

DATE IN 9/24/01	ENGINEER DC	LOGGED IN KN	APP NO. 126929210
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

- [1] **TYPE OF APPLICATION - Check Those Which Apply for [A]**
- [A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD
- Check One Only for [B] or [C]
- [B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☒ SWD ☐ IPI ☐ EOR ☐ PPR
- [D] Other: Specify _____ Extend Injection Interval: SWD 671
- [2] **NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply**
- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners
- [B] ☐ Offset Operators, Leaseholders or Surface Owner
- [C] ☐ Application is One Which Requires Published Legal Notice
- [D] ☐ Notification and/or Concurrent Approval by BLM or SLO
 U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] ☐ Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

TERRI STATHEM		PRODUCTION ANALYST	9-20-01
Print or Type Name	Signature	Title	Date
		TSTATHEM@CONCHORESOURCES.COM	
		e-mail Address	

CONCHO OIL & GAS CORP.

Suite 410

110 W. Louisiana
Midland, Texas 79701

(915) 683-7443
FAX 683-7441

September 20, 2001

Mr. David Catanach
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87504

Mr. Catanach:

Re: Application to Extend Injection Interval
Hudgens No. 1 SWD (30-025-29712)
Lea County, New Mexico

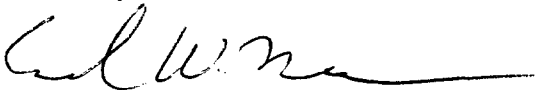
Concho Oil & Gas Corp. respectfully request approval for an extension of the injection interval in the Hudgens No. 1 SWD. Currently the well is perforated in the Wolfcamp at the following intervals: 10,607'-10,611'; 10,618'-10,644'; 10,188'-10,196'; 9,988'-10,004'; 9,828'-9,848'; 9,754'-9,792'. The original SWD order, see attached, allowed injection in the Wolfcamp formation at 10,284' to 10,700'.

The Hudgens No. 1 well was re-entered and converted to SWD by Manzano Oil Corporation in February 1997. The original completion was in the Wolfcamp SWD pool. Completion paperwork was submitted with perforations completed December 14, 1997 at 10,607'-10,611' and 10,618'-10,644'. After a review of the paperwork and the well history it was discovered that Manzano had also perforated on December 21, 1997 at 10,188'-10,196'; 9,988'-10,004'; 9,828'-9,848'; 9,754'-9,792' which were not approved intervals on the SWD order nor were they reported on the completion paperwork. Concho Oil & Gas Corp. has filed the amended completion paperwork adding the perforations and request that the injection interval be extended in regards to this well.

Please find attached a plat and well listing of the surrounding Wolfcamp wells within ½ mile. We have concluded that Concho Oil & Gas Corp. operates all producing Wolfcamp wells and all other non-producing Wolfcamp wells have been plugged and abandoned.

Please feel free to contact Terri Stathem or me if you have any questions or need any additional information.

Sincerely,



Erick Nelson
Senior Operations Engineer

Hudgens No. 1 SWD

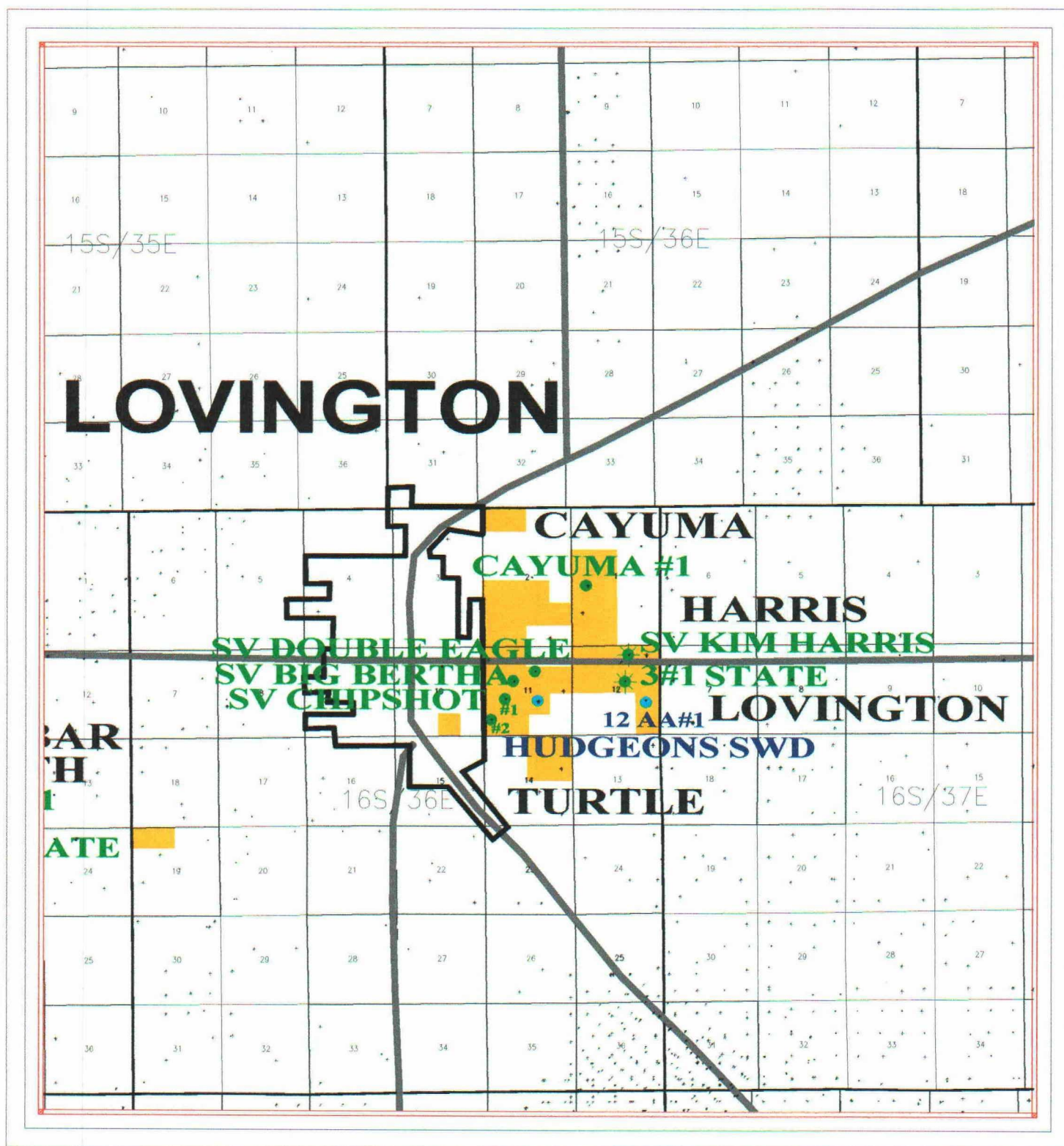
Wolfcamp Wells within ½ Mile

Drilled & Abandoned Wells

<u>Operator</u>	<u>Well Name</u>	<u>Location</u>	<u>Pool @ TD</u>
North American Royalty	State LCC #1	I 11 16 36	Atoka
King Resources	Coates #1	H 14 16 36	Penn
Manzano Oil Corp	Killer Bee #1	P 2 16 36	Atoka
Manzano Oil Corp	Brownfield Trust #1	D 11 16 36	Wolfcamp

Producing Wells

<u>Operator</u>	<u>Well name</u>	<u>Location</u>	<u>Producing Pool</u>
Concho Oil & Gas Corp.	SV Double Eagle #1	G 11 16 36	Lovington Wolfcamp
Concho Oil & Gas Corp.	SV Big Bertha #1	F 11 16 36	Lovington Wolfcamp
Concho Oil & Gas Corp.	SV Chipshot #1	K 11 16 36	Lovington Wolfcamp
Concho Oil & Gas Corp.	SV Chipshot #2	M 11 16 36	Lovington Wolfcamp
Concho Oil & Gas Corp.	State 3 #1	G 12 16 36	Lovington Upper Penn





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-671

**APPLICATION OF MANZANO OIL CORPORATION FOR SALT WATER DISPOSAL,
LEA COUNTY, NEW MEXICO.**

**ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION**

Under the provisions of Rule 701(B), Manzano Oil Corporation made application to the New Mexico Oil Conservation Division on June 18, 1997, for permission to complete for salt water disposal its Hudgens Well No.1 located 1980 feet from the South line and 1980 feet from the East line (Unit J) of Section 11, Township 16 South, Range 36 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, Manzano Oil Corporation is hereby authorized to complete its Hudgens Well No.1 located 1980 feet from the South line and 1980 feet from the East line (Unit J) of Section 11, Township 16 South, Range 36 East, NMPM, Lea County, New Mexico, in such manner as to permit the injection of salt water for disposal purposes into the Wolfcamp formation at approximately 10,284 feet to 10,700 feet through 2 3/8-inch plastic-lined tubing set in a packer located at approximately 10,250 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, the casing shall be pressure tested from the surface to the packer setting depth to assure the integrity of said casing.

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.

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 2057 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 Wolfcamp 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 the 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.

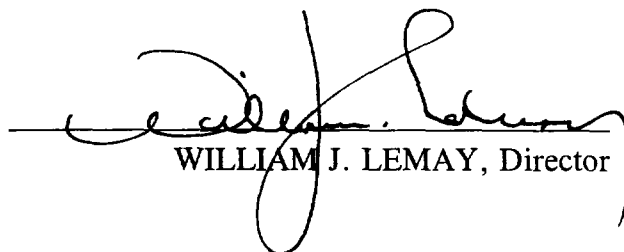
PROVIDED FURTHER THAT, jurisdiction of this cause is hereby retained by the Division for the entry of such further order or orders as may be deemed necessary or convenient for the prevention of waste and/or protection of correlative rights; upon failure of the operator to conduct operations in a manner which will ensure the protection of fresh water or in a manner inconsistent with the requirements set forth in this order, the Division may, after notice and hearing, terminate the injection authority granted herein.

The operator shall submit monthly reports of the disposal operations in accordance with Rule Nos. 706 and 1120 of the Division Rules and Regulations.

Administrative Order SWD-671
Manzano Oil Corporation
August 15, 1997
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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.

Approved at Santa Fe, New Mexico, on this 15th day of August, 1997.


WILLIAM J. LEMAY, Director

WJL/BES/kv

xc: Oil Conservation Division - Hobbs