

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION



GARREY CARRUTHERS
GOVERNOR

AMENDED
ORDER SWD-302

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 833-5800

THE APPLICATION OF SAMEDAN OIL CORPORATION

ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION

Under the provisions of Rule 701(B), Samedan Oil Corporation made application to the New Mexico Oil Conservation Division on March 17, 1986, for permission to complete for salt water disposal its J. L. Youngblood Lowe No. 1 well located in Unit H of Section 3, Township 13 South, Range 37 East, NMPM, Lea County, New Mexico.

The Division Director finds:

- (1) That application has been duly filed under the provisions of Rule 701(B) of the Division Rules and Regulations;
- (2) That satisfactory information has been provided that all offset operators and surface owners have been duly notified; and
- (3) That the applicant has presented satisfactory evidence that all requirements prescribed in Rule 701 will be met.
- (4) That no objections have been received within the waiting period prescribed by said rule.

IT IS THEREFORE ORDERED:

That the applicant herein, Samedan Oil Corporation is hereby authorized to complete its J. L. Youngblood Lowe No. 1 well, located in Unit H of Section 3, Township 13 South, Range East, NMPM, Lea County, New Mexico, in such a manner as to permit the injection of salt water for disposal purposes into the San Andres formation at approximately 4530 feet to approximately 5900 feet through 2 3/8 inch plastic lined tubing set in a packer located at approximately 4300 feet.

IT IS FURTHER ORDERED:

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.

That the casing-tubing annulus 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.

That the injection well or system shall be equipped with a pressure limiting device which will limit the wellhead pressure on the injection well to no more than 906 psi.

That the Director of the Division may authorize an increase in injection pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the injected fluid from the San Andres formation. That such proper showing shall consist of a valid step-rate test run in accordance with and acceptable to this office.

That the operator shall notify the supervisor of the Hobbs district office of the Division of the date and time of the installation of disposal equipment so that the same may be inspected.

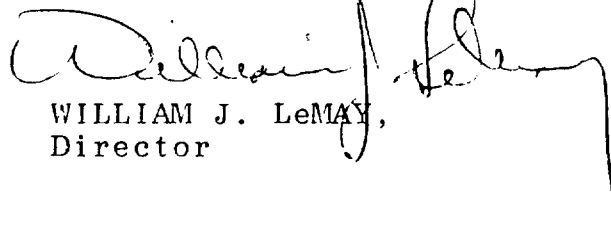
That the operator shall immediately notify the supervisor of the Division's Hobbs district office of the failure of the tubing, casing, or packer, in said well or the leakage of water from or around said well and shall take such steps as may be timely and necessary to correct such failure or leakage.

That within six months from the date of this order, the applicant shall cement their Speight No. 1 well located 810 feet from the North line and 1980 feet from the East line of Section 3, Township 13 South, Range 37 East, NMPM, Lea County, across, above, and below the San Andres formation and to the satisfaction of the Supervisor of the Division's Hobbs District Office.

PROVIDED FURTHER, That 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; upon failure of applicant to comply with any requirement of this order after notice and hearing, the Division may terminate the authority hereby granted in the interest of conservation. That applicant shall submit monthly reports of the disposal operations in accordance with Rule 706 and 1120 of the Division Rules and Regulations.

Approved at Santa Fe, New Mexico, on this 29th day of
January, 1987.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LeMAY,
Director

S E A L



ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

September 14, 1987

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Samedan Oil Corporation
10 Desta Drive
Suite 240 East
Midland, Texas 79705

Attention: Nick Hood

Re: Amendment of Order SWD-302

Dear Sir:

Reference is made to your request for an amendment to Order No. SWD-302, which order authorized the use of the J.L. Youngblood Lowe No. 1 Well located 1986 feet from the North line and 660 feet from the East line (Unit H) of Section 3, Township 13 South, Range 37 East, NMPM, Lea County, New Mexico, as a San Andres salt water disposal well. It is our understanding that you now wish to amend said order to abandon the San Andres formation and to commence injection into the Devonian formation. It is further our understanding that all offset operators have been notified of your intention and that the application has been filed in due form.

You are therefore authorized to utilize the Youngblood Lowe No. 1 Well located as described above as a Devonian salt water disposal well with injection to occur into the perforated interval from 12,222 feet to 12,360 feet. The injection pressure on the well shall be limited to 2444 psi. All other provisions contained in Division Order No. SWD-302 shall further remain in full force and effect.

Sincerely,

A handwritten signature in dark ink, appearing to read "William J. LeMay", written over a horizontal line.

William J. LeMay
Director

xc: OCD-Hobbs
D. McDonald
File-SWD-302