

Energy Reserves Group, Inc.  
1509 West Wall Street  
P.O. Drawer 2437  
Midland, Texas 79702  
Phone 915 682 2591



April 17, 1985

Oil Conservation Division  
Energy and Minerals Department  
P. O. Box 1980  
Hobbs, New Mexico

APR 18 1985

RECEIVED

Attn: Mr. Jerry Sexton  
District Supervisor

Re: Salt Water Disposal  
Energy Reserves Group, Inc.  
Taylor No. 1  
Roosevelt Co., N. M.

Dear Mr. Sexton:

Energy Reserves Group recently requested that the Oil Conservation Division allow ERG to inject water into the subject well at pressures up to 1800 psi.

Your letter of April 1, 1985, advised that Forms C-101, C-102 and C-103, should be submitted. These forms have been submitted and were approved by your office on April 8, 1985.

Your letter also advised that a step rate test would be required. This test was run on April 13, 1985, and a copy is enclosed. The well was shut-in following the test.

This test indicates that the well is possibly being fractured at surface pressures below the requested 1800 psi limit.

We again ask that the OCD grant the requested exception. Energy Reserves has a very large investment in the conversion and equipping of Taylor No. 1 and it needs to recoup this investment. As we previously pointed out, the well is remotely located with respect to other operators' wells and the radioactivity tracer log indicates that all injection is limited to the San Andres horizon which was the original intent of the application.



I suppose some consideration should also be given to the more favorable enviromental conditions of subsurface injection as compared to subjecting the adjacent ranchland to dust from water hauling truck traffic on the lease roads.

Yours very truly,

A handwritten signature in cursive script, reading "W. J. Sandidge", with a long horizontal flourish extending to the right.

W. J. Sandidge  
District Production Manager

WJS/er

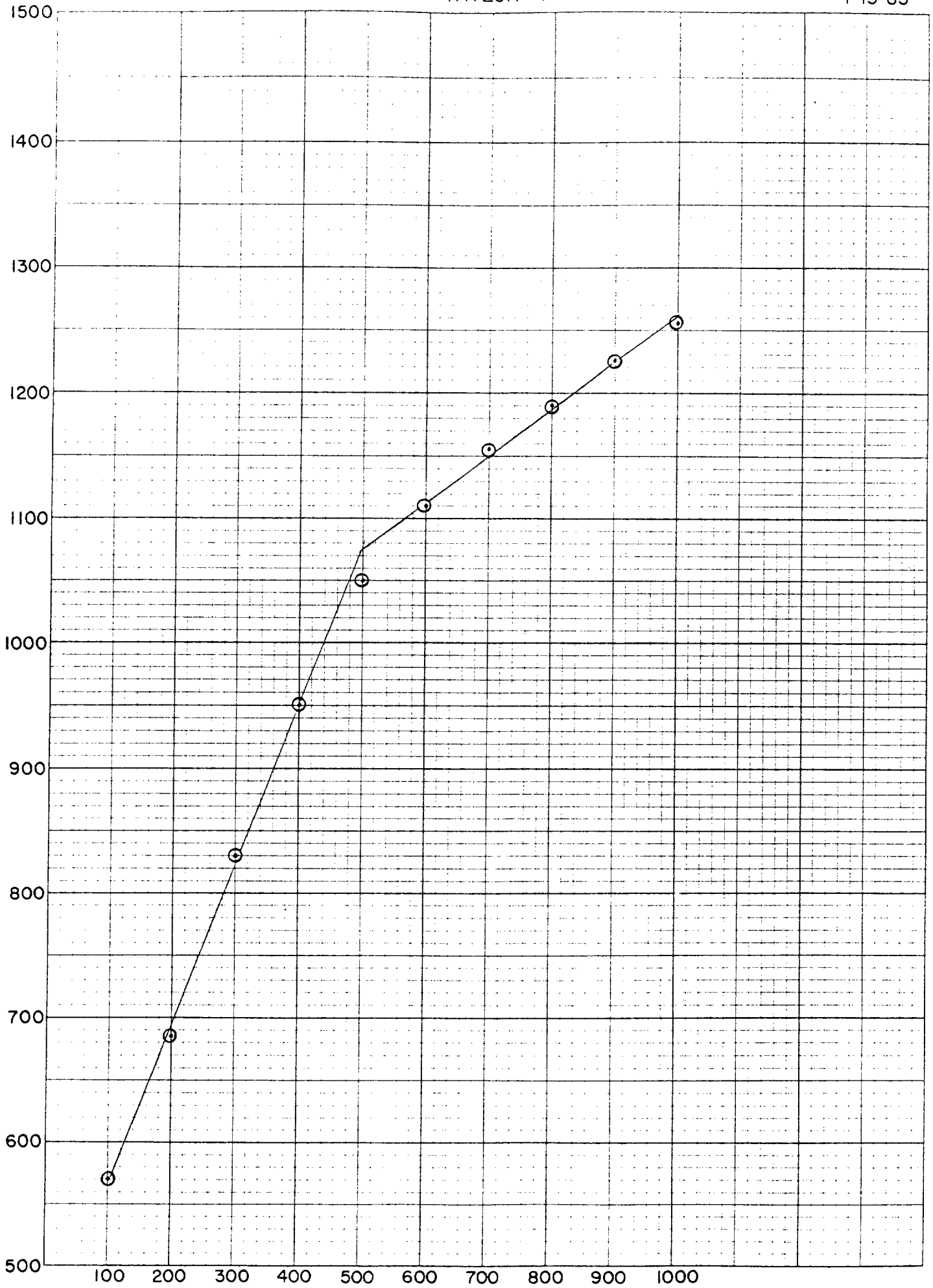
TAYLOR #1

4-13-85

46 0780

10 X 10 TO THE INCH • 7 X 10 INCHES  
KEUFFEL & ESSER CO. MADE IN U.S.A.

SURFACE PRESSURE



50 YEARS



TONEY ANAYA  
GOVERNOR

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION



1935 - 1985

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87501  
(505) 827-5800

April 18, 1985

Energy Reserves Croup, Inc.  
P. O. Drawer 2437  
Midland, Texas 79702

Attention: W. J. Sandidge

RE: Administrative Order SWD-276  
Amendment, Taylor No. 1 Well  
Section 11, T6S, R33E  
Roosevelt Co. NM

Dear Mr. Sandidge,

Your recent request to increase the surface injection pressure on your Taylor No. 1 well from the currently allowed 702 p.s.i. to 1800 p.s.i. has been reviewed. In light of the fact that you have not shown that this higher pressure will not result in migration of the injected fluid from the authorized injection zone, your request must be denied. However, based on the step rate test that you submitted to us, which showed a formation fracture pressure of approximately 1075 p.s.i., you are hereby granted approval to increase your surface injection pressure to 1025 p.s.i., which includes a safety factor of 50 p.s.i.

Jurisdiction of this cause is hereby retained by the Division for such further order or orders as may seem necessary or convenient for the prevention of waste and/or protection of correlative rights.

Sincerely,

A handwritten signature in cursive script, appearing to read "R. L. Stamets".

R. L. Stamets  
Director

cc: Hobbs District Office  
File SWD 276

RLS/DC/bok