



ADMINISTRATIVE ORDER SWD-631

*APPLICATION OF STEVENS & TULL, INC. FOR SALT WATER DISPOSAL,
LEA COUNTY, NEW MEXICO.*

ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION

Under the provisions of Rule 701(B), Stevens & Tull, Inc. made application to the New Mexico Oil Conservation Division on May 9, 1996, for permission to complete for salt water disposal its BF State Well No.2 located 1980 feet from the South line and 1980 feet from the West line (Unit K) of Section 16, Township 20 South, Range 33 East, NMPM, Lea County, New Mexico.

THE DIVISION DIRECTOR FINDS THAT:

- (1) The application has been duly filed under the provisions of Rule 701(B) of the Division Rules and Regulations;
- (2) Satisfactory information has been provided that all offset operators and surface owners have been duly notified;
- (3) The applicant has presented satisfactory evidence that all requirements prescribed in Rule 701 will be met; and
- (4) No objections have been received within the waiting period prescribed by said rule.

IT IS THEREFORE ORDERED THAT:

The applicant herein, is hereby authorized to complete its BF State Well No.2 located 1980 feet from the South line and 1980 feet from the West line (Unit K) of Section 16, Township 20 South, Range 33 East, NMPM, Lea County, New Mexico, in such manner as to permit the injection of salt water for disposal purposes into the Yates formation at approximately 3,094 feet to 3,209 feet through 2 3/8-inch plastic-lined tubing set in a packer located at approximately 2,994 feet.

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 commencing injection operations into the well, the casing shall be pressure tested from the surface to the packer setting depth to assure the integrity of said casing.

The casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge at the surface or left open to the atmosphere to facilitate detection of leakage in the casing, tubing, or packer.

The injection well or system shall be equipped with a pressure limiting device which will limit the wellhead pressure on the injection well to no more than 619 psi.

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 Yates 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 Hobbs district office of the Division of the date and time of the installation of disposal equipment and of the mechanical integrity test so that the same may be inspected and witnessed.

The operator shall immediately notify the supervisor of the Hobbs district office of the Division of the failure of the tubing, casing, or packer in said well and shall take such steps as may be timely and necessary to correct such failure or leakage.

PROVIDED FURTHER THAT, jurisdiction of this cause is hereby retained by the Division for the entry of such further order or orders as may be deemed necessary or convenient for the prevention of waste and/or protection of correlative rights; upon failure of the operator to conduct operations in a manner which will ensure the protection of fresh water or in a manner inconsistent with the requirements set forth in this order, the Division may, after notice and hearing, terminate the injection authority granted herein.

The operator shall submit monthly reports of the disposal operations in accordance with Rule Nos. 706 and 1120 of the Division Rules and Regulations.

Administrative Order SWD-631

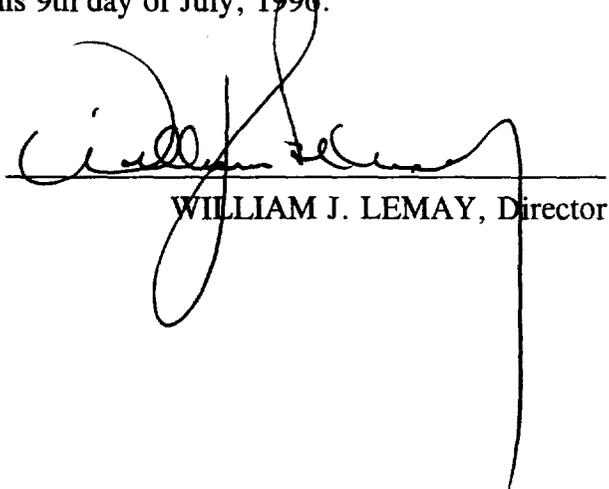
Stevens & Tull, Inc.

July 9, 1996

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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 by the operator, may grant an extension thereof for good cause shown.

Approved at Santa Fe, New Mexico, on this 9th day of July, 1996.



WILLIAM J. LEMAY, Director

S E A L

WJL/BES

xc: Oil Conservation Division - Hobbs

CHECKLIST for ADMINISTRATIVE INJECTION APPLICATIONS

Operator: STEVENS & TULL, INC. Well: BF STATE No. 2

Contact: JERRY WANT Title: LANDMAN Phone: (915) 699-1410

DATE IN MAY 9, 1995 RELEASE DATE MAY 24 DATE OUT JULY 8, 1996

Proposed Injection Application is for: WATERFLOOD Expansion Initial

Original Order: R- Secondary Recovery Pressure Maintenance

SENSITIVE AREAS

SALT WATER DISPOSAL Commercial Well

WIPP YES Capitan Reef K.16.20-33

Data is complete for proposed well(s)? Additional Data Req'd

PAUL KAUTZ SAID LOGS LOOK LIKE THEY'RE IN GOOD SAND ON TOP OF REEF. AC PER PHONE 7-8-96

AREA of REVIEW WELLS

15 Total # of AOR 9 # of Plugged Wells
 Tabulation Complete Schematics of P & A's
 Cement Tops Adequate AOR Repair Required

INJECTION FORMATION

Injection Formation(s) YATES Compatible Analysis YES

Source of Water or Injectate YATES

PROOF of NOTICE

Copy of Legal Notice Information Printed Correctly
 Correct Operators Copies of Certified Mail Receipts
 Objection Received Set to Hearing _____ Date

NOTES: * SURFACE LOCATION IS WELL WITHIN SURFACE BOUNDARIES OF REEF INTO YATES FORMATION

APPLICATION QUALIFIES FOR ADMINISTRATIVE APPROVAL? X

COMMUNICATION WITH CONTACT PERSON:

1st Contact: Telephoned Letter 7-8-96 Date Nature of Discussion VERBAL APPROVAL PENDING
2nd Contact: Telephoned Letter _____ Date Nature of Discussion FAX LEGAL
3rd Contact: Telephoned Letter _____ Date Nature of Discussion _____