### STATE OF NEW MEXICO



ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

BRUCE KING

POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87504 (505) 827-5800 ADMINISTRATIVE ORDER NO. SWD-469

### APPLICATION OF EXXON COMPANY, USA

## ADMINISTRATIVE ORDER OF THE OIL CONSERVATION DIVISION

Under the provisions of Rule 701(B), Exxon Company, USA made application to the New Mexico Oil Conservation Division on March 25, 1992, for permission to complete for salt water disposal its Yates Federal "C" No. 2 located in Unit J of Section 31, Township 20 South, Range 28 East, NMPM, Eddy County, New Mexico.

# THE DIVISION DIRECTOR FINDS THAT:

(1) The application has been duly filed under the provisions of Rule 701(B) of the Division Rules and Regulations.

(2) Satisfactory information has been provided that all offset operators and surface owners have been duly notified; and

(3) The applicant has presented satisfactory evidence that all requirements prescribed in Rule 701 will be met.

(4) No objections have been received within the waiting period prescribed by said rule.

## IT IS THEREFORE ORDERED THAT:

(1) The applicant herein, Exxon Company, USA is hereby authorized to complete its Yates Federal "C" No. 2 located in Unit J of Section 31, Township 20 South, Range 28 East, NMPM, Eddy County, New Mexico, in such a manner as to permit the injection of salt water for disposal purposes into the Wolfcamp formation at approximately 9004 feet to approximately 9130 feet through 2 7/8 inch plastic lined tubing set in a packer located at approximately 8904 feet. Administrative Order No. SWD-469 Exxon Company, USA April 8, 1992 Page 2

## IT IS FURTHER ORDERED THAT:

The operator shall take all steps necessary to ensure that the injected water enters only the proposed injection interval and is not permitted to escape to other formations or onto the surface.

Prior to commencing injection operations into the well, the casing shall be pressure tested from the surface to the packer setting depth to assure the integrity of said casing.

The casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge at the surface or left open to the atmosphere to facilitate detection of leakage in the casing, tubing or packer.

The injection well or system shall be equipped with a pressure limiting device which will limit the wellhead pressure on the injection well to no more than 1800 psi.

The Director of the Division may authorize an increase in injection pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the injected fluid from the Wolfcamp formation. Such proper showing shall consist of a valid step-rate test run in accordance with and acceptable to this office.

The operator shall notify the supervisor of the Artesia district office of the Division of the date and time of the installation of disposal equipment and of the mechanical integrity test, so that the same may be inspected and witnessed.

The operator shall immediately notify the supervisor of the Artesia district office of the Division of the failure of the tubing, casing or packer in said well and shall take such steps as may be timely and necessary to correct such failure or leakage. Administrative Order No. SWD-469 Exxon Company, USA April 8, 1992 Page 3

<u>PROVIDED FURTHER THAT</u>, jurisdiction of this cause is hereby retained by the Division for such further order or orders as may be deemed necessary or convenient for the prevention of waste and/or protection of correlative rights; upon failure of the operator to conduct operations in a manner which will ensure the protection of fresh water or in a manner inconsistent with the requirements set forth in this order, the Division may, after notice and hearing, terminate the injection authority granted herein.

The operator shall submit monthly reports of the disposal operations in accordance with Rule 706 and 1120 of the Division Rules and Regulations.

Approved at Santa Fe, New Mexico, on this 8th day of April, 1992.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION WILLIAM J. LEMA Director

SEAL

cc: Oil Conservation Division - Artesia US Bureau of Land Management - Carlsbad

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### BUREAU OF LAND MANAGEMENT CARLSBAD RESOURCE AREA

Disposal of Produced Water From Federal Wells

### Conditions of Approval

Approval of the produced water disposal methodology is subject to the following conditions of approval:

- 1. This agency be notified of any change in your method or location of disposal.
- 2. Compliance with all provisions of NTL-2B.
- 3. This agency shall be notified of any spill or discharge as required by NTL-3A.
- 4. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.
- 5. All aboveground structures on the lease shall be painted sandstone brown, Federal Std. 595-20318, or 30318, within 90 days if you have not already done so.
- 6. Any on lease open top storage tanks or pits shall be covered with a wire screen or plastic/nylon netting to prevent entry by birds and other wildlife.
  - 7. This approval does not constitute right-of-way approval for any off lease activities. If water is transported via a pipeline that extends beyond the lease boundary, then you need to submit within 30 days an application for right-of-way approval to the Realty Section in this office if you have not already done so.

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Form 3160-5 (December 1989)	DEPARTMEN	ED STATES F OF THE INTER AND MANAGEN	INTERIOR NAGEMENT O. C. O. STESIA OFFICE			FORM APPROVED Budget Bureau No. 1004-0135 Expires: September 30, 1990 5. Lease Designation and Serial No. NM 19848		
Do not use this fo	rm for proposals to drill o Use "APPLICATION FOR I	r to deepen or reen	try to a d	ifferent reservo		6. If Indian, Allotte	e or inbe Name	
	SUBMIT	IN TRIPLICATE		· · · · · · · · · · · · · · · · · · ·		7. If Unit or CA, Agreement Designation		
1. Type of Well Oul Well Well Other  2. Name of Operator						8. Well Name and No. LAGUNA GRANDE UNIT 3		
EXXON COR		: REGULATORY	AFFA	IRS		9. API Well No. 3001523414		
3. Address and Telephone P. O. BOX		TX 79702	(915)	688-7509		10. Field and Pool,	or Exploratory Area	
4. Location of Well (Foota	ge, Sec., T., R., M., or Survey Descript	uon)	205			LAGUNA SALA	DO - ATOKA GAS	• <u> </u>
2310' FSL	AND 1980' FEL	5EC.29-235-2	276			EDDY	NM	
12. CH	ECK APPROPRIATE BOX(	s) TO INDICATE NAT	URE OF	NOTICE, REPOR	T, OR OTH	IER DATA		
TYPE OF	SUBMISSION			TYPE OF /	ACTION			
Notice of	of Intent	Abandonment			Change of Plans			
Subsequ	ent Report		Recompletion Plugging Back				ne Fracturing	
Jubequ		Г_1 I	Casing Repair			Water Shu	t-Off	
Final Abandonment Notice					OKA PI	s of multiple completion on Well Completion or		
13. Describe Proposed of 6 subsurface locations a 12-16-91 12-17-91 12-20-91 1-6-92	Completed Operations (Clearly state all ind measured and true vertical depths f MIRU, RIH W/ PERF TOKA LIM ACIDIZE W/ 30 RETURN WELL T	COILED TUBI IE 12174' T IOO GALS 15	NG CLE D 1218 % HCL	EAN OUT TO	12,3			eu, give
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14. Thereby certify that the foregoing is the sed correct Sharon B. Timiin Signed Maron D. M. Title Sr. staff office assistant	Date 02/28/92
(This space for Federal or State office us) Approved by ADD Title Conditions of approval, if any:	Date

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representa as to any matter within its jurisdiction.

### GENERAL INSTRUCTIONS

This form is for submitting proposals to perform certain well operations, and reports of such operations when completed, as indicated, on Federal and Indian lands pursuant to applicable Federal law and regulations, and, if approved or accepted by any State, on all lands in such State, pursuant to applicable State law

and regulations. Any special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office.

### SPECIFIC INSTRUCTIONS

Item 4-If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local or Federal office for specific instructions.

Item 13-Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by Federal and/or State offices. In addition, such proposals and reports should include reasons for the abandonment; data on any former or present productive zones, or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, method of parting of any casing, liner or tubing pulled and the depth to top of any left in the hole; method of closing top of well; and date well site conditioned for final inspection looking to approval of the abandonment.

### NOTICE

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et. seq., 351 et. seq, 25 U.S.C. et. seq.; 43 CFR 3160.

PRINCIPAL PURPOSE - The information is to be used to evaluate, when appropriate, approve applications, and report completion of secondary well operations, on a Federal or Indian lease.

#### **ROUTINE USES:**

- (1) Evaluate the equipment and procedures used during the proposed or completed subsequent well operations.
- (2) Request and grant approval to perform those actions covered by 43 CFR 3162.3-2(2).
- (3) Analyze future applications to drill or modify operations in light of data obtained and methods used
- (4)(5) Information from the record and or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions

EFFECT OF NOT PROVIDING INFORMATION - Filing of this notice and report and disclosure of the information is mandatory once an oil or gas well is drilled.

The Paperwork Reduction Act of 1980 (44 U.S.C. 3501, et. seq.) requires us to inform you that:

This information is being collected in order to evaluate proposed and/or completed subsequent well operations on Federal or Indian oil and gas leases.

This information will be used to report subsequent operations once work is completed and when requested, to obtain approval for subsequent operations not previously authorized.

Response to this request is mandatory for the specific types of activities specified in 43 CFR Part 3160.

Public reporting burden for this form is estimated to average 30 minutes per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management, (Alternate) Bureau Clearance Officer, (WO-771), 18 and C Streets, N.W., Washington, D.C. 2024, and the Office of Management and Budget, Paperwork Reduction Project (1004-0135), Washington, D.C. 20503.

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Do not use this form	UNITED S DEPARTMENT OF BUREAU OF LAND SUNDRY NOTICES AND I for proposals to drill or to de	THE INTERIOR MANAGEMENT REPORTS ON WEI epen or reentry to a	different reserve	991 5. Lea NM 6. If II	FORM APPROVE Budget Bureau No. 1004 Expires: September 30, se Designation and Serial N <b>19848</b> Indian, Allottee or Tribe Nat	I-0135 1990 Go.
Us	e "APPLICATION FOR PERMIT SUBMIT IN TR		5	7. If U	init or CA, Agreement Des	Ignation
Type of Well      Oil     Well      Gas     Well      Correct      Correct      Correct      Correct      Address and Telephone No.      D      Correct      Correct		GULATORY AFF	AIRS 0 688-7532	LAGU 3 9. AP 30	II Name and No. NA GRANDE UINT I Well No. 01523414 eld and Pool, or Exploratory	Area
P. O. BOX 1 4. Location of Well (Footage, S	600 MIDLAND, TX ec., T., R., M., or Survey Description)	19102 (915)	000-7557		JNA SALADO - ATO	
2310' FSL &	1980' FEL, SEC 2	9, T235 - R29	θE	11. Co EDI	ounty or Parish, State	NM
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TYPE OF SU	BMISSION		TYPE OF	ACTION		
Subsequent F		Abandonmen Recompletion Plugging Bac Casing Repai Altering Casi	ng ADD A	TOKA LIME	Change of Plans New Construction Non-Routine Fracturing Water Shut-Off Conversion to Injection <b>PERFS</b> , <b>STI</b> completion on Well Comp	
subsurface locations and m		details, and give pertinent dates, ters and zones pertinent to this v ATOKA LIME (	including estimated dat work.)*		sed work. If well is direction	nally drilled, give
14. I hereby certify that the for Signed	Mariea	Alex M. Title Administ	Correa rative Sp	ecialist	Date 09/04/9	

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representation as to any matter within its jurisdiction. \_\_\_