

DATE IN 12/26/01	SUSPENSE N/R	ENGINEER DC	LOGGED IN R/L	TYPE PC	APP NO. 136545616
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION  
- Engineering Bureau -  
1220 South St. Francis Drive, Santa Fe, NM 87505



1051

**ADMINISTRATIVE APPLICATION CHECKLIST**

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

**Application Acronyms:**

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Simultaneous Dedication  
 NSL  NSP  SD

DEC 26 2001

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement  
 DHC  CTB  PLC  PC  OLS  OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  
 WFX  PMX  SWD  IPI  EOR  PPR

[D] Other: Specify \_\_\_\_\_

[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or  Does Not Apply

- [A]  Working, Royalty or Overriding Royalty Interest Owners
- [B]  Offset Operators, Leaseholders or Surface Owner
- [C]  Application is One Which Requires Published Legal Notice
- [D]  Notification and/or Concurrent Approval by BLM or SLO  
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E]  For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F]  Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

**Note: Statement must be completed by an individual with managerial and/or supervisory capacity.**

Bobby J. Hill  
 Print or Type Name

*Bobby J. Hill*  
 Signature

ENGINEER Assistant  
 Title

11/27/01  
 Date

hillbj@texaco.com  
 e-mail Address

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

New Mex State Land Office  
Box 1148  
SANTA FE, Nm 87504

2. Article Number  
(Transfer from service label)

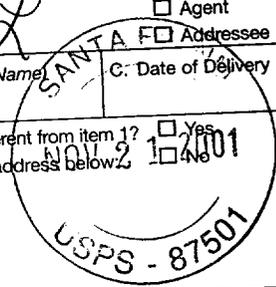
PS Form 3811, August 2001

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  Agent  
**X** *Mike D*  Addressee

B. Received by (Printed Name) C. Date of Delivery

D. Is delivery address different from item 1?  Yes  
If YES, enter delivery address below:  No



3. Service Type

Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

Domestic Return Receipt

102595-01-M-2509

Submit 3 Copies To Appropriate District Office  
 District I  
 1625 N. French Dr., Hobbs, NM 87240  
 District II  
 811 South First, Artesia, NM 87210  
 District III  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 District IV  
 2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
 Energy, Minerals and Natural Resources

Form C-103  
 Revised March 25, 1999

OIL CONSERVATION DIVISION  
 2040 South Pacheco  
 Santa Fe, NM 87505

WELL API NO. <b>30-025-35127</b>
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name:  NEW MEXICO 'E' NCT-1
8. Well No.  8
9. Pool name or Wildcat MONUMENT, ABO

**SUNDRY NOTICES AND REPORTS ON WELLS**  
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:  
 Oil Well  Gas Well  Other

2. Name of Operator  
**Texaco Exploration & Production**

3. Address of Operator  
**500 N. Lorraine Midland, Texas 79702**

4. Well Location  
 Unit Letter **L** : **1650'** feet from the **SOUTH** line and **660'** feet from the **WEST** line  
 Section **1** Township **20-S** Range **36-E** NMPM County **LEA**

10. Elevation (Show whether DR, RKB, RT, GR, etc.)  
**3568'**

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPLETION <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: <b>SURFACE COMMINGLE PRODUCTION</b> <input checked="" type="checkbox"/>		OTHER: <input type="checkbox"/>	

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompilation.

Texaco Exploration and Production, Inc. seeks permission to surface commingle production from two wells with 100% ownership producing from two different pools into one central tank battery. The reason for this request is the saving in construction costs of building a separate tank battery while both wells are on the same lease.

The subject wells:

N.M. 'E' STATE NCT-1 #7; UL 'N', 990' FSL AND 1855' FWL; SEC 1, T-20-S, R-36-E; LEA COUNTY, NEW MEXICO API #30-025-33774; Completed in the Monument, Blinsbry pool at 38 BOED, 221 EWPD, and 25 MCFPD

N.M. 'E' STATE NCT-1 #8; UL 'L', 1650' FSL AND 660' FWL; SEC 1, T-20-S, R-36-E; LEA COUNTY, NEW MEXICO API #30-025-35127; Completed in the Monument, Abo pool at 83 BOED, 202 EWPD, and 165 MCFPD

The subject battery:

N.M. 'E' STATE NCT-1 #7 tank battery; UL 'N', SEC 1, T-20-S, R-36-E, LEA COUNTY, NEW MEXICO

(CONTINUED)

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Bobby J. Hill TITLE ENGINEER ASSISTANT DATE 11/12/01

Type or print name BOBBY J. HILL Telephone No. 505-394-1855

(This space for State use)

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

Conditions of approval, if any:

Submit 3 Copies To Appropriate District Office  
 District I  
 1625 N. French Dr., Hobbs, NM 87240  
 District II  
 811 South First, Artesia, NM 87210  
 District III  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 District IV  
 2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
 Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION  
 2040 South Pacheco  
 Santa Fe, NM 87505

WELL API NO. <b>30-025-35127</b>
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name: <b>NEW MEXICO 'E' NCT-1</b>
8. Well No. <b>8</b>
9. Pool name or Wildcat <b>MONUMENT, ABO</b>

**SUNDRY NOTICES AND REPORTS ON WELLS**  
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:  
 Oil Well  Gas Well  Other

2. Name of Operator  
**Texaco Exploration & Production**

3. Address of Operator  
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4. Well Location  
 Unit Letter **L** : **1650'** feet from the **SOUTH** line and **660'** feet from the **WEST** line  
 Section **1** Township **20-S** Range **36-E** NMPM County **LEA**

10. Elevation (Show whether DR, RKB, RT, GR, etc.)  
**3568'**

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPLETION <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: <b>SURF. COMMINGLE PROD (CONT)</b> <input checked="" type="checkbox"/>		OTHER: <input type="checkbox"/>	

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompilation.

A flowline will be laid to connect the N.M. 'E' State nct-1 #8, a new drilled well, to the N.M. 'E' State nct-1 #7 tank battery in which all production will be transported to the battery. All production will enter a heater treater where it will be separated. Production from both wells will be allocated by well tests, which will be performed monthly through a test vessel at the battery. Produced oil will be stored in a 500 bbl stock at the battery until a sufficient quantity of crude is on hand to sell. At this time, Oasis Trucking is the assigned contract trucking firm to buy the oil. Produced gas will be sold through a meter at the battery to Dynegy. The produced water will be stored in a 500 barrel stock tank and disposed of by Rice Operating at their EME SWD Well I-1, UL 'I', SEC 1, T-20-S, R-36-E, Lea County, New Mexico (See attached NMOC Order Number R-1717) by pump at the battery. The observed gravity of the Monument Blinebry is 43.9, whereas the Monument Abo is 42.5.

If there is any additional information you may need, feel free to call:  
 Don Diamond, Monument EMT Leader, 505-394-4206 or Bobby Hill, Engineer Assistant, 505-394-1855

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Bobby J. Hill TITLE Engineer Assistant DATE 11/12/01

Type or print name Bobby J. Hill Telephone No. 505-394-1855

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

Conditions of approval, if any:

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**BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO**

I-1

**IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:**

**CASE No. 2002  
Order No. R-1717**

**APPLICATION OF RICE ENGINEERING  
& OPERATING, INC., FOR AN ORDER  
AUTHORIZING A SALT WATER DISPOSAL  
WELL IN SECTION 1 OF TOWNSHIP 20  
SOUTH, RANGE 36 EAST, LEA COUNTY,  
NEW MEXICO.**

**ORDER OF THE COMMISSION**

**BY THE COMMISSION:**

This cause came on for hearing at 9 o'clock a.m. on July 6, 1960, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 15<sup>th</sup> day of July, 1960, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, and being fully advised in the premises.

**FINDS:**

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant seeks an order authorizing the disposal of produced salt water into the Lower San Andres formation through the Skelly Oil Company State "D" Well No. 3, located in the NE/4 SE/4 of Section 1, Township 20 South, Range 36 East, NMPM, Lea County, New Mexico, with the proposed injection interval from 4450 feet to 4950 feet.
- (3) That the production from the subject well has declined to approximately 2 barrels of oil per day from the Monument-Abe Pool which amount renders further production uneconomical.
- (4) That a bridge plug should be set at 5050 feet and cemented to withstand a minimum pressure of 5000 pounds.
- (5) That 4-1/2 inch hydril tubing should be set at 4450 feet and the casing-tubing annulus filled with sweet oil, naptha or kerosene.

7-1  
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-2-

CASE No. 2002  
Order No. R-1717

(6) That the applicant's proposed salt water disposal program will not jeopardize the production of oil, gas, or fresh water in the area, provided that the casing is tested with 2000 pounds surface pressure prior to utilization of the well for salt water disposal purposes.

IT IS THEREFORE ORDERED:

(1) That the applicant be and the same is hereby authorized to dispose of produced salt water into the lower San Andres formation through the Skelly Oil Company State "D" Well No. 3, located in the NE/4 SE/4 of Section 1, Township 20 South, Range 36 East, NMPN, Lea County, New Mexico, with the injection interval from 4450 feet to 4950 feet.

PROVIDED HOWEVER, That a bridge plug shall be set at 5050 feet and cemented to withstand a minimum pressure of 5000 pounds.

PROVIDED FURTHER, That 4-1/2 inch hydril tubing shall be set at 4450 feet and the casing-tubing annulus filled with sweet oil, naphtha or kerosene.

PROVIDED FURTHER, That the casing shall be tested with 2000 pounds surface pressure with the hole full of water prior to utilization of the well for salt water disposal purposes.

(2) That the applicant shall submit monthly reports of its disposal operations in accordance with Rules 764 and 1119 of the Commission Rules and Regulations.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

JOHN BURROUGHS, Chairman

MURRAY E. MORGAN, Member

A. L. PORTER, JR., Member & Secretary

S E A L

ONE/

RECEIVED