

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

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Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



Administrative Order SWD-1140-B
December 29, 2015

**ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION**

Pursuant to the provisions of Division Rule 19.15.26.8(B) NMAC, TLT SWD, LLC (the "operator") seeks an administrative order to amend the injection authority for the Sweet Pea SWD No. 1 with a location 1980 feet from the South line and 660 feet from the West line, Unit letter L of Section 2, Township 23 South, Range 31 East, NMPM, Eddy County, New Mexico, for the commercial disposal of produced water. The previous order, Administrative Order SWD-1140-A, limited the sources of disposal fluids to producing wells of the operator. Administrative Order SWD-1140-A is cancelled with the approval of this amended Order.

THE DIVISION DIRECTOR FINDS THAT:

The application has been duly filed under the provisions of Division Rule 19.15.26.8(B) NMAC and satisfactory information has been provided that affected parties as defined in said rule have been notified and no objection was received within the required waiting period. The operator has also provided notification to technical representatives for the United States Department of Energy regarding the change in operation of the well to the Waste Isolation Pilot Plant.

The operator has presented satisfactory evidence that all requirements prescribed in Rule 19.15.26.8 NMAC have been met and the operator is in compliance with Rule 19.15.5.9 NMAC. The injection authority granted in this Order is subject to the operator successfully complying with NMOCD-ACOI-297, dated December 2, 2015, and the Division may revoke this injection authority after notice and hearing if the operator fails to satisfy the terms of NMOCD-ACOI-297.

IT IS THEREFORE ORDERED THAT:

The applicant, TLT SWD, LLC (OGRID 287481), is hereby authorized to utilize its the Sweet Pea SWD No. 1 (API No. 30-015-35749) with a location 1980 feet from the South line and 660 feet from the West line, Unit letter L of Section 2, Township 23 South, Range 31 East, NMPM, Eddy County, New Mexico for commercial disposal of oil field produced water (UIC Class II only) through a perforated interval within the Bell Canyon and Cherry Canyon formations from 4600 feet to 5850 feet. Injection shall occur through 3½-inch or smaller, internally-coated tubing and a packer set a maximum of 100 feet above the top perforation.

IT IS FURTHER ORDERED THAT:

The operator shall take all steps necessary to ensure that the disposed water enters only the

approved disposal interval and is not permitted to escape to other formations or onto the surface. This includes the well construction proposed and described in the application, and, if necessary, as determined by the District Supervisor.

Within one year after commencing disposal under this Order, the operator shall conduct an injection survey, consisting of a temperature log or equivalent, over the entire injection interval using representative disposal rates. Copies of the survey results shall be provided to the Division's District II office and Santa Fe Bureau office.

After installing tubing, the casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge or an approved leak detection device in order to determine leakage in the casing, tubing, or packer. The casing shall be pressure tested from the surface to the packer setting depth to assure casing integrity.

The well shall pass an initial mechanical integrity test ("MIT") prior to initially commencing disposal and prior to resuming disposal each time the disposal packer is unseated. All MIT procedures and schedules shall follow the requirements in Division Rule 19.15.26.11(A) NMAC. The Division Director retains the right to require at any time wireline verification of completion and packer setting depths in this well.

The wellhead injection pressure on the well shall be limited to **no more than 760 psi with 3 1/2-inch tubing size.** The disposal well or system shall be equipped with a pressure limiting device in workable condition which shall, at all times, limit surface tubing pressure to the maximum allowable pressure for this well. In addition, the operator shall install and maintain a chart recorder showing casing and tubing pressures during disposal operations.

This well is NOT eligible for future injection pressure increases, except after sufficient evidence that such higher pressure will not result in migration of the disposed fluid from the approved interval along with proof of notice are presented at a Division examiner hearing.

The operator shall notify the supervisor of the Division's District II office of the date and time of the installation of disposal equipment and of any MIT so that the same may be inspected and witnessed. The operator shall provide written notice of the date of commencement of disposal to the Division's District II office. The operator shall submit monthly reports of the disposal operations on Division Form C-115, in accordance with Division Rules 19.15.26.13 and 19.15.7.24 NMAC.

The injection authority granted under this order is not transferable except upon Division approval. The Division may require the operator to demonstrate mechanical integrity of any injection well that will be transferred prior to approving transfer of authority to inject.

The Division may revoke this injection order after notice and hearing if the operator is in violation of Rule 19.15.5.9 NMAC.

The disposal authority granted herein shall terminate two (2) years after the effective date of this Order if the operator has not commenced injection operations into the subject well. One

year after the last date of reported disposal into this well, the Division shall consider the well abandoned, and the authority to dispose will terminate *ipso facto*. The Division, upon written request mailed by the operator prior to the termination date, may grant an extension thereof for good cause.

Compliance with this Order does not relieve the operator of the obligation to comply with other applicable federal, state or local laws or rules, or to exercise due care for the protection of fresh water, public health and safety and the environment.

Jurisdiction is retained by the Division for the entry of such further orders as may be necessary for the prevention of waste and/or protection of correlative rights or upon failure of the operator to conduct operations (1) to protect fresh or protectable waters or (2) consistent with the requirements in this order, whereupon the Division may, after notice and hearing, terminate the disposal authority granted herein.



DAVID R. CATANACH
Director

DRC/prg

cc: Oil Conservation Division – Artesia District Office
Oil, Gas and Mineral Resources – State Land Office