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W. THOMAS KELLAHIN
KAREN AUBREY

DANACE HAMANN CALLAHAN

LABON KELLAHIN
OF COUNSEL

September 11, 1990

HAND DELIVERED

Mr. William J. LeMay
Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87504

RECEIVED

SEP 11 1990

OIL CONSERVATION DIVISION

Re: Application of Conoco, Inc.
for Approval to Convert Conoco's
Southeast Monument Unit Wells No.
95 and No. 9 to Saltwater Disposal,
Lea County, New Mexico

Dear Mr. LeMay:

On behalf of Chevron USA, Inc., please find enclosed an original and two copies of each of the referenced application along with two copies of the Form C-108 with attachments for the proposed SWD well program.

We request that this case be docketed on the next available examiner's docket now scheduled for hearing on October 3, 1990 in the Division's hearing room, State Land Office Building, Santa Fe, New Mexico.

Very truly yours,



W. Thomas Kellahin

cc: Jerry W. Hoover

Certified mail return receipt
SW Cattle Co.
Post Office Box 549
Hobbs, NM 88241



Midland Division
Exploration and Production

Conoco Inc.
10 Desta Drive West
Midland TX 79705-9982
(915) 686-5400

September 7, 1990

Mr. Michael Stogner
New Mexico Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87501

Dear Mr. Stogner:

Request for Examiner Hearing
October 5, 1990 for approval
to convert Conoco's Southeast
Monument Unit Wells No. 95 and
No. 9, Lea County, New Mexico
to Saltwater Disposal

FILED TO FILE
RECEIVED
SEP 11 1990
OIL CONSERVATION DIVISION

With the filing of the attached C-108, Conoco seeks approval: (1) To convert its Southeast Monument Well No. 95, located in Unit J, Section 23, T-20S, R-37E, Lea County, New Mexico, from a shut-in oil well, in the Weir Drinkard Oil Pool, to saltwater disposal in the San Andres Formation and (2) to re-activate its shut-in Southeast Monument Unit Well No. 9, located in Unit O, Section 23, T-20S, R-37E, Lea County, New Mexico, to saltwater disposal in the San Andres formation.

The SEMU Well No. 9 was an approved SWD well at the time it was shut-in in 1971. Since the permit for injection into this well is 25 years old and injection has not actually occurred since 1971, it was included in this application for re-approval to ensure that it conforms to current OCD standards and requirements for saltwater disposal wells.

Attached are three (3) copies of the subject Application. Please schedule this case for the October 5, 1990 examiner docket.

Both of these wells are on the interior of the Southeast Monument Unit and there are no offsetting operators. A copy of this Application is also being sent to the surface landowner of the acreage on which these wells are located.

Yours very truly,

Jerry W. Hoover
Regulatory Coordinator

cc: SW Cattle Co.
P.O. Box 549
Hobbs, NM 88241

SEP 11 1990
OIL CONSERVATION DIVISION

APPLICATION FOR AUTHORIZATION TO INJECT

I. Purpose: Secondary Recovery Pressure Maintenance Disposal Storage
Application qualifies for administrative approval? yes no

II. Operator: Conoco Inc.

Address: 10 Desta Drive West, Midland, Texas 79705

Contact party: Jerry W. Hoover Phone: (915) 686-6548

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: Jerry W. Hoover Title Regulatory Coordinator

Signature: *Jerry W. Hoover* Date: September 7, 1990

* 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.

III. WELL DATA

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.

SEMU NO. 9 & NO. 95

ATTACHMENT TO FORM C-108 NOS. VII, VIII, IX, AND X

VII.

1. Proposed average and maximum daily rate:
 - 4000 BWPD average
 - 5000 BWPD maximum
2. System is closed.
3. Proposed average and maximum injection pressure:
 - 650 psi average injection pressure
 - maximum pressure not to exceed .2 psi/ft. of depth
4. Injected fluid will be the produced water from Conoco wells in the Warren McKee Waterflood (SEMU and Warren Unit McKee), the Warren Unit, and the Skaggs Pool Waterflood. Analysis of this water and compatibility tests with the San Andres formation are attached.
5. There are no productive San Andres wells within one mile of the proposed well. The attached water analysis from Warren Unit McKee No. 24 (San Andres formation) was made when the well was being tested for a water supply well to the Warren McKee lease in 1972.

VIII. Geological data is as follows: The lithology of the San Andres injection zone consists of dolomite, sandstone, and anhydrite. No known sources of underground drinking water are present in the area of review.

IX. Proposed Stimulation Program: Perforate the wellbore in the San Andres formation. Stimulate well with 15% HCL as necessary.

X. Logs and test data were submitted when the well was initially completed.

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION AT

Supervised by
The State Engineer

Distances must be from the outer boundaries of the section.

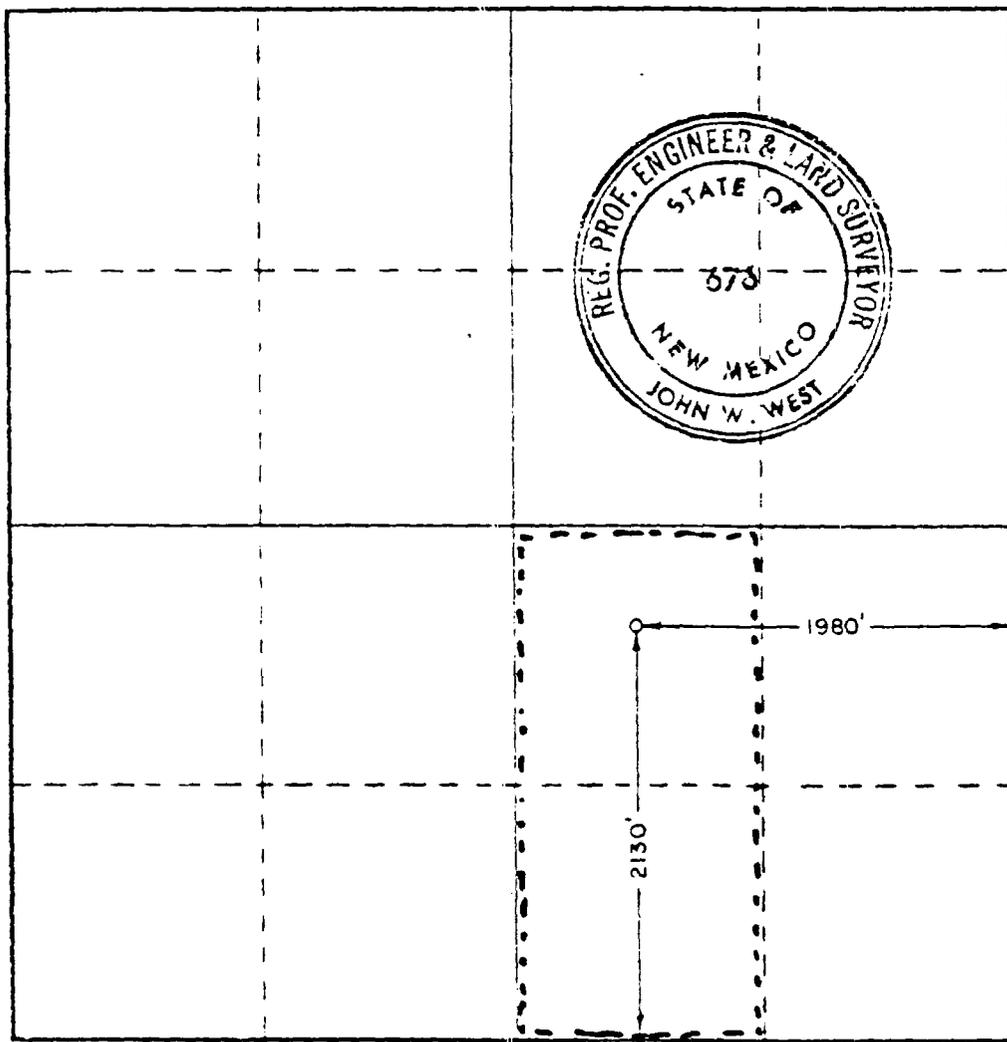
| | | | | | |
|-------------------------|-------|-----------|---------|-----|----|
| Continental Oil Company | | SEMU Penn | | | 95 |
| J | 23 | 20 South | 37 East | Lea | |
| 2130 | South | 1980 | East | | |
| 3523 | PENN | CASS PENN | 80 | | |

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated (Use reverse side of this form if necessary) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name: Hubert Douglas
 Position: SR. ANALYST
 Company: CONTINENTAL OIL CO
 Date: 11-11-74

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed: November 8, 1974

Registered Professional Engineer and/or Land Surveyor

John W. West
 676

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

P.O. Drawer DD, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

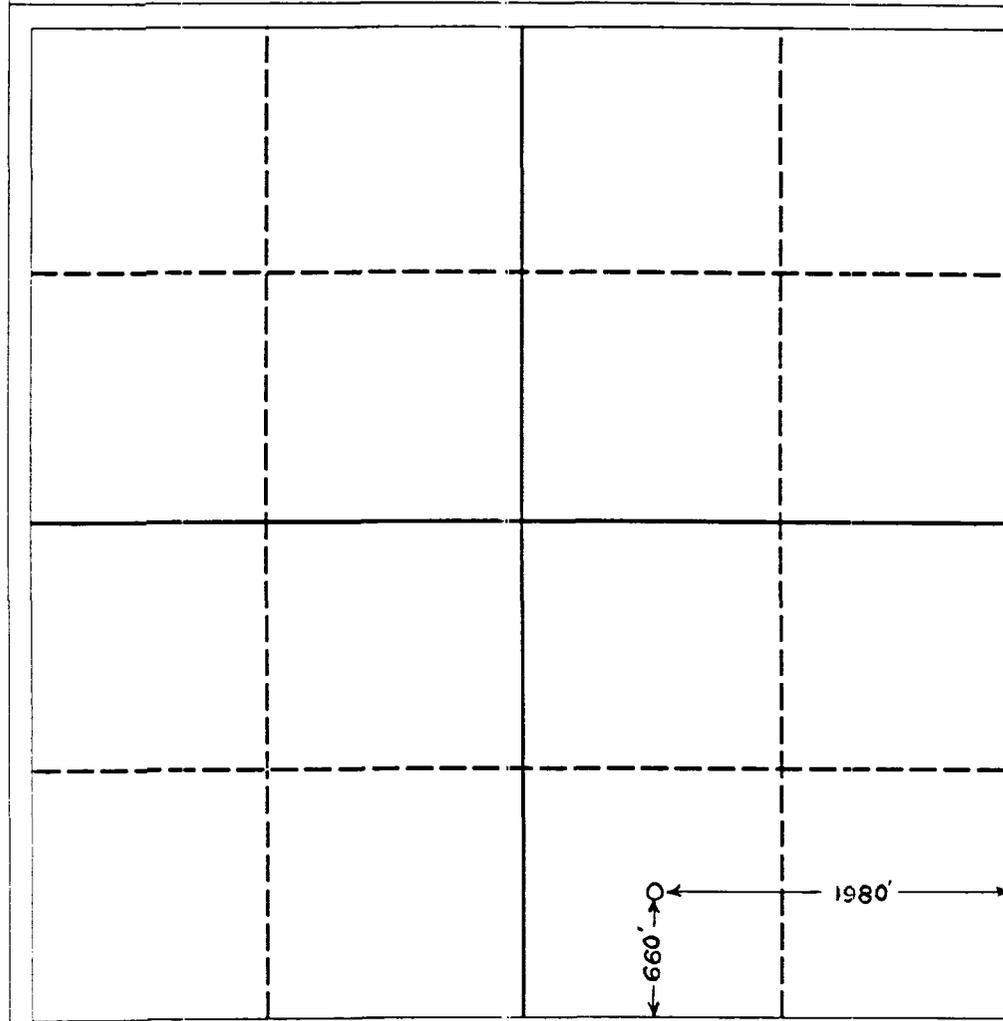
All Distances must be from the outer boundaries of the section

| | | | | | |
|-------------------------|---------------|------------------|---------------|---------------|---------------|
| Operator Conoco Inc. | | | Lease SEMU | | Well No. 9 |
| Unit Letter O | Section 23 | Township 20-S | Range 37-E | County Lea | |

Actual Footage Location of Well:
660 feet from the south line and 1980 feet from the east line

| | | | |
|-------------------------------|---------------------------------|-----------------------|--------------------------------|
| Ground level Elev. DF 3531 | Producing Formation Drinkard | Pool Weir Drinkard | Dedicated Acreage: 40 Acres |
|-------------------------------|---------------------------------|-----------------------|--------------------------------|

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?
 - Yes No If answer is "yes" type of consolidation _____
 If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____
 No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature _____

Printed Name
Jerry W. Hoover

Position
Regulatory Coordinator

Company
Conoco Inc.

Date
9/4/90

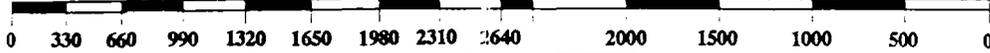
SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed _____

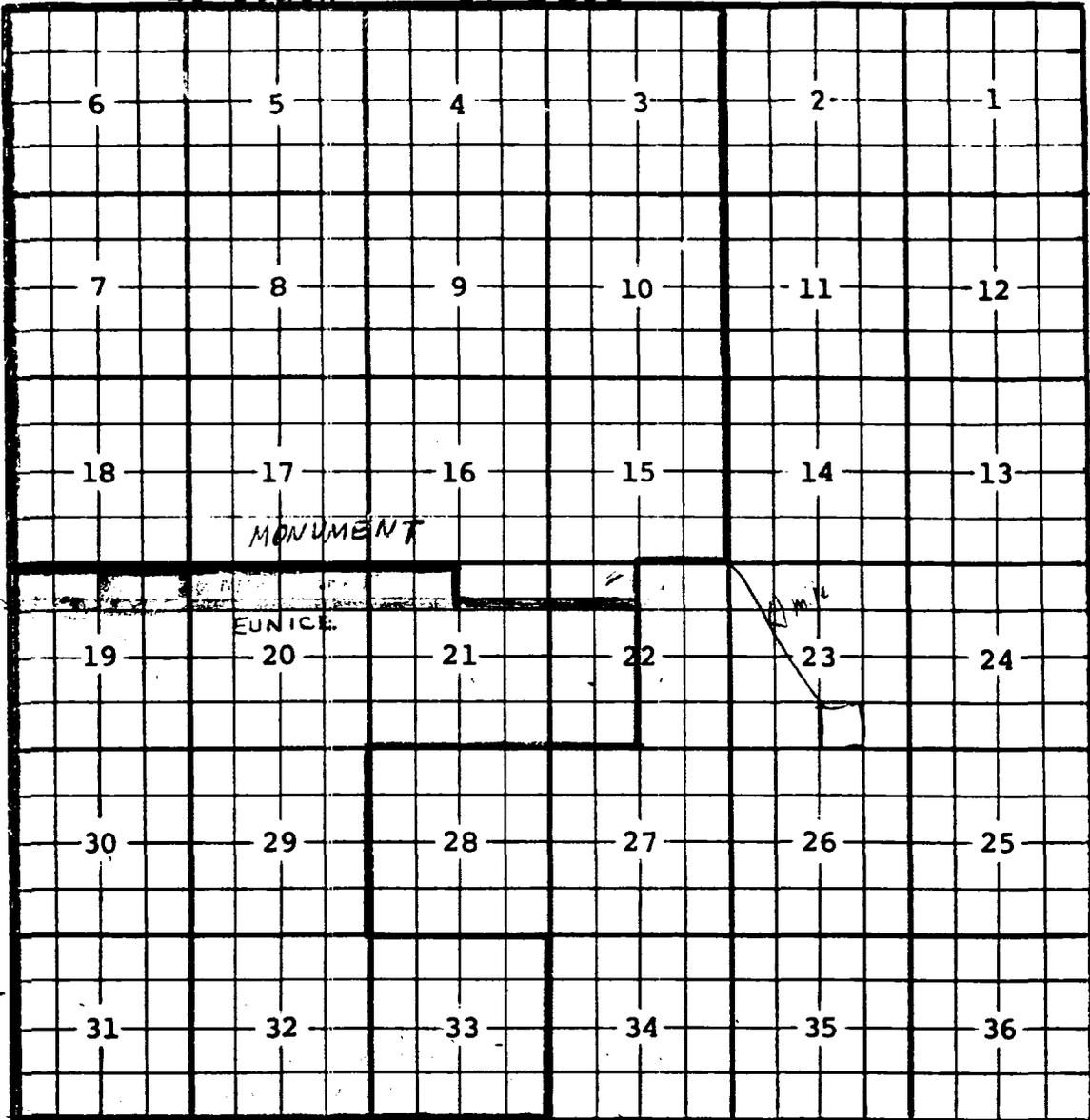
Signature & Seal of Professional Surveyor _____

Certificate No. _____



COUNTY Lea POOL Eunice-Manument (G-SA)

TOWNSHIP 20-South RANGE 37-East NMPM



Description: All Secs 3 thru 10; All Secs. 15 thru 21; $\frac{N}{2}$ Sec. 22; All Secs 29, 30, 31, 32, 4, 33, (R-520, 8-12-54).
Monument portion contracted by deletion of $\frac{N}{2}$ $\frac{NE}{4}$ Sec. 19 and Eunice portion extended to include $\frac{N}{2}$ $\frac{NE}{4}$ Sec. 19 (R-3407, 5-1-68)
Monument contracted by deletion of $\frac{N}{2}$ $\frac{NW}{4}$ Sec. 19; $\frac{NN}{2}$ $\frac{N}{2}$ Sec. 20; $\frac{N}{2}$ $\frac{NW}{4}$ Sec. 21 and the Eunice portion extended to include same (R-3807, 8-1-69)
Vertical limits amended to be from 100 feet below mean sea level or at the top of the Grayburg formation, whichever is higher, to the base of the San Andres formation in $\frac{S}{2}$, $\frac{S}{2}$ $\frac{N}{2}$, $\frac{NE}{4}$ $\frac{NW}{4}$, and $\frac{NW}{4}$ $\frac{NE}{4}$ sec. 30, All Secs. 31 and 32 (R-7767, 12-27-84)

GREEN LINE IS DIVISION BETWEEN EUNICE PORTION AND MONUMENT PORTION OF EUNICE - MONUMENT POOL - ORDER NO. 72, DATED JULY 26, 1937
 COMMON GOR OF 4500 / 1 ESTABLISHED FOR ENTIRE POOL BY ORDER HR-4206 EFFECTIVE 11-1-71
 EUNICE-MONUMENT POOL WAS ORIGINALLY DIVIDED INTO TWO AREAS, EUNICE (6000 / 1) AND MONUMENT (4500 / 1) BECAUSE

REFERENCE NOW WITH A COMMON GOR FOR THE ENTIRE POOL