

UNITED STATES
 DEPARTMENT OF THE INTERIOR
 BUREAU OF LAND MANAGEMENT

RECEIVED

FORM APPROVED
 Budget Bureau No. 1004-0135
 Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.

Use "APPLICATION FOR PERMIT --" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well: OIL WELL GAS WELL OTHER

2. Name of Operator
 TEXACO EXPLORATION & PRODUCTION INC.

3. Address and Telephone No. P.O. BOX 730, HOBBS, NM 88240 397-0431

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
 Unit Letter O : 760 Feet From The SOUTH Line and 1980 Feet From The
EAST Line Section 18 Township 19S Range 37E

5. Lease Designation and Serial No.
 LC034075

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and Number
 SAUNDERS K STATE GAS COM

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9. API Well No.
 30-025-05633

10. Field and Pool, Exploratory Area
 EUMONT YATES 7 RVRS QN (PRO GAS)

11. County or Parish, State
 LEA, NEW MEXICO

12. Check Appropriate Box(s) To Indicate Nature of Notice, Report, or Other Data

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Attering Casing
	<input checked="" type="checkbox"/> OTHER: <u>water disposal compliance</u>
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log Form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

**IN REPLY TO NOTICE OF INCIDENT OF NONCOMPLIANCE NUMBER SJC-157-94, INSPECTOR CAFFEY **

DETAILS OF WATER DISPOSAL:

- PRODUCING FORMATION: EUMONT YATES 7 RIVERS
- AMOUNT OF WATER PRODUCED PER DAY: APPROXIMATELY 1 BARREL/DAY
- CURRENT WATER ANALYSIS IS ATTACHED
- WATER IS STORED IN A 100 BARREL FIBERGLASS TANK
- WATER IS MOVED FROM STORAGE TANK TO APPROVED SALT WATER DISPOSAL WELL VIA SONNY'S OIL FIELD SERVICE INC.

- DISPOSAL FACILITY INFORMATION:
- MARALOW INC. (OPERATOR NAME)
- ARCO STATE #2 (WELL NAME AND WELL NUMBER)
- INJ., SALT WATER DISPOSAL (WELL TYPE)
- SECTION 16, TOWNSHIP 18S, RANGE 35E (LEGAL)

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 BUREAU OF LAND MGMT.
 HOBBS, NM.

14. I hereby certify that the foregoing is true and correct.
 SIGNATURE Darrell J. Carriger TITLE Engineering Assistant DATE 5/17/94
 TYPE OR PRINT NAME Darrell J. Carriger

(This space for Federal or State office use)
 APPROVED (ORIG. SGD.) JOE G. LARA TITLE PETROLEUM ENGINEER DATE 6/14/94
 CONDITIONS OF APPROVAL, IF ANY: See attached

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

RECORDED

JUN 17 1966

HOBBAS
OFFICE

STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION



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GARREY CARRUTHERS
GOVERNOR

ORDER SWD-312

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

THE APPLICATION OF AMERICAN COMETRA, INC.

ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION

Under the provisions of Rule 701(B), American Cometra, Inc. made application to the New Mexico Oil Conservation Division on January 14, 1987, for permission to complete for salt water disposal its Arco State Well No. 2 located in Unit O of Section 16, Township 18 South, Range 35 East, NMPM, Lea County, New Mexico.

The Division Director finds:

- (1) That application has been duly filed under the provisions of Rule 701(B) of the Division Rules and Regulations;
- (2) That satisfactory information has been provided that all offset operators and surface owners have been duly notified; and
- (3) That the applicant has presented satisfactory evidence that all requirements prescribed in Rule 701 will be met.
- (4) That no objections have been received within the waiting period prescribed by said rule.

IT IS THEREFORE ORDERED:

That the applicant herein, American Cometra, Inc. is hereby authorized to complete its Arco State No. 2 Well, located in Unit O of Section 16, Township 18 South, Range 35 East, NMPM, Lea County, New Mexico, in such a manner as to permit the injection of salt water for disposal purposes into the Devonian formation through the open-hole interval from 12,173 feet to approximately 12,197 feet through 2 7/8 inch plastic lined tubing set in a packer located at approximately 12,123 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.

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That the perforated interval from approximately 10,043 feet to 12,129 feet shall be effectively sealed by squeeze cementing prior to the initiation of injection operations into the well.

That 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.

That 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 2435 psi.

That 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 Devonian formation. That such proper showing shall consist of a valid step-rate test run in accordance with and acceptable to this office.

That the operator shall notify the supervisor of the Hobbs district office of the Division of the date and time of the squeeze cementing operations, installation of disposal equipment, and of the mechanical integrity test so that the same may be inspected and witnessed.

That the operator shall immediately notify the supervisor of the Division's Hobbs district office of the failure of the tubing, casing, or packer, in said well or the leakage of water from or around 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 such further order or orders as may seem necessary or convenient for the prevention of waste and/or protection of correlative rights; upon failure of applicant to comply with any requirement of this order after notice and hearing, the Division may terminate the authority hereby granted in the interest of conservation. That applicant shall submit monthly reports of the disposal operations in accordance with Rule 706 and 1120 of the Division Rules and Regulations.

That the Division Director may rescind or suspend this injection authority if it becomes apparent that the injected water is not being confined to the injection zone or it is endangering any fresh water aquifers.

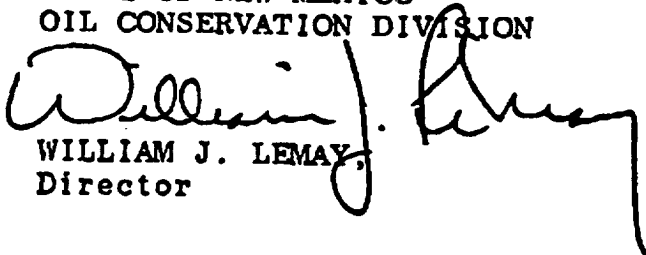
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Approved at Santa Fe, New Mexico, on this 12th day of February, 1987.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY,
Director

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Unichem International

707 North Leech

P.O.Box 1499

Hobbs, New Mexico 88240

Company : Texaco Inc.
 Date : 5-19-1994
 Location: Saunders K State - Com 1 (on 5-19-1994)

Sample 1

Specific Gravity: 1.118
 Total Dissolved Solids: 165164
 pH: 6.70
 IONIC STRENGTH: 2.910

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| CATIONS:       |        | me/liter | mg/liter |
|----------------|--------|----------|----------|
| Calcium        | (Ca+2) | 84.0     | 1680     |
| Magnesium      | (Mg+2) | 56.0     | 680      |
| Sodium         | (Na+1) | 2690     | 61900    |
| Dissolved Iron | (Fe+2) | 0.007    | 0.200    |

| ANIONS:     |          | me/liter | mg/liter |
|-------------|----------|----------|----------|
| Bicarbonate | (HCO3-1) | 14.0     | 854      |
| Carbonate   | (CO3-2)  | 0        | 0        |
| Hydroxide   | (OH-1)   | 0        | 0        |
| Sulfate     | (SO4-2)  | 0        | 0        |
| Chloride    | (Cl-1)   | 2820     | 100000   |

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SCALING INDEX (positive value indicates scale)

Temperature		Calcium Carbonate	Calcium Sulfate
86[F	30[C	0.48	-76
110[F	43[C	1.2	-76
130[F	54[C	1.6	-76
140[F	60[C	1.7	-76
160[F	71[C	2.1	-76

Comments:
 Analysis performed by Bob Wallace - Hobbs Lab
 cc: John Offutt
 Joe Hay

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BUREAU OF LAND MANAGEMENT
CARLSBAD RESOURCE AREA

Disposal of Produced Water From Federal Wells

Conditions of Approval

Approval of the produced water disposal methodology is subject to the following conditions of approval:

1. This agency be notified of any change in your method or location of disposal.
2. Compliance with all provisions of Onshore Oil and Gas Order No. 7.
3. This agency shall be notified of any spill or discharge as required by NTL-3A.
4. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.
5. All aboveground structures on the lease shall be painted sandstone brown, Federal Std. 595-20318, or 30318, within 90 days if you have not already done so.
6. Any on lease open top storage tanks or pits shall be covered with a wire screen or plastic/nylon netting to prevent entry by birds and other wildlife.
7. This approval does not constitute right-of-way approval for any off lease activities. If water is transported via a pipeline that extends beyond the lease boundary, you need to submit within 30 days an application for right-of-way approval to the Realty Section in this office if you have not already done so.

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