



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR

September 8, 1982

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

Walter W. Krug
Box 1960
Midland, Texas 79702

Attention: Helen R. Krug

Re: Request for Reclassification
of Federal Well No. 2, Unit C,
990' FNL, 1650' FWL, Section 20,
Township 20 South, Range 34 East,
NMPM, Lea County, New Mexico

Gentlemen:

Pursuant to your request to have Federal Well No. 2, Unit C, 990 feet from the North line and 1650 feet from the West line, Section 20, Township 20 South, Range 34 East, NMPM, Lea County, New Mexico, administratively reclassified under Rule 707 from a waterflood to a salt water disposal well, by the authority vested in me by the Oil Conservation Division the subject well is hereby reclassified as a salt water disposal well (SWD).

The subject well shall receive administrative Order No. SWD-249 and Division Order No. R-4621 is hereby suspended *Case* as to such well; however, said well shall be bound by the *5040* following requirements:

1. 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.
2. That 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.
3. That 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 640 psi.

4. That 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 Yates-Seven Rivers formation.

5. That 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 so that the same may be inspected.

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

7. That injection shall be into the open hole interval from 3202 feet to 3847 feet through plastic coated tubing set in a packer located at the depth of 3199 feet.

8. That jurisdiction of this cause is hereby retained by the Division for such further order or orders as may seem necessary or convenient for the prevention of waste and/or protection of correlative rights; upon failure of applicant to comply with any requirement of this order after notice and hearing, the Division may terminate the authority hereby granted in the interest of conservation. That applicant shall submit monthly reports of the disposal operations in accordance with Rule 706 and 1120 of the Division Rules and Regulations.

Approved at Santa Fe, New Mexico, on this 15th day of September, 1982.

JOE D. RAMEY
Director

JDR/fd

