



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

September 27, 1990

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Basin Fuels, Limited
P.O. Box 50
Farmington, New Mexico 87499

Attention: Brad Saltzman

Re: Injection Pressure Increase
Slick Well No. 1
Section 7, T-20 North, R-5 West, NMPM
McKinley County, New Mexico

Dear Mr. Saltzman:

Reference is made to your request dated September 17, 1990, to increase the surface injection pressure on the Slick Well No. 1, as described above, to approximately 660 psi. It is my understanding that the subject well was approved for use as a Mesaverde injection well by Division Order No. R-5540 dated October 18, 1977, with injection into the perforated interval from approximately 2752 feet to 2796 feet. It is further my understanding that during August, 1990, the Division authorized the use of additional Mesaverde perforations from approximately 1948 feet to 2602 feet. I have discussed the results of the step rate test run on the subject well with Mr. Frank Chaves, and have determined that the test results are unsatisfactory to justify the proposed pressure increase. In addition, in accordance with Division policy regarding injection pressure limitations, the subject well will now be assigned a pressure limit of 390 psi. (0.2 psi X 1948 feet).

The Division will consider an increase in injection pressure on the above-described well based upon any subsequently run step rate tests. If you should have any questions, please contact myself at (505) 827-5800.

Sincerely,

A handwritten signature in cursive script that reads "David Catanach".

David Catanach
Engineer

xc: OCD-Artesia
Rick Brown
Case File- 6033



OIL CONSERVATION DIVISION
RECEIVED
'90 SEP 21 AM 9 52

2901 EAST 20TH STREET • P.O. BOX 50 • FARMINGTON, NEW MEXICO 87499

PHONE (505) 325-1702

September 17, 1990

Mr. David Catanach
Petroleum Engineer
New Mexico Oil Conservation Division
Energy, Minerals and Natural Resources Dept.
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Case No. 6033, Order No. 5540
Slick Well #1, Unit O, Section 7,
T20N, R5W, N.M.P.M., Franciscan Lake
Mesa Verde Pool, McKinley County, N.M.

Dear Mr. Catanach:

Mr. Frank Chavez of the Aztec office suggested that I write you advising of our recent field work on the above referenced disposal well.

Basin was given verbal permission to move the packer in the subject well a point up the hole which would allow us to dispose of produced water therein not only in the Point Lookout interval of the Mesa Verde Formation, but also the Menefee member thereof. Accordingly, on August 23, 1990, the packer was set at 1913.80. This will allow us to dispose of produced water in Point Lookout and Menefee Perforations found at:

*1948 Perforation
390 PSI*

| | |
|---------------|---------------|
| 2752' - 2796' | 2156' - 2162' |
| 2597' - 2602' | 2044' - 2050' |
| 2542' - 2548' | 1948' - 1954' |

All in accord with Order No. 5540 allowing Basin to dispose of produced water in the Mesa Verde Formation of the subject well. This action was approved by your office in order to lower injection pressure and to increase oil recoveries from Menefee sand in the injected area.

Mr. Chavez was present on location to witness a step-rate test on the subject well. Based upon the results from said test, we hereby request that said order be amended to raise the limitation on well head pressure in said well from 550 p.s.i. to 660 p.s.i.

If anything further is needed, please advise.

Very truly yours,
BASIN FUELS, LTD.

1948-2602

By: Brad Saltzman
Brad Saltzman, Field Representative

cc: Frank Chavez

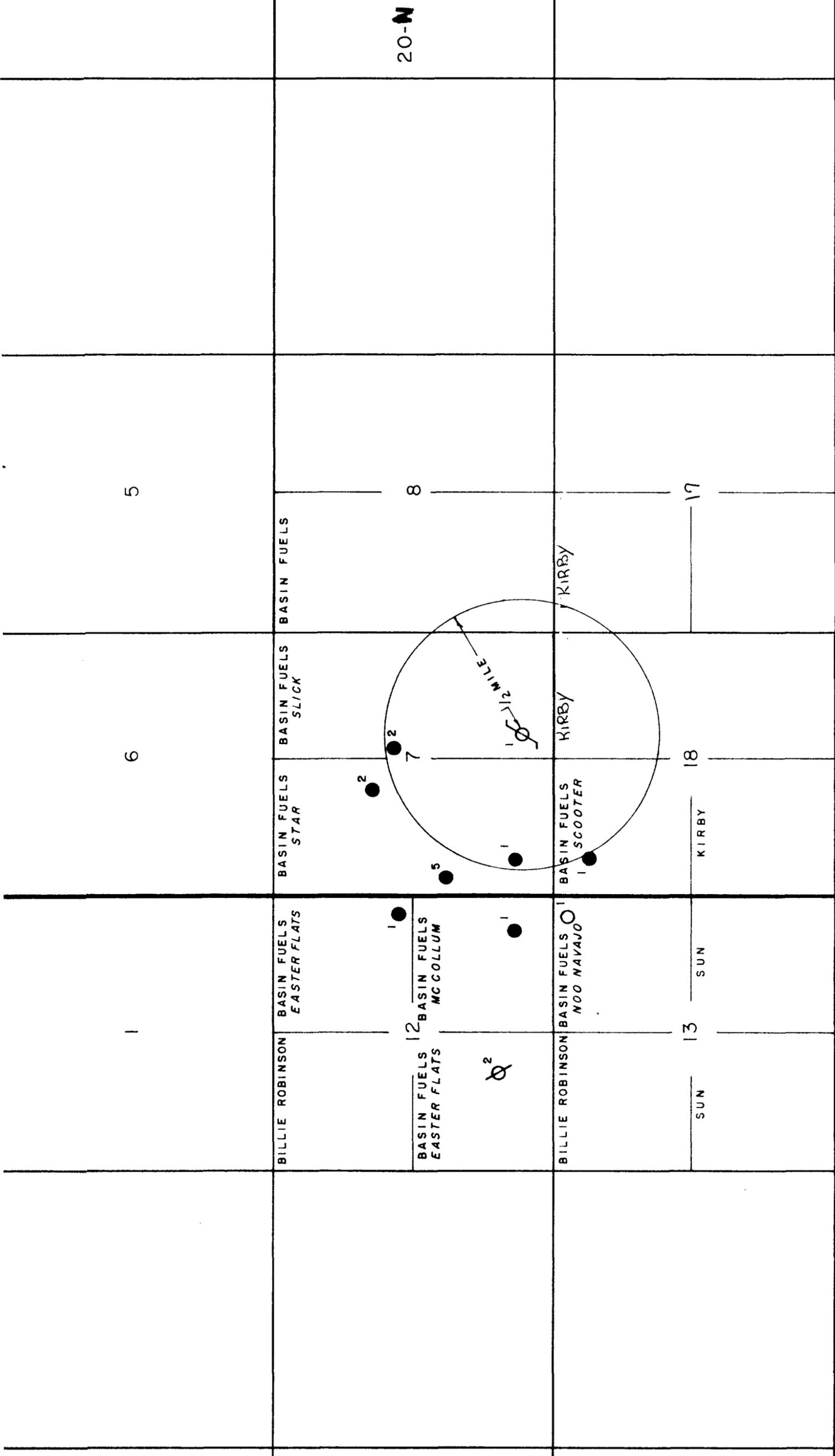


EXHIBIT NO. _____
 BASIN FUELS, INC.
 PRESSURE MAINTENANCE APPLICATION
 SLICK NO. 1
 O-7-20N-5W
 MCKINLEY CO., NEW MEXICO

● OIL WELL
 ⊗ T.A. WELL
 ⊙ PROPOSED INJECTION WELL
 ○ NEW LOCATION

20-N

5

6

1

8

17

7

18

12

13

KIRBY

SUN

SUN

KIRBY

KIRBY

BASIN FUELS
SCOOTER

BASIN FUELS
NAVAJO

BASIN FUELS

BASIN FUELS
SLICK

BASIN FUELS
STAR

BASIN FUELS
EASTER FLATS

BILLIE ROBINSON

BASIN FUELS
EASTER FLATS

BASIN FUELS
MCCOLLUM

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1/2 MILE