

Entered June 17, 1981
JHR

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION COMMISSION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION ON ITS OWN MOTION TO
CONSIDER CERTAIN AMENDMENTS TO
ITS RULES AND REGULATIONS.

CASE NO. 7272
Order No. R-6702

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at Santa Fe, New Mexico, on June 4 and June 17, 1981, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 17th day of June, 1981, 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 Oil Conservation Division, hereinafter referred to as the "Division," proposes certain amendments to its rules and regulations as they relate to the underground injection of fluids including the adoption of certain new definitions and certain new forms, the amendment of Rules Nos. 103, 106, 107, 204, 701 thru 705, 1100, 1108, 1115, and 1131, and the promulgation of certain new rules, being Rules 706, 707, and 708, the revision of certain old forms, being Forms C-108 and C-131, and the adoption of a new Form C-131-B.

(3) That the Division has jurisdiction over all matters pertinent to the use of injection wells related to oil and natural gas operations including the use of such wells for secondary recovery, enhanced recovery, pressure maintenance, disposal of waters coproduced with oil or gas, storage of natural gas, storage of liquefied petroleum gas, and storage of other hydrocarbons.

-2-

Case No. 7272
Order No. R-6702

(4) That since 1951 the Division has authorized over 3000 injection wells.

(5) That in addition to its rules and regulations covering the approval, use, monitoring, and reporting of injection wells, the Division has developed a large body of policies, procedures, and conventions which should now be included within said regulations.

(6) That many Division rules dealing with standard drilling and operation activities applicable to all wells were written prior to the extensive use of injection wells.

(7) That such rules should be amended to clarify their applicability to injection wells as well as to other well classes.

(8) The Public Law 93-523, the Safe Drinking Water Act, was signed into law December 16, 1974.

(9) That said law required that the Administrator of the Environmental Protection Agency (EPA) adopt minimum regulations for State programs to control the underground injection of fluids to protect underground sources of drinking water.

(10) That final EPA regulations were published in the spring of 1980.

(11) That under Safe Drinking Water Act and the amendments thereto, and said regulations and EPA guidelines, in order for the State to apply for and receive primary enforcement authority for control of oil and gas related injection wells in New Mexico under the Act, certain changes or additions to the Division Rules and Regulations are required, to wit:

(12) That Section A-DEFINITIONS of the Oil Conservation Division Rules and Regulations should be amended by the addition of three new definitions, reading in their entirety as follows:

AQUIFER shall mean a geological formation, group of formations, or part of a formation that is capable of yielding a significant amount of water to a well or spring.

EXEMPTED AQUIFER shall mean an aquifer that does not currently serve as a source of drinking water, and which cannot now and will not in the foreseeable

-3-

Case No. 7272
Order No. R-6702

future serve as a source of drinking water because: (1) it is hydrocarbon producing; (2) it is situated at a depth or location which makes the recovery of water for drinking water purposes economically or technologically impractical; or, (3) it is so contaminated that it would be economically or technologically impractical to render that water fit for human consumption.

UNDERGROUND SOURCE OF DRINKING WATER shall mean an aquifer which supplies water for human consumption or which contains ground water having a total dissolved solids concentration of 10,000 mg/l or less and which is not an exempted aquifer.

(13) That Rule 103 of the Division Rules and Regulations should be amended to read in its entirety as follows:

RULE 103. SIGN ON WELLS

All wells subject to these regulations, including drilling, production, and injection wells, shall be identified by a sign, posted on the derrick or not more than 20 feet from such well, and such sign shall be of durable construction and the lettering thereon shall be kept in a legible condition and shall be large enough to be legible under normal conditions at a distance of 50 feet. The wells on each lease or property shall be numbered in non-repetitive, logical and distinctive sequence. Each sign shall show the number of the well, the name of the lease (which shall be different or distinctive for each lease), the name of the leasee, owner or operator, and the location by quarter section, township and range. The location, for each sign posted after March 1, 1968, shall indicate the quarter-quarter section, township, and range.

(14) That Rule 106(a) should be revised to read in its entirety as follows (no change in subsections (b) and (c):

(a) During the drilling of any oil well, gas well, injection well or any other service well, all oil, gas, and water strata above the producing and/or injection horizon shall be sealed or separated in order to prevent their contents from passing into other strata.

-4-

Case No. 7272
Order No. R-6702

(15) That the first paragraph of Rule 107(a) should be amended to read in its entirety as follows (no change in the second, third, fourth, fifth, or sixth paragraphs of subsection (a) nor in subsections (b), (c), (d) or (e) of Rule 107):

RULE 107. CASING AND TUBING REQUIREMENTS

(a) Any well drilled for oil or natural gas or for injection shall be equipped with such surface and intermediate casing strings and cement as may be necessary to effectively seal off and isolate all water-, oil-, and gas-bearing strata and other strata encountered in the well down to the casing point. In addition thereto, any well completed for the production of oil or natural gas shall be equipped with a string of properly cemented production casing at sufficient depth to ensure protection of all oil- and gas-bearing strata encountered in the well, including the one(s) to be produced.

(16) That Rule 204 should be amended to read in its entirety as follows:

RULE 204. LIABILITY

The owner of any well drilled for oil or gas or for injection, or any seismic, core or other exploratory hole, whether cased or uncased, shall be responsible for the plugging thereof.

(17) That Section I of the Rules and Regulations should be entitled:

I - SECONDARY OR OTHER ENHANCED RECOVERY, PRESSURE
MAINTENANCE, SALT WATER DISPOSAL, AND UNDERGROUND
STORAGE

(18) That Rules 701 through 705, inclusive, of the Rules and Regulations should be amended to read in their entirety as follows:

RULE 701. INJECTION OF FLUIDS INTO RESERVOIRS

A. Permit for Injection Required

The injection of gas, liquefied petroleum gas, air, water, or any other medium into any reservoir for

the purpose of maintaining reservoir pressure or for the purpose of secondary or other enhanced recovery or for storage or the injection of water into any formation for the purpose of water disposal shall be permitted only by order of the Division after notice and hearing, unless otherwise provided herein.

B. Method of Making Application

(1) Applications for authority for the injection of gas, liquefied petroleum gas, air, water or any other medium into any formation for any reason, including but not necessarily limited to the establishment of or the expansion of water flood projects, enhanced recovery projects, pressure maintenance projects, and salt water disposal, shall be by submittal of Division Form C-108 complete with all attachments.

(2) The applicant shall furnish, by certified or registered mail, a copy of the application to the owner of the surface of the land on which each injection or disposal well is to be located and to each leasehold operator within one-half mile of the well.

(3) Administrative Approval

If the application is for administrative approval rather than for a hearing, it must also be accompanied by a copy of a legal publication published by the applicant in a newspaper of general circulation in the county in which the proposed injection well is located. (The details required in such legal notice are listed on Side 2 of Form C-108.)

No application for administrative approval may be approved until 15 days following receipt by the Division of Form C-108 complete with all attachments including evidence of mailing as required under paragraph 2 above and proof of publication as required by paragraph 3 above.

If no objection is received within said 15-day period, and a hearing is not otherwise required, the application may be approved administratively.

C. Hearings

If a written objection to any application for administrative approval of an injection well is filed

within 15 days after receipt of a complete application, or if a hearing is required by these rules or deemed advisable by the Division Director, the application shall be set for hearing and notice thereof given by the Division.

D. Salt Water Disposal Wells

1. The Division Director shall have authority to grant an exception to the requirements of Rule 701-A for water disposal wells only, without notice and hearing, when the waters to be disposed of are mineralized to such a degree as to be unfit for domestic, stock, irrigation, or other general use, and when said waters are to be disposed of into a formation older than Triassic (Lea County only) which is nonproductive of oil or gas within a radius of two miles from the proposed injection well, and provided no objections are received pursuant to Rule 701-B(3).

2. Disposal will not be permitted into zones containing waters having total dissolved solids concentrations of 10,000 mg/l or less except after notice and hearing, provided however, that the Division may establish exempted aquifers for such zones wherein such injection may be approved administratively.

3. Notwithstanding the provisions of paragraph 2. above, the Division Director may authorize disposal into such zones if the waters to be disposed of are of higher quality than the native water in the disposal zone.

E. Pressure Maintenance Projects

1. Pressure maintenance projects are defined as those projects in which fluids are injected into the producing horizon in an effort to build up and/or maintain the reservoir pressure in an area which has not reached the advanced or "stripper" state of depletion.

2. All applications for establishment of pressure maintenance projects shall be set for hearing.

The project area and the allowable formula for any pressure maintenance project shall be fixed by the Division on an individual basis after notice and hearing.

3. Pressure maintenance projects may be expanded and additional wells placed on injection only upon authority from the Division after notice and hearing or by administrative approval.

The Division Director shall have authority to grant an exception to the hearing requirements of Rule 701-A for the conversion to injection of additional wells within a project area provided that any such well is necessary to develop or maintain efficient pressure maintenance within such project and provided that no objections are received pursuant to Rule 701-B(3).

F. Water Flood Projects

1. Water flood projects are defined as those projects in which water is injected into a producing horizon in sufficient quantities and under sufficient pressure to stimulate the production of oil from other wells in the area, and shall be limited to those areas in which the wells have reached an advanced state of depletion and are regarded as what is commonly referred to as "stripper" wells.

2. All applications for establishment of water flood projects shall be set for hearing.

The project area of a water flood project shall comprise the proration units owned or operated by a given operator upon which injection wells are located plus all proration units owned or operated by the same operator which directly or diagonally offset the injection tracts and have producing wells completed on them in the same formation; provided however, that additional proration units not directly nor diagonally offsetting an injection tract may be included in the project area if, after notice and hearing, it has been established that such additional units have wells completed thereon which have experienced a substantial response to water injection.

3. The allowable assigned to wells in a water flood project area shall be equal to the ability of the

wells to produce and shall not be subject to the depth bracket allowable for the pool nor to the market demand percentage factor.

Nothing herein contained shall be construed as prohibiting the assignment of special allowables to wells in buffer zones after notice and hearing. Special allowables may also be assigned in the limited instances where it is established at a hearing that it is imperative for the protection of correlative rights to do so.

4. Water flood projects may be expanded and additional wells placed on injection only upon authority from the Division after notice and hearing or by administrative approval.

The Division Director shall have authority to grant an exception to the hearing requirements of Rule 701-A for conversion to injection of additional wells provided that any such well is necessary to develop or maintain thorough and efficient waterflood injection for any authorized project and provided that no objections are received pursuant to Rule 701-B(3).

G. Storage Wells

The Division Director shall have authority to grant an exception to the hearing requirements of Rule 701-A for the underground storage of liquefied petroleum gas or liquid hydrocarbons in secure caverns within massive salt beds, and provided no objections are received pursuant to Rule 701-B(3).

In addition to the filing requirements of Rule 701-B, the applicant for approval of a storage well under this rule shall file the following:

1. With the Division Director:
 - (a) A plugging bond in accordance with the provisions of Rule 101;
2. With the appropriate district office of the Division in TRIPLICATE:

- (a) Form C-101, Application for Permit to Drill, Deepen, or Plug Back;
- (b) Form C-102, Well Location and Acreage Dedication Plat; and
- (c) Form C-105, Well Completion or Recompletion Report and Log.

RULE 702. CASING AND CEMENTING OF INJECTION WELLS

Wells used for injection of gas, air, water, or any other medium into any formation shall be cased with safe and adequate casing or tubing so as to prevent leakage, and such casing or tubing shall be so set and cemented as to prevent the movement of formation or injected fluid from the injection zone into any other zone or to the surface around the outside of any casing string.

RULE 703. OPERATION AND MAINTENANCE

Injection wells shall be equipped, operated, monitored, and maintained to facilitate periodic testing and to assure continued mechanical integrity which will result in no significant leak in the tubular goods and packing materials used and no significant fluid movement through vertical channels adjacent to the well bore.

Injection projects, including injection wells and producing wells and all related surface facilities shall be operated and maintained at all times in such a manner as will confine the injected fluids to the interval or intervals approved and prevent surface damage or pollution resulting from leaks, breaks, or spills.

Failure of any injection well, producing well, or surface facility, which failure may endanger underground sources of drinking water, shall be reported under the "Immediate Notification" procedures of Rule 116.

Injection well or producing well failures requiring casing repair or cementing are to be reported to the Division prior to commencement of workover operations.

Injection wells or projects which have exhibited failure to confine injected fluids to the authorized injection zone or zones may be subject to restriction of injection volume and pressure, or shut-in, until the failure has been identified and corrected.

RULE 704. TESTING AND MONITORING

A. Testing

Prior to commencement of injection, wells shall be tested to assure the initial integrity of the casing and the tubing and packer, if used, including pressure testing of the casing-tubing annulus.

At least once every five years thereafter, injection wells shall be tested to assure their continued mechanical integrity. Tests demonstrating continued mechanical integrity shall include the following:

- (a) measurement of annular pressures in wells injecting at positive pressures under a packer or a balanced-fluid seal;
- (b) pressure testing of the casing-tubing annulus for wells injecting under vacuum conditions; and,
- (c) such other tests which are demonstrably effective and which may be approved for use by the Division.

Notwithstanding the test procedures outlined above, the Division may require more comprehensive testing of injection wells when deemed advisable, including the use of tracer surveys, noise logs, temperature logs, or other test procedures or devices.

In addition, the Division may order special tests to be conducted prior to the expiration of five years if conditions are believed to so warrant. Any such special test which demonstrates continued mechanical integrity of a well shall be considered the equivalent of an initial test for test scheduling purposes, and the regular 5-year testing schedule shall be applicable thereafter.

-11-

Case No. 7272

Order No. R-6702

The injection well operator shall advise the Division of the date and time any initial, 5-year, or special tests are to be commenced in order that such tests may be witnessed.

B. Monitoring

Injection wells shall be so equipped that the injection pressure and annular pressure may be determined at the wellhead and the injected volume may be determined at least monthly.

Injection wells used for storage shall be so equipped that both injected and produced volumes may be determined at any time.

RULE 705. COMMENCEMENT, DISCONTINUANCE, AND ABANDONMENT
OF INJECTION OPERATIONS

The following provisions shall apply to all injection projects, storage projects, salt water disposal wells and special purpose injection wells:

A. Notice of Commencement and Discontinuance

1. Immediately upon the commencement of injection operations in any well, the operator shall notify the Division of the date such operations began.

2. Within 30 days after permanent cessation of gas or liquefied petroleum gas storage operations or within 30 days after discontinuance of injection operations into any other well, the operator shall notify the Division of the date of such discontinuance and the reasons therefor. No injection well may be temporarily abandoned for a period exceeding six months unless the injection interval has been isolated by use of cement or a bridge plug. The Director of the Division may delay the cement or bridge plug requirements above upon a demonstration that there is a continuing need for such well, that the well exhibits mechanical integrity, and that continued temporary abandonment will not endanger underground sources of drinking water.

3. Before any injection well is plugged, the operator shall obtain approval for the well's

-12-

Case No. 7272

Order No. R-6702

plugging program from the appropriate District Office of the Division in the same manner as when plugging oil and gas wells or dry holes.

B. Abandonment of Injection Operations

1. Whenever there is a continuous six-month period of non-injection into any injection project, storage project, salt water disposal well, or special purpose injection well, such project or well shall be considered abandoned, and the authority for injection shall automatically terminate ipso facto.

2. For good cause shown, the Division Director may grant an administrative extension or extensions of injection authority as an exception to Paragraph 1. above.

(19) That the Division Rules and Regulations should be amended by the addition of new Rules 706 through 708, inclusive, reading in their entirety as follows:

RULE 706. RECORDS AND REPORTS

The operator of an injection well or project for secondary or other enhanced recovery, pressure maintenance, natural gas storage, salt water disposal, or injection of any other fluids shall keep accurate records and shall report monthly to the Division gas or fluid volumes injected, stored, and/or produced as required on the appropriate form listed below:

1. Secondary or Other Enhanced Recovery on Form C-115;
2. Pressure Maintenance on Form C-115 and as otherwise prescribed by the Division;
3. Salt Water Disposal on Form C-120-A;
4. Natural Gas Storage on Form C-131-A; and
5. Injection of other fluids on a form prescribed by the Division.

The operator of a liquefied petroleum gas storage project shall report annually on Form C-131-B, Annual LPG Storage Report.

-13-
Case No. 7272
Order No. R-6702

RULE 707. RECLASSIFICATION OF WELLS

The Division Director shall have authority to reclassify an injection well from any category defined in Rule 701-B to any other category without notice and hearing upon request and proper showing by the operator thereof.

RULE 708. TRANSFER OF AUTHORITY TO INJECT

Authority to inject granted under any order of the Division is not transferable except upon approval of the Division. Approval of transfer of authority to inject may be obtained by filing Form C-104 in accordance with Rule 1104(5).

The Division may require a demonstration of mechanical integrity prior to approving transfer of authority to inject.

(20) That Rule 1100 C. should be amended to read in its entirety as follows:

RULE 1100 C. Books and Records

All producers, injectors, transporters, storers, refiners, gasoline or extraction plant operators, treating plant operators, and initial purchasers of natural gas within the State of New Mexico shall make and keep appropriate books and records for a period of not less than five years, covering their operations in New Mexico, from which they may be able to make and substantiate the reports required by these rules.

(21) That Rule 1100 D. should be amended only to reflect the change in title of Form C-108 from "Application to Dispose of Salt Water by Injection into a Porous Formation" to "Application For Authorization To Inject;" to reflect the change in form number of "Monthly Gas Storage Report" from Form C-131 to Form C-131-A; and to reflect adoption of new Form C-131-B, "Annual LPG Storage Report."

(22) That Rule 1108 should be amended to read in its entirety as follows:

RULE 1108. APPLICATION FOR AUTHORIZATION TO INJECT
(Form C-108)

Form C-108 shall be filed in accordance with Rule 701-B.

-14-

Case No. 7272

Order No. R-6702

(23) That Rule 1115 should be amended to read in its entirety as follows:

RULE 1115. OPERATOR'S MONTHLY REPORT (Form C-115)

Operator's Monthly Report, Form C-115 or Form C-115-EDP, shall be filed on each producing lease and each secondary or other enhanced recovery project or pressure maintenance project injection well within the State of New Mexico for each calendar month, setting forth complete information and data indicated on said forms in the order, format, and style prescribed by the Division Director. Oil production from wells which are producing into common storage shall be estimated as accurately as possible on the basis of periodic tests.

The reports on this form shall be filed by the producer as follows:

Original to the Oil Conservation Division at Santa Fe; one copy to the District Office of the Division in which district the lease is located; and one copy to each transporter involved. Each report for each month shall be postmarked not later than the 24th day of next succeeding month. Failure of an operator to file this report in accordance with the provisions of this rule may result in cancellation of Form C-104 for the affected well or wells and/or cancellation of authority to inject.

(24) That Rule 1131 should be amended to read in its entirety as follows:

RULE 1131. MONTHLY GAS STORAGE REPORT (Form C-131-A)
ANNUAL LPG STORAGE REPORT (Form C-131-B)

Each operator of an underground natural gas storage project shall report its operation monthly on Form C-131-A. Form C-131-A shall be filed in duplicate (one copy to the Santa Fe Office of the Division and one copy to the appropriate district office) and shall be postmarked not later than the 24th day of the next succeeding month.

Each operator of an underground liquefied petroleum gas storage project approved by the Division shall report its operation annually on Form C-131-B.

-15-

Case No. 7272

Order No. R-6702

Form C-131-B shall be filed in duplicate (one copy to the Santa Fe Office of the Division and one copy to the appropriate district office) and shall be postmarked not later than the 24th day of January of each year.

(25) That Form C-108 should be re-named "Application For Authorization To Inject" and should be revised to be in the form and content prescribed in Exhibit "A" attached hereto and made a part hereof.

(26) That Form C-131, "Monthly Gas Storage Report", should be re-numbered as Form C-131-A and revised to be in the form and content prescribed in Exhibit "B" attached hereto and made a part hereof.

(27) That a new form, Form C-131-B, "Annual LPG Storage Report", should be adopted in the form and content prescribed in Exhibit "C" attached hereto and made a part hereof.

(28) That Findings Nos. (12) through (27) above describe all of the definitions, rule changes, new rules, form revisions, and new forms which will be required to (1) incorporate necessary existing injection policy within the rules, (2) clarify the applicability of the rules to injection wells, and (3) permit the State to meet EPA requirements for underground injection control under regulations and guidelines adopted under provisions of the Safe Drinking Water Act.

(29) That said definitions, rule changes, new rules, form revisions, and new forms as described in Findings Nos. (12) through (27) above are in the public interest, will serve to prevent waste, will protect underground sources of drinking water, and will not violate correlative rights, and should be approved.

(30) That the effective date of this order and of all of the amendments, revisions, changes, and adoptions contained herein should be July 1, 1981.

IT IS THEREFORE ORDERED:

(1) That the Rules and Regulations of the New Mexico Oil Conservation Division are hereby amended as follows:

- A. That three new definitions, being of "Aquifer," "Exempted Aquifer," and "Underground Source of Drinking Water" as described in Finding No. (12) above are adopted.

-16-

Case No. 7272

Order No. R-6702

- B. That Rule 103 is amended as described in Finding No. (13) above.
- C. That Rule 106(a) is amended as described in Finding No. (14) above.
- D. That the first paragraph of Rule 107(a) is amended as described in Finding No. (15) above.
- E. That Rule 204 is amended as described in Finding No. (16) above.
- F. That Section I is entitled as described in Finding No. (17) above.
- G. That Rules 701 through 705, inclusive, are amended as described in Finding No. (18) above.
- H. That new Rules 706 through 708, inclusive, as described in Finding No. (19) above, are adopted.
- I. That Rule 1100 C. is amended as described in Finding No. (20) above.
- J. That Rule 1100 D. is amended as described in Finding No. (21) above.
- K. That Rule 1108 is amended as described in Finding No. (22) above.
- L. That Rule 1115 is amended as described in Finding No. (23) above.
- M. That Rule 1131 is amended as described in Finding No. (24) above.

(2) That Oil Conservation Division Form C-108 is hereby re-named "Application For Authorization To Inject" and revised to be in the form and content prescribed in Exhibit "A" attached hereto and made a part hereof.

(3) That Division Form C-131, "Monthly Gas Storage Report", is hereby re-numbered as Form C-131-A and revised to be in the form and content prescribed in Exhibit "B" attached hereto and made a part hereof.

-17-

Case No. 7272

Order No. R-6702

(4) That Form C-131-B, "Annual LPG Storage Report", in the form and content prescribed in Exhibit "C" attached hereto and made a part hereof, is hereby adopted.

(5) That the effective date of this order and of all of the amendments, revisions, changes and adoptions contained herein shall be July 1, 1981.

(6) 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

ALEX J. ARMIJO, Member


EMERY E. ARNOLD, Member


JOE D. RAMEY, Member & Secretary

S E A L

fd/

APPLICATION FOR AUTHORIZATION TO INJECT

- I. Purpose: ☒ Secondary Recovery ☒ Pressure Maintenance ☒ Disposal ☒ Storage
Application qualifies for administrative approval? ☒ yes ☒ no
- II. Operator: _____
Address: _____
Contact party: _____ Phone: _____
- III. Well data: Complete the data required on the reverse side of this form for each well proposed for injection. Additional sheets may be attached if necessary.
- IV. Is this an expansion of an existing project? ☒ yes ☒ no
If yes, give the Division order number authorizing the project _____.
- 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 source 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: _____ Title _____
- Signature: _____ Date: _____
- * If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be duplicated and resubmitted. Please show the date and circumstance of the earlier submittal. _____

DISTRIBUTION: Original and one copy to Santa Fe with one copy to the appropriate Division district office.

Exhibit A - Order No. R-6702

III. WELL DATA

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

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

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

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

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

XIV. PROOF OF NOTICE

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

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

- (1) The name, address, phone number, and contact party for the applicant;
- (2) the intended purpose of the injection well; with the exact location of single wells or the section, township, and range location of multiple wells;
- (3) the formation name and depth with expected maximum injection rates and pressures; and
- (4) a notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, P. O. Box 2088, Santa Fe, New Mexico 87501 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.

NEW MEXICO OIL CONSERVATION DIVISION
P. O. BOX 2088, SANTA FE, NEW MEXICO 87501

MONTHLY GAS STORAGE REPORT

(Company)

(Address)

NAME OF STORAGE PROJECT: _____ COUNTY _____ REPORT MONTH _____

WELL NAME AND NUMBER	LOCATION				MAXIMUM INJECTION PRESSURE	INJECTION (MCF)	WITH- DRAWAL (MCF)
	UNIT	SEC.	TWP.	RANGE			

TOTALS

TOTAL CAPACITY (MMCF) _____

BEGINNING STORAGE (MMCF)

NET CHANGE (MMCF) _____

ENDING STORAGE (MMCF) _____

CALCULATED RESERVOIR PRESSURE @ END
OF MONTH

I hereby certify ~~that~~ this report is true and complete to the ~~best~~ of my knowledge and belief.

By _____

Title _____ Date _____

Exhibit B - Order No. R-6702

NAME OF STORAGE PROJECT: _____ COUNTY _____ REPORT YEAR _____

WELL NAME AND NUMBER	LOCATION				MAXIMUM INJECTION PRESSURE	INJECTION (BBLS)	WITHDRAWAL (BBLS)
	UNIT	SEC.	TWP.	RANGE			

CALCULATED RESERVOIR PRESSURE @ END OF YEAR _____

TOTAL CAPACITY (BBLS) _____ BEGINNING STORAGE (BBLS) _____

NET CHANGE (BBLS) _____ ENDING STORAGE (BBLS) _____

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

By _____ Title _____

Date _____