

OIL CONSERVATION DIVISION

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DEC 11 1995

Devon Energy Corporation (Nevada)
20 N. Broadway
Suite 1500
Oklahoma City, Oklahoma 73102

OIL CON. DIV.

DIST. 2

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OCT 13 1995

Re: Todd "26" Federal Well
No. 3, Section 26,
T-23 South, R-31 East
Eddy County, New Mexico

PRODUCTION DEPT

Dear Sir:

Division personnel recently attended a workshop held in Albuquerque, New Mexico, sponsored by the Environmental Evaluation Group (EEG) entitled the "Potential Effects of Oil and Gas Activities on WIPP". During the course of these proceedings, which was attended by representatives of EEG, Sandia Laboratory, NMED, DOE, BLM, NM Bureau of Mines, and EPA Region VI, it was brought to the attention of the Division that certain WIPP monitor wells completed in the Salado formation are exhibiting water level rises in the Culebra interval. This Culebra interval occurs at a depth of approximately 600-800 feet in this area. It was implied by some attendees that injection into the Todd "26" Federal Well No. 3 may be responsible, or at least contributing, to such water level rises.

Ms. Ruby Williams, Multi-Media Planning & Permitting Division, and Mr. Ray Leissner, New Mexico UIC Program Manager, EPA Region VI, recently contacted the Division and requested that testing be required on the Todd "26" Federal Well No. 3 in order to determine if this well is injecting out of zone and possibly contributing to the Culebra interval water level rises.

We have examined Division records which indicate that a mechanical integrity casing pressure test (MIT) was conducted on the Todd "26" Federal Well No. 3 on August 16, 1995, and that the well passed the test.

After consultation with Division staff, we have determined that a radioactive tracer survey should demonstrate whether the injected fluid within the subject well is migrating upward through channels in the vicinity of the wellbore. In order to comply with EPA's request, the Division is hereby ordering that a radioactive tracer survey be conducted on the Todd "26" Federal Well No. 3 within 60-days from the date of this letter.