



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

April 8, 1996

Mr. Walter Biggins, UIC Program Manager
U.S. Environmental Protection Agency
Region VI
6WQ-AG
1445 Ross Avenue
Suite 1200
Dallas, Texas 75202-2733

Re: Aquifer Exemption
Mesaverde formation (Menefee member)
San Juan Basin
Sandoval County, New Mexico

Dear Mr. Biggins:

Pursuant to the Underground Injection Control Program Memorandum of Agreement executed between the State of New Mexico and the United States Environmental Protection Agency, the Oil Conservation Division of the Energy, Mineral and Natural Resources Department hereby formally applies for EPA approval of a Mesaverde formation (Menefee member) aquifer exemption comprising the following described 720.0-acres in Sandoval County, New Mexico. The purpose of the proposed aquifer exemption is to allow the disposal of produced water into the Menefee member of the Mesaverde formation through the Energy Development Corporation's San Isidro Shallow Unit Well No. 7-11 located in Unit K of Section 7, Township 20 North, Range 2 West, NMPM:

TOWNSHIP 20 NORTH, RANGE 2 WEST, NMPM

Section 7: W/2, W/2 E/2
Section 18: N/2 NW/4

TOWNSHIP 20 NORTH, RANGE 3 WEST, NMPM

Section 12: E/2 E/2

Pursuant to Oil Conservation Division Rules and Regulations, Energy Development Corporation has applied to utilize its San Isidro Shallow Unit Well No. 7-11 to dispose of produced water at a depth of 2,438 feet to 2,624 feet. Upon obtaining appropriate water samples from the projected disposal interval, Energy Development Corporation discovered that the Menefee member of the Mesaverde formation in this area contains water with less than 10,000 mg/l total dissolved solids.

The Mesaverde formation, which is composed of the Point Lookout, Menefee and Cliffhouse members, is generally productive of hydrocarbons in the San Juan Basin.

A public hearing was held in Santa Fe, New Mexico, on March 21, 1996 before Examiner David R. Catanach, UIC Program Director, to hear evidence and testimony regarding the proposed aquifer exemption. Representatives of Energy Development Corporation, including a permits expert and a petroleum engineer, presented technical evidence and testimony at the hearing. No other interested parties appeared at the hearing in this matter. Please note however, that the case was originally advertised as an application for a salt water disposal well, and did not include the request for an aquifer exemption. The case is being readvertised for the Division Examiner hearing on May 2, 1996, to include the requested aquifer exemption. If there is any opposition to the proposed aquifer exemption, those parties may appear at the hearing on May 2, 1996.

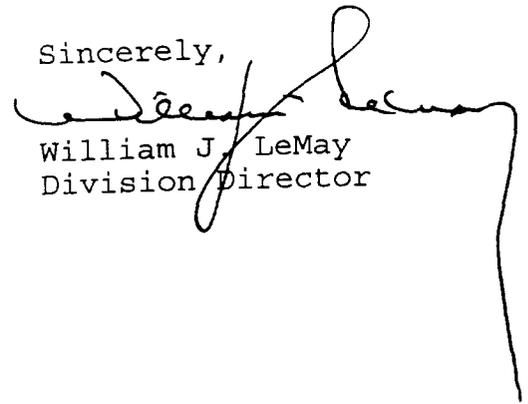
Enclosed please find the following documents in support of our request:

- 1) Original application for aquifer exemption hearing filed by Energy Development Corporation on January 25, 1996;
- 2) Proposed advertisement for the case as furnished by Energy Development Corporation;
- 3) Copy of notice of publication. This case was advertised in The Observer newspaper on February 7, 1996.
- 4) Copy of Division Docket No. 9-96 which lists the cases to be heard at the March 21, 1996 hearing. Among these cases is the subject case (Case No. 11470);
- 5) Copy of Energy Development Corporation Exhibit Nos. 1-7 submitted at the hearing;
- 6) Transcript of hearing.

This evidence should constitute all the information needed to process the aquifer exemption request. If additional information is needed, please contact Mr. David Catanach at (505) 827-8184. We appreciate your consideration and request that the review process be expedited to the extent possible.

The Division will advise you of the outcome of the May 2, 1996 hearing with regards to whether or not any interested parties appear in opposition to the aquifer exemption. It is anticipated that Energy Development Corporation will not put on any additional evidence or testimony at that time.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. LeMay". The signature is written in a cursive style with a large loop at the end that extends downwards and to the right.

William J. LeMay
Division Director

xc: Case File-11470
Mr. James Bruce
OCD-Aquifer Exemption File