



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

January 4, 2002

Rice Operating Company
122 West Taylor
Hobbs, New Mexico 88240

Attention: Ms. Carolyn D. Haynes

Re: Amendment of Division Order No. R-3500
Hobbs East SWD Well F-30
1980' FNL & 2310' FWL, Unit F,
Section 30, T-18S, R-39E, NMPM,
Lea County, New Mexico

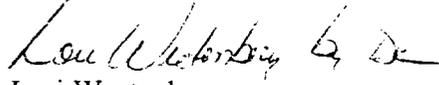
Dear Ms. Haynes:

Reference is made to your request dated December 12, 2001, for authorization to perforate the P-1 zone of the San Andres formation from a depth of approximately 4,420 feet to 4,470 feet in the Hobbs East SWD Well No. F-30, in order to utilize this interval for disposal of produced water. It is our understanding that this well, which was originally approved as a disposal well by Division Order No. R-3500 dated August 21, 1968, is currently being utilized to dispose of produced water into the San Andres and Glorieta formations through the perforated intervals from 5,105'-5,160' and 5,980'-6,054'.

You are hereby authorized to utilize the P-1 zone of the San Andres formation for produced water disposal through the perforated interval from approximately 4,420'-4,470'. 2 7/8 inch plastic-lined tubing shall be utilized in the well and set in a packer located at approximately 4,400 feet.

All other provisions of Division Order No. R-3500 shall remain in full force and effect.

Sincerely,


Lori Wrotenbery
Director

Amendment of Order No. R-3500
Rice Operating Company
January 4, 2002
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Xc: OCD-Hobbs
 Case File-3844

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 3844
Order No. R-3500

APPLICATION OF RICE ENGINEERING
& OPERATING, INC., FOR SALT WATER
DISPOSAL, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on August 21, 1968, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 12th day of September, 1968, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Rice Engineering & Operating, Inc., is the owner and operator of the Hobbs East San Andres SWD Well No. F-30 (formerly the Humble Oil & Refining Company S. E. Cain Well No. 1), located in Unit F of Section 30, Township 18 South, Range 39 East, NMPM, Hobbs East San Andres Pool, Lea County, New Mexico.

(3) That the applicant proposes to utilize said well to dispose of produced salt water into the Queen, San Andres, and Glorieta formations in the perforated intervals at approximately 3808-3834, 3962-3992, 5248-5261, and 5980-6054 feet.

(4) That the injection should be accomplished through 2 1/2-inch plastic-lined tubing; that the casing-tubing annulus should be filled with an inert fluid; and that a pressure gauge should be attached to the annulus or the annulus left open at the surface in order to determine leakage in the tubing or casing.

CASE No. 3844
Order No. R-3500

(5) That approval of the subject application will prevent the drilling of unnecessary wells and otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Rice Engineering & Operating, Inc., is hereby authorized to utilize its Hobbs East San Andres SWD Well No. F-30 (formerly the Humble Oil & Refining Company S. E. Cain Well No. 1), located in Unit F of Section 30, Township 18 South, Range 39 East, NMPM, Hobbs East San Andres Pool, Lea County, New Mexico, to dispose of produced salt water into the Queen, San Andres, and Glorieta formations, injection to be through 2 1/2-inch tubing into the perforated intervals from approximately 3962-3992, 5248-5261, and 5980-6064 feet;

PROVIDED HOWEVER, that prior to said utilization, the applicant shall cause the perforated interval from 3808 feet to 3834 feet in the subject well to be squeezed with a minimum of 75 sacks of cement and the 4-inch liner set at 6480 feet to be perforated above 5200 feet and additional cementing of said liner effected to ensure the annular space is cemented from said liner shoe back into the 5 1/2-inch casing set at 4464 feet;

PROVIDED FURTHER, that the tubing shall be plastic-lined; that the casing-tubing annulus shall be filled with an inert fluid; and that a pressure gauge shall be attached to the annulus or the annulus left open at the surface in order to determine leakage in the tubing or casing.

(2) That the applicant shall submit monthly reports of its disposal operations in accordance with Rules 704 and 1120 of the Commission Rules and Regulations.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

DAVID F. CARGO, Chairman

GUYTON B. HAYS, Member

A. L. PORTER, Jr., Member & Secretary

S E A L

esr/

122 West Taylor, Hobbs, NM 88240
Phone: (505) 393-9174
Fax: (505) 397-1471

RICE Operating Company

Fax

To: David Catanach, NMOCD, UIC **From:** Carolyn Doran Haynes
Fax: 505-476-3471 **Pages:** Cover +5
Phone: 505-476-3466 **Date:** 12/12/01
Re: SWD Well F-30, Perforating **CC:**

Urgent For Review Please Comment Please Reply Please Recycle

• **Comments:**

David,

This is the communication with Enerquest and Lynx Energy concerning the perforating of the P1 Zone of the San Andres. (To the north in Sec 19, Anadarko, Randy Mueller in Midland, defers to comment as the lease was not developed and they believe it has since expired.)

As the operators of developed leases within ½ mile are both now unopposed, Rice appeals for NMOCD UIC approval to proceed with the perforation work for the interval of 4420-4470'.

If you require any other information, please don't hesitate to call.

*Thank you,
Carolyn Haynes*

RICE Operating Company

122 West Taylor • Hobbs, New Mexico 88240
Phone: (505)393-9174 • Fax (505) 397-1471

November 12, 2001

RE: Perforate P-1 Zone of San Andres Formation (4420-4470')
Hobbs East SWD Well F-30
UL F, Sec 30, T18S, R39E
Lea County, NM

Rice Operating Company (ROC) is seeking approval with the New Mexico Oil Conservation Division to perforate the P-1 zone of the San Andres formation of Hobbs East SWD Well F-30 in order to dispose of salt water for the Hobbs East Salt Water Disposal System. This well is located 1940' FNL, 2310' FWL, Section 30, Township 18 South, Range 39 East, Lea County, New Mexico. The P-1 zone of the San Andres formation is at a depth of 4420'-4470'. ROC expects maximum surface pressure to be 1800 psi and a maximum disposal rate of 3000 BWP/D.

The NMOCD Disposal Order Number R-3500 stipulates that Hobbs East SWD Well F-30 may dispose of produced salt water into the Queen, San Andres, and Glorieta formations.

The SWD Well F-30 is now disposing into the San Andres formation at 5105'-5261' and the Glorieta formation at 5980'-6064'. Perforations in the Queen formation at 3962'-3992' were squeezed in 1968. The surface pressure has increased to 1900 psi (maximum working pressure of the triplex pump) with a disposal rate of 2200 BWP/D. This rate is not adequate to accommodate the disposal needs of the Hobbs East SWD System Partners.

As an interested party, being an offset operator within 1/4 mile of the disposal well site and a System Partner in the Hobbs East SWD System, please designate by signing below if your interest is opposed or unopposed to this action. Additional information can be obtained by contacting Carolyn Dornan Haynes, Operations Engineer, Rice Operating Company, 122 West Taylor, Hobbs, NM 88240 or 505-393-9174.

Thank you,

RICE OPERATING COMPANY

UNOPPOSED _____

OPPOSED _____

COMPANY ENERQUEST RESOURCES

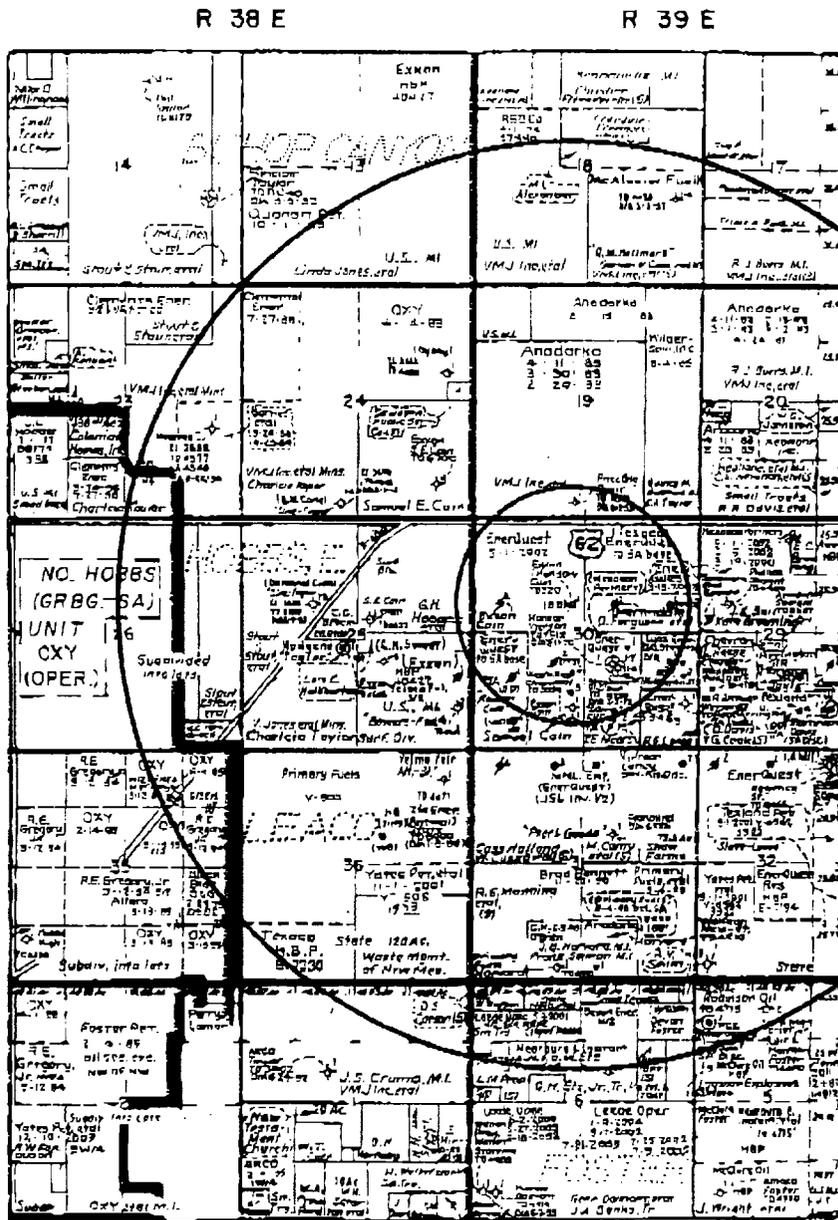
COMPANY _____

SIGNATURE [Signature]

SIGNATURE _____

DATE 11/13/01

DATE _____



LEA COUNTY, NEW MEXICO

DWN	SRT	11-16-01	LOCATION FLAT HOBBS EAST SAN ANDRES SWD WELL F-30	SCALE 1" = 4000'
			Rice Operating Company	DWG NO.
			Hobbs, New Mexico	

Present

HOBBS EAST SWD WELL F-30

1980' FNL & 2310' FWL

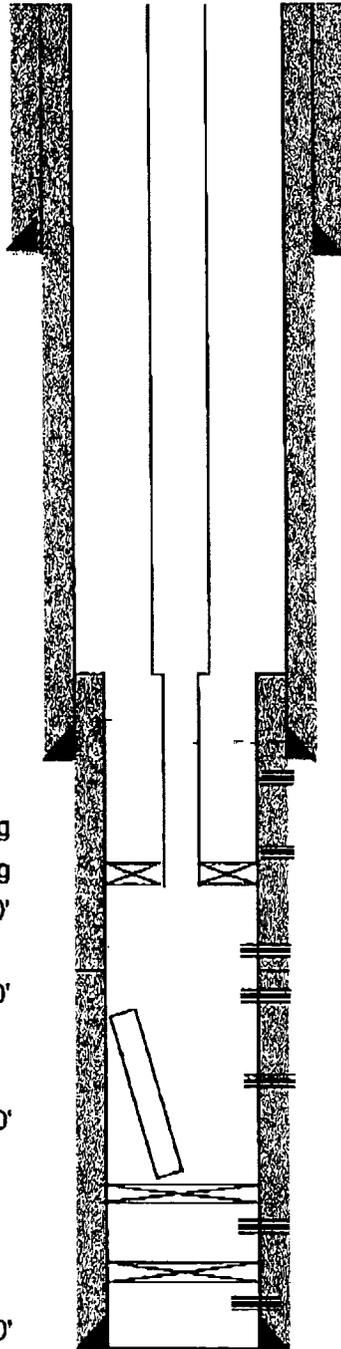
SEC 30-T18S-R39E

DF: 3615'

GL: 3606'

API# 30-025-07950

Circ. to Surface
w/ 900 sx



8 5/8" CSG @ 1883'

SQZ'D PERFS: 3808'-3834'

SQZ'D PERFS: 3962'-3992'

TOL @ 4317'

5 1/2" CSG @ 4474'

SQZ'D PERFS: 4500' w/100sx

SQZ'D Holes @ 4550, 4830' w/75sx June 2001

PERFS 5105'-5188': 20 Holes

PERFS 5248'-5261': 12 Holes

PERFS 5980'-6054': 25 Holes

PBTD @ 6120'

CIBP @ 6130'

PERFS 6166'-6188'

CIBP @ 6273'

PERFS 6415'-6443'

Circ. to Surface
w/ 1200 sx

118 jts 2 7/8" DuOline tbg

40 jts 2 3/8" IPC tbg

4" 1X Pkr @ 4950'

TOC orig 5200'

25 jts 2 7/8" tbg fish @ 5390'

4" LINER @ 6480'

Drawn	BY
11/15/00	CDH
6/20/01	CDH

RICE OPERATING COMPANY
122 West Taylor
Hobbs, New Mexico 88240

Hobbs East SWD F-30
1980' FNL & 2310' FWL
SEC 30, T18S, R39E
Lea County New Mexico

Proposed

HOBBS EAST SWD WELL F-30

1980' FNL & 2310' FWL
SEC 30-T18S-R39E

DF: 3615'
GL: 3606'
API# 30-025-07950

Circ. to Surface
w/ 900 sx

8 5/8" CSG @ 1883'

118 jts 2 7/8" DuOline tbg
2 jts 2 3/8" DuOline tbg

SQZ'D PERFS: 3808'-3834'
SQZ'D PERFS: 3962'-3992'

Circ. to Surface
w/ 1200 sx

TOL @ 4317'

4" Pkr @ 4380'

Perf 4420-4470'

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PERFS 6415'-6443'

4" LINER @ 6480'

Drawn	BY
11/15/00	CDH
6/20/01	CDH
11/12/01	CDH

Perforate San Andres P-1
RICE OPERATING COMPANY
122 West Taylor
Hobbs, NM 88240

Hobbs East SWD F-30
1980' FNL & 2310' FWL
SEC 30, T18S, R39E
Lea County New Mexico