



ADMINISTRATIVE ORDER SWD-732

***APPLICATION OF TEXACO EXPLORATION AND PRODUCTION, INC. FOR SALT
WATER DISPOSAL, LEA COUNTY, NEW MEXICO.***

**ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION**

Under the provisions of Rule 701(B), Texaco Exploration and Production, Inc. made application to the New Mexico Oil Conservation Division on October 16, 1998, for permission to complete for salt water disposal its Bilbery '30' Federal Well No.5 located 1980 feet from the South line and 1980 feet from the East line (Unit J) of Section 30, Township 21 South, Range 32 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 Bilbery '30' Federal Well No.5 located 1980 feet from the South line and 1980 feet from the East line (Unit J) of Section 30, Township 21 South, Range 32 East, NMPM, Lea County, New Mexico, utilizing a downhole separation device (Dual Action Pumping System) in a such manner as to permit the injection of produced salt water into the Lower Bell Canyon section of the Delaware formation from approximately 5160 feet to 5210 feet. Production will occur simultaneously from the Upper Bell Canyon section of the Delaware formation through perforations from approximately 4654 feet to 4680 feet with 2 7/8-inch tubing and the Dual Action Pumping System pump assembly set in a packer located at approximately 5110 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, and at a frequency of at least every five years thereafter, the applicant shall pressure test the casing above the proposed producing interval to the surface to assure the integrity of said casing.

The Dual Action Pumping System shall be configured and equipped so as to limit bottomhole pressure on the injection interval to no more than 3260 psi (1030 psi @ surface).

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 Lower Bell Canyon formations. 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 any 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.

The operator shall immediately notify the supervisor of the Hobbs district office of the Division of the failure of any downhole rate and/or pressure transducer and shall take necessary steps to correct such failure.

PROVIDED FURTHER THAT, 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 water or (2) consistent with the requirements in this order, whereupon the Division may, after notice and hearing, terminate the injection authority granted herein.

The operator shall submit monthly reports of the disposal operations on Division Form C-115, in accordance with Rule Nos. 706 and 1120 of the Division Rules and Regulations.

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.

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Approved at Santa Fe, New Mexico, on this 23rd day of November, 1998.



LORI WROTENBERY, Director

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