DIVISION

Under the provisions of Rule 701(B), Stevens & Tull, Inc. made application to the New Mexico Oil Conservation Division on May 9, 1996, for permission to complete for salt water disposal its BF State Well No.2 located 1980 feet from the South line and 1980 feet from the West line (Unit K) of Section 16, Township 20 South, Range 33 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:

The applicant herein, is hereby authorized to complete its BF State Well No.2 located 1980 feet from the South line and 1980 feet from the West line (Unit K) of Section 16, Township 20 South, Range 33 East, NMPM, Lea County, New Mexico, in such manner as to permit the injection of salt water for disposal purposes into the Yates formation at approximately 3,094 feet to 3,209 feet through 2 3/8-inch plastic-lined tubing set in a packer located at approximately 2,994 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.

Prior to commencing injection operations into the well, 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 619 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 Yates 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 the 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 of this cause is hereby retained by the Division for the entry of such further order or orders as may be deemed necessary or convenient for the prevention of waste and/or protection of correlative rights; upon failure of the operator to conduct operations in a manner which will ensure the protection of fresh water or in a manner inconsistent with the requirements set forth in this order, the Division may, after notice and hearing, terminate the injection authority granted herein.

The operator shall submit monthly reports of the disposal operations 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.

Approved at Santa Fe, New Mexico, on this 9th day of July, 1996.

WILLIAM J. LEMAY, Director

SEAL

WJL/BES

xc: Oil Conservation Division - Hobbs

State BF LEASE

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION OF NEW MEXICO FOR THE PURPOSE OF CONSIDERING: Premise for sull open por for sull BF#3

CASE No. 4021 Order No. R-3682

APPLICATION OF CHARLES B. READ FOR AN EXCEPTION TO ORDER NO. R-3221, AS AMENDED, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 15, 1969, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 28th day of February, 1969, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Charles B. Read, is the owner and operator of the Synder Well No. 1, located in Unit J of Section 16, Township 20 South, Range 33 East, NMPM, West Teas Yates-Seven Rivers Pool, Lea County, New Mexico.
- (3) That effective January 1, 1969, Order (3) of Commission Order No. R-3221, as amended, prohibits in that area encompassed by Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico, the disposal, subject to minor exceptions, of water produced in conjunction with the production of oil or gas, or both, on the surface of the ground, or in any pit, pond, lake, depression, draw, streambed, or arroyo, or in any watercourse, or in any

-2-CASE No. 4021 Order No. R-3682

other place or in any manner which would constitute a hazard to any fresh water supplies and said disposal has not previously been prohibited.

- (4) That the aforesaid Order No. R-3221 was issued in order to afford reasonable protection against contamination of fresh water supplies designated by the State Engineer through disposal of water produced in conjunction with the production of oil or gas, or both, in unlined surface pits.
- (5) That the State Engineer has designated, pursuant to Section 65-3-11 (15), N.M.S.A., 1953 Compilation, all underground water in the State of New Mexico containing 10,000 parts per million or less of dissolved solids as fresh water supplies to be afforded reasonable protection against contamination; except that said designation does not include any water for which there is no present or reasonably foreseeable beneficial use that would be impaired by contamination.
- (6) That the applicant seeks an exception to the provisions of the aforesaid Order (3) to permit the continued disposal of salt water produced by the aforesaid Snyder Well No. 1 in an unlined surface pit located in Unit J of said Section 16.
- (7) That there are five producing shallow water wells located approximately 3 3/4 to 4 1/2 miles to the southwest of the subject pit.
- (8) That there is an abandoned shallow water well, the water from which was reported as too salty for cattle to drink, approximately four miles to the northwest of the subject pit.
- (9) That there is an abandoned shallow water well, the water from which was reported as too gypseous for cattle to drink, approximately 1 3/4 miles to the north of the subject pit.
- (10) That there is an abandoned shallow water well, the water from which was reported as of poor quality, approximately 3/4 of a mile south-southwest of the subject pit.
- (11) That the surface and subsurface drainage appears to be in a westerly direction from the subject pit toward a salt lake, known as Laguna Gatuna, located approximately 1 3/8 miles west of the subject pit.

-3-CASE No. 4021 Order No. R-3682

- (12) That there appears to be no water in the vicinity of the subject pit for which a present or reasonably foreseeable beneficial use is or will be made that would be impaired by contamination from said pit.
- (13) That the applicant should be permitted to continue to dispose of salt water, produced by applicant's said Snyder Well No. 1, in the above-described unlined surface pit.

IT IS THEREFORE ORDERED:

- (1) That the applicant, Charles B. Read, is hereby granted an exception to Order (3) of Commission Order No. R-3221, as amended, to continue to dispose of water produced in conjunction with the production of oil or gas, or both, by his Snyder Well No. 1, located in Unit J of Section 16, Township 20 South, Range 33 East, NMPM, West Teas Yates-Seven Rivers Pool, Lea County, New Mexico, in the unlined surface pit located in said Unit J until further order of the Commission.
- (2) That the Commission may by administrative order rescind such authority whenever it reasonably appears to the Commission that such rescission would serve to protect fresh water supplies from contamination.
- (3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

DAVID F. CARGO, Chairman

ALEX J. ARMIJO, Member

SEAL

esr/ A. L. PORTER, Jr., Member & Secretary

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION OF NEW MEXICO FOR THE PURPOSE OF CONSIDERING:

CASE No. 4022 Order No. R-3683

APPLICATION OF ERNEST A. HANSON FOR AN EXCEPTION TO ORDER NO. R-3221, AS AMENDED, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 15, 1969, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 28th day of February, 1969, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Ernest A. Hanson, is the owner and operator of the Atlantic State Well No. 1, located in Unit C of Section 16, Township 20 South, Range 33 East, NMPM West Teas Yates-Seven Rivers Pool, Lea County, New Mexico.
- (3) That effective January 1, 1969, Order (3) of Commission Order No. R-3221, as amended, prohibits in that area encompassed by Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico, the disposal, subject to minor exceptions, of water produced in conjunction with the production of oil or gas, or both, on the surface of the ground, or in any pit, pond, lake, depression, draw, streambed, or arroyo, or in any watercourse, or in any

other place or in any manner which would constitute a hazard to any fresh water supplies and said disposal has not previously been prohibited.

- (4) That the aforesaid Order No. R-3221 was issued in order to afford reasonable protection against contamination of fresh water supplies designated by the State Engineer through disposal of water produced in conjunction with the production of oil or gas, or both, in unlined surface pits.
- (5) That the State Engineer has designated, pursuant to Section 65-3-11 (15), N.M.S.A., 1953 Compilation, all underground water in the State of New Mexico containing 10,000 parts per million or less of dissolved solids as fresh water supplies to be afforded reasonable protection against contamination; except that said designation does not include any water for which there is no present or reasonably foreseeable beneficial use that would be impaired by contamination.
- (6) That the applicant seeks an exception to the provisions of the aforesaid Order (3) to permit the continued disposal of salt water produced by the aforesaid Atlantic State Well No. 1 in an unlined surface pit located in Unit C of said Section 16.
- (7) That there are 5 producing shallow water wells located approximately 3 3/4 to 4 1/4 miles to the southwest of the subject pit.
- (8) That there is an abandoned shallow water well, the water from which was reported as too salty for cattle to drink, approximately 3 1/2 miles to the northwest of the subject pit.
- (9) That there is an abandoned shallow water well, the water from which was reported as too gypseous for cattle to drink, approximately 1 1/2 miles to the north of the subject pit.
- (10) That there is an abandoned shallow water well, the water from which was reported as of poor quality, approximately one mile south-southwest of the subject pit.
- (11) That the surface and subsurface drainage appears to be in a westerly direction from the subject pit toward a salt lake, known as Laguna Gatuna, located approximately 1 1/8 miles west of the subject pit.

-3-CASE No. 4022 Order No. R-3683

- (12) That there appears to be no water in the vicinity of the subject pit for which a present or reasonably foreseeable beneficial use is or will be made that would be impaired by contamination from said pit.
- (13) That the applicant should be permitted to continue to dispose of salt water, produced by applicant's said Atlantic State Well No. 1, in the above-described unlined surface pit.

IT IS THEREFORE ORDERED:

- (1) That the applicant, Ernest A. Hanson, is hereby granted an exception to Order (3) of Commission Order No. R-3221, as amended, to continue to dispose of water produced in conjunction with the production of oil or gas, or both, by his Atlantic State Well No. 1, located in Unit C of Section 16, Township 20 South, Range 33 East, NMPM, West Teas Yates-Seven Rivers Pool, Lea County, New Mexico, in the unlined surface pit located in said Unit C until further order of the Commission.
- (2) That the Commission may by administrative order rescind such authority whenever it reasonably appears to the Commission that such rescission would serve to protect fresh water supplies from contamination.
- (3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

DAVID F. CARGO, Chairman

ALEX J. ARMIJO, Member

SEAL

A. L. PORTER, Jr., Member & Secretary

May 27, 1997

To: Kathi Bearden

Publisher - Hobbs Daily News

From: Jerry A. Weant, Landman

Please print the following notice in your paper on Wednesday, May 28, 1997. Please remit your invoice for such notice along with an Affidavit of Publication to our office at your earliest convenience. Should you have any questions, please contact me.

Stevens & Tull, Inc., P.O. Box 11005, Midland, Texas 79702, has submitted an Application to Inject to the New Mexico Oil Conservation Division for the State "BF" No. 1 well, located 1980' FNL & FEL of Section 16, T-20-S, R-33-E, N.M.P.M., Lea County, New Mexico. We propose to inject produced water from the Yates-Seven Rivers formation back into the Yates-Seven Rivers formation at a depth between 2989 feet to 3212 feet. Any party desiring to file an objection or request a hearing must contact the New Mexico Oil Conservation Division in writing at 2040 Pacheco Street, Santa Fe, New Mexico within 15 days of this notice. For additional information, you may contact Mr. Jerry A. Weant at 915-699-1410."

TRANSMISSION VERIFICATION REPORT

TIME: 05/27/1997 16:14 NAME : STEVENS & TULL:1A ; FAX : 9156991113 TEL : 9156991410

DATE, TIME FAX NO./NAME DURATION PAGE(S) RESULT MODE

05/27 16:14 15053935724414 00:00:25 01

STANDARD

MIDLAND, TEXAS 79702

915/699-1410

May 27, 1997

Reliance Operating P.O. Box 10946 Midland, Texas 79702

Re: Application for Authorization

to Inject

State "BF" #1

1980' FNL & FEL Sec. 16, T-20-S, R-33-E, N.M.P.M., Lea County, New Mexico

Salt Lake Prospect

Gentlemen:

Please find enclosed for your review a copy of our Application for Authorization to Inject in the captioned well. We request that you execute this letter signifying your waiver to any objection for the conversion of said well.

Please route an executed copy of this letter to the New Mexico Oil Conservation Division at 2040 Pacheco Street, Santa Fe, New Mexico. Thank you for your cooperation in this matter.

Yours very truly,

We hereby waive any objection to Stevens & Tull, Inc.'s Application for Authorization to Inject into the State "BF" #1 Well at the captioned location.

Reliance Operating

By:	
Title:	
Print Name:	
Date:	

P. O. Box 11005

MIDLAND, TEXAS 79702

915/699-1410

May 27, 1997

Conoco Inc. 10 Desta Drive, Suite 100W Midland, Texas 79705-4500

Attn: Carl Sherrill

Re: Application for Authorization to Inject
State "BF" #1
1980' FNL & FEL Sec. 16,
T-20-S, R-33-E, N.M.P.M.,
Lea County, New Mexico

Salt Lake Prospect

Gentlemen:

Please find enclosed for your review a copy of our Application for Authorization to Inject in the captioned well. We request that you execute this letter signifying your waiver to any objection for the conversion of said well.

Please route an executed copy of this letter to the New Mexico Oil Conservation Division at 2040 Pacheco Street, Santa Fe, New Mexico. Thank you for your cooperation in this matter.

Yours very truly, Jerry A. Weant, CVL

Landman

We hereby waive any objection to Stevens & Tull, Inc.'s Application for Authorization to Inject into the State "BF" #1 Well at the captioned location.

Conoco Inc.

Ву:		
Title:	 	
Print Name:		
Date:		

P. O. Box 11005

MIDLAND, TEXAS 79702

915/699-1410

May 27, 1997

Oxy USA Inc. P.O. Box 50250 Midland, Texas 79710

Attn: T. Kent Woolley, CPL

Re: Application for Authorization

to Inject State "BF" #1

1980' FNL & FEL Sec. 16, T-20-S, R-33-E, N.M.P.M.,

Lea County, New Mexico

Salt Lake Prospect

Gentlemen:

Please find enclosed for your review a copy of our Application for Authorization to Inject in the captioned well. We request that you execute this letter signifying your waiver to any objection for the conversion of said well.

Please route an executed copy of this letter to the New Mexico Oil Conservation Division at 2040 Pacheco Street, Santa Fe, New Mexico. Thank you for your cooperation in this matter.

Yours very truly

Jerry A. Weant, CH

Landman

We hereby waive any objection to Stevens & Tull, Inc.'s Application for Authorization to Inject into the State "BF" #1 Well at the captioned location.

Oxy USA Inc.

By:	_	
Title:		
Print $\overline{\mathtt{Na}}$	me:	
Date:	<u> </u>	

P. O. Box 11005

MIDLAND, TEXAS 79702

915/699-1410

May 27, 1997

Phillips Petroleum Company 4001 Penbrook Odessa, Texas 79762

Re: Application for Authorization

to Inject State "BF" #1

1980' FNL & FEL Sec. 16, T-20-S, R-33-E, N.M.P.M.,

Lea County, New Mexico

Salt Lake Prospect

Gentlemen:

Please find enclosed for your review a copy of our Application for Authorization to Inject in the captioned well. We request that you execute this letter signifying your waiver to any objection for the conversion of said well.

Please route an executed copy of this letter to the New Mexico Oil Conservation Division at 2040 Pacheco Street, Santa Fe, New Mexico. Thank you for your cooperation in this matter.

> Yours very truly Jerry A. Weant, Landman

We hereby waive any objection to Stevens & Tull, Inc.'s Application for Authorization to Inject into the State "BF" #1 Well at the captioned location.

Phillips Petroleum Company

Ву:			
Title			
Print	Name:		
Date:	_		

MIDLAND, TEXAS 79702

915/699-1410

May 27, 1997

Wilbur Shackelford 512 New Mexico Drive Roswell, New Mexico 88201

Re: Application for Authorization to Inject
State "BF" #1
1980' FNL & FEL Sec. 16,
T-20-S, R-33-E, N.M.P.M.,
Lea County, New Mexico

Salt Lake Prospect

Gentlemen:

P. O. Box 11005

Please find enclosed for your review a copy of our Application for Authorization to Inject in the captioned well. We request that you execute this letter signifying your waiver to any objection for the conversion of said well.

Please route an executed copy of this letter to the New Mexico Oil Conservation Division at 2040 Pacheco Street, Santa Fe, New Mexico. Thank you for your cooperation in this matter.

Yours very truly,

Jerry A. Weant, CPL

We hereby waive any objection to Stevens & Tull, Inc.'s Application for Authorization to Inject into the State "BF" #1 Well at the captioned location.

Shackleford Oil Company

Ву:	
Title:	
Print Name:	
Date:	

May 27, 1997

Fina Oil & Chemical Company 6 Desta Drive, Suite 4400 Midland, Texas 79705

Re: Application for Authorization

to Inject
State "BF" #1

1980' FNL & FEL Sec. 16, T-20-S, R-33-E, N.M.P.M., Lea County, New Mexico

Salt Lake Prospect

Gentlemen:

Please find enclosed for your review a copy of our Application for Authorization to Inject in the captioned well. We request that you execute this letter signifying your waiver to any objection for the conversion of said well.

Please route an executed copy of this letter to the New Mexico Oil Conservation Division at 2040 Pacheco Street, Santa Fe, New Mexico. Thank you for your cooperation in this matter.

Yours very truly,

Jerry A. Weant, CPL

Landman

We hereby waive any objection to Stevens & Tull, Inc.'s Application for Authorization to Inject into the State "BF" #1 Well at the captioned location.

Fina Oil & Chemical Company

Ву:			
Title	:		
Print	Name:		
Date:		 	

May 27, 1997

Oil Conservation Division 2040 Pacheco St. Santa Fe, New Mexico 87505

Re: Application for Authorization to Inject
State "BF" #1 Well
1980' FNL & FEL Sec. 16,
T-20-S, R-33-E, N.M.P.M.,

<u>Lea County, New Mexico</u> Salt Lake Prospect

Gentlemen:

Please find enclosed for your and review Stevens & Tull, Inc.'s Application for Authorization to Inject covering the captioned well. As required, we have notified the offset leasehold owners of this application and put same in the Hobbs Star Sun newspaper.

We propose to inject up to 3000 bbls. of produced water per day from the Yates-Seven Rivers formation back into the Yates-Seven Rivers formation which is a known productive hydrocarbon formation. The proposed system will be a closed system. Our injection pressures will range from 500 to 1000 psi. We have submitted copies of paperwork on all wells located within 1/2 mile of the subject well. Additionally, we have enclosed a plat reflecting the leasehold ownership of the offset leases.

We have also enclosed for your review two (2) Exceptions to Order No. R-3221, being Case No. 4021, Order No. R-3682 and Case No. 4022, Order No. 3683, which thoroughly discuss the lack of fresh water zones in this area. The pits that were granted by these orders directly offset the proposed injection well. Also enclosed is a copy of Administrative Order SWD-631. The surface is owned by the State of New Mexico. We request that you give this matter your prompt attention. Should you have questions about this matter, please contact our office.

Yours very truly,

Jerry A. Weant, CPL

Landman

APPLICATION FOR AUTHORIZATION TO INJECT

I.	PURPOSE: Application qu	Secondary Recovery alifies for administrative approval?	Y Pressure Maintenance X XYes No	Disposal	Storage
II.	OPERATOR:_	STEVENS & TULL, INC.			
	ADDRESS:	P.O. Box 11005, Midland	l, Texas 79702		
	CONTACT PA	RTY: Michael G. Môoney		PHONE:	915/699-141
Ш.	WELL DATA:	Complete the data required on the sheets may be attached if necessa		well processed for injec	ction. Additional
IV.	Is this an expan If yes, give the	usion of an existing project: $\frac{\chi}{\chi}$) Division order number authorizin	Yes No SWD - 631		
٧.	Attach a map the	nat identifies all wells and leases wound each proposed injection well	ithin two miles of any proposed in . This circle identifies the well's	jection well with a one area of review.	-half mile radius
VI.	Such data shall	ion of data on all wells of public rec include a description of each well of any plugged well illustrating a	's type, construction, date drilled,	h penetrate the propose location, depth, recor	ed injection zone. d of completion,
VII.	Attach data on	the proposed operation, including:	:		
• ∨III.	 Proposed av Sources and reinjected pr If injection attach a cher studies, near 	e system is open or closed; verage and maximum injection prediction an appropriate analysis of injection roduced water; and is for disposal purposes into a zone mical analysis of the disposal zone by wells, etc.). ate geological data on the injection	on fluid and compatibility with the e not productive of oil or gas at or e formation water (may be measur	within one mile of the	e proposed well, tisting literature,
	and depth. Give waters with total	e the geologic name, and depth to al dissolved solids concentrations of a known to be immediately underly	bottom of all underground sources of 10,000 mg/1 or less) overlying	of drinking water (ac	nifers containing
IX.	Describe the pro-	oposed stimulation program, if any	y.		
* X.	Attach appropri resubmitted.)	ate logging and test data on the v	well. (If well logs have been file	d with the Division, t	hey need not be
× XI.	Attach a chemic of any injection	cal analysis of fresh water from tw or disposal well showing location	o or more fresh water wells (if av. of wells and dates samples were	ailable and producing) taken.	within one mile
XII.	Applicants for d data and find no source of drinki	isposal wells must make an affirma evidence of open faults or any oth ng water.	tive statement that they have examiner hydrologic connection between	ined available geologic the disposal zone and a	and engineering any underground
XIII.	Applicants must	complete the "Proof of Notice" s	ection on the reverse side of this	form.	
XIV.	Certification: I knowledge and	hereby certify that the informatio	n submitted with this application	is true and correct to	the best of my
	NAME: Jer	ry A. Weant	TTTLE: _	Landman	
			·		

submitted with our Application to Inject for SWD - 631. Also for Application for Anasazi

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

SX. SX. Š top of liner circulated circulated 33-E RANGE 500 500 Cemented with 100 feet determined by feet determined by feet determined by Well Construction Data Cemented with Cemented with TOWNSHIP 20-S 6 1/4" STATE "BF" 12 1/4" 8 3/4" Intermediate Casing surface surface 9 5/8 Surface Casing 2925 SECTION 16 / Long String Hole Size Hole Size ស Hole Size **10**C Size **10**C TOC LEASE Size Size H-40 FOOTAGE LOCATION **←** 9 5/8 - 32.3# - 13# **↑** 7" - 20# 1 - G-1980' FNL & FEL ←5" Liner 2970 STEVENS & TULL, INC. _3275' Schematic PERATOR __ ELL NO.

feet (perforated)

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

3275

Total Depth

Injection Interval

INJECTION WELL DATA SHEET

Tubing Size	Size	2 7/8"	lined with	not lined	set in a	
Bo	Balur AD-1	1	(typ	(type of internal coating)	feet	
Other	type of tubl	Other type of tubing / casing seal if applicable	able None			
Other Data	Data					
: *	ls this a n	Is this a new well drilled for injection?	Yes X	No	•	•
	If no, for v	If no, for what purpose was the well originally drilled?		Yates - Seven Rivers Producer	ducer	
iο	Name of t	Name of the injection formation	Yates - Seven Rivers	rs		₽
μ	Name of F	Name of Field or Pool (if applicable)	e) West Teas Yates	es - Seven Rivers		
4 .	Has the well give pluggin to 3212	Has the well ever been perforated in any other zone(s)? Li give plugging detail, i.e., sacks of cement or plug(s) used.	In any other zone(s)? Lement or plug(s) used.	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'	s and 29891	y X
5	Give the n	ames and depths of any	over or underlying oil o	Give the names and depths of any over or underlying oil of gas zones (pools) in this area.	,	
	None				i,	2

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OIL CONSERVATION DIVISION 2040 South Pacheco Street Santa Fe, New Mexico 87505 (505) 827-7131

ENTERED JUL 1 5 1996

ADMINISTRATIVE ORDER SWD-631

APPLICATION OF STEVENS & TULL, INC. FOR SALT WATER DISPOSAL, LEA COUNTY, NEW MEXICO.

ADMINISTRATIVE ORDER OF THE OIL CONSERVATION DIVISION

Under the provisions of Rule 701(B), Stevens & Tull, Inc. made application to the New Mexico Oil Conservation Division on May 9, 1996, for permission to complete for salt water disposal its BF State Well No.2 located 1980 feet from the South line and 1980 feet from the West line (Unit K) of Section 16, Township 20 South, Range 33 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:

The applicant herein, is hereby authorized to complete its BF State Well No.2 located 1980 feet from the South line and 1980 feet from the West line (Unit K) of Section 16, Township 20 South, Range 33 East, NMPM, Lea County, New Mexico, in such manner as to permit the injection of salt water for disposal purposes into the Yates formation at approximately 3,094 feet to 3,209 feet through 2 3/8-inch plastic-lined tubing set in a packer located at approximately 2,994 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.

Prior to commencing injection operations into the well, 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 619 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 Yates 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 the 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 of this cause is hereby retained by the Division for the entry of such further order or orders as may be deemed necessary or convenient for the prevention of waste and/or protection of correlative rights; upon failure of the operator to conduct operations in a manner which will ensure the protection of fresh water or in a manner inconsistent with the requirements set forth in this order, the Division may, after notice and hearing, terminate the injection authority granted herein.

The operator shall submit monthly reports of the disposal operations 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.

Approved at Santa Fe, New Mexico, on this 9th day of July, 1996.

WILLIAM J. LEMAY, Director

SEAL

WJL/BES

xc: Oil Conservation Division - Hobbs

State BF LEASE

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION OF NEW MEXICO FOR THE PURPOSE OF CONSIDERING: Primise for lot such open part lot such BF#3

CASE No. 4021 Order No. R-3682

APPLICATION OF CHARLES B. READ FOR AN EXCEPTION TO ORDER NO. R-3221, AS AMENDED, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 15, 1969, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 28th day of February, 1969, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Charles B. Read, is the owner and operator of the Synder Well No. 1, located in Unit J of Section 16, Township 20 South, Range 33 East, NMPM, West Teas Yates-Seven Rivers Pool, Lea County, New Mexico.
- (3) That effective January 1, 1969, Order (3) of Commission Order No. R-3221, as amended, prohibits in that area encompassed by Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico, the disposal, subject to minor exceptions, of water produced in conjunction with the production of oil or gas, or both, on the surface of the ground, or in any pit, pond, lake, depression, draw, streambed, or arroyo, or in any watercourse, or in any

-2-CASE No. 4021 Order No. R-3682

other place or in any manner which would constitute a hazard to any fresh water supplies and said disposal has not previously been prohibited.

- (4) That the aforesaid Order No. R-3221 was issued in order to afford reasonable protection against contamination of fresh water supplies designated by the State Engineer through disposal of water produced in conjunction with the production of oil or gas, or both, in unlined surface pits.
- (5) That the State Engineer has designated, pursuant to Section 65-3-11 (15), N.M.S.A., 1953 Compilation, all underground water in the State of New Mexico containing 10,000 parts per million or less of dissolved solids as fresh water supplies to be afforded reasonable protection against contamination; except that said designation does not include any water for which there is no present or reasonably foreseeable beneficial use that would be impaired by contamination.
- (6) That the applicant seeks an exception to the provisions of the aforesaid Order (3) to permit the continued disposal of salt water produced by the aforesaid Snyder Well No. 1 in an unlined surface pit located in Unit J of said Section 16.
- (7) That there are five producing shallow water wells located approximately 3 3/4 to 4 1/2 miles to the southwest of the subject pit.
- (8) That there is an abandoned shallow water well, the water from which was reported as too salty for cattle to drink, approximately four miles to the northwest of the subject pit.
- (9) That there is an abandoned shallow water well, the water from which was reported as too gypseous for cattle to drink, approximately 1 3/4 miles to the north of the subject pit.
- (10) That there is an abandoned shallow water well, the water from which was reported as of poor quality, approximately 3/4 of a mile south-southwest of the subject pit.
- (11) That the surface and subsurface drainage appears to be in a westerly direction from the subject pit toward a salt lake, known as Laguna Gatuna, located approximately 1 3/8 miles west of the subject pit.

-3-CASE No. 4021 Order No. R-3682

- (12) That there appears to be no water in the vicinity of the subject pit for which a present or reasonably foreseeable beneficial use is or will be made that would be impaired by contamination from said pit.
- (13) That the applicant should be permitted to continue to dispose of salt water, produced by applicant's said Snyder Well No. 1, in the above-described unlined surface pit.

IT IS THEREFORE ORDERED:

- (1) That the applicant, Charles B. Read, is hereby granted an exception to Order (3) of Commission Order No. R-3221, as amended, to continue to dispose of water produced in conjunction with the production of oil or gas, or both, by his Snyder Well No. 1, located in Unit J of Section 16, Township 20 South, Range 33 East, NMPM, West Teas Yates-Seven Rivers Pool, Lea County, New Mexico, in the unlined surface pit located in said Unit J until further order of the Commission.
- (2) That the Commission may by administrative order rescind such authority whenever it reasonably appears to the Commission that such rescission would serve to protect fresh water supplies from contamination.
- (3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

DAVID F. CARGO, Chairman

ALEX J. ARMIJO, Member

SEAL

esr/

A. L. PORTER, Jr., Member & Secretary

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION OF NEW MEXICO FOR THE PURPOSE OF CONSIDERING:

CASE No. 4022 Order No. R-3683

APPLICATION OF ERNEST A. HANSON FOR AN EXCEPTION TO ORDER NO. R-3221, AS AMENDED, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 15, 1969, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 28th day of February, 1969, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Ernest A. Hanson, is the owner and operator of the Atlantic State Well No. 1, located in Unit C of Section 16, Township 20 South, Range 33 East, NMPM West Teas Yates-Seven Rivers Pool, Lea County, New Mexico.
- (3) That effective January 1, 1969, Order (3) of Commission Order No. R-3221, as amended, prohibits in that area encompassed by Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico, the disposal, subject to minor exceptions, of water produced in conjunction with the production of oil or gas, or both, on the surface of the ground, or in any pit, pond, lake, depression, draw, streambed, or arroyo, or in any watercourse, or in any

-2-CASE No. 4022 Order No. R-3683

other place or in any manner which would constitute a hazard to any fresh water supplies and said disposal has not previously been prohibited.

- (4) That the aforesaid Order No. R-3221 was issued in order to afford reasonable protection against contamination of fresh water supplies designated by the State Engineer through disposal of water produced in conjunction with the production of oil or gas, or both, in unlined surface pits.
- (5) That the State Engineer has designated, pursuant to Section 65-3-11 (15), N.M.S.A., 1953 Compilation, all underground water in the State of New Mexico containing 10,000 parts per million or less of dissolved solids as fresh water supplies to be afforded reasonable protection against contamination; except that said designation does not include any water for which there is no present or reasonably foreseeable beneficial use that would be impaired by contamination.
- (6) That the applicant seeks an exception to the provisions of the aforesaid Order (3) to permit the continued-disposal of salt water produced by the aforesaid Atlantic State Well No. 1 in an unlined surface pit located in Unit C of said Section 16.
- (7) That there are 5 producing shallow water wells located approximately 3 3/4 to 4 1/4 miles to the southwest of the subject pit.
- (8) That there is an abandoned shallow water well, the water from which was reported as too salty for cattle to drink, approximately 3 1/2 miles to the northwest of the subject pit.
- (9) That there is an abandoned shallow water well, the water from which was reported as too gypseous for cattle to drink, approximately 1 1/2 miles to the north of the subject pit.
- (10) That there is an abandoned shallow water well, the water from which was reported as of poor quality, approximately one mile south-southwest of the subject pit.
- (11) That the surface and subsurface drainage appears to be in a westerly direction from the subject pit toward a salt lake, known as Laguna Gatuna, located approximately 1 1/8 miles west of the subject pit.

-3-CASE No. 4022 Order No. R-3683

- (12) That there appears to be no water in the vicinity of the subject pit for which a present or reasonably foreseeable beneficial use is or will be made that would be impaired by contamination from said pit.
- (13) That the applicant should be permitted to continue to dispose of salt water, produced by applicant's said Atlantic State Well No. 1, in the above-described unlined surface pit.

IT IS THEREFORE ORDERED:

- (1) That the applicant, Ernest A. Hanson, is hereby granted an exception to Order (3) of Commission Order No. R-3221, as amended, to continue to dispose of water produced in conjunction with the production of oil or gas, or both, by his Atlantic State Well No. 1, located in Unit C of Section 16, Township 20 South, Range 33 East, NMPM, West Teas Yates-Seven Rivers Pool, Lea County, New Mexico, in the unlined surface pit located in said Unit C until further order of the Commission.
- (2) That the Commission may by administrative order rescind such authority whenever it reasonably appears to the Commission that such rescission would serve to protect fresh water supplies from contamination.
- (3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

DAVID F. CARGO, Chairman

ALEX J. ARMIJO, Member

SEAL

A. L. PORTER, Jr., Member & Secretary

915/699-1410

May 27, 1997

To: Kathi Bearden

Publisher - Hobbs Daily News

From: Jerry A. Weant, Landman

Please print the following notice in your paper on Wednesday, May 28, 1997. Please remit your invoice for such notice along with an Affidavit of Publication to our office at your earliest convenience. Should you have any questions, please contact me.

"Stevens & Tull, Inc., P.O. Box 11005, Midland, Texas 79702, has submitted an Application to Inject to the New Mexico Oil Conservation Division for the State "BF" No. 1 well, located 1980' FNL & FEL of Section 16, T-20-S, R-33-E, N.M.P.M., Lea County, New Mexico. We propose to inject produced water from the Yates-Seven Rivers formation back into the Yates-Seven Rivers formation at a depth between 2989 feet to 3212 feet. Any party desiring to file an objection or request a hearing must contact the New Mexico Oil Conservation Division in writing at 2040 Pacheco Street, Santa Fe, New Mexico within 15 days of this notice. For additional information, you may contact Mr. Jerry A. Weant at 915-699-1410."

TRANSMISSION VERIFICATION REPORT

TIME: 05/27/1997 16:14 NAME: STEVENS & TULL:1A;

FAX : 9156991113 TEL : 9156991410

DATE, TIME FAX NO./NAME DURATION PAGE(S) RESULT MODE 05/27 16:14 15053935724414 00:00:25 01 OK STANDARD ECM May 27, 1997

Reliance Operating P.O. Box 10946 Midland, Texas 79702

Re: Application for Authorization to Inject
State "BF" #1
1980' FNL & FEL Sec. 16,
T-20-S, R-33-E, N.M.P.M.,
Lea County, New Mexico
Salt Lake Prospect

Gentlemen:

Please find enclosed for your review a copy of our Application for Authorization to Inject in the captioned well. We request that you execute this letter signifying your waiver to any objection for the conversion of said well.

Please route an executed copy of this letter to the New Mexico Oil Conservation Division at 2040 Pacheco Street, Santa Fe, New Mexico. Thank you for your cooperation in this matter.

Yours very truly,

Jerry A. Weant, CPL

Landman

We hereby waive any objection to Stevens & Tull, Inc.'s Application for Authorization to Inject into the State "BF" #1 Well at the captioned location.

Reliance Operating

By:	
Title:	
Print Name:	
Date:	

P. O. Box 11005

MIDLAND. TEXAS 79702

915/699-1410

May 27, 1997

Conoco Inc. 10 Desta Drive, Suite 100W Midland, Texas 79705-4500

Attn: Carl Sherrill

Re: Application for Authorization

to Inject State "BF" #1

1980' FNL & FEL Sec. 16, T-20-S, R-33-E, N.M.P.M., Lea County, New Mexico

Salt Lake Prospect

Gentlemen:

Please find enclosed for your review a copy of our Application for Authorization to Inject in the captioned well. We request that you execute this letter signifying your waiver to any objection for the conversion of said well.

Please route an executed copy of this letter to the New Mexico Oil Conservation Division at 2040 Pacheco Street, Santa Fe, New Mexico. Thank you for your cooperation in this matter.

Yours very truly,

Jerry A. Weant, (

Landman

We hereby waive any objection to Stevens & Tull, Inc.'s Application for Authorization to Inject into the State "BF" #1 Well at the captioned location.

Conoco Inc.

By:			
\mathtt{Title} :			
Print I	Name:		
Date:	_		

STEVENS & TULL, INC. MIDLAND, TEXAS 79702

P. O. Box 11005

915/699-1410

May 27, 1997

Oxy USA Inc. P.O. Box 50250 Midland, Texas 79710

Attn: T. Kent Woolley, CPL

Re: Application for Authorization

to Inject State "BF" #1

1980' FNL & FEL Sec. 16, T-20-S, R-33-E, N.M.P.M., Lea County, New Mexico

Salt Lake Prospect

Gentlemen:

Please find enclosed for your review a copy of our Application for Authorization to Inject in the captioned well. We request that you execute this letter signifying your waiver to any objection for the conversion of said well.

Please route an executed copy of this letter to the New Mexico Oil Conservation Division at 2040 Pacheco Street, Santa Fe, New Mexico. Thank you for your cooperation in this matter.

Yours very truly

Jerry A. Weant, CH

Landman

We hereby waive any objection to Stevens & Tull, Inc.'s Application for Authorization to Inject into the State "BF" #1 Well at the captioned location.

Oxy USA Inc.

Ву:	
Title:	
Print $\overline{\mathtt{Name}}$:	
Date:	

STEVENS & TULL, INC. MIDLAND, TEXAS 79702

P. O. Box 11005

915/699-1410

May 27, 1997

Phillips Petroleum Company 4001 Penbrook Odessa, Texas 79762

Re: Application for Authorization

to Inject
State "BF" #1

1980' FNL & FEL Sec. 16,

T-20-S, R-33-E, N.M.P.M., Lea County, New Mexico

Salt Lake Prospect

Gentlemen:

Please find enclosed for your review a copy of our Application for Authorization to Inject in the captioned well. We request that you execute this letter signifying your waiver to any objection for the conversion of said well.

Please route an executed copy of this letter to the New Mexico Oil Conservation Division at 2040 Pacheco Street, Santa Fe, New Mexico. Thank you for your cooperation in this matter.

Jerry A. Weant, CPL

We hereby waive any objection to Stevens & Tull, Inc.'s Application for Authorization to Inject into the State "BF" #1 Well at the captioned location.

Phillips Petroleum Company

By:				
Title	:			
Print	Name:	-		
Date:				

STEVENS & TULL, INC. MIDLAND, TEXAS 79702

915/699-1410

P. O. Box 11005

May 27, 1997

Wilbur Shackelford 512 New Mexico Drive Roswell, New Mexico 88201

Re: Application for Authorization to Inject
State "BF" #1
1980' FNL & FEL Sec. 16,
T-20-S, R-33-E, N.M.P.M.,
Lea County, New Mexico
Salt Lake Prospect

Gentlemen:

Please find enclosed for your review a copy of our Application for Authorization to Inject in the captioned well. We request that you execute this letter signifying your waiver to any objection for the conversion of said well.

Please route an executed copy of this letter to the New Mexico Oil Conservation Division at 2040 Pacheco Street, Santa Fe, New Mexico. Thank you for your cooperation in this matter.

Jerry A. Weant, CPL

We hereby waive any objection to Stevens & Tull, Inc.'s Application for Authorization to Inject into the State "BF" #1 Well at the captioned location.

Shackleford Oil Company

By:			
$\overline{\text{Title}}$:	 	
Print	Name:		
Date:	_		

May 27, 1997

Fina Oil & Chemical Company 6 Desta Drive, Suite 4400 Midland, Texas 79705

Re: Application for Authorization

to Inject State "BF" #1

1980' FNL & FEL Sec. 16, T-20-S, R-33-E, N.M.P.M., Lea County, New Mexico

Salt Lake Prospect

Gentlemen:

Please find enclosed for your review a copy of our Application for Authorization to Inject in the captioned well. We request that you execute this letter signifying your waiver to any objection for the conversion of said well.

Please route an executed copy of this letter to the New Mexico Oil Conservation Division at 2040 Pacheco Street, Santa Fe, New Mexico. Thank you for your cooperation in this matter.

Yours very truly,

Jerry A. Weant, CP

Landman

We hereby waive any objection to Stevens & Tull, Inc.'s Application for Authorization to Inject into the State "BF" #1 Well at the captioned location.

Fina Oil & Chemical Company

ву:	
Title:	
Print Name:	
Date:	

OIL CONSERVATION DIVISION 2040 South Pacheco Street Santa Fe, New Mexico 87505 (505) 827-7131

June 16, 1997

Stevens & Tull, Inc. P.O. Box 11005 Midland, Texas 79702

Attention: Mr. Jerry A. Weant

Dear Mr. Weant:

Attached please find the proposed advertisement for the pressure maintenance case we discussed last week. The case is currently scheduled to be heard on July, 10, 1997. If you want to make any changes, or if the advertisement does not correctly reflect what you are seeking with the application, please let me know by 5:00 p.m. on Tuesday, June 17th. In addition, please by advised that you are responsible for providing notice to all operators within a ½ mile radius of your proposed project prior to 20 days from the date of the hearing.

If you need any assistance, please contact me at (505) 827-8184.

Sincerely,

David Catanach

Engineer

FAXED 9-16-97 9-26 am Case No. //Sc?

Application of Stevens & Tull, Inc.

For a Pressure Maintenance Project,

Lea County, New Mexico

Applicant seeks authority to institute a pressure maintenance project on its State "BF" Lease located in portions of Section 16, Township 20 South, Range 33 East, NMPM, Lea County, New Mexico, by the injection of water into the Yates-Seven Rivers formation through the perforated interval from approximately 2,989 feet to 3,212 feet in its State "BF" Well No. 1 located 1980 feet from the North and East lines (Unit G) of Section 16. Applicant further seeks to reclassify its State "BF" Well No. 2, located 1980 feet from the South and West lines (Unit K) of Section 16, from a disposal well (authorized by Division Order No. SWD-631) to an injection well within the subject pressure maintenance project. Said project area is located approximately 1 mile east of Laguna Gatuna.