

**Bill Richardson**  
Governor

Joanna Prukop  
Cabinet Secretary

Mark Fesmire  
Division Director  
Oil Conservation Division



December 10, 2009

Patterson Operating and Pumping Inc.  
P.O. Box 50076  
Midland, TX 79710

Certified Mail No.: 7002 3150 0005 2327 4652

**FORMAL NOTICE OF LOSS OF INJECTION AUTHORITY**  
**OPERATOR REQUIRED TO CEASE AND DESIST INJECTION**

Re: Patterson Operating and Pumping Inc., OGRID 188566  
Glenn-Ryan Cooperative Waterflood Project

Dear Operator:

The purpose of this letter is to give Patterson Operating and Pumping Inc. (Patterson) formal notice that its authority to inject into the Glenn-Ryan Cooperative Waterflood has terminated. **Patterson no longer has authority to inject into the wells in that waterflood.**

19.15.26.12(C)(1) NMAC provides:

“Whenever there is a continuous one year period of non-injection into all wells in an injection or storage project or into a salt water disposal well or special purpose injection well, the division shall consider the project or well abandoned, and the authority for injection shall automatically terminate ipso facto.”

19.15.26.12(C)(2) NMAC provides:

For good cause shown, the director may grant an administrative extension or extensions of injection authority as an exception to Paragraph (1) of Subsection C of 19.15.26.12 NMAC, provided that any such extension may be granted only prior to the end of one year or [sic] continuous non-injection, or during the term of a previously granted extension.

According to Oil Conservation Division (OCD) records, Order R-5675 in Case 6161 allowed two lease waterfloods: the Leonard Brothers Waterflood and the Leonard



Federal Waterflood. A copy of that order is attached. By letter dated November 20, 1991, the OCD consolidated the project into the Glenn-Ryan Waterflood Project. A copy of that letter is attached. The Glenn-Ryan Waterflood Project includes the following acreage:

Township 26 South, Range 37 East, NMPM:  
Section 13: E/2, NW/4, N/2 SW/4, SW/4 SW/4  
Section 14: N/2  
Township 26 South, Range 37 East, NMPM:  
Section 14: S/2.

The OCD researched that acreage and found the following injection wells, all operated by Patterson:

Glenn Ryan #006, 30-025-11985  
Glenn Ryan #008, 30-025-25981  
Glenn Ryan #013, 30-025-25982  
Glenn Ryan #015, 30-025-25857  
Glenn Ryan #019, 30-025-25581  
Glenn Ryan #021, 30-025-25856  
Glenn Ryan #023, 30-025-25561  
Glenn Ryan #030, 30-025-25339


None of these wells is currently reporting injection. None of these wells has reported injection for a period in excess of one year. A copy of Patterson's well list, showing the last reported injection for each well, is attached.

Because all injection in the waterflood ceased for a period in excess of one year, the authority for injection into wells in the Glenn-Ryan Waterflood Project automatically terminated pursuant to 19.15.26.12(C)(1) NMAC. **If Patterson wishes to operate a waterflood in this area or inject into any of the identified wells it will need to apply for a new permit under 19.15.26.8 NMAC. Please note that to be eligible for a permit Patterson must be in compliance with 19.15.5.9 NMAC.**

By copy of this letter, I am notifying the Hobbs District Office that your injection authority for these wells has been terminated.

If you disagree with the OCD's conclusion that the authority to inject in the Glenn-Ryan Waterflood Project has terminated, please provide documentary proof that there has not been a period of one year of non-injection, or that you are operating under an administrative extension of injection authority.

Sincerely,

  
Daniel Sanchez

Underground Injection Control Director for the State of New Mexico

Ec: Larry "Buddy" Hill, Supervisor, Hobbs District Office  
Sylvia Dickey, Hobbs District Office

*Entered May 27, 1968  
A.P.*

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

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

CASE No. 3770  
Order No. R-3421

APPLICATION OF TEXAS PACIFIC OIL  
COMPANY FOR A WATERFLOOD PROJECT,  
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 8 a.m. on May 22, 1968,  
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 29th day of May, 1968, the Commission, a  
quorum being present, having considered the testimony, the record,  
and the recommendations of the Examiner, 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, Texas Pacific Oil Company, seeks  
permission to institute a waterflood project in the South Leonard  
(Queen) Unit Area, South Leonard-Queen Pool, by the injection of  
water into the Queen formation through five injection wells in  
Sections 13, 23, and 24, Township 26 South, Range 37 East, NMPM,  
Lea County, New Mexico.

(3) That the wells in the project area are in an advanced  
state of depletion and should properly be classified as "stripper"  
wells.

(4) That the proposed waterflood project should result in  
the recovery of otherwise unrecoverable oil, thereby preventing  
waste.

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CASE No. 3770  
Order No. R-3421

(5) That the subject application should be approved and the project should be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

IT IS THEREFORE ORDERED:

(1) That the applicant, Texas Pacific Oil Company, is hereby authorized to institute a waterflood project in the South Leonard (Queen) Unit Area, South Leonard-Queen Pool, by the injection of water into the Queen formation through the following-described wells in Township 26 South, Range 37 East, NMPM, Lea County, New Mexico:

<u>COMPANY</u>	<u>LEASE</u>	<u>WELL NO.</u>	<u>UNIT</u>	<u>SECTION</u>
Tenneco	Parker Federal	4	N	13
Tenneco	Parker Federal	1	A	23
Shell	Scarborough	6	I	23
Texas Pacific Oil Company	Dublin-Federal	4	N	24
Unit	Dublin-Federal (to be drilled)	10	H	24

(2) That the subject waterflood project is hereby designated the TP South Leonard Queen Waterflood Project and shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

(3) That monthly progress reports of the waterflood project herein authorized shall be submitted to the Commission in accordance with Rules 704 and 1120 of the Commission Rules and Regulations.

(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

DAVID A. CARGO, Chairman

  
GUYTON B. HAYS, Member

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

S E A L

esr/



BRUCE KING  
GOVERNOR

STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

RECEIVED  
APR 20 1993

G. C. D.  
POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87504  
(505) 827-5800

CASE FILE  
6/16/1

November 20, 1991

United Gas Search, Inc.  
P.O. Box 151  
Tulsa, Oklahoma 74101-0151

Re: Leonard Brothers Waterflood Project  
Leonard Federal Waterflood Project

Dear Sir:

Reference is made to your recent request to consolidate the Leonard Brothers and Leonard Federal Waterflood Projects, both projects previously approved by Division Order No. R-5675 dated March 21, 1978. It is our understanding that the subject waterflood projects currently comprise the following described acreage in Lea County, New Mexico:

Leonard Brothers Waterflood Project  
Township 26 South, Range 37 East, NMPM

Section 13: E/2, NW/4, N/2 SW/4, SW/4 SW/4  
Section 14: N/2

Leonard Federal Waterflood Project  
Township 26 South, Range 37 East, NMPM

Section 14: S/2

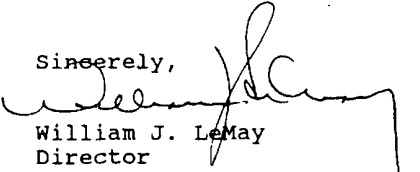
It is further our understanding that the subject acreage is one common Federal Lease (NM-7951), that all interest is common, that the Bureau of Land Management has approved your proposed consolidation, and that both projects involve only the South Leonard Queen Pool. It is further our understanding that you wish to redesignate the wells as "Glenn-Ryan" wells and amend the well numbers.

Authorization is hereby given to consolidate the Leonard Brothers and Leonard Federal Waterflood Projects as described above. The newly consolidated waterflood project is hereby designated the Glenn-Ryan Waterflood Project and shall comprise the following described acreage:

Glenn-Ryan Waterflood Project  
Township 26 South, Range 37 East, NMPM

Section 13: E/2, NW/4, N/2 SW/4, SW/4 SW/4  
Section 14: All

Sincerely,



William J. Lemay  
Director

xc: OCD-Hobbs  
BLM-Carlsbad  
File-Case No. 6161  
R. Brown  
OCD-Data Processing

## Well List

**188566 PATTERSON OPERATING & PUMPING INC DBA/PENERGY  
TOTAL WELL COUNT:29**

PRINTED ON:THURSDAY, DECEMBER 10, 2009

Property	Well Name	Lease Type	ULSTR	OCD UL	API	Well Type	Pool	Last Prod/Inj	Oil POD	Gas POD	In Add. Bond
26405	GLENN RYAN #002	F	J-11-26S-37E	J	30-025-11970	O	38760 LEONARD;QUEEN, SOUTH	9/2009	2584310	2584330	
	GLENN RYAN #003	F	N-11-26S-37E	N	30-025-11971	O	38760 LEONARD;QUEEN, SOUTH	9/2009	2584310	2584330	
	GLENN RYAN #004	F	O-11-26S-37E	O	30-025-25578	O	38760 LEONARD;QUEEN, SOUTH	8/1996	2584310	2584330	
	GLENN RYAN #005	F	C-14-26S-37E	C	30-025-25960	O	38760 LEONARD;QUEEN, SOUTH	9/2009	2584310	2584330	
	GLENN RYAN #006	F	B-14-26S-37E	B	30-025-11985	I	38760 LEONARD;QUEEN, SOUTH	11/2006			
	GLENN RYAN #007	F	A-14-26S-37E	A	30-025-25983	O	38760 LEONARD;QUEEN, SOUTH	9/2009	2584310	2584330	
	GLENN RYAN #008	F	D-13-26S-37E	D	30-025-25981	I	38760 LEONARD;QUEEN, SOUTH	10/2000			
	GLENN RYAN #009	F	C-13-26S-37E	C	30-025-25858	O	38760 LEONARD;QUEEN, SOUTH	9/2009	2584310	2584330	
	GLENN RYAN #010	F	E-14-26S-37E	E	30-025-25861	O	38760 LEONARD;QUEEN, SOUTH	9/2009	2584310	2584330	
	GLENN RYAN #011	F	F-14-26S-37E	F	30-025-25860	G	83810 RHODES;YATES-SEVEN RIVERS (GAS)	8/2006	2584110	2584130	
	GLENN RYAN #012	F	G-14-26S-37E	G	30-025-25859	O	38760 LEONARD;QUEEN, SOUTH	9/2009	2584310	2584330	
	GLENN RYAN #013	F	H-14-26S-37E	H	30-025-25982	I	38760 LEONARD;QUEEN, SOUTH	10/2000			
	GLENN RYAN #014	F	E-13-26S-37E	E	30-025-25980	O	38760 LEONARD;QUEEN, SOUTH	9/2009	2584310	2584330	
	GLENN RYAN #015	F	F-13-26S-37E	F	30-025-25857	I	38760 LEONARD;QUEEN, SOUTH	10/2000			
	GLENN RYAN #016	F	G-13-26S-37E	G	30-025-11981	O	38760 LEONARD;QUEEN, SOUTH	9/2009	2584310	2584330	
	GLENN RYAN #017	F	L-14-26S-37E	L	30-025-25855	G	83810 RHODES;YATES-SEVEN RIVERS (GAS)	7/2009		2584230	
	GLENN RYAN #018	F	K-14-26S-37E	K	30-025-25837	O	38760 LEONARD;QUEEN, SOUTH	3/2008	2584310	2584330	
	GLENN RYAN #019	F	J-14-26S-37E	J	30-025-25581	I	38760 LEONARD;QUEEN, SOUTH	10/2000			
	GLENN RYAN #020	F	I-14-26S-37E	I	30-025-11983	O	38760 LEONARD;QUEEN, SOUTH	9/2009	2584310	2584330	

GLENN RYAN #021	F	L-13-26S-37E	L	30-025-25856	I	38760	LEONARD;QUEEN, SOUTH	10/2000		
GLENN RYAN #022	F	K-13-26S-37E	K	30-025-25576	O	38760	LEONARD;QUEEN, SOUTH	9/2009	2584310	2584330
GLENN RYAN #023	F	J-13-26S-37E	J	30-025-25561	I	38760	LEONARD;QUEEN, SOUTH	10/2000		
GLENN RYAN #024	F	I-13-26S-37E	I	30-025-25449	O	38760	LEONARD;QUEEN, SOUTH	9/2009	2584310	2584330
GLENN RYAN #025	F	N-14-26S-37E	N	30-025-25833	O	38760	LEONARD;QUEEN, SOUTH	9/2009		
GLENN RYAN #026	F	O-14-26S-37E	O	30-025-25162	O	38760	LEONARD;QUEEN, SOUTH	9/2009	2584310	2584330
GLENN RYAN #027	F	P-14-26S-37E	P	30-025-25579	O	38760	LEONARD;QUEEN, SOUTH	10/2000	2584310	2584330
GLENN RYAN #028	F	M-13-26S-37E	M	30-025-25574	O	38760	LEONARD;QUEEN, SOUTH	9/2009	2584310	2584330
GLENN RYAN #029	F	O-13-26S-37E	O	30-025-25572	O	38760	LEONARD;QUEEN, SOUTH	9/2009	2584310	2584330
GLENN RYAN #030	F	P-13-26S-37E	P	30-025-25339	I	38760	LEONARD;QUEEN, SOUTH	10/2000		