



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Betty Rivera
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

June 11, 2002

Paul R. Owen
325 Paseo de Peralta
PO Box 2307
Santa Fe, New Mexico 87504

RE: ADMINISTRATIVE ORDER SWD-838

Dear Mr. Owen:

Reference is made to your June 11, 2002, letter on behalf of Duke Energy Field Services, LP concerning the definition of "dehydrated" acid gas to be injected into the Duke AGI Well No. 1. This well will be an Acid Gas injection well located in the SW/4 SE/4, Section 7, Township 18 South, Range 28 East, NMPM, Eddy County, New Mexico and is currently approved under administrative permit SWD-838.

Concerning the following statement in order SWD-838: "The operator shall ensure that injected gas is properly dehydrated prior to entering the Devonian injection zone". The Division's intent is that dehydration shall occur between stages of compression and integral with the compressor. This dehydration shall not require installation of an additional and separate dehydrator except as could be necessary to keep the gas in the non-corrosive state – this state being optimum for maintenance of injection tubulars.

Thank you for seeking timely clarification on this matter.

Many Regards,

William V Jones Jr
Engineer
New Mexico Oil Conservation Division

Cc: Oil Conservation Division – Artesia
SWD-838

