



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR
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SECRETARY

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STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

April 28, 1981

Collier Energy, Inc.
Box 798
Artesia, New Mexico 88210

Attention: Donald R. Craig

Re: Administrative Order SWD-237
State B-1111 Well No. 3 G
Section 22, Township 17 South,
Range 28 East, Eddy County,
New Mexico

Dear Mr. Craig:

Reference is made to your application of April 16, 1981, for conversion of the captioned well from a pressure maintenance project injection well to a salt water disposal well.

The subject well is hereby reclassified as a salt water disposal well and Division Order No. R-2461 is hereby suspended as to such well; however said well shall be bound by the following requirements:

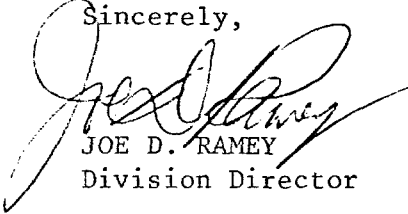
- (1) Injection shall be into the open hole interval from 1915 feet to 1975 feet through plastic coated tubing set in a packer located at a depth within 100 feet of the casing shoe.
- (2) That the operator shall take all steps necessary to ensure that the injected water enters only the proposed injection interval and is not permitted to escape to other formations or onto the surface.
- (3) That the casing-tubing annulus in the well shall be loaded with an inert fluid and equipped with a pressure gauge at the surface or left open to the atmosphere to facilitate detection of leakage in the casing, tubing, or packer.
- (4) That the injection well or system shall be equipped with a pressure limiting device which will limit the wellhead pressure to a maximum of 390 pounds per square inch; provided however that the Division Director may administratively authorize a pressure limitation in excess of the above upon the operator's establishing that such higher pressure will not result in fracturing of the confining strata.

SWD No. 237

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- (5) That the operator shall immediately notify the Supervisor of the Division's Artesia District Office of the failure of the tubing, casing, or packer in said well or the leakage of water from or around said well and shall take such steps as may be timely or necessary to correct such failure or leakage.

Sincerely,



JOE D. RAMEY
Division Director

JDR/OS/og

cc: Oil Conservation Division
Drawer DD
Artesia, New Mexico