



New Mexico Energy, Minerals and Natural Resources Department

**Bill Richardson**  
Governor

**Joanna Prukop**  
Cabinet Secretary  
**Reese Fullerton**  
Deputy Cabinet Secretary

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Division Director  
Oil Conservation Division



**Administrative Order SWD-1157**

January 29, 2009

Kristy Ward  
XTO Energy, Inc.  
200 N. Loraine  
Suite 800  
Midland, TX 79705

**ADMINISTRATIVE ORDER  
OF THE OIL CONSERVATION DIVISION**

Under the provisions of Division Rule 26.8B., XTO Energy, Inc. made application to the New Mexico Oil Conservation Division, for permission to re-complete for produced water disposal its Nash Unit Well No. 29 (API 30-015-29434) located 1980 feet from the South line and 2310 feet from the East line, Unit J of Section 13, Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico.

**THE DIVISION DIRECTOR FINDS THAT:**

The application has been duly filed under the provisions of Division Rule 26.8B. Satisfactory information has been provided that affected parties as defined in Rule 26.8B.(2) 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 Rule 26.8 will be met and the operator is in compliance with Division Rule 5.9.

**IT IS THEREFORE ORDERED THAT:**

The applicant XTO Energy, Inc., is hereby authorized to re-complete its Nash Unit Well No. 29 (API 30-015-29434) located 1980 feet from the South line and 2310 feet from the East line, Unit J of Section 13, Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico, in such manner as to permit the injection of produced water for disposal purposes into the Bell Canyon member of the Delaware Mountain Group through perforations from 3192 feet to 3786 feet through 2-7/8 inch or smaller, plastic-lined tubing set in a packer located within 100 feet of the injection interval.



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.

Prior to injection into this well, the (offsetting well) Nash Unit Well No. 1 (API No. 30-015-21277) shall be **squeeze cemented** to raise the existing cement top from approximately 3960 to above the (3325 feet) intermediate casing shoe. This cement placement shall be verified with a temperature survey or cement bond log. The operator shall show evidence and obtain verification in writing from the Engineering Bureau of the Division of this remedial cementing prior to commencing injection into the Nash Unit Well No. 29.

After installing injection tubing, the casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge or an approved leak detection device in order to determine leakage in the casing, tubing, or packer. The casing shall be pressure tested from the surface to the packer setting depth to assure casing integrity.

The wellhead injection pressure on the well shall be limited to **no more than 638 psi**. In addition, the injection well or system shall be equipped with a pressure limiting device in workable condition which shall, at all times, limit surface injection pressure to the maximum allowable pressure for this well.

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

The operator shall notify the supervisor of the Division's district office of the date and time of the installation of disposal equipment and of any mechanical integrity test so that the same may be inspected and witnessed. The operator shall provide written notice of the date of commencement of injection to the Division's district office. The operator shall submit monthly reports of the disposal operations on Division Form C-115, in accordance with Division Rules 26.13 and 7.24.

Without limitation on the duties of the operator as provided in Division Rules 30 and 29, or otherwise, the operator shall immediately notify the Division's district office of any failure of the tubing, casing or packer in the well, or of any leakage or release of water, oil or gas from around any produced or plugged and abandoned well in the area, and shall take such measures as may be timely and necessary to correct such failure or leakage.

In accordance with Division Rule No 26.12C., the injection authority granted herein shall terminate one year after the effective date of this order if the operator has not commenced injection operations into the subject well, provided however, the

Division, upon written request, mailed by the operator prior to the termination date, may grant an extension thereof for good cause shown. One year after injection operations into the well has ceased, the injection authority will terminate *ipso facto*.

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 injection authority granted herein.



MARK E. FESMIRE, P.E.  
Director

MEF/wvjj

cc: Oil Conservation Division – Artesia  
Bureau of Land Management - Carlsbad