

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



237

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]**
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]**
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]**
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]**
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]**
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]**

- [1] **TYPE OF APPLICATION - Check Those Which Apply for [A]**
- [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD
- Check One Only for [B] or [C]
- [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR
- [D] Other: Specify _____
- [2] **NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply**
- [A] Working, Royalty or Overriding Royalty Interest Owners
- [B] Offset Operators, Leaseholders or Surface Owner
- [C] Application is One Which Requires Published Legal Notice
- [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Print or Type Name	Signature	Title	Date
e-mail Address			

Catanach, David

From: Scott Curtis [jscriceswd@leaco.net]
Sent: Tuesday, June 08, 2004 7:11 AM
To: David Catanach
Subject: Fw: Step Rate Data

----- Original Message -----

From: Darrell Norris
To: jscriceswd@leaco.net
Sent: Monday, June 07, 2004 8:15 AM
Subject: Step Rate Data

*SWD-82
30-025-22797*

Well it must be Monday, sorry I forgot to add the attachment.

Darrell

This email has been scanned by the MessageLabs Email Security System.
For more information please visit <http://www.messagelabs.com/email>

Step Rate Test



Cardinal Surveys Company

27-May-04

Rice Operating Company
Blinebry-Drinkard SWD # H-35
Field N/A
Section 35, T22S, R37E
Lea County, New Mexico
GL. 3293' KB 33305'

Downhole PSI Tool Ser. No. 71070
Surface PSI Guage Ser. No.

	9:00 AM Arr. Loc.
	10:30 AM On Bottom
11:20-11:30	0
11:30-12:00	300
12:00-12:30	600
12:30-1:00	900
1:00-1:30	1400
1:30-2:00	1900
2:00-2:30	2400
2:30-3:00	2900
3:00-3:30	3900
3:30-4:00	4900
4:00-4:30	5900
5:06-5:47	6000
5:47-6:17	7000
6:39-7:09	8000

No Fracture Indicated

Catanach, David

From: Scott Curtis [jscriceswd@leaco.net]
Sent: Tuesday, June 08, 2004 7:26 AM
To: David Catanach
Subject: H-35

Hey David,

I've sent you a copy of the step rate test we did on the BD H-35 well. we had some minor problems performing the test. If you look at the Raw Data Chart, you will see at approx. 4.30 the BHP gauge drops and falls in line with the surface pressure. Cardinal was concerned about running that kind of rate past their wireline and requested that we bring the tool to the surface before we could increase the rate any further. When we reached a 2000 PSI surface pressure the pump truck failed and we concluded the test. Do I need to set up another test and make sure we can show a break in the pressure or will this one work to increase our permitted pressure. It is currently 1260 PSI. I would like to be able to increase it to 1500 or 1600 PSI. Any guidance you could provide would be greatly appreciated.

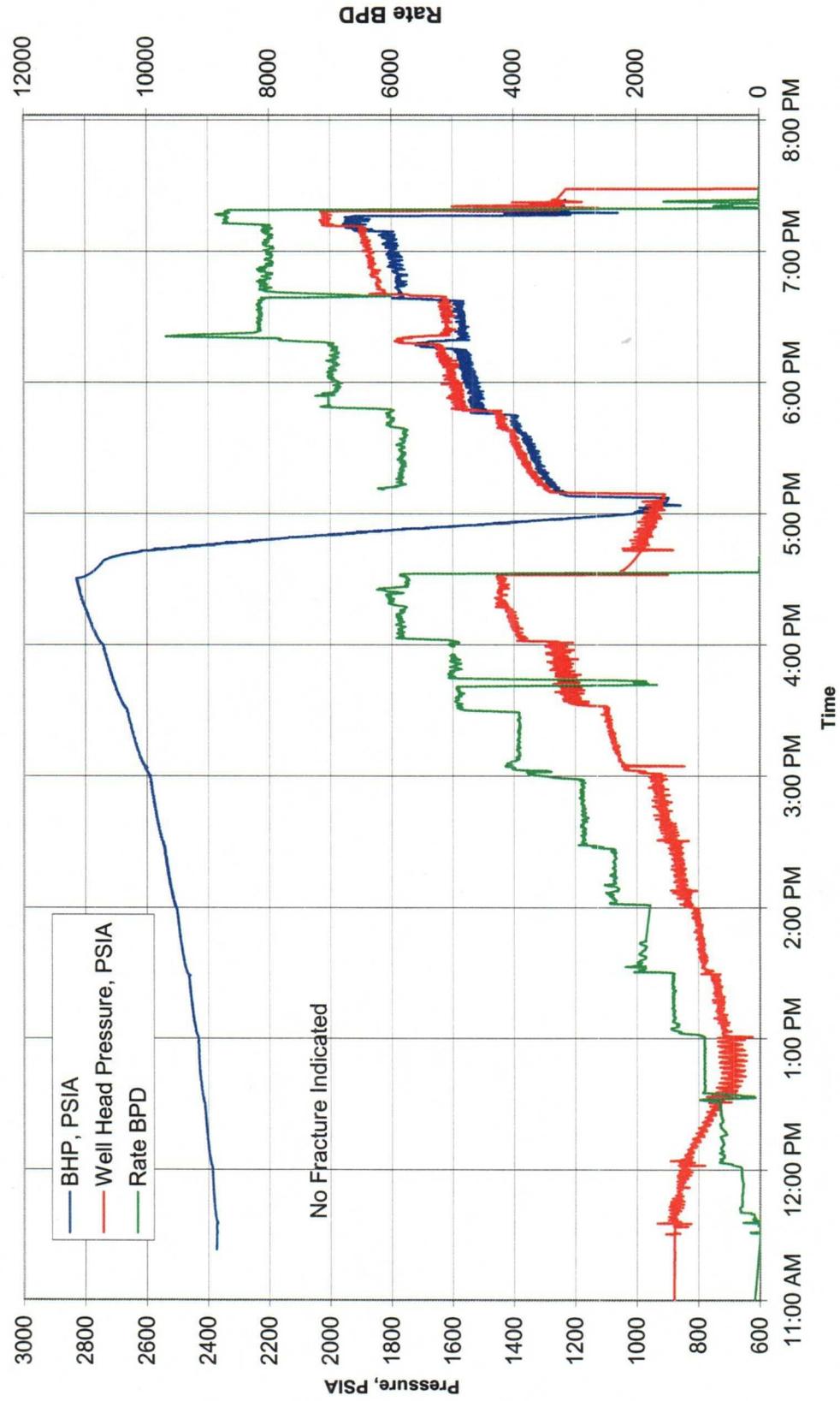
Thanks

Scott Curtis
Operation Manager

This email has been scanned by the MessageLabs Email Security System.
For more information please visit <http://www.messagelabs.com/email>

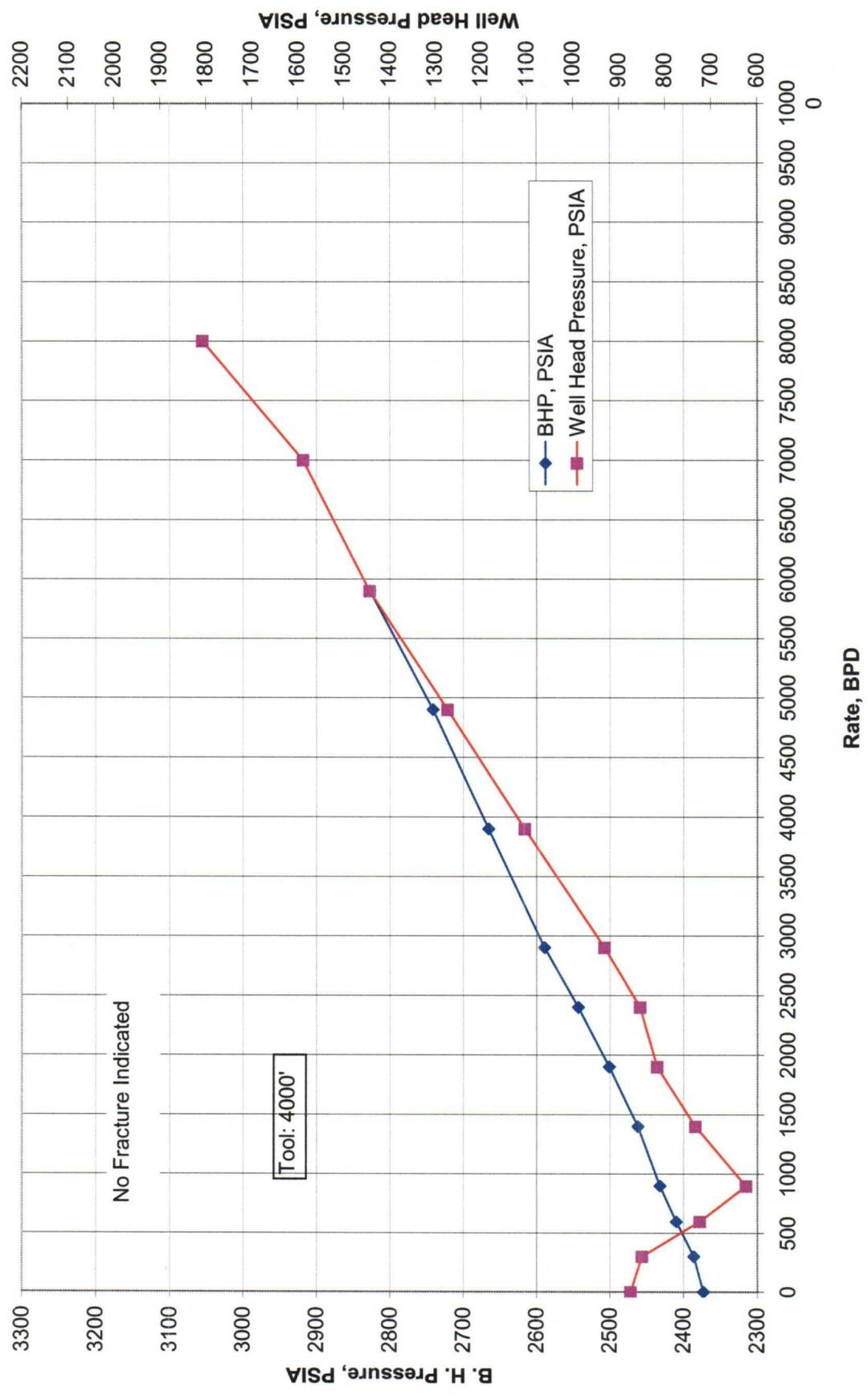
6/8/2004

Rice Operating Company
 Step Rate Test Raw Data 5-27-2004





Rice Operating Company Step Rate Test 5-27-2004



Step Rate Test

Rice Operating Company
 Blinbery-Drinkard SWD # H-35
 Field N/A
 Lea County, New Mexico



	S Time	E Time	D Time	Last Rate	Step	Last BHP	Last Surf	Cum	Delta	Avg	Lower	upper
			Min	BPD	BPD	PSIA	PSIA	BBL	BBL	BPD		
1	11:25 AM	11:30 AM	0:30:00	0	0	2373	875	0.00				
2	11:30 AM	12:00 PM	0:30:00	300	300	2386	850		0	0	0.715	1781.1
3	12:00 PM	12:30 PM	0:30:00	600	300	2410	725		0	0	0.279	2165.1
4	12:30 PM	1:00 PM	0:30:00	900	300	2432	624		0	0		
5	1:00 PM	1:30 PM	0:30:00	1400	500	2462	733.6		0	0		
6	1:30 PM	2:00 PM	0:30:00	1900	500	2501	817		0	0		
7	2:00 PM	2:30 PM	0:30:00	2400	500	2543	854.1		0	0		
	2:30 PM	3:00 PM	0:30:00	2900	500	2589	931.6		0	0		
	3:00 PM	3:30 PM	0:30:00	3900	1000	2665	1104.9					
	3:30 PM	4:00 PM	0:30:00	4900	1000	2741	1273.5					
	4:00 PM	4:30 PM	0:30:00	5900	1000	2827	1443.7					
	5:06 PM	5:46 PM		7000	1100		1589					
	6:39 PM	7:09 PM		8000	1000		1808					

Int Point:
 880.7339 BPD
 2410.825 Pressure



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

May 3, 1989

Agua, Inc.
P.O. Box 1978
Hobbs, NM 88241

Attention: James D. Thornton

RE: Injection Pressure Increase
SWD Well No. H-35
Lea County, New Mexico

Dear Mr. Thornton:

Reference is made to your request dated March 16, 1989, to increase the surface injection pressure on the SWD Well No. H-35. This request is based on a step rate test conducted on the well on February 22, 1989. The results of the test have been reviewed by my staff and we feel an increase in injection pressure on the well is justified at this time.

You are therefore authorized to increase the surface injection pressure on the following well.

WELL AND LOCATION

MAXIMUM INJECTION
SURFACE PRESSURE

SWD Well No. H-35
Unit H, Section 35, T-22 South,
R-37 East, NMPM, Lea County,
New Mexico.

1263 PSIG

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

Sincerely,

William J. LeMay
Director

cc: Oil Conservation Division - Hobbs
T. Gallegos

File: SWD-82
D. Catanach

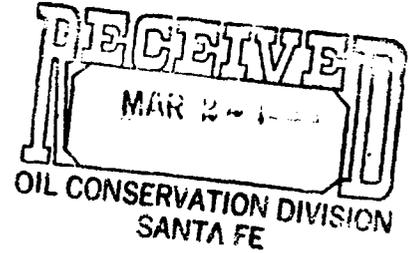
AGUA, INC.

POST OFFICE BOX 1978
HOBBS, NEW MEXICO
88241

TELEPHONE: 505 393-6188

March 16, 1989

New Mexico Oil Conservation Division
P. O. Box 1980
Hobbs, New Mexico 88240



Attn: Jerry Sexton

Re: Blinebry-Drinkard Salt Water Disposal System
SWD Well No. H-35
Unit H, Sec.35-T22S-R37E
Lea County, New Mexico

Dear Mr Sexton:

On February 22, 1989, John West Engineering performed a step rate test on the above referenced well. Mr. R.A. Saddler of the NMOCD witnessed the test.

Results of the step rate test indicate that we did not reach the break over point that would indicate the start of a fracture. Because the wellhead is rated at 2000 psi, the flow rate and surface pressure necessary to reach the fracture pressure cannot be obtained at this point in time. However, Agua requests that the current surface injection pressure limitation be raised to 1263 psig or 50 psi below the highest corrected surface injection pressure. All supporting documentation has been enclosed for your review.

Please note that the bottom hole pressure was converted to surface injection pressure using the average pressure gradient of the water that is currently being disposed of and the Hazen-Williams formula to calculate frictional pressure losses at the triplex pump rate of 159.4 barrels per hour. All formulas used have also been included for your review.

Should you have any questions concerning this application, please call me at (505) 393-6188.

Yours truly,
Agua

A handwritten signature in black ink, appearing to read "James D. Thornton".

James D. Thornton
Engineer

JDT/jdt
Enclosures: As Stated

xc: David Catanach, NMOCD Santa Fe



Company Maintenance

Mod Date 6/1/2004



Operator Info with Main Business Offices Address

Company: RICE OPERATING CO

First: BEGIE SLATE

Address: 122 W TAYLOR

(Suite, Etc.)

City / St / Zip: HOBBBS

Country: U.S.A.

Phone: 5053939174

User ID

OGRID

19174

DOE No

Status A

Problem

Organization Rpt?

Received:

Last Financial Report Received:

Secretary of State Qualified:

Type Rep	Rep Name	Address Line 1	Address Line 2	City
Field Rep	BEGIE SLATE	122 W TAYLOR		HOBBBS
				NM

Oper InjOper Bondg Drllr Trans Gathr Haur Pulr Misc1 Misc2 Misc3 Misc4

District Office Address to use for Mailing of Notices

Address:

(Suite, Etc.)

Phone:

Ext:

State / Zip / Zip

Scheduled Inspection Meeting Place: First Well on the List