

ROBERT E. BOLING

EXPLORATION CONSULTANT

305 SOUTH FIFTH STREET

ARTESIA, NEW MEXICO - 88210

April 30, 1987

New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

Attention: Mr. Bill LeMay, Director

Re: Application for Conversion of the
No. 1 Walter Solt State well, 2240'
FS & 400' FWL Section 5, T18S R28E
Eddy County, New Mexico, to a
SWD well

Gentlemen:

Reference the C-108 dated March 12, 1987 which set out the proposed procedure to convert the captioned well to a SWD well. This procedure provided for the drilling of the packer shoe at 7832, the disposal of water through perforations 7518 to 7812 and the open hole 7832 to 7961 feet. Administrative approval was requested.

The above mentioned C-108 was furnished by certified mail, return receipt requested to all working interest owners in the area.

By letter dated April 1, 1987, after the 15 days provided for filing objections, but nevertheless the complaint was allowed to be considered, Phillips Petroleum Company required that a radioactive survey be run. In the event we elected not to run the survey, then Phillips requested a hearing.

After discussing the problem with Mr. John Curry, Engineer with Phillips, it was decided that Phillips would withdraw its objection to the requested SWD permit if I & W, Inc. would agree not to drill the packer shoe at 7832 feet, inject only into the perforations 7518 to 7812 feet and run a radioactive survey to prove that the water was not going below the bottom perms at 7812 feet.

The required survey has been run. This survey showed no fluid entry below 7795 feet. A copy of this survey is enclosed for your information and file.

I & W, Inc. respectfully requests that the requested permission be amended to provide that the packer shoe at 7832 feet shall not be drilled and that water disposal shall be only through the perforations 7518 to 7812 feet.

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By copy of this letter Phillips Petroleum Corporation is being furnished with a copy of the survey. It is requested that Phillips furnish the Oil Conservation Division with a letter withdrawing its objection to the administrative approval of the SWD permit request, at their earliest convenience.

Upon the receipt of Phillips' withdrawal of objections, it is requested that I & W, Inc.'s request for permission to convert the captioned well to a SWD well be approved as soon as possible.

Yours very truly, :

I & W, Inc.

By: Robert E. Boling
Robert E. Boling, Agent

REB:scp

ccw/copy of survey:

Mr. John Curry
Phillips Petroleum Company
4001 Pembroke
Odessa, Texas 79762

Oil Conservation Division
P. O. Drawer DD
Artesia, New Mexico 88210



PHILLIPS PETROLEUM COMPANY

ODESSA, TEXAS 79762
4001 PENBROOK

EXPLORATION AND PRODUCTION GROUP

May 19, 1987

Application for Conversion
Walter Solt State Well No. 1
Eddy County, New Mexico

State of New Mexico
Department of Energy and Minerals
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

ATTN: David Catanack

Gentlemen:

Phillips Petroleum Company hereby withdraws any and all objections previously submitted concerning the application filed by I & W, Inc. for the conversion of the subject well to SWD. It is understood the subject well is located 2240 feet from the south line and 400 feet from the west line of Section 5, T-18-S, R-28-E, Eddy County, New Mexico, and injection will be into the perforated interval from 7518 to 7812 feet.

Phillips Petroleum Company hereby waives any and all objections to the amended application request submitted by their letter of April 30, 1987.

Sincerely,

G. R. Smith, Director
Reservoir Engineering

GRS:LMS:lsu
REG4/solt

cc: Robert E. Boling
Exploration Consultant
305 South Fifth Street
Artesia, New Mexico 88210

Oil Conservation Division
P. O. Drawer DD
Artesia, New Mexico 88210