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July 20, 1990

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OIL CONSERVATION DIV.
SANTA FE

Case 10034

HAND-DELIVERED

William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
State Land Office Building
Santa Fe, New Mexico 87503

Re: In the Matter of the Application of Nearburg Producing Company for Salt
Water Disposal, Eddy County, New Mexico

Dear Mr. LeMay:

Enclosed in triplicate is the C-108 for Nearburg Producing Company in the above-
referenced case.

Very truly yours,



WILLIAM F. CARR

WFC:mlh

Enclosures

cc w/enclosures: Mr. Mark K. Nearburg
Vice-President
Nearburg Producing Company
401 E. Illinois, Suite 300
Midland, Texas 79701

APPLICATION FOR AUTHORIZATION TO INJECT

Case 10034

- I. Purpose: Secondary Recovery Pressure Maintenance Disposal Storage
Application qualifies for administrative review no

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II. Operator: Nearburg Producing CompanyAddress: P. O. Box 31405, Dallas, Texas 75231-0490Contact party: Ken Harbin OIL CONSERVATION DIV. Phone: 915-686-8235

III. Well data: Complete the data required on the reverse side of this form for each well proposed for injection. Additional sheets may be attached if necessary.

- IV. Is this an expansion of an existing project? yes no
If yes, give the Division order number authorizing the project _____

V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.

VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.

VII. Attach data on the proposed operation, including:

1. Proposed average and maximum daily rate and volume of fluids to be injected;
2. Whether the system is open or closed;
3. Proposed average and maximum injection pressure;
4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and
5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).

VIII. Attach appropriate geological data on the injection zone including appropriate lithologic detail, geological name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such source known to be immediately underlying the injection interval.

IX. Describe the proposed stimulation program, if any.

X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division they need not be resubmitted.)

XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.

XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground source of drinking water.

XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.

XIV. Certification

I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

Name: Mark R. Nearburg Title: V. President

Signature: [Signature] Date: 7-16-90

* If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be duplicated and resubmitted. Please show the date and circumstance of the earlier submittal.

A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:

- (1) Lease name; Well No.; location by Section, Township, and Range; and footage location within the section.
- (2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.
- (3) A description of the tubing to be used including its size, lining material, and setting depth.
- (4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.

- (1) The name of the injection formation and, if applicable, the field or pool name.
- (2) The injection interval and whether it is perforated or open-hole.
- (3) State if the well was drilled for injection or, if not, the original purpose of the well.
- (4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.
- (5) Give the depth to and name of the next higher and next lower oil or gas zone in the area of the well, if any.

XIV. PROOF OF NOTICE

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

- (1) The name, address, phone number, and contact party for the applicant;
- (2) the intended purpose of the injection well; with the exact location of single wells or the section, township, and range location of multiple wells;
- (3) the formation name and depth with expected maximum injection rates and pressures; and
- (4) a notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, P. O. Box 2088, Santa Fe, New Mexico 87501 within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

ATTACHED TO FORM C-108
NEARBURG PRODUCING COMPANY
APPLICATION FOR AUTHORIZATION TO INJECT

ANSWERS TO QUESTIONS:

III. Well Data

A.

1. Lease Name: Holstun
Well Number: 1
Section: 4
Township: 20 South
Range: 25 East
Footage: 660' FNL & 1980' FEL
2. See attached diagram.
3. See attached diagram.
4. See attached diagram.

B.

1. Injection formation is the Devonian.
2. The injection interval and whether it is perforated or open hole will not be known until the existing wellbore is re-entered and deepened to the Devonian.
3. The well was not drilled for injection, its original purpose was to test the Morrow formation.
4. The existing wellbore was never perforated and production casing was not run.
5. The next higher oil and gas zone above the Devonian is the Morrow gas formation and there is no lower zone below the Devonian that is potentially oil or gas bearing.

IV. This is not an expansion of an existing project.

V. See attached map.

VI. Not applicable to the area of review.

VII.

1. Proposed average and maximum daily rate of injection is 3000 Bbls. and 10,000 Bbls. respectively.
2. The system will be open.
3. Proposed average and maximum injection pressure is 300 lbs. and 1200 lbs. respectively.

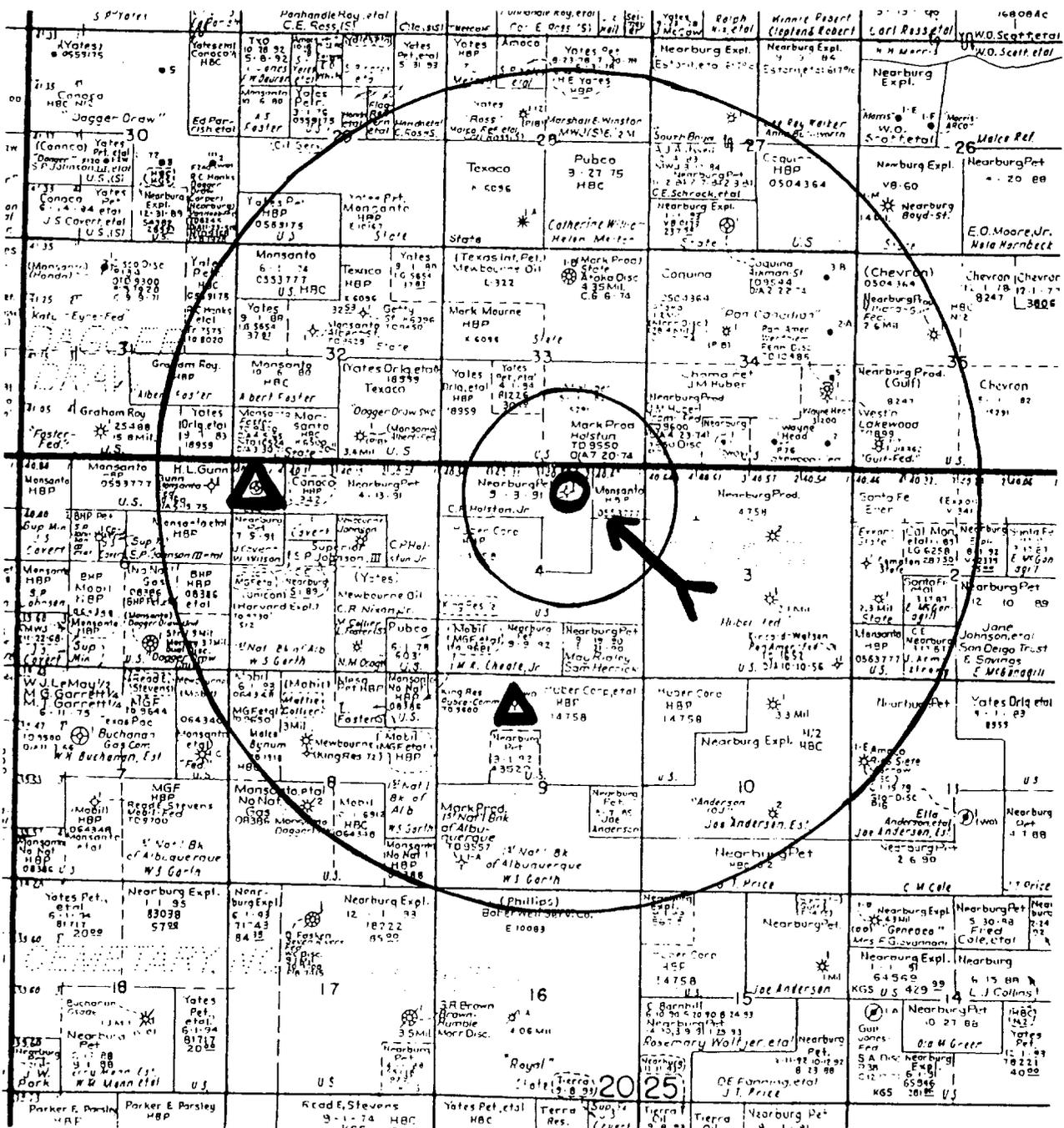
4. The wells indicated by a triangle on the map showing the area of review are existing, approved, and in operation salt water disposal wells in the Devonian formation for water from the Dagger Draw North Upper Pennsylvanian Pool. This application is for disposing of Dagger Draw North Upper Pennsylvanian Pool produced water into the Devonian formation similar to the two wells marked with triangles. These waters are compatible as evidenced by successful disposal of Dagger Draw North Upper Pennsylvanian Pool waters in the two wells indicated by triangles into the Devonian formation.
5. See response to question No. 4.

VIII.

Lithologic Detail:	Dolomite
Geologic Name:	Devonian
Thickness:	unknown until well deepened, but expected 300 to 500'
Depth:	top of Devonian expected at 10,200' subsurface
Overlying underground sources of drinking water:	These sources are between surface and 500' subsurface
Underlying underground sources of drinking water:	None known

- IX. Proposed stimulation program will be to acidize the Devonian.
- X. See attached drillstem test on original wellbore. Logs are on file at the NMOCD.
- XI. Not applicable as there are no fresh water wells within 1 mile of the subject well.
- XII. Nearburg Producing Company has examined available geologic and engineering data and has found no evidence of open faults or any other hydrologic connection between the disposal zone and any underground source of drinking water.
- XIII. See evidence of proof of notice attached.

ATTACHED TO FORM C-108
NEARBURG PRODUCING COMPANY
APPLICATION FOR AUTHORIZATION TO INJECT



MARK PRODUCTION COMPANY

330 CITIZENS BANK BUILDING
TYLER, TEXAS 75701
TELEPHONE (214) 597-3111

DRILL-STEM TESTS
HOLSTUN "CON" #1
NW NE of Sec. 4-T20S-R25E
Eddy County, New Mex.

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SEP 26 1974

O. C. C.
ARTESIA, OFFICE

- 7-17-74 DST #1 - 9245' - 9390' - 15 min preflow - recovered 160' mud - no gas -
1 hr ISIP 533 psi - 1 hr IFP 133 psi - FFP 133 psi - 2 hr FSIP 1131 psi -
IHP 4374 psi - FHP 4374 psi.
- 7-19-74 DST #2 - 7654' - 7760' - test failed.

