



**Amoco Production Company**

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L. O. Speer, Jr.  
District Superintendent

February 28, 1979

Mr. Al Kendrick  
New Mexico Oil Conservation Commission  
1000 Rio Brazos Road  
Aztec, New Mexico 87410

File: LOS-87-986.511

Dear Mr. Kendrick:

Disposal of Produced Water into the Ojo Alamo Formation

In August 1978, Amoco received approval from the New Mexico Oil Conservation Commission to dispose of produced salt water into the Ojo Alamo formation in two separate well locations, the Cahn Gas Com No. 3 and Keys Gas Com "F" No. 1. These locations were approved with the stipulation that five Mesaverde wells which offset these two proposed disposal locations, be cement squeezed across the Ojo Alamo formation. For Amoco to meet these requirements a cost of approximately \$85,000 to squeeze the five Mesaverde wells will be required. This will involve a risk to the existing Mesaverde production. After these workovers, Amoco still has no guarantee the Ojo Alamo will take the disposal water at the maximum surface pressure of 220 psi stipulated by the Commission Order No. R-5780.

In order to avoid unnecessary risk to Mesaverde production, Amoco proposes to drill the Cahn Gas Com No. 3 for the purpose of testing the disposal possibilities of the Ojo Alamo formation. The testing would be performed before any workover is performed on the offset Mesaverde wells located within the specified one mile radius of the disposal well. The testing would not exceed a 120 day period in which time the Bradenhead pressures on the three Amoco Mesaverde wells, the Ealum Gas Com No. 1, Schneider Gas Com No. 1, and Uptegrove Gas Com No. 1, would be monitored and recorded once every seven days. In addition, a step rate test, pressure fall off test, and temperature survey will be run. These tests will enable Amoco to determine if any pressuring of the Ojo Alamo formation is taking place which might adversely effect the Mesaverde wells, and help

