



New Mexico Energy, Minerals and Natural Resources Department

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Division Director
Oil Conservation Division



Administrative Order SWD-1314
January 27, 2012
Corrected February 21, 2013

ADMINISTRATIVE ORDER OF THE OIL CONSERVATION DIVISION

Under the provisions of 19.15.26.8B NMAC, Yates Petroleum Corporation seeks an administrative order to utilize its Lotus ALT State Well No. 4 (API 30-025-36135) located 990 feet from the North line and 330 feet from the West line, Unit letter D of Section 32, Township 22 South, Range 32 East, NMPM, Lea County, New Mexico, for produced water disposal purposes.

THE DIVISION DIRECTOR FINDS THAT:

The application has been duly filed under the provisions of 19.15.26.8B NMAC and satisfactory information has been provided that affected parties as defined in said rule have been notified and no objections have been received within the prescribed waiting period. The applicant has presented satisfactory evidence that all requirements prescribed in 19.15.26.8 NMAC have been met and the operator is in compliance with 19.15.5.9 NMAC.

IT IS THEREFORE ORDERED THAT:

The applicant, Yates Petroleum Corporation, is hereby authorized to utilize its Lotus ALT State Well No. 4 (API 30-025-36135) located 990 feet from the North line and 330 feet from the West line, Unit letter D of Section 32, Township 22 South, Range 32 East, NMPM, Lea County, New Mexico, for disposal of oil field produced water (UIC Class II only) into the Delaware Mountain Group (Cherry Canyon) through perforations from 5850 to 6450 feet through lined tubing and a packer set less than 100 feet above the permitted disposal interval.

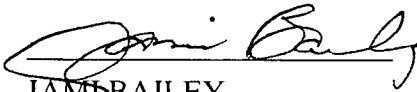
IT IS FURTHER ORDERED THAT:

The operator shall take all steps necessary to ensure that the disposed water enters only the proposed disposal interval and is not permitted to escape to other formations or onto the surface.



Compliance with this order does not relieve the operator of the obligation to comply with other applicable federal, state or local laws or rules, or to exercise due care for the protection of fresh water, public health and safety and the environment.

Jurisdiction is retained by the Division for the entry of such further orders as may be necessary for the prevention of waste and/or protection of correlative rights or upon failure of the operator to conduct operations (1) to protect fresh or protectable waters or (2) consistent with the requirements in this order, whereupon the Division may, after notice and hearing, terminate the disposal authority granted herein.



JAMI BAILEY
Director

JB/wvjj

cc: Oil Conservation Division – Hobbs
State Land Office – Oil, Gas, and Minerals Division