



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

ADMINISTRATIVE ORDER SWD-878

APPLICATION OF XTO ENERGY INC. FOR SALT WATER DISPOSAL, SAN JUAN COUNTY, NEW MEXICO.

ADMINISTRATIVE ORDER OF THE OIL CONSERVATION DIVISION

Under the provisions of Rule 701(B), XTO Energy, Inc., made application to the New Mexico Oil Conservation Division on March 24, 2003, for permission to re-complete for salt water disposal its Stanolind Gas Com "D" Well No. 1 (API 30-045-23779) located 1,820 feet from the South line and 1,590 feet from the East line Lot 10 of Section 17, Township 32 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;
- (3) The applicant has presented satisfactory evidence that all requirements prescribed in Rule 701 will be met; and
- (4) No objections have been received within the waiting period prescribed by said rule.

IT IS THEREFORE ORDERED THAT:

XTO Energy, Inc., is hereby authorized to re-complete its Stanolind Gas Com "D" Well No. 1 (API 30-045-23779) located 1,820 feet from the South line and 1,590 feet from the East line Lot 10 of Section 17, Township 32 North, Range 12 West, NMPM, San Juan County, New Mexico, in such a manner as to permit the injection of produced water for disposal purposes into the Bluff and Entrada formations from approximate respective footages of 6,921 to 7,145 and 7345 to 7,487 through 2 3/8 inch plastic-lined tubing set in a packer located at approximately 6,850 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 injection, existing open perforations shall be cement squeezed, the well deepened to approximately 7,800 feet and 4-1/2 inch casing installed and cemented from surface to TD. Water samples shall be obtained from the new Bluff and Entrada perforations and water analysis supplied to the Division.

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 1,384 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 Bluff 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 any 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 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 water or (2) consistent with the requirements in this order, whereupon the Division may, after notice and hearing, terminate the injection authority granted herein.

The operator shall submit monthly reports of the disposal operations on Division Form C-120-A, in accordance with Rule Nos. 706 and 1120 of the Division Rules and Regulations.

The injection 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 by the operator, may grant an extension thereof for

Amended Administrative Order SWD-878

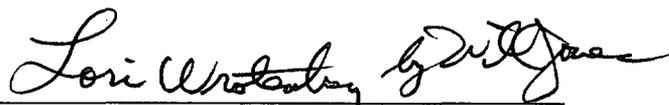
XTO Energy, Inc.

April 9, 2003

Page 3

good cause shown.

Approved at Santa Fe, New Mexico, on this 9th day of April 2003.

A handwritten signature in cursive script, reading "Lori Wrotenbery". The signature is written in black ink and is positioned above a horizontal line.

LORI WROTENBERY, Director

LW/wvjj

cc: Oil Conservation Division – Aztec
Bureau of Land Management – Farmington