October 2013

NMOCD Engineering
ATTN: Phillip R. Goetze
1220 South St. Francis Drive
Santa Fe, NM 87505

RE: J. Cooper Enterprises
T. Anderson #3 (API 30-025-06031)
SWD Approval 1434

Mr. Goetze:

Find within my research and explanation to the recent SWD approval. It has been the OCD's position to at least consider alternatives to approvals.

I hope you will consider my information and not require the three wells to be re-entered.

Your consideration to this request is appreciated.

Thanks,

Eddie W. Seay

Eddie W. Seay, Agent
Eddie Seay Consulting
601 W. Illinois
Hobbs, NM 88242
575-392-2236
seay04@leaco.net

cc: J. Cooper Enterprises

EDDIE SEAY CONSULTING
Hobbs, NM

October 2013

J. Cooper Enterprises
601 W. Illinois
Hobbs, NM 88242

ATTN: Mr. Phillip R. Goetze

Subject: Alternative approval relative to the J. Cooper Enterprise operated Anderson #3 well located in Unit J, Sect. 8, Tws. 20 S., Rng. 37 E. in Lea County, New Mexico, SWD 1434.

OCD:

I have studied the pertinent engineering parameters relative to the utilization of the J. Cooper Ent. Operated Anderson #3 for purposes of salt water disposal into the Lower San Andres formation. In my study, I have determined the water volumes required to sweep (displace) the porosity intervals anticipated to be perforated in the Lower San Andres reservoir for a ¼ mile radius from the Anderson #3 wellbore. The assumptions and calculations utilized in making this determination are as follows:

1. Anticipated gross interval of Lower San Andres perforations from 4300 to 4871 feet in depth.
2. Reservoir height (net feet of porosity > 10%) = 435 feet based on well logs provided.
3. Reservoir porosity (weight average) = 17.52% (neutron-density porosities).
4. All net porosity is 100% water saturated and is movable.
5. Although the distance to the nearest wells of interest is just under ½ mile to the North, East and South, a ¼ mile radius was used for the reservoir area.

The above parameters yield a formation storage capacity of 74.3 million barrels for the area identified. Assuming an injection rate of 4000 barrels of water per day, the time required to sweep the formation would be in excess of 50 years. This compares favorably to the offset Rice Operating E M E SWD #5 M, #8 G, #9 M, and Anderson #1 wells located to the North and East. These offset wells are reportedly currently injecting on a vacuum into the Lower San Andres with cumulative injection volumes to date are #5 - 26 million, #8 - 22 million, #9 - 32 million and Anderson #1 - 11 million barrels of water, being a total of approximately 91 million barrels of water injected since the wells were permitted.

WELLS OF INTEREST PER SWD-1434

Bertie Whitmire #5	(API 30-025-06015)	P & A 1997
Barber Gas Com #4	(API 30-025-06029)	P & A 2011
T. Anderson #10	(API 30-025-33236)	P & A 2010

SWD'S WITHIN THE AREA

Rice SWD #5	R-1277	Approved 1958
Rice SWD #M-9	R-1483	Approved 1959
Rice SWD #G-8	R-6855	Approved 1981
J. Cooper SWD T. Anderson #1	R-12375	Approved 2005

Proposed SWD J. Cooper T. Anderson #3 **Approved SWD-1434 with exceptions**

*See Attached Map

Furthermore, I have studied the structural position of the Anderson #3 well relative to the three wells of interest and logs from offset wells in the area. Based on well log correlations and analysis, I have determined the Anderson #3 well is located structurally down dip of the Bertie Whitmire #5, and Barber Gas Com. #4, located North and East, and is relatively flat to the T. Anderson #10.

Based on 1) the distance from and structural position of the Anderson #3 relative to the offset wells, 2) the apparent infectivity performance of the Lower San Andres based on the recent injection cumulative volumes/rates/pressures of these offset SWD wells, 3) and the large volumes and time required to sweep an area with a radius of half the distance to the nearest wells in question, it is my opinion the injection of water into the Anderson #3 will not have any impact on the three wells.

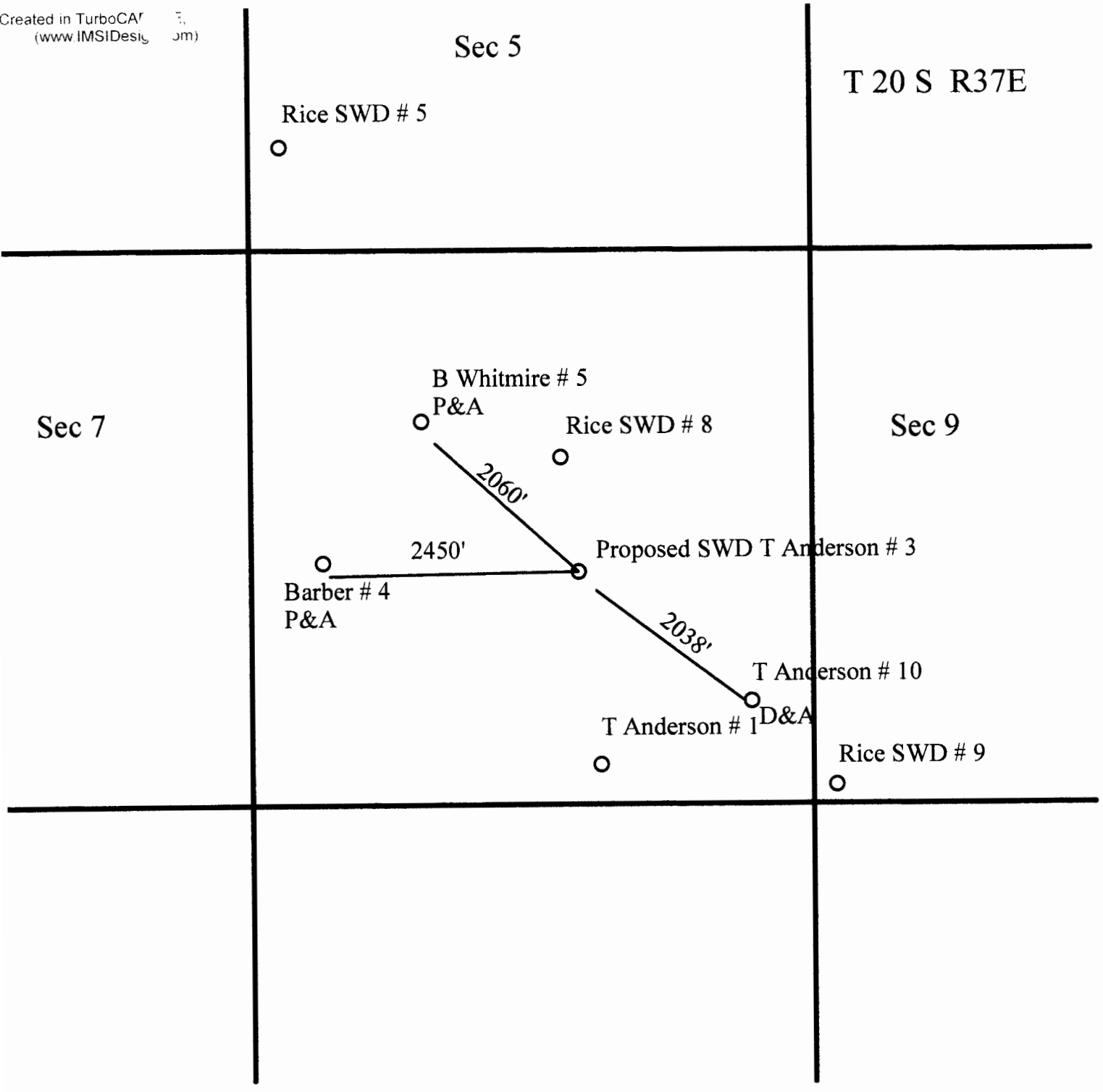
Additionally:

1) If J. Cooper Enterprise elects not to convert the T. Anderson #3 as the OCD approved under SWD 1434, the three wells will still be exposed to the other San Andres SWD wells in close proximity.
2) There are no guarantees that by re-entering the three wells that the San Andres can be effectively squeezed, it has been tried in other wells in the area.
3) It is my opinion that the three wells in question should have been properly plugged when abandoned. The offset SWD's were already in operation.

I hope you will consider my alternative to the recent approval.

Thanks,

Eddie Seay Consulting



State of New Mexico
Energy, Minerals and Natural Resources Department

Administrative Order SWD-1434
September 17, 2013

ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION

Pursuant to the provisions of 19.15.26.8B. NMAC, J. Cooper Enterprises, Incorporated (the "operator"), seeks an administrative order to utilize its T. Anderson Well No. 3 with a location of 2173 feet from the South line and 2173 feet from the East line, Unit letter J of Section 8, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico, for produced water disposal purposes.

THE DIVISION DIRECTOR FINDS THAT:

The application has been duly filed under the provisions of 19.15.26.8B. NMAC and satisfactory information has been provided that affected parties as defined in said rule have been notified and no objections have been received within the prescribed waiting period. The applicant has presented satisfactory evidence that all requirements prescribed in 19.15.26.8 NMAC have been met and the operator is in compliance with 19.15.5.9 NMAC.

IT IS THEREFORE ORDERED THAT:

The applicant, J. Cooper Enterprises, Incorporated (OGRID 244835), is hereby authorized to utilize its T. Anderson Well No. 3 (API 30-025-06031) with a location of 2173 feet from the South line and 2173 feet from the East line, Unit letter J of Section 8, Township 20 South, Range 37 East, NMPM, Lea County, for commercial disposal of oil field produced water (UIC Class II only) into the lower San Andres formation through perforations from approximately 4300 feet to 4871 feet. Injection will occur through internally coated tubing and a packer set within 100 feet of the permitted interval.

The operator shall conduct remedial actions for the following plugged and abandoned wells prior to commencing injection operations:

(a) **Bertie Whitmire Well No. 5 (API No. 30-025-06015), Unit F, Sec. 8, T20S, R37E**
(b) **Barber Gas Com. Well No. 4 (API No. 30-025-06029), Unit L, Sec. 8, T20S, R37E**
(c) **Theodore Anderson Well No. 10 (API No. 30-025-33236), Unit P, Sec. 8, T20S, R37E**

Two wells, Barber Gas Com. Well No. 4 and Theodore Anderson Well No. 10, contain annulus between the borehole and production casing that permits migration of injected fluids outside of the approved injection interval. The third well, Bertie Whitmire Well No. 5, has open

perforations within the injection interval in production casing with a prior event of casing failure. The operator shall provide the Division's district I office for approval a re-entry plugging plan for each well that include the following requirements:

(a) For the Bertie Whitmire Well No. 5, the open perforations from 4350 feet to 4800 feet shall be sealed by cement squeezed into the perforations or equivalent method such as a cast-iron bridge plug (CIBP) with cement cap placed above the shallowest perforation.
(b) For the Barber Gas Com. Well No. 4, perforation and squeezing of the annulus for the 7-inch casing from approximately 4350 feet (the top of lower San Andres formation) to 300 feet above.
(c) For the Theodore Anderson Well No. 10, perforation and squeezing of the annulus for the 5.5-inch casing from the top of cement of the CIBP at 4245 feet to 300 feet above.

The operator shall provide cement bond logs (or equivalent) for the remedial actions of the Theodore Anderson Well No. 10 and Barber Gas Com. Well No. 4. The operator shall notify the district I office of the dates and times of the re-plugging of these wells so that the work can be witnessed and approved.

IT IS FURTHER ORDERED THAT:

The operator shall take all steps necessary to ensure that the disposed water enters only the approved disposal interval and is not permitted to escape to other formations or onto the surface. This includes the well rehabilitation proposed and described in the application.

After installing tubing, the casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge or an approved leak detection device in order to determine leakage in the casing, tubing, or packer. The casing shall be pressure tested from the surface to the packer setting depth to assure casing integrity.

The well shall pass an initial mechanical integrity test ("MIT") prior to initially commencing disposal and prior to resuming disposal each time the disposal packer is unseated. All MIT testing procedures and schedules shall follow the requirements in Division Rule 19.15.26.11A. NMAC. The Division Director retains the right to require at any time wireline verification of completion and packer setting depths in this well.

The wellhead injection pressure on the well shall be limited to **no more than 860 psig.** In addition, the disposal well or system shall be equipped with a pressure limiting device in workable condition which shall, at all times, limit surface tubing pressure to the maximum allowable pressure for this well.

The Director of the Division may authorize an increase in tubing pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the disposed fluid from the target formation. Such proper showing shall be demonstrated by sufficient evidence including but not limited to an acceptable Step-Rate Test.

The operator shall notify the supervisor of the Division's district I office of the date and

time of the installation of disposal equipment and of any MIT test so that the same may be inspected and witnessed. The operator shall provide written notice of the date of commencement of disposal to the Division's district office. The operator shall submit monthly reports of the disposal operations on Division Form C-115, in accordance with Division Rules 19.15.26.13 and 19.15.7.24 NMAC.

Without limitation on the duties of the operator as provided in Division Rules 19.15.29 and 19.15.30 NMAC, or otherwise, the operator shall immediately notify the Division's district I office of any failure of the tubing, casing or packer in the well, or of any leakage or release of water, oil or gas from around any produced or plugged and abandoned well in the area, and shall take such measures as may be timely and necessary to correct such failure or leakage.

The injection authority granted under this order is not transferable except upon division approval. The division may require the operator to demonstrate mechanical integrity of any injection well that will be transferred prior to approving transfer of authority to inject.

The division may revoke this injection permit after notice and hearing if the operator is in violation of 19.15.5.9 NMAC.

The disposal authority granted herein shall terminate two (2) years after the effective date of this order if the operator has not commenced injection operations into the subject well. One year after the last date of reported disposal into this well, the Division shall consider the well abandoned, and the authority to dispose will terminate *ipso facto*. The Division, upon written request mailed by the operator prior to the termination date, may grant an extension thereof for good cause.

Compliance with this order does not relieve the operator of the obligation to comply with other applicable federal, state or local laws or rules, or to exercise due care for the protection of fresh water, public health and safety and the environment.

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 or protectable waters or (2) consistent with the requirements in this order, whereupon the Division may, after notice and hearing, terminate the disposal authority granted herein.

JAMI BAILEY
Director

JB/prg

cc: Oil Conservation Division – Hobbs District Office

Injection Summary report

API: 30-025-06017

E M E SWD # 008

Printed On: Tuesday, October 15 2013

	Injection	
	W Bbls	cum W bbls
Jan-94	26320	26320
Feb-94	17114	43434
Mar-94	11309	54743
Apr-94	14684	69427
May-94	23308	92735
Jun-94	25778	118513
Jul-94	22636	141149
Aug-94	24279	165428
Sep-94	24036	189464
Oct-94	21014	210478
Nov-94	20012	230490
Dec-94	23703	254193
Jan-95	29358	283551
Feb-95	32757	316308
Mar-95	34172	350480
Apr-95	25901	376381
May-95	30674	407055
Jun-95	26882	433937
Jul-95	27252	461189
Aug-95	30859	492048
Sep-95	29479	521527
Oct-95	26957	548484
Nov-95	24700	573184
Dec-95	25158	598342
Jan-96	20210	618552
Feb-96	22332	640884
Mar-96	19115	659999
Apr-96	18750	678749

	Injection	
	W Bbls	cum W bbls
May-96	17224	695973
Jun-96	20330	716303
Jul-96	20411	736714
Aug-96	20904	757618
Sep-96	17175	774793
Oct-96	17937	792730
Nov-96	19392	812122
Dec-96	22292	834414
Jan-97	20788	855202
Feb-97	20577	875779
Mar-97	21557	897336
Apr-97	23051	920387
May-97	22689	943076
Jun-97	21766	964842
Jul-97	13278	978120
Aug-97	17422	995542
Sep-97	17700	1013242
Oct-97	21014	1034256
Nov-97	28461	1062717
Dec-97	23702	1086419
Jan-98	31651	1118070
Feb-98	21572	1139642
Mar-98	20737	1160379
Apr-98	10715	1171094
May-98	13288	1184382
Jun-98	10957	1195339
Jul-98	8616	1203955
Aug-98	9469	1213424

	Injection	
	W Bbls	cum W bbls
Sep-98	7163	1220587
Oct-98	5843	1226430
Nov-98	10089	1236519
Dec-98	7166	1243685
Jan-99	4131	1247816
Feb-99	8176	1255992
Mar-99	5374	1261366
Apr-99	6039	1267405
May-99	3659	1271064
Jun-99	7789	1278853
Jul-99	8372	1287225
Aug-99	4950	1292175
Sep-99	6117	1298292
Oct-99	5159	1303451
Nov-99	3295	1306746
Dec-99	7522	1314268
Jan-00	4917	1319185
Feb-00	8243	1327428
Mar-00	4804	1332232
Apr-00	6970	1339202
May-00	10298	1349500
Jun-00	9883	1359383
Jul-00	11236	1370619
Aug-00	5365	1375984
Sep-00	0	1375984
Oct-00	7325	1383309
Nov-00	41245	1424554
Dec-00	24695	1449249

	Injection	
	W Bbls	cum W bbls
Jan-01	6347	1455596
Feb-01	11262	1466858
Mar-01	50396	1517254
Apr-01	39293	1556547
May-01	46652	1603199
Jun-01	30421	1633620
Jul-01	20628	1654248
Aug-01	16655	1670903
Sep-01	22638	1693541
Oct-01	22411	1715952
Nov-01	15157	1731109
Dec-01	14725	1745834
Jan-02	19330	1765164
Feb-02	24466	1789630
Mar-02	22263	1811893
Apr-02	16465	1828358
May-02	32484	1860842
Jun-02	2571	1863413
Jul-02	50685	1914098
Aug-02	81765	1995863
Sep-02	65958	2061821
Oct-02	83040	2144861
Nov-02	85798	2230659
Dec-02	73049	2303708
Jan-03	80811	2384519
Feb-03	66239	2450758
Mar-03	82859	2533617
Apr-03	75770	2609387

Injection Summary report
API: 30-025-12801
E M E SWD # 009
Printed On: Tuesday, October 15 2013

	Injection	
	W Bbls	cum W bbls
May-03	76840	2686227
Jun-03	79024	2765251
Jul-03	71529	2836780
Aug-03	68847	2905627
Sep-03	85838	2991465
Oct-03	63748	3055213
Nov-03	77978	3133191
Dec-03	76228	3209419
Jan-04	86630	3296049
Feb-04	73467	3369516
Mar-04	91477	3460993
Apr-04	86437	3547430
May-04	76351	3623781
Jun-04	63652	3687433
Jul-04	53591	3741024
Aug-04	60514	3801538
Sep-04	64909	3866447
Oct-04	76697	3943144
Nov-04	107227	4050371
Dec-04	163196	4213567
Jan-05	120030	4333597
Feb-05	127626	4461223
Mar-05	148708	4609931
Apr-05	127419	4737350
May-05	233057	4970407
Jun-05	229692	5200099
Jul-05	204899	5404998
Aug-05	283718	5688716

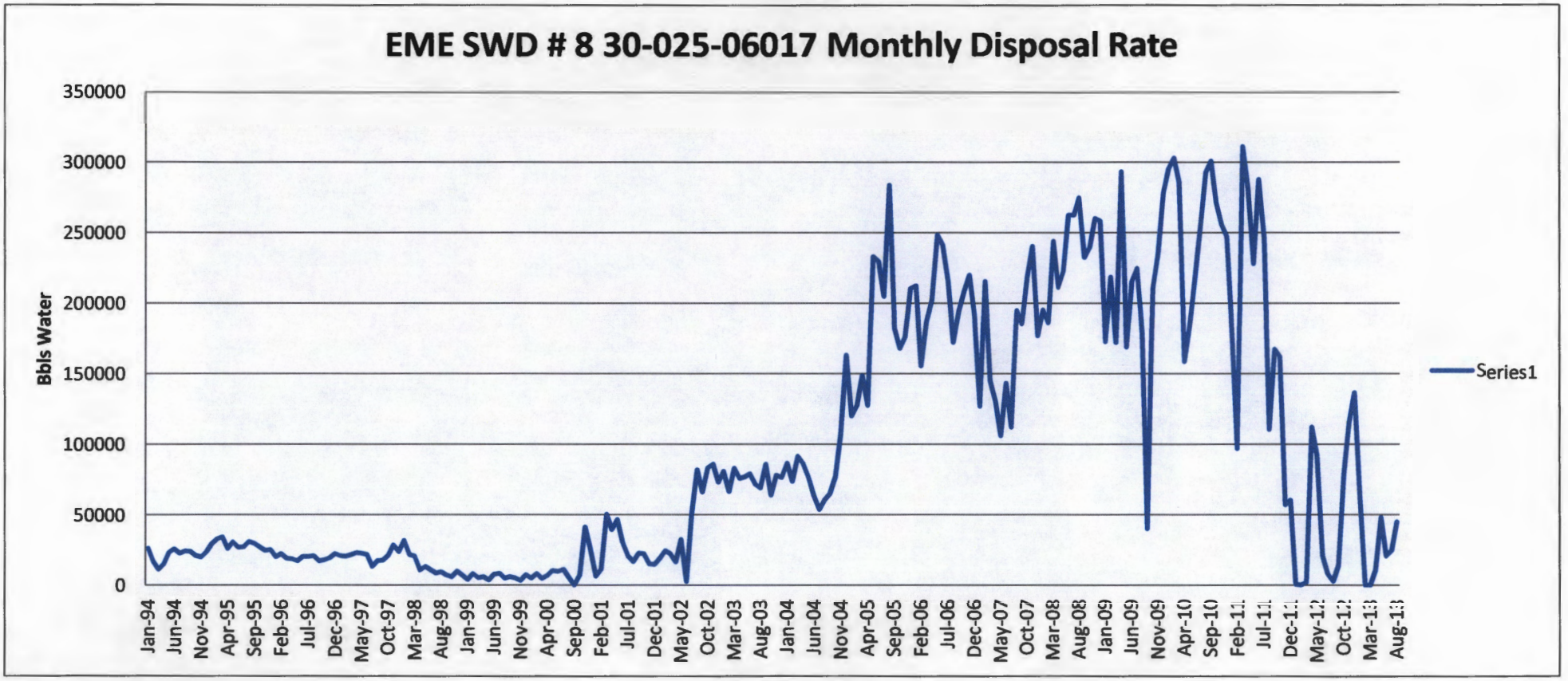
	Injection	
	W Bbls	cum W bbls
Sep-05	182183	5870899
Oct-05	167968	6038867
Nov-05	176085	6214952
Dec-05	210483	6425435
Jan-06	212409	6637844
Feb-06	155473	6793317
Mar-06	187502	6980819
Apr-06	202239	7183058
May-06	248520	7431578
Jun-06	241407	7672985
Jul-06	215528	7888513
Aug-06	172081	8060594
Sep-06	194483	8255077
Oct-06	208261	8463338
Nov-06	219972	8683310
Dec-06	190336	8873646
Jan-07	126868	9000514
Feb-07	215561	9216075
Mar-07	145232	9361307
Apr-07	130068	9491375
May-07	105855	9597230
Jun-07	143390	9740620
Jul-07	112045	9852665
Aug-07	194928	10047593
Sep-07	185390	10232983
Oct-07	218566	10451549
Nov-07	240441	10691990
Dec-07	176859	10868849

	Injection	
	W Bbls	cum W bbls
Jan-08	195282	11064131
Feb-08	186046	11250177
Mar-08	244152	11494329
Apr-08	211163	11705492
May-08	222247	11927739
Jun-08	262639	12190378
Jul-08	262639	12453017
Aug-08	274946	12727963
Sep-08	232501	12960464
Oct-08	239546	13200010
Nov-08	260196	13460206
Dec-08	258345	13718551
Jan-09	172722	13891273
Feb-09	218681	14109954
Mar-09	172189	14282143
Apr-09	293402	14575545
May-09	168901	14744446
Jun-09	215329	14959775
Jul-09	224811	15184586
Aug-09	178235	15362821
Sep-09	40051	15402872
Oct-09	210234	15613106
Nov-09	234866	15847972
Dec-09	278271	16126243
Jan-10	295350	16421593
Feb-10	303089	16724682
Mar-10	285718	17010400
Apr-10	158467	17168867

	Injection	
	W Bbls	cum W bbls
May-10	183757	17352624
Jun-10	219221	17571845
Jul-10	254370	17826215
Aug-10	293006	18119221
Sep-10	300994	18420215
Oct-10	270986	18691201
Nov-10	255674	18946875
Dec-10	247379	19194254
Jan-11	177285	19371539
Feb-11	96770	19468309
Mar-11	311297	19779606
Apr-11	281032	20060638
May-11	228014	20288652
Jun-11	287849	20576501
Jul-11	245893	20822394
Aug-11	110452	20932846
Sep-11	167463	21100309
Oct-11	162072	21262381
Nov-11	56948	21319329
Dec-11	60261	21379590
Jan-12	696	21380286
Feb-12	281	21380567
Mar-12	2079	21382646
Apr-12	112141	21494787
May-12	91590	21586377
Jun-12	20944	21607321
Jul-12	7958	21615279
Aug-12	2746	21618025

Injection Summary report
API: 30-025-12801
E M E SWD # 009
Printed On: Tuesday, October 15 2013

Injection		
	W Bbls	cum W bbls
Sep-12	14083	21632108
Oct-12	78501	21710609
Nov-12	115297	21825906
Dec-12	136647	21962553
Jan-13	65284	22027837
Feb-13	0	22027837
Mar-13	0	22027837
Apr-13	10904	22038741
May-13	48150	22086891
Jun-13	20760	22107651
Jul-13	24760	22132411
Aug-13	44885	22177296


EME SWD # 8 30-025-06017 Monthly Disposal Rate
Bbls Water
350000
300000
250000
200000
150000
100000
50000
0
Jan-94
Jun-94
Nov-94
Apr-95
Sep-95
Feb-96
Jul-96
Dec-96
May-97
Oct-97
Mar-98
Aug-98
Jan-99
Jun-99
Nov-99
Apr-00
Sep-00
Feb-01
Jul-01
Dec-01
May-02
Oct-02
Mar-03
Aug-03
Jan-04
Jun-04
Nov-04
Apr-05
Sep-05
Feb-06
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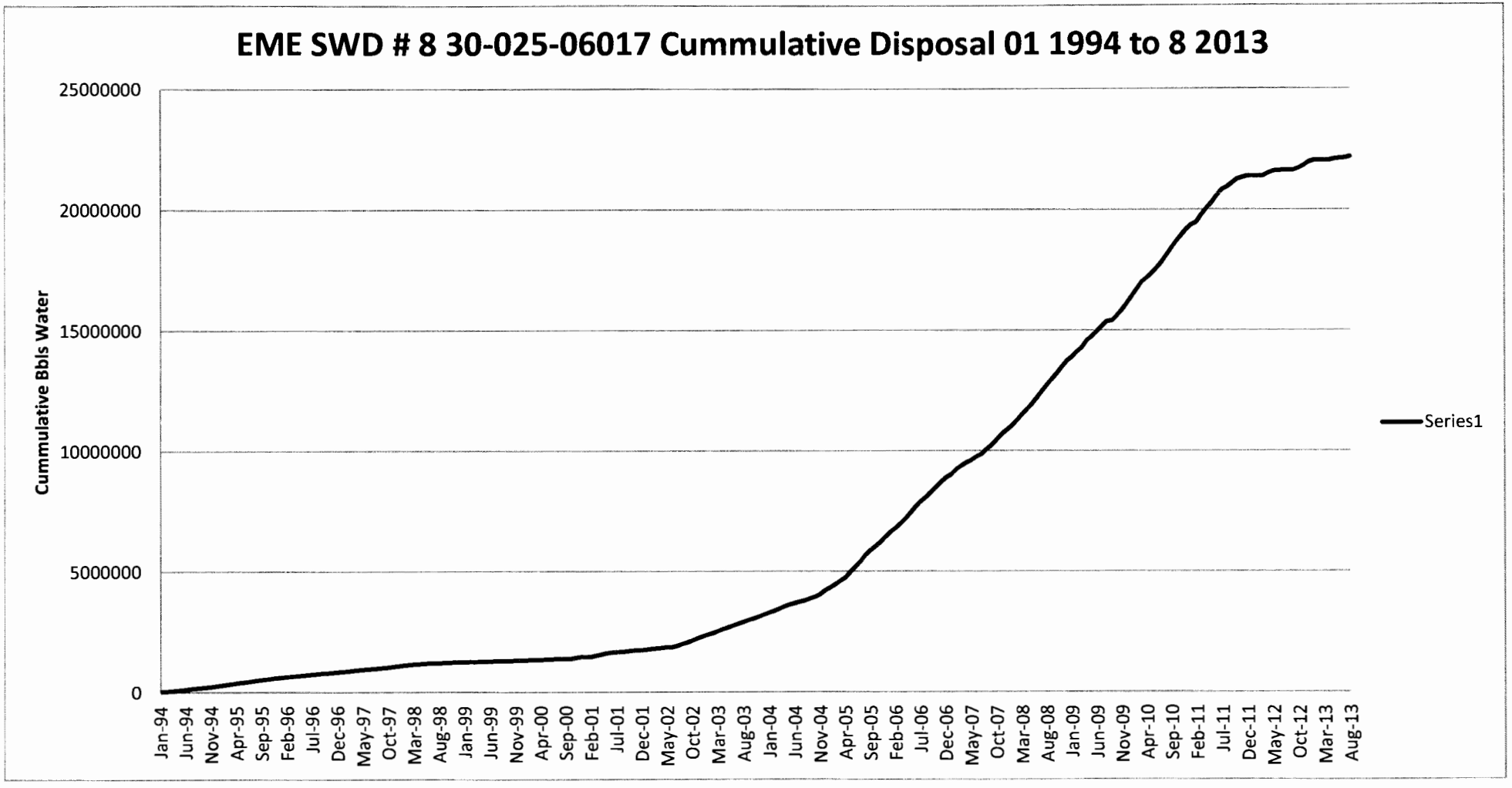
Jan-09
Jun-09
Nov-09
Apr-10
Sep-10
Series1


EME SWD # 8 30-025-06017 Cummulative Disposal 01 1994 to 8 2013
Cummulative Bbls Water
25000000
20000000
15000000
10000000
5000000
0
Jan-94
Jun-94
Nov-94
Apr-95
Sep-95
Feb-96
Jul-96
Dec-96
May-97
Oct-97
Mar-98
Aug-98
Jan-99
Jun-99
Nov-99
Apr-00
Sep-00
Feb-01
Jul-01
Dec-01
May-02
Oct-02
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Jan-09
Jun-09
Nov-09
Apr-10
Sep-10
Feb-11
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May-12
Oct-12
Mar-13
Aug-13
Series1

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING:

CASE NO. 7424
Order No. R-6855

APPLICATION OF RICE ENGINEERING AND OPERATING, INC., FOR SALT WATER DISPOSAL, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on November 19, 1981, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 18th day of December, 1981, the Division Director, 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 Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Rice Engineering and Operating, Inc., is the owner and operator of the Eunice-Monument Eumont SWD "G" Well No. 8, located in Unit G of Section 8, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) That the applicant proposes to utilize said well to dispose of produced salt water into the Lower San Andres formation, with injection into the perforated interval from approximately 4300 feet to 4852 feet.

(4) That the injection should be accomplished through 5 1/2-inch plastic lined tubing under an oil blanket; that the casing-tubing annulus should be filled with an inert fluid; and that a pressure gauge or approved leak detection device should be attached to the annulus in order to determine leakage in the casing or tubing.

(5) That if injection is at pressure greater than hydrostatic pressure, the injection well or system should be equipped with a pop-off valve or acceptable substitute which will limit the wellhead pressure on the injection well to no more than 860 psi.

(6) That the operator should notify the supervisor of the Hobbs district office of the Division of the date and time of the installation of disposal equipment so that the same may be inspected.

(7) That the operator should report to the superviosr of the Hobbs district office of the Division at the start of disposal operations the gravity and level of the inert fluid in the annulus.

(8) That the operator should 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.

(9) That approval of the subject application will prevent the drilling of unnecessary wells and otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Rice Engineering and Operating, Inc., is hereby authorized to utilize its Eunice-Monument Eumont SWD "G" Well No. 8, located in Unit G of Section 8, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico, to dispose of produced salt water into the Lower San Andres formation, injection to be accomplished through 5 1/2-inch tubing with injection under an oil blanket into the perforated interval from approximately 4300 feet to 4852 feet;

PROVIDED HOWEVER, that the tubing shall be plastic-lined; that the casing-tubing annulus shall be filled with an inert fluid; and that a pressure gauge shall be attached to the annulus or the annulus shall be equipped with an approved leak detection device in order to determine leakage in the casing, tubing, or packer.

(2) That, if injection is at greater than hydrostatic pressure, the injection well or system shall be equipped with a pop-off valve or acceptable substitute which will limit the wellhead pressure on the injection well to no more than 860 psi.

(3) That the operator shall notify the supervisor of the Hobbs district office of the Division of the date and time of

the installation of disposal equipment so that the same may be inspected.

(4) That the operator shall report to the supervisor of the Hobbs district office of the Division at the start of disposal operations the gravity and level of the inert fluid in the annulus.

(5) That the operator shall immediately notify the supervisor of the Division's Hobbs district office of the failure of the tubing or casing in said well or the leakage of water or the inert fluid from or around said well and shall take such steps as may be timely and necessary to correct such failure or leakage.

(7) That the applicant shall submit monthly reports of its disposal operations in accordance with Rules 704 and 1120 of the Division Rules and Regulations.

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

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

JOE D. RAMEY,
Director

S E A L

Injection Summary report
API: 30-025-05902
E M E SWD # 005
Printed On: Tuesday, October 15 2013

	Injection	
	W Bbls	cum W bbls
Jan-94	148078	148078
Feb-94	80222	228300
Mar-94	91000	319300
Apr-94	134203	453503
May-94	106062	559565
Jun-94	131323	690888
Jul-94	143571	834459
Aug-94	145008	979467
Sep-94	146856	1126323
Oct-94	160865	1287188
Nov-94	158100	1445288
Dec-94	160466	1605754
Jan-95	129677	1735431
Feb-95	115362	1850793
Mar-95	134027	1984820
Apr-95	154888	2139708
May-95	180528	2320236
Jun-95	121250	2441486
Jul-95	132413	2573899
Aug-95	96899	2670798
Sep-95	65635	2736433
Oct-95	69231	2805664
Nov-95	112835	2918499
Dec-95	122231	3040730
Jan-96	53054	3093784
Feb-96	100017	3193801
Mar-96	122354	3316155
Apr-96	118778	3434933

	Injection	
	W Bbls	cum W bbls
May-96	142095	3577028
Jun-96	152407	3729435
Jul-96	126295	3855730
Aug-96	104613	3960343
Sep-96	86968	4047311
Oct-96	83385	4130696
Nov-96	39376	4170072
Dec-96	71037	4241109
Jan-97	65697	4306806
Feb-97	66209	4373015
Mar-97	84639	4457654
Apr-97	102131	4559785
May-97	81053	4640838
Jun-97	64918	4705756
Jul-97	67159	4772915
Aug-97	68083	4840998
Sep-97	99771	4940769
Oct-97	104136	5044905
Nov-97	77277	5122182
Dec-97	67776	5189958
Jan-98	77453	5267411
Feb-98	70775	5338186
Mar-98	74123	5412309
Apr-98	101602	5513911
May-98	61025	5574936
Jun-98	51126	5626062
Jul-98	56873	5682935
Aug-98	58206	5741141

	Injection	
	W Bbls	cum W bbls
Sep-98	52707	5793848
Oct-98	64412	5858260
Nov-98	59670	5917930
Dec-98	57613	5975543
Jan-99	57888	6033431
Feb-99	54935	6088366
Mar-99	52132	6140498
Apr-99	51047	6191545
May-99	50971	6242516
Jun-99	48223	6290739
Jul-99	50878	6341617
Aug-99	50608	6392225
Sep-99	37469	6429694
Oct-99	43327	6473021
Nov-99	41645	6514666
Dec-99	43936	6558602
Jan-00	51035	6609637
Feb-00	51185	6660822
Mar-00	46014	6706836
Apr-00	48325	6755161
May-00	87952	6843113
Jun-00	83557	6926670
Jul-00	95686	7022356
Aug-00	95962	7118318
Sep-00	99489	7217807
Oct-00	116266	7334073
Nov-00	45232	7379305
Dec-00	42841	7422146

	Injection	
	W Bbls	cum W bbls
Jan-01	40161	7462307
Feb-01	37010	7499317
Mar-01	37626	7536943
Apr-01	89277	7626220
May-01	47980	7674200
Jun-01	46831	7721031
Jul-01	49792	7770823
Aug-01	47390	7818213
Sep-01	41970	7860183
Oct-01	54448	7914631
Nov-01	48844	7963475
Dec-01	49666	8013141
Jan-02	53675	8066816
Feb-02	44638	8111454
Mar-02	52307	8163761
Apr-02	49630	8213391
May-02	51123	8264514
Jun-02	92525	8357039
Jul-02	171337	8528376
Aug-02	161206	8689582
Sep-02	174201	8863783
Oct-02	101870	8965653
Nov-02	46930	9012583
Dec-02	67333	9079916
Jan-03	53036	9132952
Feb-03	62085	9195037
Mar-03	61139	9256176
Apr-03	33792	9289968

Injection Summary report
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Injection		
	W Bbls	cum W bbls
May-03	76502	9366470
Jun-03	97135	9463605
Jul-03	100048	9563653
Aug-03	65781	9629434
Sep-03	84621	9714055
Oct-03	86347	9800402
Nov-03	107743	9908145
Dec-03	125337	10033482
Jan-04	114293	10147775
Feb-04	121243	10269018
Mar-04	171257	10440275
Apr-04	151516	10591791
May-04	136673	10728464
Jun-04	125502	10853966
Jul-04	156386	11010352
Aug-04	160623	11170975
Sep-04	171466	11342441
Oct-04	190068	11532509
Nov-04	145492	11678001
Dec-04	161650	11839651
Jan-05	149417	11989068
Feb-05	173890	12162958
Mar-05	175127	12338085
Apr-05	167688	12505773
May-05	112221	12617994
Jun-05	103416	12721410
Jul-05	143743	12865153
Aug-05	110226	12975379

Injection		
	W Bbls	cum W bbls
Sep-05	111272	13086651
Oct-05	114895	13201546
Nov-05	169687	13371233
Dec-05	188711	13559944
Jan-06	191755	13751699
Feb-06	159300	13910999
Mar-06	187042	14098041
Apr-06	195205	14293246
May-06	194247	14487493
Jun-06	151134	14638627
Jul-06	201412	14840039
Aug-06	180119	15020158
Sep-06	173067	15193225
Oct-06	153863	15347088
Nov-06	131199	15478287
Dec-06	85541	15563828
Jan-07	87297	15651125
Feb-07	119839	15770964
Mar-07	183861	15954825
Apr-07	149998	16104823
May-07	123093	16227916
Jun-07	112308	16340224
Jul-07	123351	16463575
Aug-07	69669	16533244
Sep-07	71277	16604521
Oct-07	140590	16745111
Nov-07	139591	16884702
Dec-07	154197	17038899

Injection		
	W Bbls	cum W bbls
Jan-08	146736	17185635
Feb-08	79827	17265462
Mar-08	120692	17386154
Apr-08	160412	17546566
May-08	126873	17673439
Jun-08	88757	17762196
Jul-08	88757	17850953
Aug-08	93878	17944831
Sep-08	95435	18040266
Oct-08	104522	18144788
Nov-08	155392	18300180
Dec-08	179776	18479956
Jan-09	186115	18666071
Feb-09	116410	18782481
Mar-09	216140	18998621
Apr-09	184877	19183498
May-09	141626	19325124
Jun-09	139292	19464416
Jul-09	152261	19616677
Aug-09	145110	19761787
Sep-09	169818	19931605
Oct-09	119127	20050732
Nov-09	153865	20204597
Dec-09	136661	20341258
Jan-10	160955	20502213
Feb-10	147697	20649910
Mar-10	158307	20808217
Apr-10	152420	20960637

Injection		
	W Bbls	cum W bbls
May-10	78957	21039594
Jun-10	154466	21194060
Jul-10	151814	21345874
Aug-10	128973	21474847
Sep-10	181210	21656057
Oct-10	211494	21867551
Nov-10	184542	22052093
Dec-10	183831	22235924
Jan-11	200184	22436108
Feb-11	110894	22547002
Mar-11	93075	22640077
Apr-11	99812	22739889
May-11	99471	22839360
Jun-11	73492	22912852
Jul-11	132770	23045622
Aug-11	143920	23189542
Sep-11	135109	23324651
Oct-11	120354	23445005
Nov-11	168163	23613168
Dec-11	137563	23750731
Jan-12	79227	23829958
Feb-12	65101	23895059
Mar-12	147448	24042507
Apr-12	161782	24204289
May-12	120647	24324936
Jun-12	142521	24467457
Jul-12	178056	24645513
Aug-12	182735	24828248

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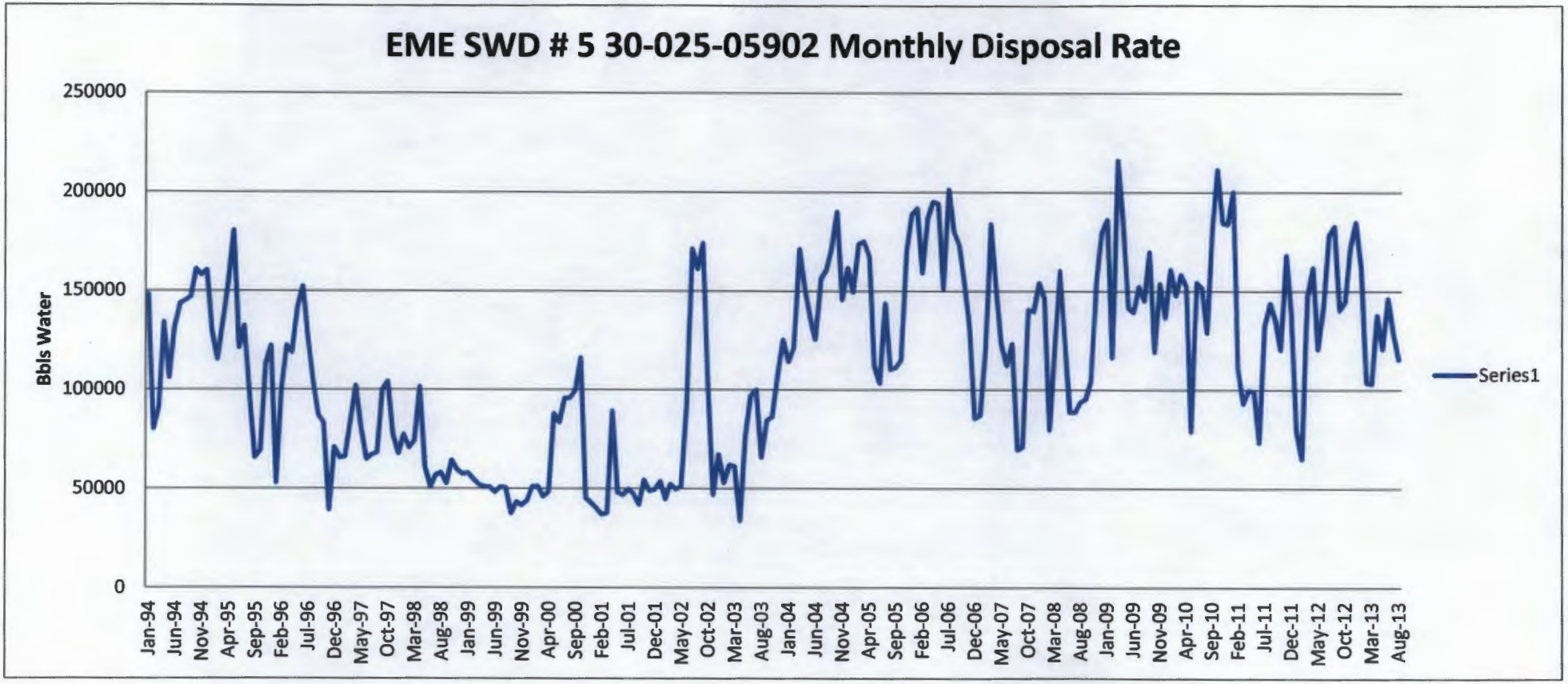
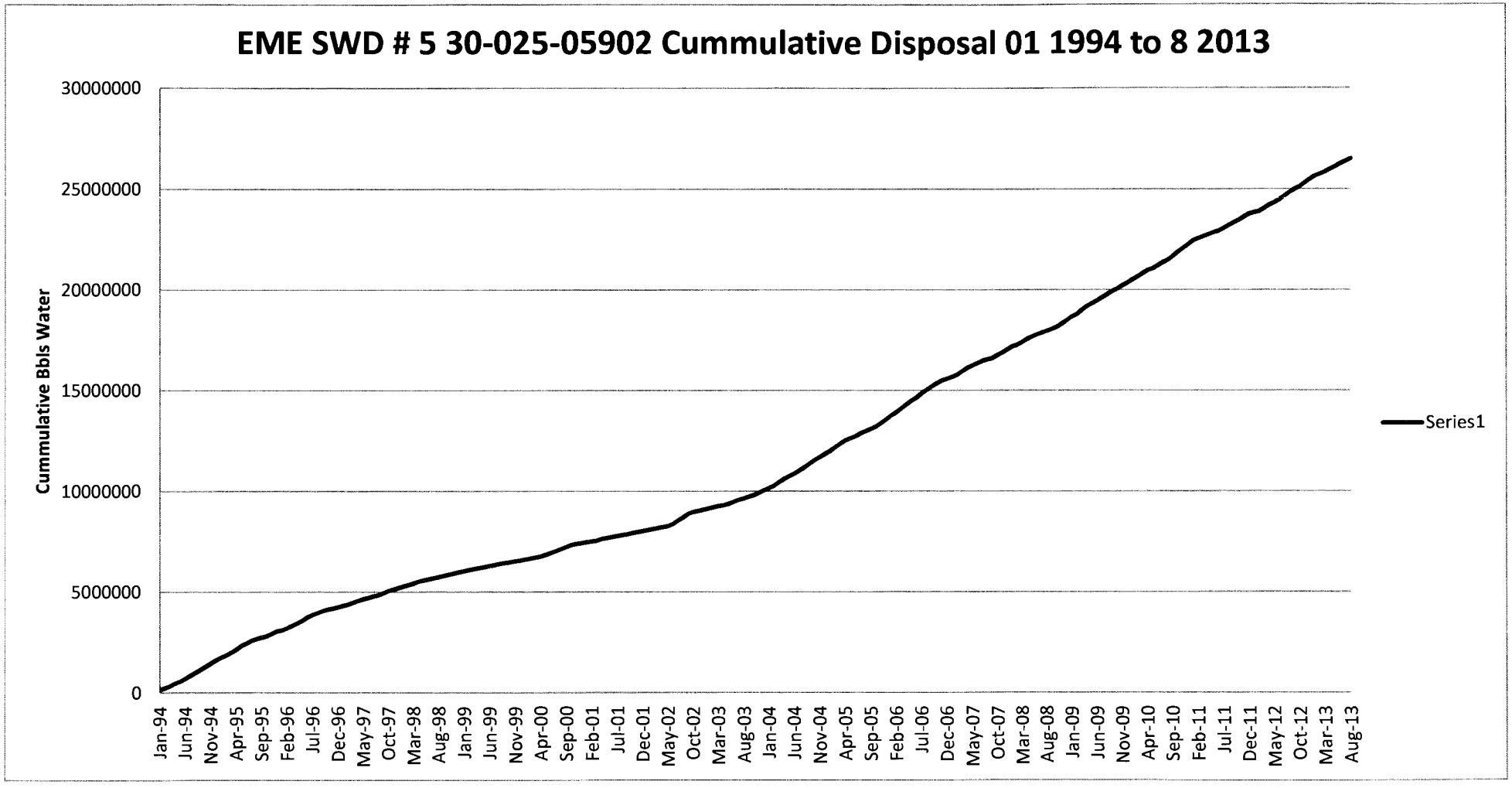
Injection		
	W Bbls	cum W bbls
Sep-12	140342	24968590
Oct-12	144462	25113052
Nov-12	172014	25285066
Dec-12	184810	25469876
Jan-13	162116	25631992
Feb-13	103762	25735754
Mar-13	103149	25838903
Apr-13	137987	25976890
May-13	120766	26097656
Jun-13	146310	26243966
Jul-13	128738	26372704
Aug-13	115380	26488084


EME SWD # 5 30-025-05902 Monthly Disposal Rate
Bbls Water
250000
200000
150000
100000
50000
0
Jan-94
Jun-94
Nov-94
Apr-95
Sep-95
Feb-96
Jul-96
Dec-96
May-97
Oct-97
Mar-98
Aug-98
Jan-99
Jun-99
Nov-99
Apr-00
Sep-00
Feb-01
Jul-01
Dec-01
May-02
Oct-02
Mar-03
Aug-03
Jan-04
Jun-04
Nov-04
Apr-05
Sep-05
Feb-06
Jul-06
Dec-06
May-07
Oct-07
Mar-08
Aug-08
Jan-09
Jun-09
Nov-09
Apr-10
Sep-10
Feb-11
Jul-11
Dec-11
May-12
Oct-12
Mar-13
Aug-13
Series1


EME SWD # 5 30-025-05902 Cummulative Disposal 01 1994 to 8 2013
Cummulative Bbls Water
30000000
25000000
20000000
15000000
10000000
5000000
0
Jan-94
Jun-94
Nov-94
Apr-95
Sep-95
Feb-96
Jul-96
Dec-96
May-97
Oct-97
Mar-98
Aug-98
Jan-99
Jun-99
Nov-99
Apr-00
Sep-00
Feb-01
Jul-01
Dec-01
May-02
Oct-02
Mar-03
Aug-03
Jan-04
Jun-04
Nov-04
Apr-05
Sep-05
Feb-06
Jul-06
Dec-06
May-07
Oct-07
Mar-08
Aug-08
Jan-09
Jun-09
Nov-09
Apr-10
Sep-10
Feb-11
Jul-11
Dec-11
May-12
Oct-12
Mar-13
Aug-13
Series1

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. 1531
Order No. R-1277

APPLICATION OF RICE ENGINEERING &
OPERATING, INC., FOR AN ORDER
AUTHORIZING A SALT WATER DISPOSAL
WELL IN SECTION 5, TOWNSHIP 20 SOUTH,
RANGE 37 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 October 22, 1958, 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 5th day of November, 1958, 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, Rice Engineering & Operating, Inc., seeks an order authorizing the disposal of produced salt water into the San Andres formation through the Adkins Well No. 2, located 990 feet from the South line and 330 feet from the West line of Section 5, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico, with the proposed injection zone from 4490 feet to 4950 feet.

(3) That the casing in said Adkins Well No. 2 should be pressure tested under 2,000 psi surface pressure prior to utilization of said well as a disposal well.

(4) That disposal should be through tubing and the casing-tubing annulus should be filled with "sweet" oil as a protective measure.

(5) That approval of the subject application is in the interest of conservation.

IT IS THEREFORE ORDERED:

(1) That the applicant, Rice Engineering & Operating, Inc., be and the same is hereby authorized to dispose of produced salt water into the San Andres formation through the Adkins Well No. 2, located 990 feet from the South line and 330 feet from the West line of Section 5, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico, with the injection zone from 4490 feet to 4950 feet;

PROVIDED HOWEVER, That disposal shall be through tubing and that the casing-tubing annulus shall be kept full of "sweet" oil to prevent corrosion, and

PROVIDED FURTHER, That the casing in said Adkins Well No. 2 shall be pressure tested under 2,000 psi surface pressure and the results of such test approved by the Commission prior to utilization of said well as a disposal well.

(2) That the applicant shall submit monthly reports of its disposal operations in accordance with Rules 704 and 1119 of the Commission's Rules and Regulations.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

MURRAY E. MORGAN, Member

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

S E A L

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Injection Summary report
API: 30-025-12801
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Injection		
	W Bbls	cum W bbls
Jan-94	131500	131500
Feb-94	107154	238654
Mar-94	33500	272154
Apr-94	134203	406357
May-94	152905	559262
Jun-94	148725	707987
Jul-94	171394	879381
Aug-94	156154	1035535
Sep-94	132435	1167970
Oct-94	159175	1327145
Nov-94	140155	1467300
Dec-94	152824	1620124
Jan-95	156034	1776158
Feb-95	140841	1916999
Mar-95	166278	2083277
Apr-95	155637	2238914
May-95	172204	2411118
Jun-95	141308	2552426
Jul-95	143857	2696283
Aug-95	128733	2825016
Sep-95	124008	2949024
Oct-95	140377	3089401
Nov-95	118850	3208251
Dec-95	122546	3330797
Jan-96	117997	3448794
Feb-96	112358	3561152
Mar-96	144060	3705212
Apr-96	145533	3850745

Injection		
	W Bbls	cum W bbls
May-96	150398	4001143
Jun-96	147489	4148632
Jul-96	143443	4292075
Aug-96	101597	4393672
Sep-96	157075	4550747
Oct-96	176821	4727568
Nov-96	139853	4867421
Dec-96	99826	4967247
Jan-97	91498	5058745
Feb-97	121838	5180583
Mar-97	92721	5273304
Apr-97	103291	5376595
May-97	149027	5525622
Jun-97	149447	5675069
Jul-97	165966	5841035
Aug-97	192066	6033101
Sep-97	132125	6165226
Oct-97	192889	6358115
Nov-97	171257	6529372
Dec-97	148677	6678049
Jan-98	160131	6838180
Feb-98	97227	6935407
Mar-98	87705	7023112
Apr-98	105493	7128605
May-98	113745	7242350
Jun-98	125492	7367842
Jul-98	119173	7487015
Aug-98	123702	7610717

Injection		
	W Bbls	cum W bbls
Sep-98	118725	7729442
Oct-98	151182	7880624
Nov-98	116215	7996839
Dec-98	117443	8114282
Jan-99	116956	8231238
Feb-99	98836	8330074
Mar-99	132328	8462402
Apr-99	92586	8554988
May-99	145169	8700157
Jun-99	109646	8809803
Jul-99	128033	8937836
Aug-99	127116	9064952
Sep-99	118214	9183166
Oct-99	121233	9304399
Nov-99	105882	9410281
Dec-99	97340	9507621
Jan-00	101554	9609175
Feb-00	91708	9700883
Mar-00	116213	9817096
Apr-00	108754	9925850
May-00	105953	10031803
Jun-00	137551	10169354
Jul-00	106204	10275558
Aug-00	102700	10378258
Sep-00	95619	10473877
Oct-00	124459	10598336
Nov-00	120347	10718683
Dec-00	114427	10833110

Injection		
	W Bbls	cum W bbls
Jan-01	187819	11020929
Feb-01	187806	11208735
Mar-01	174839	11383574
Apr-01	185309	11568883
May-01	192467	11761350
Jun-01	171470	11932820
Jul-01	165137	12097957
Aug-01	171074	12269031
Sep-01	187676	12456707
Oct-01	226919	12683626
Nov-01	224116	12907742
Dec-01	220446	13128188
Jan-02	176999	13305187
Feb-02	182106	13487293
Mar-02	200103	13687396
Apr-02	203253	13890649
May-02	201864	14092513
Jun-02	183636	14276149
Jul-02	190454	14466603
Aug-02	190243	14656846
Sep-02	185760	14842606
Oct-02	204167	15046773
Nov-02	193365	15240138
Dec-02	194226	15434364
Jan-03	191082	15625446
Feb-03	172636	15798082
Mar-03	201282	15999364
Apr-03	185165	16184529

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	Injection	
	W Bbls	cum W bbls
May-03	172354	16356883
Jun-03	167537	16524420
Jul-03	175942	16700362
Aug-03	171208	16871570
Sep-03	175849	17047419
Oct-03	162141	17209560
Nov-03	153979	17363539
Dec-03	144149	17507688
Jan-04	142002	17649690
Feb-04	97791	17747481
Mar-04	153853	17901334
Apr-04	147009	18048343
May-04	149317	18197660
Jun-04	143905	18341565
Jul-04	154377	18495942
Aug-04	148508	18644450
Sep-04	155983	18800433
Oct-04	159756	18960189
Nov-04	142496	19102685
Dec-04	140194	19242879
Jan-05	152799	19395678
Feb-05	132012	19527690
Mar-05	134437	19662127
Apr-05	136501	19798628
May-05	143897	19942525
Jun-05	139377	20081902
Jul-05	151654	20233556
Aug-05	144585	20378141

	Injection	
	W Bbls	cum W bbls
Sep-05	144886	20523027
Oct-05	153313	20676340
Nov-05	156127	20832467
Dec-05	137467	20969934
Jan-06	133319	21103253
Feb-06	122056	21225309
Mar-06	137918	21363227
Apr-06	138497	21501724
May-06	145844	21647568
Jun-06	131613	21779181
Jul-06	150232	21929413
Aug-06	146319	22075732
Sep-06	133309	22209041
Oct-06	170291	22379332
Nov-06	152713	22532045
Dec-06	144074	22676119
Jan-07	138722	22814841
Feb-07	131868	22946709
Mar-07	143259	23089968
Apr-07	148565	23238533
May-07	156926	23395459
Jun-07	137758	23533217
Jul-07	149131	23682348
Aug-07	172645	23854993
Sep-07	74310	23929303
Oct-07	112982	24042285
Nov-07	95246	24137531
Dec-07	80171	24217702

	Injection	
	W Bbls	cum W bbls
Jan-08	110013	24327715
Feb-08	85072	24412787
Mar-08	89868	24502655
Apr-08	93201	24595856
May-08	91901	24687757
Jun-08	71540	24759297
Jul-08	71540	24830837
Aug-08	198291	25029128
Sep-08	186827	25215955
Oct-08	191158	25407113
Nov-08	143091	25550204
Dec-08	201482	25751686
Jan-09	203255	25954941
Feb-09	164471	26119412
Mar-09	158885	26278297
Apr-09	152640	26430937
May-09	140355	26571292
Jun-09	164534	26735826
Jul-09	134060	26869886
Aug-09	113363	26983249
Sep-09	175735	27158984
Oct-09	50825	27209809
Nov-09	65428	27275237
Dec-09	68210	27343447
Jan-10	62828	27406275
Feb-10	64864	27471139
Mar-10	45844	27516983
Apr-10	113948	27630931

	Injection	
	W Bbls	cum W bbls
May-10	71763	27702694
Jun-10	34513	27737207
Jul-10	46761	27783968
Aug-10	99438	27883406
Sep-10	121799	28005205
Oct-10	53263	28058468
Nov-10	103425	28161893
Dec-10	74050	28235943
Jan-11	91738	28327681
Feb-11	37813	28365494
Mar-11	67910	28433404
Apr-11	50986	28484390
May-11	74944	28559334
Jun-11	69348	28628682
Jul-11	85459	28714141
Aug-11	123796	28837937
Sep-11	150350	28988287
Oct-11	134060	29122347
Nov-11	143167	29265514
Dec-11	154494	29420008
Jan-12	176477	29596485
Feb-12	164686	29761171
Mar-12	183307	29944478
Apr-12	169235	30113713
May-12	162880	30276593
Jun-12	135187	30411780
Jul-12	153160	30564940
Aug-12	139331	30704271

Injection Summary report
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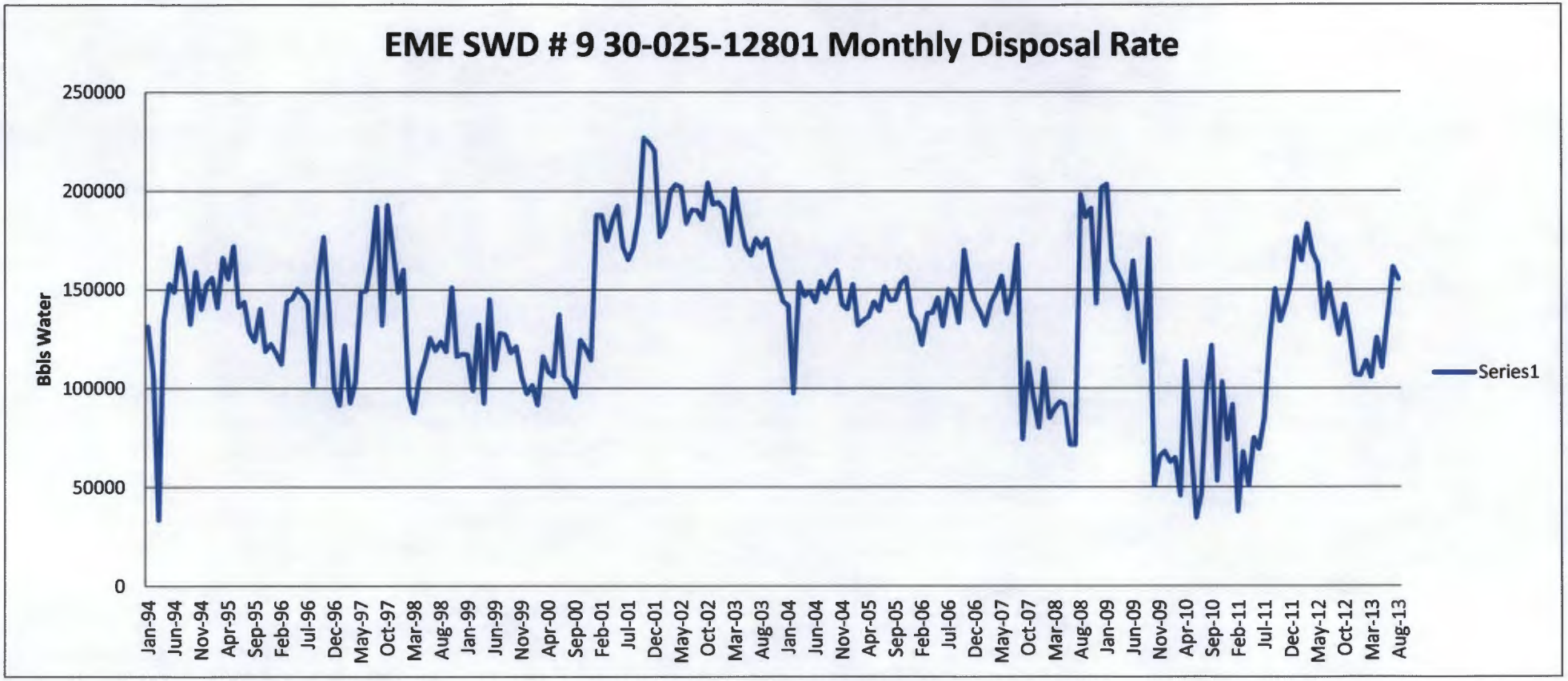
Injection		
	W Bbls	cum W bbls
Sep-12	127184	30831455
Oct-12	142459	30973914
Nov-12	128103	31102017
Dec-12	107123	31209140
Jan-13	106683	31315823
Feb-13	114019	31429842
Mar-13	105648	31535490
Apr-13	125664	31661154
May-13	110539	31771693
Jun-13	137197	31908890
Jul-13	161474	32070364
Aug-13	155261	32225625


EME SWD # 9 30-025-12801 Monthly Disposal Rate
Bbls Water
250000
200000
150000
100000
50000
0
Jan-94
Jun-94
Nov-94
Apr-95
Sep-95
Feb-96
Jul-96
Dec-96
May-97
Oct-97
Mar-98
Aug-98
Jan-99
Jun-99
Nov-99
Apr-00
Sep-00
Feb-01
Jul-01
Dec-01
May-02
Oct-02
Mar-03
Aug-03
Jan-04
Jun-04
Nov-04
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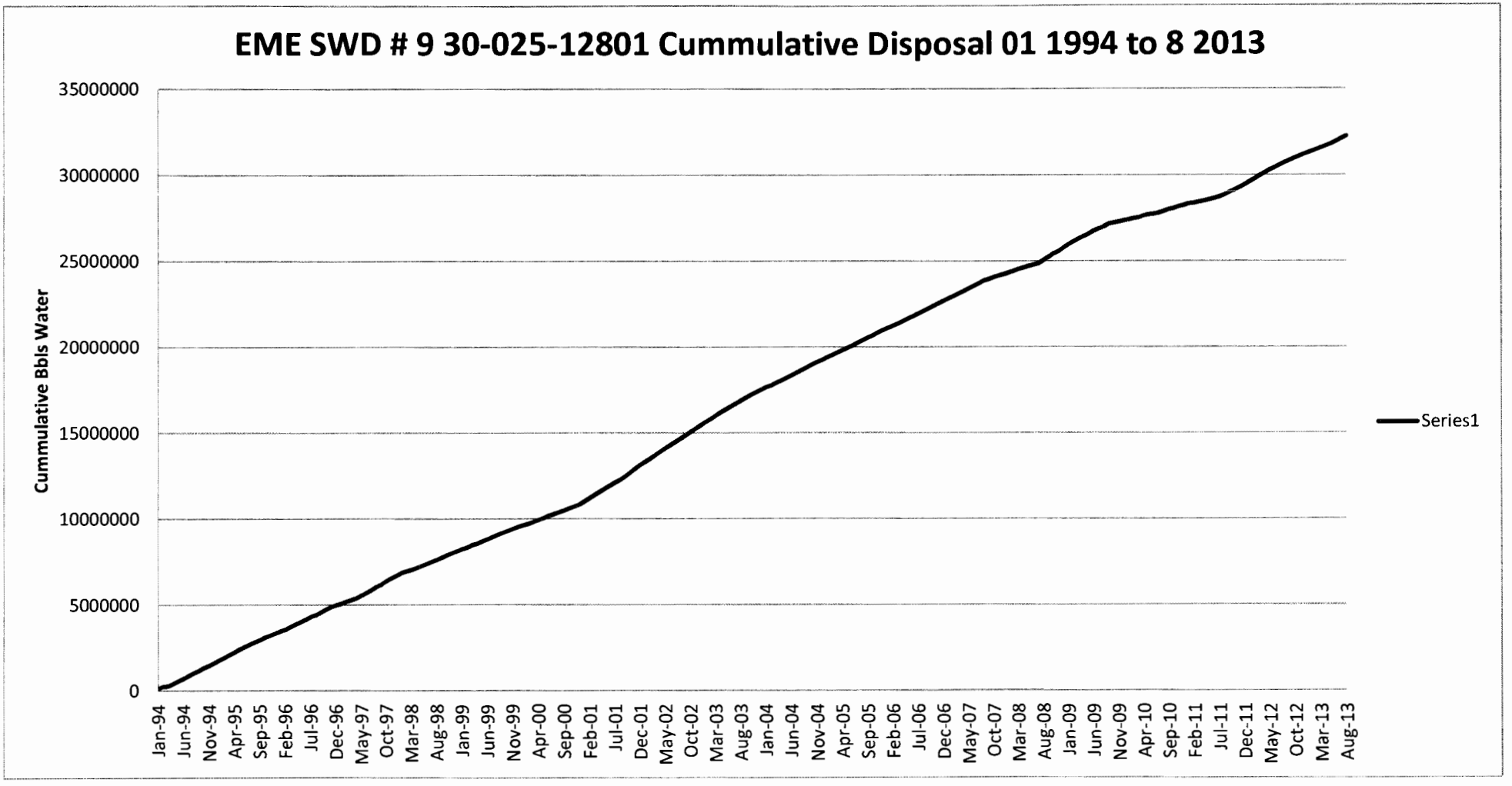
EME SWD # 9 30-025-12801 Cummulative Disposal 01 1994 to 8 2013
Cummulative Bbls Water
35000000
30000000
25000000
20000000
15000000
10000000
5000000
0
Jan-94
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Nov-94
Apr-95
Sep-95
Feb-96
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Jun-99
Nov-99
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Sep-00
Feb-01
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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. 1751
Order No. R-1483

APPLICATION OF RICE ENGINEERING &
OPERATING, INC., FOR AN ORDER
AUTHORIZING A SALT WATER DISPOSAL
WELL IN SECTION 9, TOWNSHIP 20
SOUTH, RANGE 37 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 September 2, 1959, 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 14th day of September, 1959, 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, Rice Engineering & Operating, Inc., seeks an order authorizing the disposal of produced salt water into the San Andres formation through the E-M-E SWD Well No. M-9 to be completed at an unorthodox location 100 feet from the south line and 250 feet from the West line of Section 9, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico, with the proposed injection zone from 4300 feet to 4900 feet.

(3) That the applicant proposes to complete the said disposal well as follows: 9-5/8 inch OD casing set at 800 feet with cement circulated to the surface, 7-inch OD casing set at 4300 feet and cemented to the base of the 9-5/8 inch casing, and 5½ inch plastic coated casing hung at 4300 feet as an injection string, the annulus between the 7 inch and the 5-1/2 inch casing to be filled with "sweet" oil as a protective measure.

(4) That the applicant's proposed salt water disposal program will not jeopardize the production of oil, gas, or fresh water in the area and is consonant with sound conservation practices.

IT IS THEREFORE ORDERED:

(1) That the applicant, Rice Engineering & Operating, Inc., be and the same is hereby authorized to dispose of produced salt water into the San Andres formation through the E-M-E SWD Well No. M-9 to be completed at an unorthodox location 100 feet from the South line and 250 feet from the West line of Section 9, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico, with the injection zone from 4300 feet to 4900 feet.

PROVIDED HOWEVER, That disposal shall be through inner casing and that the casing-casing annulus shall be kept full of "sweet" oil to prevent corrosion.

(2) That the applicant shall submit monthly reports of its disposal operations in accordance with Rules 704 and 1119 of the Commission's 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

lcr/

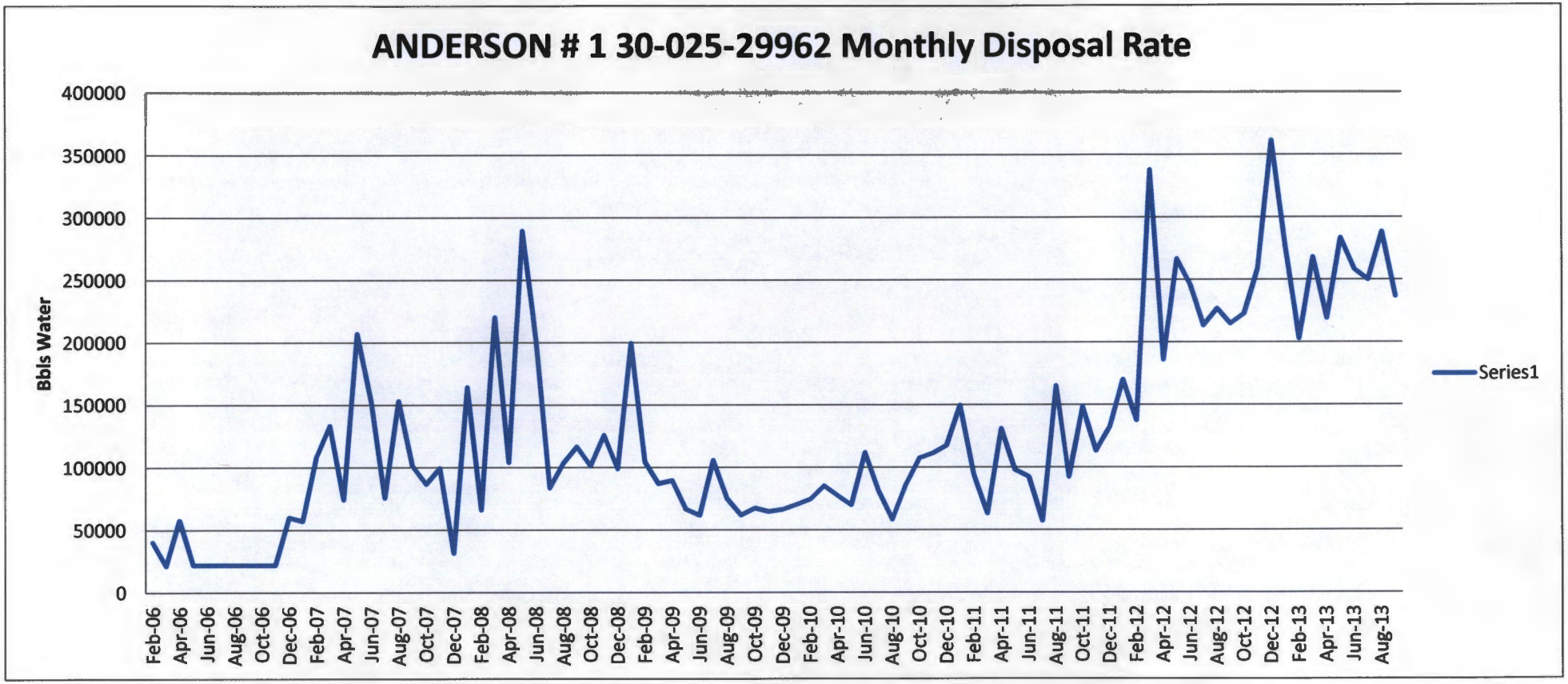
Injection Summary report
API: 30-025-29962
ANDERSON # 001
Printed On: Tuesday, October 15 2013

Injection		
	W Bbls	cum W bbls
Feb-06	40357	40357
Mar-06	21471	61828
Apr-06	57920	119748
May-06	22062	141810
Jun-06	22062	163872
Jul-06	22062	185934
Aug-06	22062	207996
Sep-06	22062	230058
Oct-06	22062	252120
Nov-06	22062	274182
Dec-06	59991	334173
Jan-07	57289	391462
Feb-07	108171	499633
Mar-07	133502	633135
Apr-07	74294	707429
May-07	207049	914478
Jun-07	153282	1067760
Jul-07	75560	1143320
Aug-07	153289	1296609
Sep-07	101543	1398152
Oct-07	86610	1484762
Nov-07	99320	1584082
Dec-07	31314	1615396
Jan-08	164360	1779756
Feb-08	65995	1845751
Mar-08	220254	2066005
Apr-08	104217	2170222
May-08	289588	2459810

Injection		
	W Bbls	cum W bbls
Jun-08	201676	2661486
Jul-08	83560	2745046
Aug-08	103487	2848533
Sep-08	116519	2965052
Oct-08	101189	3066241
Nov-08	125862	3192103
Dec-08	98701	3290804
Jan-09	199473	3490277
Feb-09	104462	3594739
Mar-09	87163	3681902
Apr-09	89577	3771479
May-09	66620	3838099
Jun-09	61671	3899770
Jul-09	105723	4005493
Aug-09	74905	4080398
Sep-09	61829	4142227
Oct-09	67420	4209647
Nov-09	64839	4274486
Dec-09	66438	4340924
Jan-10	70254	4411178
Feb-10	74705	4485883
Mar-10	85237	4571120
Apr-10	77314	4648434
May-10	69974	4718408
Jun-10	111911	4830319
Jul-10	81532	4911851
Aug-10	58514	4970365
Sep-10	85982	5056347

Injection		
	W Bbls	cum W bbls
Oct-10	107381	5163728
Nov-10	111276	5275004
Dec-10	117512	5392516
Jan-11	149622	5542138
Feb-11	94152	5636290
Mar-11	63061	5699351
Apr-11	131005	5830356
May-11	97920	5928276
Jun-11	92477	6020753
Jul-11	57280	6078033
Aug-11	165255	6243288
Sep-11	92309	6335597
Oct-11	148850	6484447
Nov-11	113180	6597627
Dec-11	132017	6729644
Jan-12	169990	6899634
Feb-12	137591	7037225
Mar-12	337892	7375117
Apr-12	185813	7560930
May-12	266543	7827473
Jun-12	245637	8073110
Jul-12	213246	8286356
Aug-12	226761	8513117
Sep-12	214689	8727806
Oct-12	222735	8950541
Nov-12	259000	9209541
Dec-12	361470	9571011
Jan-13	276779	9847790

Injection		
	W Bbls	cum W bbls
Feb-13	202712	10050502
Mar-13	268049	10318551
Apr-13	219103	10537654
May-13	283425	10821079
Jun-13	258168	11079247
Jul-13	249884	11329131
Aug-13	288212	11617343
Sep-13	236724	11854067


ANDERSON # 1 30-025-29962 Monthly Disposal Rate
Bbls Water
400000
350000
300000
250000
200000
150000
100000
50000
0
Feb-06
Apr-06
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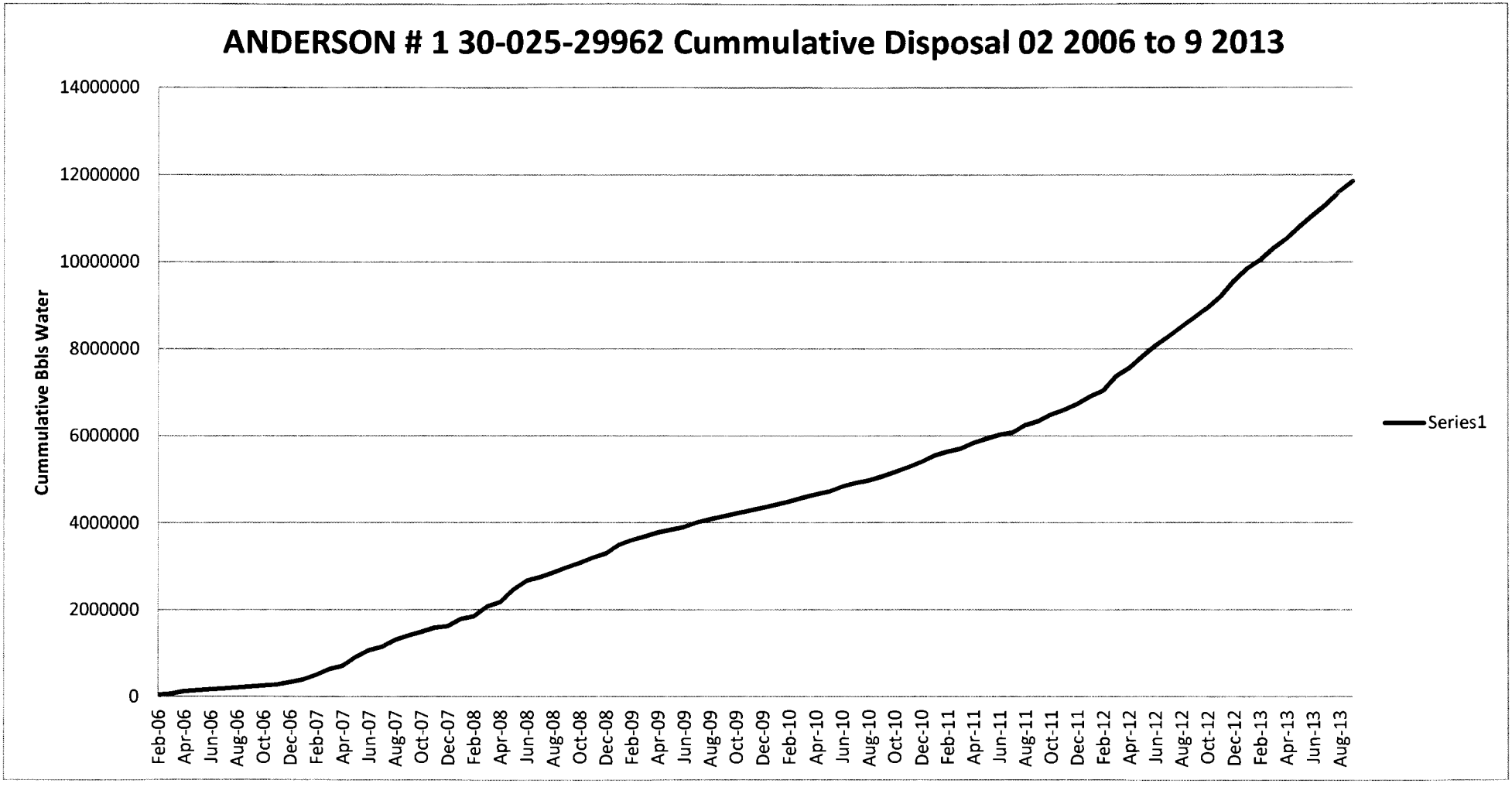
ANDERSON # 1 30-025-29962 Cummulative Disposal 02 2006 to 9 2013
Cummulative Bbls Water
14000000
12000000
10000000
8000000
6000000
4000000
2000000
0
Feb-06
Apr-06
Jun-06
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STATE OF NEW MEXICO
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING:

CASE NO. 13511
ORDER NO. R-12375

APPLICATION OF SMITH & MARRS, INC. FOR APPROVAL OF A SALT WATER DISPOSAL WELL, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on June 16, 2005, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 28th day of June, 2005, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner,

FINDS THAT:

(1) Due public notice has been given, and the Division has jurisdiction of this case and its subject matter.

(2) The applicant, Smith & Marrs, Inc. ("Smith & Marrs" or "applicant"), seeks authority to utilize its Anderson Well No. 1 (**API No. 30-025-29962**), located 330 feet from the South line and 1980 feet from the East line (Unit O) of Section 8, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico, to dispose of produced water into the Lower San Andres and Glorieta formations from a depth of 4,350 feet to 5,180 feet.

(3) Smith & Marrs originally filed the subject application for administrative approval on December 8, 2004. On December 13, 2004, the Division received a letter of objection to the application from Rice Operating Company. On December 15, 2004, the Division also received a letter of objection to the application from Amerada Hess Corporation, an offset operator to the proposed disposal well. The subject application was subsequently set for hearing before a Division examiner.

(4) Rice Operating Company ("Rice") appeared at the hearing through legal counsel in opposition to the application. Rice cross-examined Smith & Marrs' witness, but presented no evidence or testimony.

(5) Amerada Hess Corporation did not appear at the hearing.

(6) Smith & Marrs presented evidence that demonstrates that:

(a) the injection interval in the Anderson Well No. 1 was originally proposed to encompass the Lower San Andres, Glorieta, Blinebry and Tubb formations; however, due to concerns expressed by Amerada Hess Corporation regarding injection into the Blinebry and Tubb intervals, the injection interval in the well is to be contracted to include only the Lower San Andres and Glorieta intervals from a depth of 4,350 feet to 5,180 feet;

(b) the Anderson Well No. 1 is cased and cemented adequately to preclude the movement of fluid from the injection zone into other formations, including any fresh water aquifers;

(c) the Anderson Well No. 1 will be utilized for the commercial disposal of produced water from various oil and gas pools in this area. Approximately 3,000-5,000 barrels of water per day will be disposed of in the subject well; and

(d) all "area of review" wells are cased and cemented and/or plugged and abandoned adequately so as to confine the injected fluid to the proposed injection interval.

(7) Rice currently operates three (3) commercial disposal wells in this area. These wells are identified as the: i) EME SWD Well No. 5 (API No. 30-025-05902) located in Unit M of Section 5, Township 20 South, Range 37 East, NMPM; ii) EME SWD Well No. 8 (API No. 30-025-06017) located in Unit G of Section 8, Township 20 South, Range 37 East, NMPM, and; iii) EME SWD Well No. 9 (API No. 30-025-12801) located in Unit M of Section 9, Township 20 South, Range 37 East, NMPM. Testimony in this case demonstrates that all of Rice's wells are injecting into the same interval that will be utilized in the Anderson Well No. 1.

(8) Rice's concern is that approval of the subject application will adversely affect its ability to inject water into its EME SWD Wells No. 5, 8 and 9 due to the finite reservoir capacity of the San Andres formation.

(9) The Division is not statutorily obligated to protect the rights of operators with regards to conducting produced water disposal operations, unless such injection activities impair an operator's ability to produce hydrocarbons.

(10) Approval of the application will prevent the drilling of unnecessary wells and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, Smith & Marrs, Inc., is hereby authorized to utilize its Anderson Well No. 1 (**API No. 30-025-29962**), located 330 feet from the South line and 1980 feet from the East line (Unit O) of Section 8, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico, to dispose of produced water into the Lower San Andres and Glorieta formations from a depth of 4,350 feet to 5,180 feet.

(2) The operator shall take all steps necessary to ensure that the injected fluids enter only the proposed injection interval and are not permitted to escape to other formations or onto the surface from injection, production, or plugged and abandoned wells.

(3) Injection shall be accomplished through 3-1/2 inch internally plastic-lined tubing installed in a packer set at approximately 4,250 feet. The casing-tubing annulus shall be filled with an inert fluid and a gauge or approved leak-detection device shall be attached to the annulus in order to determine leakage in the casing, tubing, or packer.

(4) The injection well or pressurization system shall be equipped with a pressure control device or acceptable substitute that will limit the surface injection pressure to no more than 870 psi.

(5) The Division Director may administratively authorize a pressure limitation in excess of the above upon a showing by the operator that such higher pressure will not result in the fracturing of the injection formation or confining strata.

(6) Prior to commencing injection operations, the applicant shall effectively isolate all formations deeper than the Glorieta formation in the well. This shall be accomplished by setting a cast iron bridge plug (CIBP) with cement on top at a depth of approximately 5,300 feet; provided however, that the supervisor of the Division's Hobbs District Office may approve an alternate method to isolate these formations in the well.

(7) Prior to commencing injection operations and every five years thereafter, the casing shall be pressure tested throughout the interval from the surface down to the proposed packer setting depth to assure the integrity of such casing.

(8) The operator shall give advance notice to the Supervisor of the Division's Hobbs District Office of the date and time the following operations are to be conducted on the Anderson Well No. 1 in order that these operations may be witnessed; i) disposal equipment installed; ii) all formations deeper than the Glorieta formation isolated; and iii) the conductance of the mechanicial integrity pressure test.

(9) The operator shall immediately notify the Supervisor of the Division's Hobbs District Office of the failure of the tubing, casing or packer in the disposal well or the leakage of water, oil or gas from or around any producing or plugged and abandoned well within the area, and shall take all steps as may be timely and necessary to correct such failure or leakage.

(10) The operator shall submit monthly reports of the disposal operations on Form C-120-A in accordance with Division Rules No. 19.15.9.706 and 19.15.13.1120.

(11) The injection authority granted herein for the Anderson Well No. 1 shall terminate one year after the date of this order if the operator has not commenced injection operations into the well; provided, however, the Division, upon written request by the operator, may grant an extension for good cause.

(12) Pursuant to the requirements set forth on Part VI(4) of Division Form C-108, the applicant shall provide the Division an analysis of all source water that is to be disposed of in the Anderson Well No. 1. This shall be accomplished within six months after commencement of injection operations, and each time thereafter a new source of injected fluid is placed in the well.

(13) Jurisdiction is hereby retained for the entry of such further orders as the Division may deem necessary.

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

SEAL

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

MARK E. FESMIRE, P. E.
Director

FIKES #1

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

ADMINISTRATIVE ORDER SWD-1024

APPLICATION OF UHC NEW MEXICO CORPORATION FOR PRODUCED WATER DISPOSAL, EDDY COUNTY, NEW MEXICO.

RECEIVED
FEB 13 2006
OCD-ARTESIA

ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION

Under the provisions of Rule 701(B), UHC New Mexico Corporation made application to the New Mexico Oil Conservation Division for permission to utilize for produced water disposal its Fikes Well No. 1 (API No. 30-015-00269) located 330 feet from the North line and 2,045 feet from the West line of Section 35, Township 18 South, Range 26 East, NMPM, Eddy County, New Mexico.

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 is hereby authorized to utilize its Fikes Well No. 1 (API No. 30-015-00269) located 330 feet from the North line and 2,045 feet from the West line of Section 35, Township 18 South, Range 26 East, NMPM, Eddy County, New Mexico, in such manner as to permit the injection of produced water for disposal purposes into the Glorieta and Yeso formations through perforations from 2,833 feet to 3,609 feet and through plastic-lined tubing set in a packer located within 100 feet of the top of the injection interval.

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 beginning injection operations, the operator shall report the initial static fluid level in the well to the Division referencing this permit number.

After installing injection tubing, the casing shall be pressure tested from the surface to the packer setting depth to assure the integrity of said casing.

The casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge or an approved leak detection device in order to determine leakage in the casing, tubing, or packer.

The wellhead injection pressure on the well shall be limited to **no more than 567 psi.** In addition, the injection well or system shall be equipped with a pressure limiting device in workable condition which shall, at all times, limit surface injection pressure to the maximum allowable pressure for this well.

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 injection formation. 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 Artesia 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 Artesia 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 and hearing, terminate the injection authority granted herein.

The operator shall provide written notice of the date of commencement of injection to the Artesia district office of the Division.

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 February 7, 2006.

MARK E. FESMIRE, P.E.
Director

MEF/wvjj

cc: Oil Conservation Division – Artesia