

OIL CONSERVATION DIVISION

AMENDED ADMINISTRATIVE ORDER SWD-295

**APPLICATION OF YESO WATER COMPANY FOR SALT WATER DISPOSAL,
EDDY COUNTY, NEW MEXICO.**

**ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION**

Under the provisions of Rule 701(B), Yeso Water Company made application to the New Mexico Oil Conservation Division on November 3, 1995, for permission to complete for salt water disposal its Santa Fe Land Improvement Company Well No.1 located 1980 feet from the South line and 660 feet from the East line (Unit I) of Section 17, Township 19 South, Range 26 East, NMPM, Eddy 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 Santa Fe Land Improvement Company Well No.1 located 1980 feet from the South line and 660 feet from the East line (Unit I) of Section 17, Township 19 South, Range 26 East, NMPM, Eddy County, New Mexico, in such manner as to permit the injection of salt water for disposal purposes into the Canyon formation at approximately 7804 feet to 8100 feet through 2-7/8 inch plastic lined tubing set in a packer located at approximately 7704 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 1561 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 Canyon 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 Artesia 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.

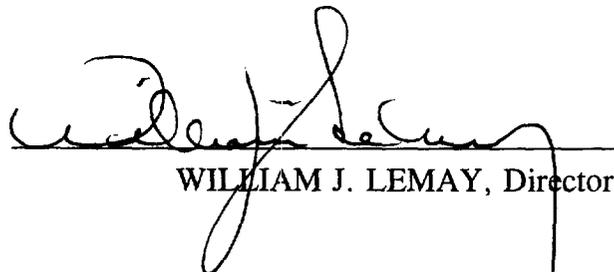
The operator shall immediately notify the supervisor of the Artesia district office of the Division of the failure of the tubing, casing, or packer in said well and shall take such steps as may be timely and necessary to correct such failure or leakage.

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.

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 15th day of December, 1995.



WILLIAM J. LEMAY, Director

S E A L

WJL/BES

xc: Oil Conservation Division - Artesia

SWD AMO 17.75

YESO WATER COMPANY

SUITE 303, FIRST NATIONAL BANK BUILDING
ARTESIA, NEW MEXICO 88210

OIL CONSERVATION DIVISION
RECEIVED

'95 OCT 30 AM 8 52

October 25, 1995

William LeMay
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

Dear Mr. LeMay:

I am requesting an amendment to SWD 295 to show additional perforations.

Everything in the review area is still the same and has not changed. I request the amended order to include the new perforations into the non-productive Canyon Formation between 7804' and 7850'.

Also find enclosed a copy of the Affidavit of Publication.

Thank you for your help with this matter. Please send all correspondence to:

Yeso Water Company, Ltd.
P.O. Box 1383
Artesia, New Mexico 88211-1383

Sincerely,



Herbert R. Spencer

Affidavit of Publication

No. 15257

STATE OF NEW MEXICO,

County of Eddy:

Gary D. Scott being duly sworn, says: That he is the Publisher of The Artesia Daily Press, a daily newspaper of general circulation, published in English at Artesia, said county and state, and that the hereto attached Legal Notice

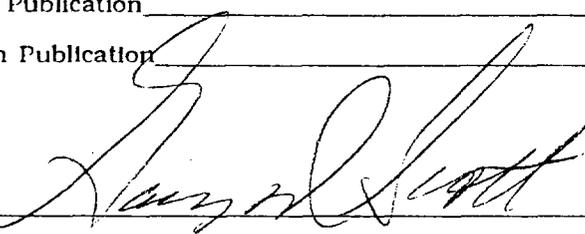
was published in a regular and entire issue of the said Artesia Daily Press, a daily newspaper duly qualified for that purpose within the meaning of Chapter 167 of the 1937 Session Laws of the state of New Mexico for 1 consecutive weeks on the same day as follows:

First Publication October 22, 1995

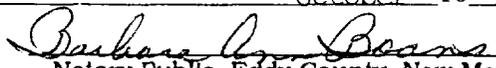
Second Publication _____

Third Publication _____

Fourth Publication _____



Subscribed and sworn to before me this 22nd day of October 19 95


Notary Public, Eddy County, New Mexico

My Commission expires September 23, 1999

Copy of Publication

LEGAL NOTICE

Notice is hereby given that pursuant to the New Mexico Oil Conservation Division regulations, the following amendment to show additional perforations of a Salt Water Injection Well reference number SWD295 has been submitted for approval to the New Mexico Oil Conservation Division, 2040 South Pacheco, Santa Fe, New Mexico 87505. II&S Oil Company, Herbert R. Spencer, Partner, Suite 303, First National Bank Bldg., Artesia, New Mexico 88210, (505) 746-6658, proposes to re-enter for injection of produced water into the Canyon zone, the Mountain States Petroleum Corporation, Santa Fe, Land Improvement Company, Well #1 located 660' FEL and 1980' FSL of Section 17, Township 19S, Range 26E, Eddy County, New Mexico. The new additional perforations to be injected will be into the non-productive Canyon Formation between 7804' and 7850'. The maximum injection rate will be approxi-

mately 4000 barrels of water per day, and the maximum injection pressure will be approximately 1630 pounds per square inch. Interested parties must file objections or requests for hearing with the New Mexico Oil Conservation Division at the above address within 15 days. Published in the Artesia Daily Press, Artesia, N.M. October 22, 1995.

Legal 15257