



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

ADMINISTRATIVE ORDER SWD-755-A

APPLICATION OF EL PASO ENERGY RATON, L.L.C. FOR PRODUCED WATER DISPOSAL, COLFAX COUNTY, NEW MEXICO.

ADMINISTRATIVE ORDER OF THE OIL CONSERVATION DIVISION

Under the provisions of Rule 701(B), Sonat Raton, L.L.C. made application to the New Mexico Oil Conservation Division on July 26, 1999, for permission to complete for produced water disposal its Vermejo Park Ranch "A" Well No. 7 (API No. 30-007-20116) located 1074 feet from the North line and 2276 feet from the East line (Unit B) of Section 1, Township 31 North, Range 19 East, NMPM, Colfax County, New Mexico.

On December 31, 2001, El Paso Energy Raton, L.L.C., the successor operator of the Vermejo Park Ranch "A" Well No. 7 made application to amend Division Order No. SWD-755, to expand the injection interval in the well.

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 Vermejo Park Ranch "A" Well No. 7 (API No. 30-007-20116) located 1074 feet from the North line and 2276 feet from the East line (Unit B) of Section 1, Township 31 North, Range 19 East, NMPM, Colfax County, New

Mexico, in a such manner as to permit the injection of produced water for disposal purposes into the Dakota, Entrada and Glorieta formations from approximately 6,400 feet to 6,590 feet, 6,940 feet to 7,040 feet and 7,320 feet to 7,420 feet, respectively, through 3 ½ and 2 7/8 inch plastic-lined tubing set in a packer located at approximately 6,310 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.

Prior to commencing injection operations, the applicant shall obtain a native formation water sample from the Entrada and Glorieta formations, and shall have these water samples analyzed. The applicant shall submit a copy of the water analysis to the Santa Fe Office of the Division.

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 1280 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 Dakota, Entrada and Glorieta 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 Santa Fe 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 Santa Fe 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 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

Administrative Order SWD-755-A

El Paso Energy Raton, L.L.C.

January 24, 2002

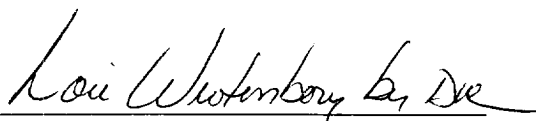
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and hearing, terminate the injection authority granted herein.

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.

Approved at Santa Fe, New Mexico, on this 24th day of January, 2002.

A handwritten signature in cursive script, reading "Lori Wrotenbery, Director", written over a horizontal line.

LORI WROTENBERY, Director

LW/DRC

cc: Oil Conservation Division - Santa Fe /