

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION



SARPEY CARRUTHERS
GOVERNOR

ORDER SWD-310

POST OFFICE BOX 2038
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

THE APPLICATION OF PHILLIPS PETROLEUM COMPANY

ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION

Under the provisions of Rule 701(E), Phillips Petroleum Company made application to the New Mexico Oil Conservation Division on November 4, 1986, for permission to complete for salt water disposal its Lambirth "A" Well No. 1 located in Unit B of Section 30, Township 5 South, Range 33 East, NMPM, Roosevelt County, New Mexico.

The Division Director finds:

- (1) That application has been duly filed under the provisions of Rule 701(E) of the Division Rules and Regulations;
- (2) That satisfactory information has been provided that all offset operators and surface owners have been duly notified; and
- (3) That the applicant has presented satisfactory evidence that all requirements prescribed in Rule 701 will be met.
- (4) That no objections have been received within the waiting period prescribed by said rule.

IT IS THEREFORE ORDERED:

That the applicant herein, Phillips Petroleum Company is hereby authorized to complete its Lambirth "A" Well No. 1, located in Unit B of Section 30, Township 5 South, Range 33 East, NMPM, Roosevelt County, New Mexico, in such a manner as to permit the injection of salt water for disposal purposes into the San Andres formation at approximately 3090 feet to approximately 4290 feet through 2 7/8 inch plastic lined tubing set in a packer located at approximately 3080 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.

That 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.

That 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 618 psi.

That 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 San Andres formation. That such proper showing shall consist of a valid step-rate test run in accordance with and acceptable to this office.

That the operator shall notify the supervisor of the Hobbs district office of the Division of the date and time of the installation of disposal equipment so that the same may be inspected.

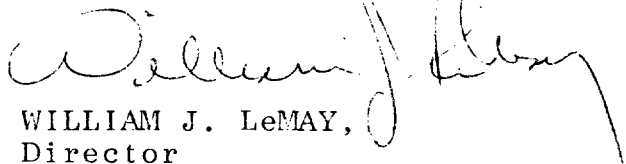
That the operator shall immediately notify the supervisor of the Division's Hobbs district office of the failure of the tubing, casing, or packer, in said well or the leakage of water from or around said well and shall take such steps as may be timely and necessary to correct such failure or leakage.

PROVIDED FURTHER, That jurisdiction of this cause is hereby retained by the Division for such further order or orders as may seem necessary or convenient for the prevention of waste and/or protection of correlative rights; upon failure of applicant to comply with any requirement of this order after notice and hearing, the Division may terminate the authority hereby granted in the interest of conservation. That applicant shall submit monthly reports of the disposal operations in accordance with Rule 706 and 1120 of the Division Rules and Regulations.

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

Approved at Santa Fe, New Mexico, on this 29th day of January, 1987.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LeMAY,
Director

S E A L

*Release Jan 29, 1987
See attached Note*

By DCC

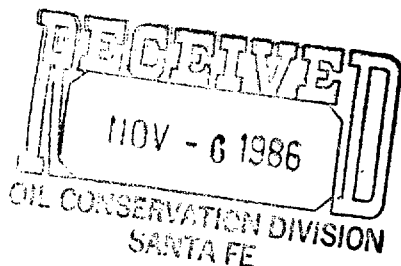


PHILLIPS PETROLEUM COMPANY

ODESSA, TEXAS 79762
4001 PENBROOK

EXPLORATION AND PRODUCTION GROUP

November 4, 1986



Application for Authority for Salt
Water Disposal - Administrative Approval
Lambirth-A, Well No. 7
Roosevelt County, New Mexico

State of New Mexico
Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

Attention: Mr. R. L. Stametz
Division Director

Gentlemen:

We respectfully request an exception to Statewide Rule 701-A, as provided by Rule 701-D (1), to allow administrative approval of the proposed Lambirth-A, Well No. 7 for use as a salt water disposal facility with disposal to be into the non-productive San Andres formation. Phillips proposes to re-enter the subject well, a dry hole drilled by Amoco in 1972, located in Unit B, 660 feet from the north line and 1980 feet from the east line of Section 30, T-5-S, R-33-E, Roosevelt County, New Mexico and recompleat as a salt water disposal. Details of the proposed application and facility are presented on the enclosed Form C-108 and its attachments.

Offset operators have been notified by certified mail of this application as evidenced by Xerox copies of the mailing envelopes. The legal notice of this application appeared in the Portales News Trivia on October 29, 1986.

Your consideration and administrative approval will be appreciated. Direct any questions to the attention of John Currie, telephone (915) 367-1342 or to me.

Yours very truly,

Larry M. Sanders
Regulation and Proration Supervisor
(Telephone: 915/367-1488)

LMS/AP/sdb
REG3/lambirth

Enclosures

cc: NMOCD, Artesia Office
Offset Operators