

Case 12249

August 10, 1999

CERTIFIED MAIL Z 140 821 525 RETURN RECEIPT REQUESTED

Mr. Don Benscoter
6105 East Sage Drive
Scottsdale, Arizona 85253

RE: Modification to Discharge Plan Application and Application for Authorization to Inject into Navajo Refining Company's WDW-1 and Proposed WDW-2 and WDW-3

Dear Mr. Benscoter:

On April 27, 1999, the Navajo Refining Company (Navajo) submitted a request to the New Mexico Oil Conservation Division (Oil Conservation Division) to modify their discharge plan (Discharge Plan UIC-CLI-008-1). The purpose of the modification was to revise the location of Navajo's proposed WDW-2 injection well. Discharge Plan UIC-CLI-008-1 was issued originally by the Oil Conservation Division on August 4, 1998, to allow Navajo to construct and operate three effluent disposal wells, WDW-1 and proposed WDW-2 and WDW-3, located approximately 11 miles east-southeast of Artesia, Eddy County, New Mexico.

The location of proposed WDW-2 that was approved in Discharge Plan UIC-CLI-008-1 was 2310 feet from the north line and 1500 feet from the west line of Section 6, T18S, R28E. Instead of drilling WDW-2 at this location, Navajo proposes to reenter and convert The Eastland Oil Company's Chukka Federal No. 2 well (formerly operated by Fred Pool Drilling, Inc. and originally drilled as the Amoco Production Company Diamond Federal Gas Com. No. 1) to its effluent disposal well WDW-2. The well is located 1980 feet from the north line and 660 feet from the west line of Section 12, T18S, R27E, on federal land. The Chukka Federal No. 2 is an active oil producer, with perforations from 1446 feet to 1462 feet. Originally, a 7-7/8 inch hole was drilled to 10,372 feet and then plugged back to 1912 feet. Surface casing was set at 1995 feet and cemented to the surface with 800 sacks of cement.

Navajo proposes to squeeze cement into the perforations between 1446 feet and 1462 feet, drill out the cement plugs and clean out the existing wellbore to 9200 feet, set 5 1/2-inch casing and cement it to the surface, and perforate the well in the proposed injection zone. The proposed injection zone consists of porous intervals in the lower portion of the Wolfcamp Formation and the Cisco and Canyon Formations between 7270 feet and 8894 feet below the kelly bushing (KB) elevation in proposed WDW-2 and between 7450 feet and 9016 feet below the KB elevation in WDW-1.

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The waste waters proposed for disposal consist of nonhazardous oilfield waste that is generated exclusively by Navajo at its refinery in Artesia. Waters from process units, cooling towers and boilers, water purification units and desalting units, general wash waters, and recovered and treated ground water will make up the injectate. The proposed maximum injection rate for the three wells combined is 1000 gallons per minute (gpm). The proposed maximum injection rate into any one well is 500 gpm. The injection pressure will not exceed the quantity obtained by multiplying 0.2 psi/ft by the depth to the top of the injection zone, in accordance with the requirements of the Oil Conservation Division.

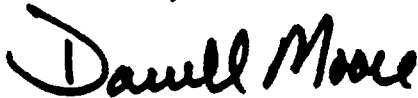
A copy of Oil Conservation Division Form C-108, "Application for Authorization to Inject," for Navajo's proposed WDW-2 is attached. The attachments to Form C-108 are available for examination at the Oil Conservation Division office at 2040 South Pacheco, Santa Fe, New Mexico 87505, and at the Oil Conservation Division District II office at 811 South First, Artesia, New Mexico 88210.

The contact party for the applicant is:

Mr. Darrell Moore, Environmental Manager of Water and Waste
Navajo Refining Company
P. O. Box 159
Artesia, New Mexico 88210
(505) 748-3311

Interested parties must file objections or requests for hearing with the Oil Conservation Division, P. O. Box 2088, Santa Fe, New Mexico 87504-2088 within 15 days of receipt of this letter.

Sincerely,

A handwritten signature in black ink that reads "Darrell Moore". The signature is written in a cursive, flowing style.

Darrell Moore
Environmental Manager of Water and Waste

NLN/tjp
Attachment

APPLICATION FOR AUTHORIZATION TO INJECT

- I. PURPOSE: Secondary Recovery Pressure Maintenance X Disposal Storage
Application qualifies for administrative approval? Yes X No
- II. OPERATOR: Navajo Refining Company
ADDRESS: Post Office Box 159, Highway 82 East, Artesia, New Mexico 88211
CONTACT PARTY: Darrell Moore, Environmental Mgr. Water and Waste PHONE: 505/748-3311
- 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.
- V. Is this an expansion of an existing project: X Yes No
If yes, give the Division order number authorizing the project Discharge Plan Permit UIC-CLI-008-1
- 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.
- II. 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: Darrell Moore TITLE: Env. Mgr. for Water & Waste
SIGNATURE: Darrell Moore DATE: 4/27/99
- * 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. _____