

State of New Mexico
Energy, Minerals and Natural Resources Department

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Governor

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Cabinet Secretary

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David R. Catanach, Division Director
Oil Conservation Division



Administrative Order SWD-1613
January 19, 2016

**ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION**

Pursuant to the provisions of Division Rule 19.15.26.8(B) NMAC, J. Cooper Enterprises, Incorporated (the "operator") seeks an administrative order to authorize the Cooper 8 Well No. 2 with a location 1850 feet from the North line and 630 feet from the East line, Unit letter H of Section 8, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico, for the commercial disposal of produced water.

THE DIVISION DIRECTOR FINDS THAT:

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

IT IS THEREFORE ORDERED THAT:

The applicant, J. Cooper Enterprises, Inc. (OGRID 244835), is hereby authorized to utilize its Cooper 8 Well No. 2 (API No. 30-025-36529) with a location 1850 feet from the North line and 630 feet from the East line, Unit letter H of Section 8, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico, for commercial disposal of oil field produced water (UIC Class II only) through a perforated interval within the San Andres formation from 4300 feet to 4900 feet below surface. Injection shall occur through 3½-inch or smaller, internally-coated tubing and a packer set a maximum of 100 feet above the top perforation.

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 construction proposed and described in the application, and, if necessary, as determined by the District Supervisor.

The operator shall complete the listed corrective action for the following well within the Area of Review:

Theodore Anderson Well No. 10 (API 30-025-33236)

Corrective Action: The operator shall emplace sufficient cement in the annulus of 7-inch production casing to properly seal the upper limit of the approved injection interval within the annulus. The operator shall re-enter and drill out the cement plugs above the cement cap of the bridge plug at 4500 feet below surface. The operator shall perforate the casing at approximately 4350 feet and squeezed a sufficient volume of cement into the annulus to provide a minimum of 200 feet of cement above the perforation depth. Upon the completion of the remedial work, the well shall be properly abandoned following Division Rule 19.15.25 NMAC.

If the operator is unable to squeeze the volume of cement calculated for proper sealing of the annulus, then the operator shall run a cement bond log (CBL) for the 7-inch production casing and properly abandoned the well. A copy of the CBL shall be submitted to the Santa Fe Bureau office and the District I office for review and the operator shall receive approval from the Santa Fe Bureau office prior to commencing injection. All remedial work and associated abandonment procedures shall be reviewed and approved by the District Supervisor.

The operator shall also obtain a reproduction of the cement bond log (identified in the Form C-105 dated April 24, 1996) for the T Anderson Well No. 5 (API 30-025-33296) and provide a copy to the Santa Fe Bureau office.

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 procedures and schedules shall follow the requirements in Division Rule 19.15.26.11(A) 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 psi**. 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. At the discretion of the supervisor of the Division's District I office, the operator shall install and maintain a chart recorder showing casing and tubing pressures during disposal operations.

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 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 I 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.

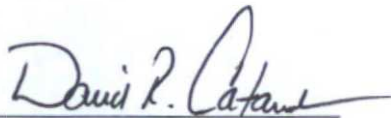
The injection authority granted under this order is not transferable except upon Division approval. The Division may require the operator to demonstrate mechanical integrity of any injection well that will be transferred prior to approving transfer of authority to inject.

The Division may revoke this injection order after notice and hearing if the operator is in violation of Rule 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.



DAVID R. CATANACH
Director

DRC/prg

cc: Oil Conservation Division – Hobbs District Office