



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

ENTERED JUL 15 1996

ADMINISTRATIVE ORDER SWD-631

*APPLICATION OF STEVENS & TULL, INC. FOR SALT WATER DISPOSAL,
LEA COUNTY, NEW MEXICO.*

ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION

Under the provisions of Rule 701(B), Stevens & Tull, Inc. made application to the New Mexico Oil Conservation Division on May 9, 1996, for permission to complete for salt water disposal its BF State Well No.2 located 1980 feet from the South line and 1980 feet from the West line (Unit K) of Section 16, Township 20 South, Range 33 East, NMPM, Lea 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:

The applicant herein, is hereby authorized to complete its BF State Well No.2 located 1980 feet from the South line and 1980 feet from the West line (Unit K) of Section 16, Township 20 South, Range 33 East, NMPM, Lea County, New Mexico, in such manner as to permit the injection of salt water for disposal purposes into the Yates formation at approximately 3,094 feet to 3,209 feet through 2 3/8-inch plastic-lined tubing set in a packer located at approximately 2,994 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 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.

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 619 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 Yates formation. 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 Hobbs 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 Hobbs 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 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 Nos. 706 and 1120 of the Division Rules and Regulations.

Administrative Order SWD-631

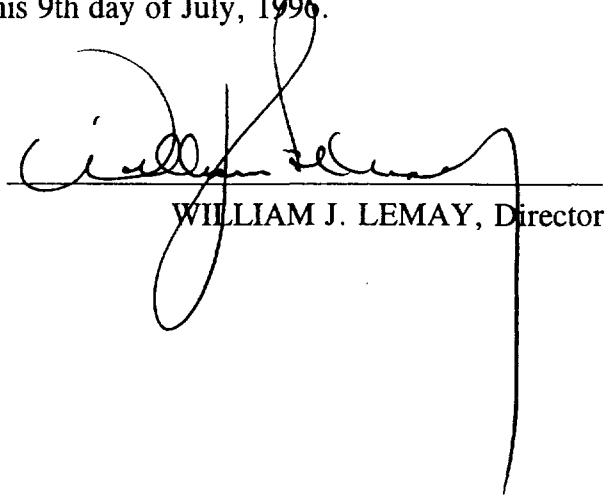
Stevens & Tull, Inc.

July 9, 1996

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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 good cause shown.

Approved at Santa Fe, New Mexico, on this 9th day of July, 1996.



WILLIAM J. LEMAY, Director

S E A L

WJL/BES

xc: Oil Conservation Division - Hobbs



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

RECEIVED JUL 7 1997

ADMINISTRATIVE ORDER SWD-663

*APPLICATION OF STEVENS & TULL, INC. FOR SALT WATER DISPOSAL,
LEA COUNTY, NEW MEXICO.*

ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION

Under the provisions of Rule 701(B), Stevens & Tull, Inc. made application to the New Mexico Oil Conservation Division on May 7, 1997, for permission to complete for salt water disposal its Anasazi '16' State Well No.1 located 1730 feet from the North line and 1980 feet from the East line (Unit G) of Section 16, Township 20 South, Range 33 East, NMPM, Lea 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:

The applicant herein, is hereby authorized to complete its Anasazi '16' State Well No.1 located 1730 feet from the North line and 1980 feet from the East line (Unit G) of Section 16, Township 20 South, Range 33 East, NMPM, Lea County, New Mexico, in such manner as to permit the injection of salt water for disposal purposes into the Bone Spring formation at approximately 9,306 feet to 9,352 feet through 2 7/8-inch plastic-lined tubing set in a packer located at approximately 9,206 feet.

Administrative Order SWD-663

Stevens & Tull, Inc.

July 2, 1997

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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.

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 1861 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 Bone Spring formation. 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 Hobbs 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 Hobbs 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 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 Nos. 706 and 1120 of the Division Rules and Regulations.

Administrative Order SWD-663

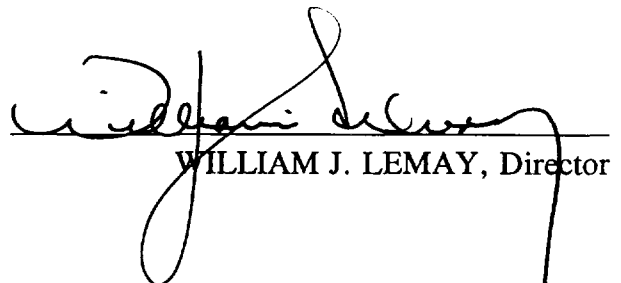
Stevens & Tull, Inc.

July 2, 1997

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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 good cause shown.

Approved at Santa Fe, New Mexico, on this 2nd day of July, 1997.


WILLIAM J. LEMAY, Director

S E A L

WJL/BES

xc: Oil Conservation Division - Hobbs
NM State Land Office - Oil & Gas Division

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 4021
Order No. R-3682

APPLICATION OF CHARLES B. READ
FOR AN EXCEPTION TO ORDER NO.
R-3221, AS AMENDED, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 15, 1969, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 28th day of February, 1969, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Charles B. Read, is the owner and operator of the Synder Well No. 1, located in Unit J of Section 16, Township 20 South, Range 33 East, NMPM, West Teas Yates-Seven Rivers Pool, Lea County, New Mexico.

(3) That effective January 1, 1969, Order (3) of Commission Order No. R-3221, as amended, prohibits in that area encompassed by Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico, the disposal, subject to minor exceptions, of water produced in conjunction with the production of oil or gas, or both, on the surface of the ground, or in any pit, pond, lake, depression, draw, streambed, or arroyo, or in any watercourse, or in any

other place or in any manner which would constitute a hazard to any fresh water supplies and said disposal has not previously been prohibited.

(4) That the aforesaid Order No. R-3221 was issued in order to afford reasonable protection against contamination of fresh water supplies designated by the State Engineer through disposal of water produced in conjunction with the production of oil or gas, or both, in unlined surface pits.

(5) That the State Engineer has designated, pursuant to Section 65-3-11 (15), N.M.S.A., 1953 Compilation, all underground water in the State of New Mexico containing 10,000 parts per million or less of dissolved solids as fresh water supplies to be afforded reasonable protection against contamination; except that said designation does not include any water for which there is no present or reasonably foreseeable beneficial use that would be impaired by contamination.

(6) That the applicant seeks an exception to the provisions of the aforesaid Order (3) to permit the continued disposal of salt water produced by the aforesaid Snyder Well No. 1 in an unlined surface pit located in Unit J of said Section 16.

(7) That there are five producing shallow water wells located approximately 3 3/4 to 4 1/2 miles to the southwest of the subject pit.

(8) That there is an abandoned shallow water well, the water from which was reported as too salty for cattle to drink, approximately four miles to the northwest of the subject pit.

(9) That there is an abandoned shallow water well, the water from which was reported as too gypseous for cattle to drink, approximately 1 3/4 miles to the north of the subject pit.

(10) That there is an abandoned shallow water well, the water from which was reported as of poor quality, approximately 3/4 of a mile south-southwest of the subject pit.

(11) That the surface and subsurface drainage appears to be in a westerly direction from the subject pit toward a salt lake, known as Laguna Gatuna, located approximately 1 3/8 miles west of the subject pit.

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CASE No. 4021

Order No. R-3682

(12) That there appears to be no water in the vicinity of the subject pit for which a present or reasonably foreseeable beneficial use is or will be made that would be impaired by contamination from said pit.

(13) That the applicant should be permitted to continue to dispose of salt water, produced by applicant's said Snyder Well No. 1, in the above-described unlined surface pit.

IT IS THEREFORE ORDERED:

(1) That the applicant, Charles B. Read, is hereby granted an exception to Order (3) of Commission Order No. R-3221, as amended, to continue to dispose of water produced in conjunction with the production of oil or gas, or both, by his Snyder Well No. 1, located in Unit J of Section 16, Township 20 South, Range 33 East, NMPM, West Teas Yates-Seven Rivers Pool, Lea County, New Mexico, in the unlined surface pit located in said Unit J until further order of the Commission.

(2) That the Commission may by administrative order rescind such authority whenever it reasonably appears to the Commission that such rescission would serve to protect fresh water supplies from contamination.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

DAVID F. CARGO, Chairman

ALEX J. ARMIJO, Member

S E A L

esr/

A. L. PORTER, Jr., Member & Secretary

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 4022
Order No. R-3683

APPLICATION OF ERNEST A. HANSON
FOR AN EXCEPTION TO ORDER NO.
R-3221, AS AMENDED, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 15, 1969, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 28th day of February, 1969, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Ernest A. Hanson, is the owner and operator of the Atlantic State Well No. 1, located in Unit C of Section 16, Township 20 South, Range 33 East, NMPM West Teas Yates-Seven Rivers Pool, Lea County, New Mexico.

(3) That effective January 1, 1969, Order (3) of Commission Order No. R-3221, as amended, prohibits in that area encompassed by Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico, the disposal, subject to minor exceptions, of water produced in conjunction with the production of oil or gas, or both, on the surface of the ground, or in any pit, pond, lake, depression, draw, streambed, or arroyo, or in any watercourse, or in any

CASE No. 4022

Order No. R-3683

other place or in any manner which would constitute a hazard to any fresh water supplies and said disposal has not previously been prohibited.

(4) That the aforesaid Order No. R-3221 was issued in order to afford reasonable protection against contamination of fresh water supplies designated by the State Engineer through disposal of water produced in conjunction with the production of oil or gas, or both, in unlined surface pits.

(5) That the State Engineer has designated, pursuant to Section 65-3-11 (15), N.M.S.A., 1953 Compilation, all underground water in the State of New Mexico containing 10,000 parts per million or less of dissolved solids as fresh water supplies to be afforded reasonable protection against contamination; except that said designation does not include any water for which there is no present or reasonably foreseeable beneficial use that would be impaired by contamination.

(6) That the applicant seeks an exception to the provisions of the aforesaid Order (3) to permit the continued-disposal of salt water produced by the aforesaid Atlantic State Well No. 1 in an unlined surface pit located in Unit C of said Section 16.

(7) That there are 5 producing shallow water wells located approximately 3 3/4 to 4 1/4 miles to the southwest of the subject pit.

(8) That there is an abandoned shallow water well, the water from which was reported as too salty for cattle to drink, approximately 3 1/2 miles to the northwest of the subject pit.

(9) That there is an abandoned shallow water well, the water from which was reported as too gypseous for cattle to drink, approximately 1 1/2 miles to the north of the subject pit.

(10) That there is an abandoned shallow water well, the water from which was reported as of poor quality, approximately one mile south-southwest of the subject pit.

(11) That the surface and subsurface drainage appears to be in a westerly direction from the subject pit toward a salt lake, known as Laguna Gatuna, located approximately 1 1/8 miles west of the subject pit.

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CASE No. 4022

Order No. R-3683

(12) That there appears to be no water in the vicinity of the subject pit for which a present or reasonably foreseeable beneficial use is or will be made that would be impaired by contamination from said pit.

(13) That the applicant should be permitted to continue to dispose of salt water, produced by applicant's said Atlantic State Well No. 1, in the above-described unlined surface pit.

IT IS THEREFORE ORDERED:

(1) That the applicant, Ernest A. Hanson, is hereby granted an exception to Order (3) of Commission Order No. R-3221, as amended, to continue to dispose of water produced in conjunction with the production of oil or gas, or both, by his Atlantic State Well No. 1, located in Unit C of Section 16, Township 20 South, Range 33 East, NMPM, West Teas Yates-Seven Rivers Pool, Lea County, New Mexico, in the unlined surface pit located in said Unit C until further order of the Commission.

(2) That the Commission may by administrative order rescind such authority whenever it reasonably appears to the Commission that such rescission would serve to protect fresh water supplies from contamination.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

DAVID F. CARGO, Chairman

ALEX J. ARMIJO, Member

S E A L

esr/

A. L. PORTER, Jr., Member & Secretary

SUBJECT STATE "BF" #2

PAGE NO.

INJ. PRESSURES & RATES

BY JKL DATE 9/2/97

| MONTH/YEAR | PRESSURE (PSI) | RATE (BWPD) | VOLUME (BW) |
|------------|-------------------|----------------|----------------|
| 9/96 | 200 | 938 | 28,500 |
| 10/96 | 180 | 1,199 | 36,444 |
| 11/96 | | | |
| 12/96 | 150 | 1,323 | 40,216 |
| 1/97 | | | |
| 2/97 | 250 | 731 | 22,232 |
| 3/97 | <u>375</u> | <u>1,353</u> | <u>41,116</u> |
| | 1,155 | 5,544 | 168,508 |

5 MONTH AVERAGE = 231 PSI 1,109 BWPD 33,702 BWPM

ESTIMATE 12 MONTHS

≈ 404,424 BWPM