

Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Tuesday, July 22, 2008 2:51 PM
To: 'loren_fothergill@xtoenergy.com'
Cc: Ezeanyim, Richard, EMNRD; Perrin, Charlie, EMNRD; Macquesten, Gail, EMNRD
Subject: Injection Permit from XTO (Extending the SWD-811) Salty Dog SWD Well No. 2 (30-045-30812)

Tracking:	Recipient	Read
	'loren_fothergill@xtoenergy.com'	
	Ezeanyim, Richard, EMNRD	Read: 7/22/2008 4:07 PM
	Perrin, Charlie, EMNRD	
	Macquesten, Gail, EMNRD	

Hello Loren:
We received your letter requesting an extension of this SWD-811 disposal permit.

Please ask your regulatory personnel to re-apply to inject into this well after providing notice as required in Rule 701B(2). XTO is welcome to submit the results of the latest Step Rate Test run on that well at the same time as the new application. Please coordinate with Charlie in Aztec.

Appreciate the effort XTO has made to bring the Lance/Richardson properties into compliance.

(I am mailing a copy of this Email, to ensure communication)

Regards,



William V. Jones PE
New Mexico Oil Conservation Division
1220 South St. Francis
Santa Fe, NM 87505
505-476-3448

RECEIVED

2008 JUL 21 PM 1 58

July 16, 2008

New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Attn: Gale Macquesten
Richard Ezeanyim

Re: Salty Dog #2 Well
Administrative Extension to Order SWD-811
San Juan County, New Mexico

XTO Energy Inc. ("XTO") is hereby requesting an administrative extension to inject per Order SWD-811 based upon Rule 19.15.9.705.C.2. ^{9/13/08}

XTO took over operations of the subject well from Lance Oil & Gas Company, effective May 2007. Lance acquired the subject well from Richardson Operating Company. The Salty Dog #2 was permitted and completed as a SWD well in September 2002 and has not had water injected since February 2007. There are no producing wells within the Mesaverde formation within a one-half mile radius. In addition, no new wells have been drilled that have penetrated the Mesaverde formation within a 1 mile radius.

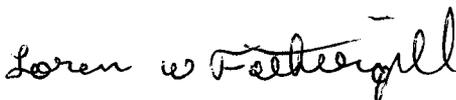
XTO has identified many problems associated with the wells acquired in the Lance acquisition. XTO has worked diligently to correct and return each well to production and/or injection. As of this date, XTO has verified and worked with the Bureau of Land Management and New Mexico Oil Conservation Division to corrected approximately 44 wells that had either incorrect producing zones or downhole commingling issues. This process of verifying information has been very time consuming and has contributed to the delay in returning the subject well to injection.

At the present time, the Salty Dog #2 well is shut in. XTO has identified surface equipment problems and the well may have downhole reservoir plugging. As a result, XTO has scheduled a step rate test for the week of July 21, 2008, to determine future action. The future action may include acidizing or fracture stimulating the formation.

In conclusion, XTO is requesting an administration approval to resume injection operations per Order SWD-811. XTO anticipates that the Salty Dog #2 well will be fully capable of injecting within three to six months.

If you have any questions or need additional information please contact me at (505) 333-3100.

Sincerely,



Loren Fothergill
Production Engineer

Cc: Charlie Perrin



