

ABOVE THIS LINE FOR DIVISION USE ONLY

## NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



### 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
- 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.

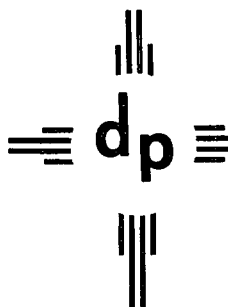
Print or Type Name

Signature

Title

Date

e-mail Address



# dugan production corp.

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AUG 25 2004

OIL CONSERVATION  
DIVISION

August 23, 2004

Mr. David Catanach, Examiner  
New Mexico Oil Conservation Division  
1220 South St. Frances Drive (Pinon Bldg)  
P.O. Box 6429  
Santa Fe, NM 87505

Re: Amendment of Administrative Order WFX-789

Dear Mr. Catanach:

We request an amendment of the subject order to remove the requirement that the existing 7" production casing be perforated and cemented to the surface. All other aspects of the application remain unchanged.

This application approved conversion of the West Bisti Unit No. 157, 36-27N-13W, API 30-045-05598 to water injection service. The original application included the running of a 4-1/2" casing liner inside the existing 7" production casing. This liner is to be set near the top of the existing Gallup perforations and cemented to the surface. The liner is to be drilled out and the 7" casing below the liner cleaned out so that the existing Gallup perforations can be used as the injection interval. The injection packer will be set within the 4-1/2" liner. The Aztec District office asked that you place a requirement in the application to cement the original production casing back to the surface. After discussion with Mr. Charlie Perrin of the Aztec District, he asked that we run a cement bond log across the Gallup interval to evaluate the potential of retention of injected water within the intended zone. We ran the bond log on 8/20/2004. After review with Charlie Perrin and Steve Hayden of the Aztec District, they concluded that water injected into the Gallup would reasonably conform to the intended interval without the need to re-cement the existing production casing. Mr. Perrin is to confirm his concurrence with our request to you under separate cover. We are proceeding with the conversion with the hope that you will approve this proposed amendment.

Sincerely,

John Alexander  
Vice President

CC:  
Mr. Charlie Perrin  
NMOCD  
1000 Rio Brazos  
Aztec, NM 87410

## Catanach, David

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**From:** Perrin, Charlie  
**Sent:** Friday, August 20, 2004 3:19 PM  
**To:** Catanach, David  
**Cc:** 'John Alexander'  
**Subject:** request to amend WPX 789

Mr. Catanach

Greetings:

Re: Dugan Production Corp. WPX 789 amendment request.

West Bisit Unit 157, API 30-045-00598, Section 36 Township 26N Range 13W

On August 20, 2004 Dugan Production ran a CBL on 8-20-04, Steve Hayden and I reviewed the CBL and agree it indicates good cement bond and isolation below 3950'.

I support their forthcoming request to amend WPX 789 by removing the requirement "The 7.0-inch casing shall be perforated at a depth of approximately 400', and cement shall be circulated to the surface on this casing string".

They will be running and cementing the 4-1/2-inch casing on Monday 8-23-04.

After they have drilled out the cement they will notify us of running tubing and packer and we will witness the MIT.

Thank you  
Charlie