



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

June 5, 1997

MR Drilling Company
P.O. Box 687
Monahans, Texas 79756

Attention: Chris Hisel

Re: Wills Federal Well No. 1
Unit D, Section 34-26S-37E
Lea County, New Mexico

Dear Mr. Hisel:

The Oil Conservation Division recently received a complaint concerning the surface injection pressure being utilized at the Wills Federal Well No. 1 salt water disposal well. In response to this complaint, the Division conducted a field visit to the facility on May 22, 1997. The OCD Field Representative noted that pump pressure was 1175 psi. The authorized maximum surface injection pressure for this well, as contained within Division Order No. SWD-641 is 644 psi.

You are hereby directed to immediately cease injection into the subject well at a surface injection pressure in excess of 644 psi. Failure to comply with this directive will result in the termination of injection authority and/or the imposition of a fine of \$1000.00 per day.

If an increase in surface injection pressure is necessary, please be advised that such increase can only be approved after the conductance of a step-rate injection test which demonstrates that injection at such higher pressure will not result in the fracture of the injection formation or confining strata..

If you should have any questions, please contact me at (505) 827-8184.

Sincerely,

David Catanach
UIC Director

xc: OCD-Hobbs
File-SWD-641
UIC Violation File

M R DRILLING COMPANY

P.O. BOX 687
MONAHANS, TEXAS 79756

DK
1/12
Send bill

JUN 16 1997
OIL CONSERVATION DIVISION

June 13, 1997

Mr. David Catanach, UIC Director
New Mexico Energy, Minerals & Natural Resources Department
Oil Conservation Division
2040 S Pacheco St.
Santa Fe, NM 87505

Re: Wills Federal Well No. 1
Unit D, Section 34-26S-R37E
Lea County, New Mexico

Dear Mr. Catanach:

Thank you for your letter of June 5, 1997. Prior to the inspection of the Wills Federal #1 by the OCD Field Representative, MR Drilling had attempted to ameliorate the pressure increase through backflowing the well and acidizing the injection interval, without success. On or about the date of the inspection MR had shut this well in and was trucking the produced water to disposal.

The problem with this well is a lack of permeability in the injection zone. The offset operator, Smith & Marrs, has indicated he will protest application for a pressure increase, and the well will most likely need to be re-fraced to allow injection at reduced pressure.

We are currently studying this situation as to the best solution. We will notify your office with our proposal as soon as this study is complete. If I can answer any questions concerning the Wills Federal #1, please call me at (915) 943-2501.

Sincerely,



Chris Hisel
General Manager

Attn: David Catanach

By Charlie Perrin

Date 5-22-97

Miles 195 District I

Time of Departure 7 AM

Time of Return 4 PM

Car No. G-1540

In the space below indicate the purpose of the trip and the duties performed, listing wells or leases visited and any action taken.

Signature _____

REGISTRATION
 INSPECTION
 MILEAGE
 OTHER
 DEPARTMENT
 HOURS

| | | |
|-----|---|---|
| TUC | 1 | Hobbs ^{Altura?} shell? 1HW 4 BHT 31-221, 33-121 29-421, 32-421 |
| OJS | 1 | 1 well JAL south MR DRILLING Willis fed #1 Presson Pump 950' PUMP Ran 3min Held @ 1175 when Pump Kicked off fell to 1000 slow drop to 950 |
| MOP | 1 | 1 Loc JAL MARALO JALMAT VATES BTRY AREA WORKED 1 Loc JAL north DXY MLMU #28 30-23-36 AREA WORKED |
| HUC | 5 | House keeping on TEXACO GW Sins GPII AMSTM APACHE SKELLY PENROSE Led Better LULAMAE ANADARKO LMPSC Collins & WARE EWALDEN Hendrix WALDEN A PenROC Clower ST Bettis Boxle & STOVA II, PATSEY |

| | | | |
|--------------|------------|----------------|--------------|
| <u>Miles</u> | <u>150</u> | <u>Per Day</u> | <u>Hours</u> |
| UIC | _____ | UIC | _____ |
| RFA | _____ | RFA | _____ |
| Other | <u>45</u> | Other | <u>1</u> |

| TYPE INSPECTION PERFORMED | INSPECTION CLASSIFICATION | NATURE OF SPECIFIC WELL OR FACILITY INSPECTED |
|--|--|--|
| H = Housekeeping P = Pumping C = Pumping Cleanup T = Well Test B = Repair/Workover F = Metering M = Mismatch of Well W = Water Consumption O = Other | U = Underground Injection Control - Any inspection of or related to injection project, facility, or well or resulting from injection into any well. (SND, leaky injection and production wells, water flows or pressure tests, surface injection equipment, piping, and.) I = Inspections relating to Reclamation Fund Activity O = Other - Inspections not subject to injection of the Reclamation Fund | D = Drilling P = Production I = Injection C = Combined Prod. (Inj.) operations S = SUD U = Underground Storage G = General Use/Injection F = Facility or Injection M = Metering O = Other |
| I = Indicated some form of enforcement action taken in the field unless immediately shown the letter U, R or O) | | |

96490
96275