

Energy Reserves Group, Inc.
1509 West Wall Street
P.O. Drawer 2437
Midland, Texas 79702
Phone 915 682 2591



April 17, 1985

Oil Conservation Division
Energy and Minerals Department
P. O. Box 1980
Hobbs, New Mexico

APR 18 1985

RECEIVED

Attn: Mr. Jerry Sexton
District Supervisor

Re: Salt Water Disposal
Energy Reserves Group, Inc.
Taylor No. 1
Roosevelt Co., N. M.

Dear Mr. Sexton:

Energy Reserves Group recently requested that the Oil Conservation Division allow ERG to inject water into the subject well at pressures up to 1800 psi.

Your letter of April 1, 1985, advised that Forms C-101, C-102 and C-103, should be submitted. These forms have been submitted and were approved by your office on April 8, 1985.

Your letter also advised that a step rate test would be required. This test was run on April 13, 1985, and a copy is enclosed. The well was shut-in following the test.

This test indicates that the well is possibly being fractured at surface pressures below the requested 1800 psi limit.

We again ask that the OCD grant the requested exception. Energy Reserves has a very large investment in the conversion and equipping of Taylor No. 1 and it needs to recoup this investment. As we previously pointed out, the well is remotely located with respect to other operators' wells and the radioactivity tracer log indicates that all injection is limited to the San Andres horizon which was the original intent of the application.



I suppose some consideration should also be given to the more favorable environmental conditions of subsurface injection as compared to subjecting the adjacent ranchland to dust from water hauling truck traffic on the lease roads.

Yours very truly,

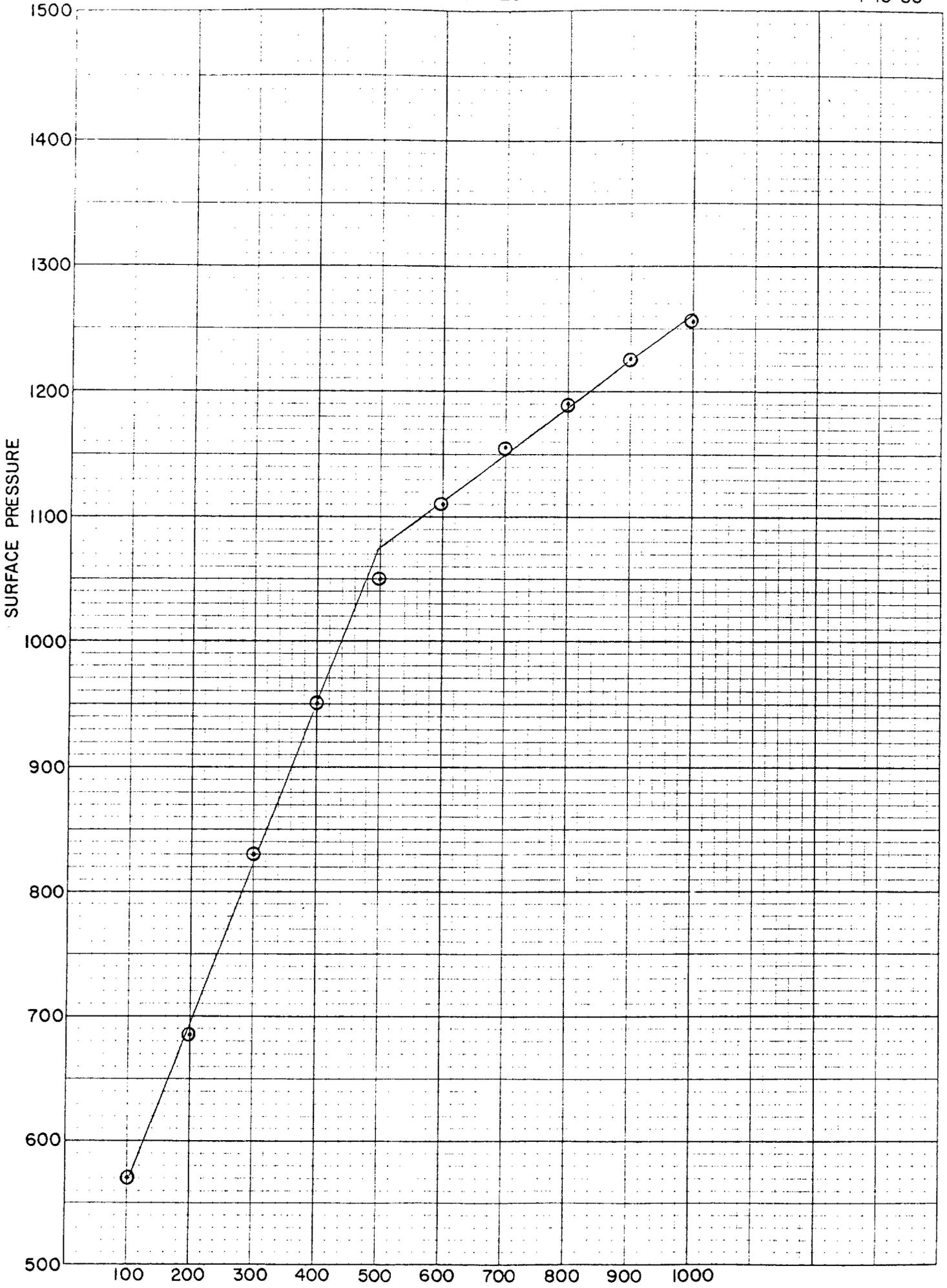
A handwritten signature in cursive script, reading "W. J. Sandidge", with a long horizontal flourish extending to the right.

W. J. Sandidge
District Production Manager

WJS/er

46 0780

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OIL CONSERVATION DIVISION



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April 18, 1985

Energy Reserves Croup, Inc.
P. O. Drawer 2437
Midland, Texas 79702

Attention: W. J. Sandidge

RE: Administrative Order SWD-276
Amendment, Taylor No. 1 Well
Section 11, T6S, R33E
Roosevelt Co. NM

Dear Mr. Sandidge,

Your recent request to increase the surface injection pressure on your Taylor No. 1 well from the currently allowed 702 p.s.i. to 1800 p.s.i. has been reviewed. In light of the fact that you have not shown that this higher pressure will not result in migration of the injected fluid from the authorized injection zone, your request must be denied. However, based on the step rate test that you submitted to us, which showed a formation fracture pressure of approximately 1075 p.s.i., you are hereby granted approval to increase your surface injection pressure to 1025 p.s.i., which includes a safety factor of 50 p.s.i.

Jurisdiction of this cause is hereby retained by the Division for such further order or orders as may seem necessary or convenient for the prevention of waste and/or protection of correlative rights.

Sincerely,

A handwritten signature in black ink, appearing to read "R. L. Stamets".

R. L. Stamets
Director

cc: Hobbs District Office
File SWD 276

RLS/DC/bok