

ExxonMobil Production Company

U.S. West
P.O. Box 4358
Houston, Texas 77210-4358

ExxonMobil
Production

April 10, 2000

New Mexico Energy, Minerals & Natural Resources Department
Oil and Gas Division
ATTN: Mr. Ben Stone
2040 South Pacheco St.
Santa Fe, New Mexico 87505

Re: **State Section 27, Well No. 1, Unit B, Section 27, T18S, R35E, NMPM**
Administrative Order SWD-733, Lea County, New Mexico

Dear Mr. Stone:

This letter follows our telephone discussion on March 21, 2000 concerning the possibility of reactivating the salt water disposal permit dated December 3, 1998 (copy attached) for the above referenced well.

Due to the recent merger of Exxon and Mobil Corporations and the subsequent transfer of personnel, realignment of responsibilities, and movement of files, the need to submit a written request for extension of this permit was overlooked. A recent review of the approved permit application and coordination with the field operations personnel shows no significant changes have occurred within at least one-half mile of the well location. Exxon Mobil Corporation therefore respectfully requests that the saltwater disposal permit for the State Section 27, Well No. 1 be reactivated.

If you have any questions or require additional documentation please call me at (713) 431-1210, or fax (713) 431-1600.

Sincerely,



Michael E. Wise
Regulatory Specialist
ExxonMobil Production Company, a division
of Exxon Mobil Corporation, acting for
Mobil Producing Texas & New Mexico, Inc.

Attachments
as



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

ADMINISTRATIVE ORDER SWD-733

***APPLICATION OF MOBIL PRODUCING TEXAS & NEW MEXICO, INC., INC. FOR
SALT WATER DISPOSAL, LEA COUNTY, NEW MEXICO.***

**ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION**

Under the provisions of Rule 701(B), Mobil Producing Texas & New Mexico, Inc., Inc. made application to the New Mexico Oil Conservation Division on November 18, 1998, for permission to reinstate authorization to inject and complete for salt water disposal its State '27' Well No.1 located 660 feet from the North line and 1983 feet from the East line (Unit B) of Section 27, Township 18 South, Range 35 East, NMPM, Lea County, New Mexico.

THE DIVISION DIRECTOR FINDS THAT:

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

IT IS THEREFORE ORDERED THAT:

The applicant herein, is hereby authorized to complete its State '27' Well No.1 located 660 feet from the North line and 1983 feet from the East line (Unit B) of Section 27, Township 18 South, Range 35 East, NMPM, Lea County, New Mexico, in a such manner as to permit the injection of produced salt water for disposal purposes into the Devonian formation from approximately 11,800 feet to 13,970 feet through 3-1/2 or 4-1/2 inch plastic-lined (or equivalent lining) set in a packer located at approximately 11,750 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.

Prior to commencing injection operations into the well, and at a frequency of at least every five years thereafter, the applicant shall pressure test the casing above the proposed producing interval to the surface to assure the integrity of said casing.

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 2360 psi.

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 Devonian formation. Such proper showing shall consist of a valid step-rate test run in accordance with and acceptable to this office.

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 and of any mechanical integrity test so that the same may be inspected and witnessed.

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

The operator shall immediately notify the supervisor of the Hobbs district office of the Division of the failure of any downhole rate and/or pressure transducer and shall take necessary steps to correct such failure.

PROVIDED FURTHER THAT, jurisdiction is retained by the Division for the entry of such further orders as may be necessary for the prevention of waste and/or protection of correlative rights or upon failure of the operator to conduct operations (1) to protect fresh water or (2) consistent with the requirements in this order, whereupon the Division may, after notice and hearing, terminate the injection authority granted herein.

The operator shall submit monthly reports of the disposal operations on Division Form C-115, in accordance with Rule Nos. 706 and 1120 of the Division Rules and Regulations.

The injection authority granted herein shall terminate one year after the effective date of this order if the operator has not commenced injection operations into the subject well, provided however, the Division, upon written request by the operator, may grant an extension thereof for good cause shown.

Administrative Order SWD-733

Mobil Producing Texas & New Mexico, Inc., Inc.

December 3, 1998

Page 3

Approved at Santa Fe, New Mexico, on this 3rd day of December, 1998.

A handwritten signature in cursive script, appearing to read "Lori Wrotenbery", is written over a horizontal line.

LORI WROTENBERY, Director

LW/BES/kv

cc: Oil Conservation Division – Hobbs
State Land Office – Oil and Gas Division