Form 3160-5 (June 1990)

1. Type of Well Oil Well

2. Name of Operator

Texaco Inc. 3. Address and Telephone No.

Gas Well

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED Budget Bureau No. 1004-0135 Expires: March 31, 1993

5. Lease Designation and Serial No.

6. If Indian, Allottee or Tribe Name

NM-014378

8. Well Name and No.

30-045-95223

10. Field and Pool, or Exploratory Area

9. API Well No.

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir. Use "APPLICATION FOR PERMIT—" for such proposals

SUBM!T IN TRIPLICATE

7. If Unit or CA, Agreement Designation

H. J. Loe Federal "B" No.2

3300 N. Butler, Farmington N.M.	87401 (505)325-4397	10. Field and Pool, or Exploratory Area Fulcher Kutz-PC
4. Location of Well (Footage, Sec., T., R., M., or Survey D	escription)	11. County or Parish, State
1850' FNL & 2310' FEL		11. County of Farisit, June
Sec. 23, T-29-N, R-12-W		San Juan, New Mexico
CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPOR	RT, OR OTHER DATA
TYPE OF SUBMISSION	TYPE OF ACTION	T E D
X Notice of Intent	WE Abandonment	Change of Plans
Notice of Intent DECE	Abandonment Recompletion	New Construction
Subsequent Repor	Plugging Back	Non-Routine Formuring Water Shut-Off
JUN2 2	1992 Casing Repair	
		KConversion to Injection
OIL CON	1. DIV	Dispose Water (Note: Report results of multiple completion on Well
DIST	3	Completion or Recompletion Report and Log form.)

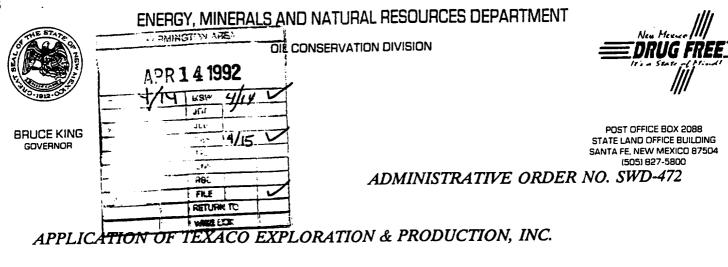
13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Texaco is planing to convert the subject well to a water disposal well by completing the Mesa Verde interval (3270'-3980') and installing the necessary injection equipment. As the surface owner, you were furnished with a copy of the proposal package filed with the NMOCD. Please find attached a copy of the NMOCD approval of this conversion. This well will handel water produced from the H. J. Loe lease and neighboring leases. The surface facilities for this disposal well, consisting of 2-400 BBL water storage tanks and a water transfer pump, will be located at the H. J. Loe Federal B #5 location. A flow line will be laid from the well number 5 to the well number 2, connecting the battery to the injection well. Pending the initial injection test in the Mesa Verde interval, additional capacity may be installed at the battery to hold water hauled from neighboring leases. Texaco plans to begin work on the subject well in late June 1992.

If you have any questions or concerns about the facilities or water disposal in the subject well, please contact Darren Segrest at (505) 325-4397.

4. I hereby certify that the foregoing is true and correct Signed Kached Hundu/TAT Title Area Manager	Date 6/09/92
(This space for Federal or State office use)	ACCEPTED FOR RECORD
Approved by Title Conditions of approval, if any:	JUN 18 1992
Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency	FARMINGTON RESOURCE AREA y of the United States any raise, fictitious or fraudulent stateme

STATE OF NEW MEXICO



ADMINISTRATIVE ORDER OF THE OIL CONSERVATION DIVISION

Under the provisions of Rule 701(B), Texaco Exploration & Production, Inc. made application to the New Mexico Oil Conservation Division on March 23, 1992, for permission to complete for salt water disposal its H.J. Loe Federal B No. 2 located in Unit G of Section 23, Township 29 North, Range 12 West, NMPM, San Juan 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, Texaco Exploration & Production, Inc. is hereby authorized to complete its H.J. Loe Federal B No. 2 located in Unit G of Section 23, Township 29 North, Range 12 West, NMPM, San Juan County, New Mexico, in such a manner as to permit the injection of salt water for disposal purposes into the Mesa Verde formation at approximately 3250 feet to approximately 4200 feet through 2 3/8 inch plastic lined tubing set in a packer located at approximately 3150 feet.

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 to 1000 psi 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 650 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 Mesa Verde 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 Aztec 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 Aztec 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.

PROVIDED FURTHER THAT, 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 9th day of April, 1992.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

WILLIAM J. LEMAN

Director

SEAL

cc: Oil Conservation Division - Aztec
US Bureau of Land Management - Farmington

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Form 3160-5 (June 1990)

1. Type of Well

UNITED STATES DEPARTMENT OF THE INTERIOR **BUREAU OF LAND MANAGEMENT**

FORM APPROVED Budget Bureau No. 1004-0135 Expires: March 31, 1993

5. Lease Designation and Serial No.

NM-014378

SUNDRY NOTICES AND REPORTS ON WELLS	HINDRY	NOTICES	AND REPORTS	S ON WELLS
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SUBMIT IN TRIPLICATE

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7. If Unit or CA, Agreement Designation

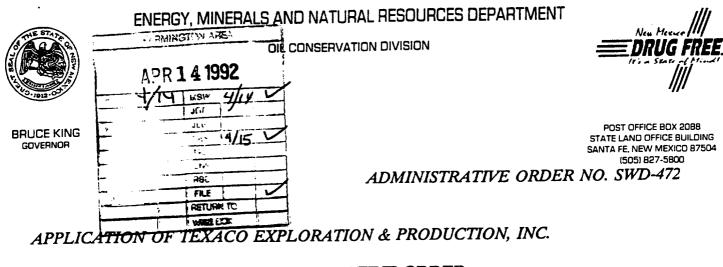
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2. Name of Operator		H. J. Loe Federal "B" No.2
Texaco Inc.		9. API Well No.
3. Address and Telephone No.		30-045-95223
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	B B C C C Recompletion	New Construction
Subsequent Report	Recompletion Plugging Back	Non-Routine Fracturing
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