

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

July 13, 1977

C
O
P
Y
Agua, Inc.
P. O. Box 1978
Hobbs, New Mexico 88240

Re: Administrative Order SWD-184

Gentlemen:

Enclosed herewith please find Administrative Order No. SWD-184 for the following described well:

SWD System Well No. 18 located in Unit N of Section 18, Township 22 South, Range 37 East NMPM, Lea County, New Mexico.

Very truly yours,

JOE D. RAMEY
Secretary-Director

JDR/CU/og

cc: Oil Conservation Commission
Box 1980
Hobbs, New Mexico

OIL CONSERVATION COMMISSION
P. O. BOX 5088
SANTA FE, NEW MEXICO 87501

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THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

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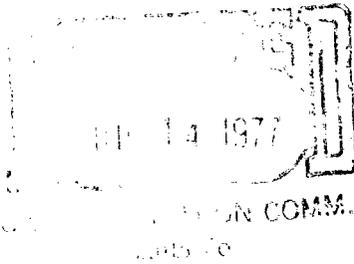
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AGUA, INC.

POST OFFICE BOX 1978
HOBBS, NEW MEXICO
88240

July 13, 1977

TELEPHONE: 505 393-6188

State of New Mexico
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Attn: Joe D. Ramey

Re: Status of Form C-108
Blinebry-Drinkard SWD
Well No. N-18

Gentlemen:

Pursuant to our letter of July 12, 1977, we are enclosing a Xerox copy of an Amerada Hess qualified Waiver of Objection to the drilling of our proposed Well No. N-18. Such qualified Waiver is acceptable to AGUA.

We trust there will be no delay in receiving your approval.

Yours very truly,

AGUA, INC.

W. G. Abbott
Manager

JVR/jo
Enclosure

Corrected Waiver

WAIVER OF OBJECTION

We, the undersigned, do hereby waive our objection to the application of AGUA, INC. for authority to drill and dispose of oilfield brines in their Blinebry-Drinkard SWD Well No. N-18 located approximately 1150' FSL & 2250' FWL of Section 18, Township 22 South, Range 37 East, Lea County, New Mexico.. It is understood that this disposal will be into the San Andres formation which to AGUA's knowledge is not productive of oil or gas within two miles of said subject well.

COMPANY: Amerada Hess Corporation
BY: G. B. Smith
TITLE: Mgr. Technical Services
DATE: July 8, 1977

Our State "PA" No. 1 produces from the Greyburg 3640'-3724' and is located approximately 830' north of your proposed location.

We approve the waiver only with the condition that you set casing at a depth of 3850' or below and protect our oil zone with adequate cement around the casing and dispose of water below 3850'.

RECEIVED
JUL 13 1977
AGUA, INC.

Form 3 160-5
 (June 1990)

UNITED STATES
 DEPARTMENT OF THE INTERIOR
 BUREAU OF LAND MANAGEMENT

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

5. Lease Designation and Serial No.

NM 62665

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Lockhart B-1 Facility

9. API Well No.

30-025- multi

10. Field and Pool, or Exploratory Area

Eumont Yates 7 Rvrs Qu O&G

11. County or Parish, State

Lea, NM

SUBMIT IN TRIPLICATE

1. Type of Well

Oil Well Gas Well Other

2. Name of Operator

Conoco Inc

3. Address and Telephone No.

10 DESTA DR. STE. 100W, MIDLAND, TX 79705-4500 (915) 686-5580

4. Location of Well (Footage, Sec., T. R. M. or Survey Description)

SWNE, Sec. 1, T22S, R36E, G

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

Notice of Intent
 Subsequent Report
 Final Abandonment Notice

TYPE OF ACTION

Abandonment
 Recompletion
 Plugging Back
 Casing Repair
 Altering Casing
 Other O O&G Order #7

Change of Plans
 New Construction
 Non-Routine Fracturing
 Water Shut-Off
 Conversion to Injection
 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.)*

Conoco requests water disposal approval for this facility. See attachments for additional information.

Water Producing Formation: Eumont Yates Seven Rivers Queen Gas & Oil

Amount of Water Produced: 20 BPD

How Water is Stored on Lease: Dumped into Rice Water Line

How Water is Moved to Disposal: Gravity Feed

Disposal System Operator: Rice Operating Company

Disposal: Blinebry Drinkard SWD System Well #18

Disposal Permit No.: SWD-184 (N-18)

RECEIVED
 OIL CONSERVATION DIVISION
 SEP 18 11:09 AM '00

14. I hereby certify that the foregoing is true and correct

Signed

Reesa Wilkes

Title

Reesa R. Wilkes

Sr. Staff Regulatory Assistant

Date

9/14/00

(This space for Federal or State office use)

Approved by

Title

PETROLEUM ENGINEER

Date

OCT 02 2000

Conditions of approval if any:

B.M(6), NMOC(1), SHEAR, PONCA, COST ASST, FIELD ROOM, FIELD

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

**SEE ATTACHED FOR
 CONDITIONS OF APPROVAL**

100-10000

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 10/20/2011 BY 60322 UCBAW

BLM COPY

Form 3160-9
(December 1989)

Number AJM-248-00

Page 1 of 1

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

NOTICE OF INCIDENTS OF NONCOMPLIANCE

Certified Mail - Return Receipt Requested
7099322000239424130

Hand Delivered Received by

| |
|------------------------|
| Identification |
| IID |
| Lease <u>NMNM62665</u> |
| CA |
| Unit |
| PA |

| | | | | | | | |
|--|------------------------------|--|---------------------|------------------------|---------------------|------------------------|--|
| Bureau of Land Management Office HOBBS INSPECTION OFFICE | | Operator CONOCO INCORPORATED | | | | | |
| Address 414 WEST TAYLOR HOBBS NM 88240 | | Address 10 DESTA DRIVE WEST, SUITE 100 W. MIDLAND TX 79705 | | | | | |
| Telephone 505.393.3612 | | Attention | | | | | |
| Inspector Andrea Massengill | | Attn Addr | | | | | |
| Site Name LOCKHART B-1 | Well or Facility F | Township 22S | Range 36E | Meridian NMP | Section 1 | 1/4 1/4 SWNE | |

THE FOLLOWING VIOLATION WAS FOUND BY BUREAU OF LAND MANAGEMENT INSPECTORS ON THE DATE AND AT THE SITE LISTED ABOVE

| Date | Time (24 - hour clock) | Violation | Gravity of Violation |
|--------------------------------------|------------------------|--|------------------------|
| 08/22/2000 | | 43 CFR 3162.1(a), Onshore Order 7 III.A | MINOR |
| Corrective Action To Be Completed By | Date Corrected | Assessment for Noncompliance | Assessment Reference |
| 09/25/2000 | | | 43 CFR 3163.1() |

Remarks **Water production is being disposed without prior approval. Submit to this office on a Sundry Notice (3160-5), a request for water disposal approval with other required information as per attachment.**

When violation is corrected, sign this notice and return to above address.

Company Representative Title Sr. Staff Regulatory Asst. Signature Reesa Wilkes Date 9-14-00

Company Comments See attached Sundry + documentation.

WARNING

Incidents of Noncompliance correction and reporting timeframes begin upon receipt of this Notice or 7 business days after the date it is mailed, whichever is earlier. Each violation must be corrected within the prescribed time from receipt of this Notice and reported to the Bureau of Land Management office at the address shown above. Please note that you already may have been assessed for noncompliance (see amount under "Assessment for Noncompliance"). If you do not comply as noted above under "Corrective Action To Be Completed By" you may incur an additional assessment under (43 CFR 3163.1) and may also incur Civil Penalties (43 CFR 3163.2). All self-certified corrections must be postmarked no later than the next business day after the prescribed time for correction.

Section 109(d)(1) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3163.2(f)(1), provides that any person who "knowingly or willfully" prepares, maintains, or submits, false, inaccurate, or misleading reports, notices, affidavits, record, data, or other written information required by this part shall be liable for a civil penalty of up to \$25,000 per violation for each day such violation continues, not to exceed a maximum of 20 days.

REVIEW AND APPEAL RIGHTS

A person contesting a violation shall request a State Director review of the Incidents of Noncompliance. This request must be filed within 20 working days of receipt of the Incidents of Noncompliance with the appropriate State Director (see 43 CFR 3165.3). The State Director review decision may be appealed to the Interior Board of Lands Appeals, 4015 Wilson Blvd., Arlington VA 22203 (see 43 CFR 3165.4). Contact the above listed Bureau of Land Management office for further information.

Signature of Bureau of Land Management Authorized Officer Mark Deater Date 8/22/00 Time 1030

FOR OFFICE USE ONLY

| | | | | |
|---------------------|------|------------|---------|-------------|
| Number 33 | Date | Assessment | Penalty | Termination |
| Type of Inspection | | | | |

ATTACHMENT to Incident of Noncompliance # AJM-248-00

The following information is needed before your disposal of produced water can be approved, per Onshore Oil & Gas Order #7.

You may attach this information to your Sundry Notice (3160-5). Submit all required information as per this attachment, submit a Sundry Notice(3160-5),one original and five copies to this office within the required time.

1. Name(s) of all formation(s) producing water on the lease. Eumont Yates Seven Rivers Queen Gas & O
2. Amount of water produced from all formations in barrels per day. 20 BPD
3. A CURRENT water analysis of produced water from all zones showing at least the total dissolved solids, ph, and the concentrations of chlorides and sulfates.
4. How water is stored on the lease. Water is dumped into Rice water line.
5. How water is moved to the disposal facility. Gravity feed
6. Identify the Disposal Facility by:
 - A. Operators' Name Rice Operating
 - B. Well Name Blinebry-Drinkard SWD System
 - C. Well type and well number #18
 - D. Location by quarter/quarter, section, township, and range Unit Letter N, Sec. 18, T22S, R37E
7. A copy of the Underground Injection Control Permit - issued for the injection well by the Environmental Protection Agency or New Mexico Oil Conservation Division where the State has achieved primacy.

Saturation Index Calculations
Champion Technologies, Inc.
 (Based on the Tomson-Oddo Model)

Site Information

| | |
|---------|------------|
| Company | Conoco |
| Field | Lockhart B |
| Point | 1 HT |
| Date | 9/1/2000 |

Water Analysis (mg/L)

| | |
|------------------------|--------|
| Calcium | 1,043 |
| Magnesium | 583 |
| Barium | 0 |
| Strontium | 0 |
| Sodium* | 5143 |
| Bicarbonate Alkalinity | 0 |
| Sulfate | 2,000 |
| Chloride | 10,000 |

* - Calculated Value

Appended Data

| | |
|-------------|----------------|
| Iron | 3 mg/L |
| TDS | 23378 mg/L |
| Resistivity | .44 ohm@74 DgF |

Physical Properties

| | |
|-----------------|---------|
| Ionic Strength* | 0.39 |
| pH† | 6.2 |
| Temperature | 90°F |
| Pressure | 50 psia |

* - Calculated Value † - Known/Specified Value

Calcite Calculation Information

| Calculation Method | Value |
|--------------------------------------|---------------------|
| pH | 6.2 0.00 |
| Bicarbonate Alkalinity Correction(s) | Value |
| None Used | — |

SI & PTB Results

| Scale Type | SI | PTB |
|-------------------------------|-------|-----|
| Calcite (Calcium Carbonate) | N/A | N/A |
| Gypsum (Calcium Sulfate) | -0.48 | N/A |
| Hemihydrate (Calcium Sulfate) | -0.38 | N/A |
| Anhydrite (Calcium Sulfate) | -0.72 | N/A |
| Barite (Barium Sulfate) | N/A | N/A |
| Celestite (Strontium Sulfate) | N/A | N/A |

Post/Js Fax Note 7671

To: Robert B. [Signature]

From: Tech Service

Date: 9-1-2000

Pages: 7

Co.:

Phone #:

Fax #:

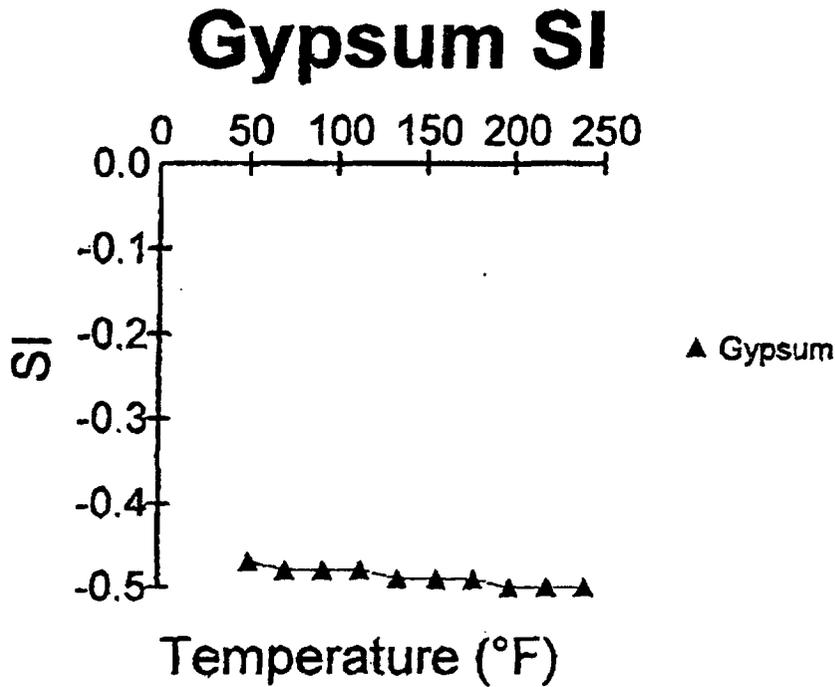
Ranged Data
Champion Technologies, Inc.

Site Information

| | |
|---------|------------|
| Company | Conoco |
| Field | Lockhart B |
| Point | 1 HT |
| Date | 9/1/2000 |

Gypsum SI Results

| Temperature (°F) | Gypsum |
|------------------|--------|
| 50 | -0.47 |
| 71 | -0.48 |
| 92 | -0.48 |
| 113 | -0.48 |
| 134 | -0.49 |
| 156 | -0.49 |
| 177 | -0.49 |
| 198 | -0.50 |
| 219 | -0.50 |
| 240 | -0.50 |



SUBJECT: SALT WATER DISPOSAL WELL

ORDER NO. SWD-134

110

THE APPLICATION OF AGUA, INC. FOR
A SALT WATER DISPOSAL WELL.

N-18

ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION COMMISSION

Under the provisions of Rule 701 (C) Agua, Inc. made applica-
tion to the New Mexico Oil Conservation Commission on June 13,
1977 for permission to complete for salt water disposal its Blinbry-
Drinkard SWD System Well No. 18 located in Unit N of Section 18,
Township 22 South, Range 37 East, NMPM, Lea County, New Mexico.

The Secretary-Director finds:

1. That application has been duly filed under the provisions of Rule 701 (C) of the Commission 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 (C) 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, Agua, Inc. is hereby authorized to complete its Blinbry-Drinkard SWD System Well No. 18 located in Unit N of Section 18, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico, in such a manner as to permit the injection of salt water for disposal purposes into the San Andres formation at approximately 4000 feet to approximately 5000 feet through 5½ inch plastic lined tubing set in an oil column extending from approximately 4000 feet to the surface.

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.

That the casing-tubing annulus shall be equipped with a pressure gauge at the surface or left open to the atmosphere to facilitate detection of leakage in the casing or tubing;

That injection pressures shall be limited to 800 pounds per square inch as measured at the surface.

That the operator shall notify the supervisor of the Commission's Hobbs District Office before injection is commenced through said well.

That the operator shall immediately notify the supervisor of the Commission's Hobbs District Office of the failure of the tubing or casing in said well or the leakage of water from or around said well and shall take such steps as may be timely or necessary to correct such failure or leakage.

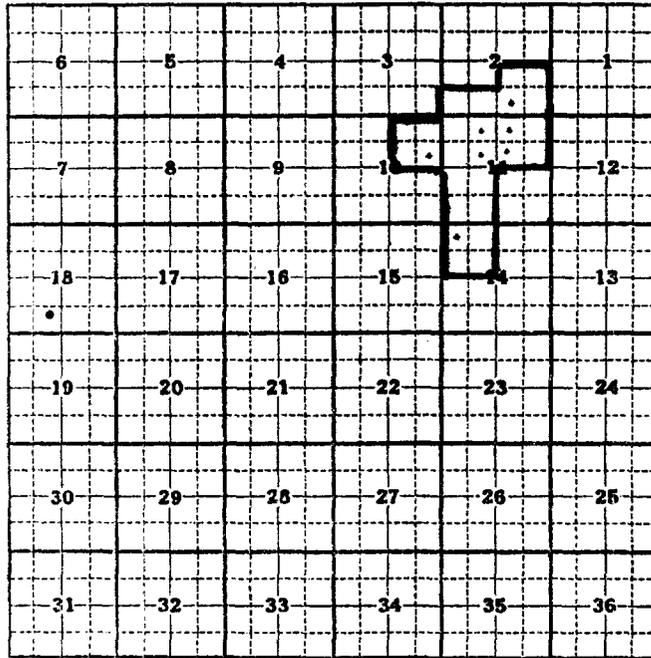
Name

Address

Ph.

Remarks:

S. Eunice SA



T R or County State