

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



Administrative Order SWD-1182
Corrected October 5, 2009

July 15, 2009

Mr. Kay Havenor, Ph.D.
Havenor Operating Co
904 North Moore Ave
Roswell, NM 88201-1144

ADMINISTRATIVE ORDER OF THE OIL CONSERVATION DIVISION

Under the provisions of Division Rule 26.8B., Havenor Operating Co seeks an administrative order to re-enter and utilize its South Loco Hills Fed Disposal Well No. 1 (API 30-015-29104) located 660 feet from the South line and 2220 feet from the East line, Unit O of Section 31, Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico, for produced water disposal purposes.

THE DIVISION DIRECTOR FINDS THAT:

The application has been duly filed under the provisions of Division Rule 26.8B. Satisfactory information has been provided that affected parties as defined in Rule 26.8B.(2) have been notified and no objections have been received within the prescribed waiting period. The applicant has presented satisfactory evidence that all requirements prescribed in Rule 26.8 will be met and the operator is in compliance with Division Rule 5.9.

IT IS THEREFORE ORDERED THAT:

The applicant, Havenor Operating Co, is hereby authorized to re-enter and utilize its South Loco Hills Fed Disposal Well No. 1 (API 30-015-29104) located 660 feet from the South line and 2220 feet from the East line, Unit O of Section 31, Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico, for disposal of produced water into the Devonian formation from approximately 12444 feet to 12751 feet through plastic-lined tubing set within 100 feet of the disposal interval.

IT IS FURTHER ORDERED THAT:

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



surface.

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 wellhead injection pressure on the well shall be limited to **no more than 2,489 psi**. (Division max. of 0.2 psi per foot gradient). In addition, 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.

The Director of the Division may authorize an increase in tubing pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the disposed fluid from the target formation. Such proper showing shall be demonstrated by an acceptable Step-Rate-Test.

The operator shall notify the supervisor of the Division's district II office in Artesia of the date and time of the installation of disposal equipment and of any mechanical integrity test 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 26.13 and 7.24.

Without limitation on the duties of the operator as provided in Division Rules 30 and 29, or otherwise, the operator shall immediately notify the Division's district office of any failure of the tubing, casing or packer in the well, or of any leakage or release of water, oil or gas from around any produced or plugged and abandoned well in the area, and shall take such measures as may be timely and necessary to correct such failure or leakage.

In accordance with Division Rule No 26.12.C., the disposal authority granted herein shall terminate one year after the effective date of this order if the operator has not commenced injection operations into the subject well, provided however, the Division, upon written request, mailed by the operator prior to the termination date, may grant an extension thereof for good cause. One year after disposal into the well has ceased, the authority to dispose will terminate *ipso facto*.

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.



MARK E. FESMIRE, P.E.
Director

MEF/wvjj

cc: Oil Conservation Division – Artesia
Bureau of Land Management – Carlsbad

Jones, William V., EMNRD

From: Kay Havenor [khavenor@georesources.com]
Sent: Friday, October 02, 2009 2:06 PM
To: Jones, William V., EMNRD
Subject: RE: Question

Hello Will,

I have investigated the 3-12" in 5-12" casing. We plan on running 3-1/2" integral joint. The fisherman says we can fish the integral joint 3-1/2". Upset is too tight and fishing is rarely successful. It would be appreciated if we could have that modification.

Thank you for your comments and assistance regarding SWD-1182 dated 7/15/2009.

Kay

At 03:29 PM 9/3/2009, you wrote:

Kay:
I can correct the order – but first be sure that 3-1/2 inch will fit in your casing and still be fishable. You can run a tapered string with the larger pipe closest to the surface and that will help your friction – but still should be fishable.

I quit putting the tubing size on my SWD orders, but was ordered to start putting it on recently – as always, I think I was correct.

Let me know.

William V. Jones PE
New Mexico Oil Conservation Division
1220 South St. Francis
Santa Fe, NM 87505
505-476-3448

From: Kay Havenor [mailto:khavenor@georesources.com]
Sent: Wednesday, September 02, 2009 9:35 AM
To: Jones, William V., EMNRD
Subject: Question

Good morning Will,

One question: regarding SWD-1182 dated 7/15/2009, what might be necessary in order to change/modify the order from "... through 2-7/8 inch ..." to "through 3-1/2 inch". At that depth the friction loss is killing us. I really should have taken more engineering classes and probably not as much rock stuff.

Kay

Kay C. Havenor, Ph.D., PG. CPG
GeoScience Technologies

200 West First Street, Suite 747
Roswell, NM 88203-4678
(575) 622-0283

This inbound email has been scanned by the MessageLabs Email Security System.

Confidentiality Notice: This e-mail, including all attachments is for the sole use of the intended recipient(s) and may contain confidential and privileged information. Any unauthorized review, use, disclosure or distribution is prohibited unless specifically provided under the New Mexico Inspection of Public Records Act. If you are not the intended recipient, please contact the sender and destroy all copies of this message. -- This email has been scanned by the Sybari - Antigen Email System.

Confidentiality Notice: This e-mail, including all attachments is for the sole use of the intended recipient(s) and may contain confidential and privileged information. Any unauthorized review, use, disclosure or distribution is prohibited unless specifically provided under the New Mexico Inspection of Public Records Act. If you are not the intended recipient, please contact the sender and destroy all copies of this message. -- This email has been scanned by the MessageLabs Email Security System.

Kay C. Havenor, Ph.D., PG. CPG
GeoScience Technologies
200 West First Street, Suite 747
Roswell, NM 88203-4678
(575) 622-0283

This inbound email has been scanned for malicious software and transmitted safely to you using Webroot Email Security.
