



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson

Governor

Jim Noel

Cabinet Secretary

Karen W. Garcia

Deputy Cabinet Secretary

Mark Fesmire

Division Director

Oil Conservation Division



November 17, 2010

Mr. Danny R. Watson

D.K.D., LLC

PO Box 862

Tatum, NM 88267

RE: Disposal Permit SWD-262 Packer Setting Depths

Richardson Fee SWD Well No. 2 (API 30-025-27886)

1980 FSL 1980 FWL, K/Sec 5, T14S, R36E, NMPM, Lea County, New Mexico

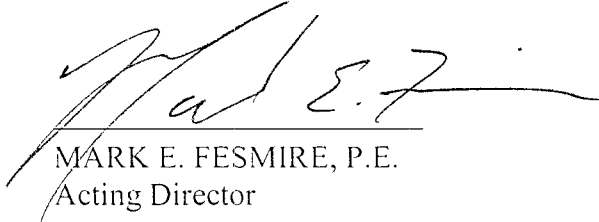
Cisco Canyon Disposal from approx. 10576 to 11368 feet

The Division has received your request to allow a higher packer setting depth under the captioned disposal permit.

From information you provided, we understand the following: During September 2010, a 4-1/2 inch IJ liner was installed to 10297 feet and cemented in place. Cement from that job also entered the holes in the 5-1/2 casing and rose to the surface between the 5-1/2 inch and the 8-5/8 inch. The 5-1/2 inch was pressure tested (as OK) below these holes and above the holes prior to installing the liner. There are no Wolfcamp or Upper Penn producers located anywhere near this well.

The operator of this well is permitted to set the disposal packer a maximum of 100 feet above the bottom of the cemented liner - up to 10200 feet.

The disposal interval depths remain the same as previously permitted. All other requirements in SWD-262 which govern disposal into this well and in Division Rules 19.15.26 NMAC which govern all disposal wells remain in full force and effect.



MARK E. FESMIRE, P.E.
Acting Director

MEF/wvjj

cc: Oil Conservation Division – Hobbs

