

STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

BRUCE KING  
GOVERNOR

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87504  
(505) 827-5800

April 29, 1991

Blackwood & Nichols Co.  
PO Box 1237  
Durango, Co. 81302-1237

Attention: Jim Abbey

RECEIVED  
MAY 10 1991  
OIL CON. DIV  
DIST. 3

RE: *Injection Pressure Increase*  
*Pump Mesa SWD No. 1*  
*San Juan County, New Mexico*

Dear Mr. Abbey:

Reference is made to your request dated April 9, 1991, to increase the surface injection pressure on the Pump Mesa SWD Well No. 1. This request is based on a step rate test conducted on the well on April 2, 1991. The results of the test have been reviewed by my staff and we feel an increase in injection pressure on the well is justified at this time.

You are therefore authorized to increase the surface injection pressure on the following well.

WELL AND LOCATION

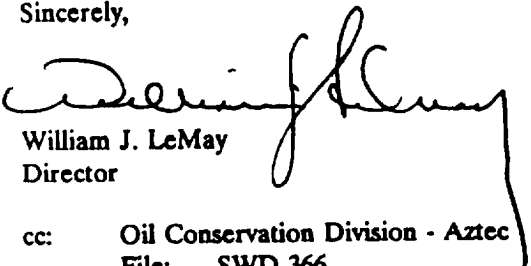
MAXIMUM INJECTION  
SURFACE PRESSURE

Pump Mesa SWD No. 1  
990' FSL & 1600' FWL (Unit N)  
Section 36, T-31 North, R-8 West, NMPM  
San Juan County, New Mexico

2250 PS1G

The Division Director may rescind this injection pressure increase if it becomes apparent that the injected water is not being confined to the injection zone or is endangering any fresh water aquifers.

Sincerely,

  
William J. LeMay  
Director

cc: Oil Conservation Division - Aztec  
File: SWD 366  
D. Catanach  
R. Brown

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

N-36-31N-8W

GARREY CARRUTHERS  
GOVERNOR

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87504  
(505) 827-5800

ORDER NO. SWD-366

APPLICATION OF BLACKWOOD & NICHOLS COMPANY, LTD.

ADMINISTRATIVE ORDER  
OF THE OIL CONSERVATION DIVISION

Under the provisions of Rule 701(B), Blackwood & Nichols Company, Ltd. made application to the New Mexico Oil Conservation Division on March 3, 1989, for permission to complete for salt water its Northeast Blanco Unit Well No. 503, located in Unit N, of Section 36, Township 31 North, Range 8 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, Blackwood & Nichols Company, Ltd. is hereby authorized to complete its Northeast Blanco Unit Well No. 503 located in Unit N of Section 36, Township 31 North, Range 8 West, NMPM, San Juan County, New Mexico, in such a manner as to permit the injection of salt water for disposal purposes into the Morrison and Entrada formations at approximately 8100 feet to approximately 9100 feet through 3 1/2-inch plastic lined tubing set in a packer located at approximately 8050 feet.

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Blackwood & Nichols Company, Ltd.  
March 30, 1989  
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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.

Prior to commencing injection operations into the well, the operator shall obtain a water sample from the Morrison and Entrada formations and shall cause said samples to be analyzed, with the results sent to the Santa Fe Office of the Division.

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 1620 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 Morrison and Entrada formations. 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 the entry of 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

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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 29th day of March, 1989.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
*for* WILLIAM J. LEMAY  
Director

S E A L