



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

Oil Conservation Division
1625 French Drive
Hobbs, New Mexico 88249
Phone: (505) 393-6161 Fax: (505) 393-0720
http://www.enmr.state.nm.us

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MEMO

DATE: 8/13/01

TO: David Catenech

FROM: Dana

- | | |
|---|---|
| <input type="checkbox"/> For Your Files | <input type="checkbox"/> Prepare a Reply for My Signature |
| <input type="checkbox"/> For Your Review and Return | <input type="checkbox"/> For Your Information |
| <input type="checkbox"/> For Your Handling | <input type="checkbox"/> For Your Approval |
| <input type="checkbox"/> A: For Your Request | <input type="checkbox"/> For Your Signature |
| <input type="checkbox"/> For Advice | <input type="checkbox"/> For Your Attention |

David, was this matter
<Application> approved?
If so, please send copy
of order. Thanks

LANEXCO, INC.

1105 West Kansas
Address Lane 2
Jal, New Mexico 88212

Phone 505-395-3056
Fax 505-395-3265

*Will file
1 - copy each
will file also*

March 23, 2000

CERTIFIED

Mr. David Catamach
OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, New Mexico 87505

RE: Energen Resources Corporation
Application to Inject Fluid Into a Reservoir Productive of Oil or Gas
Langlie Lynn #3, 5, 7, 9, 12, 14, 16, 18, 23
Langlie Lynn Unit, Langlie Mattix Field, Lea County, New Mexico

Dear Mr. Catamach,

Lanexco, Inc. as an offset operator respectfully & STRONGLY objects and request a hearing on the above captioned Wells from Energen Resources Corporation for authority to inject fluids into the Seven Rivers-Queen-Grayburg Formation

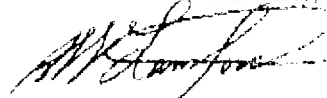
The above Langlie Lynn Unit was formally operated by Conoco, Inc. and in May of 1990 their Langlie Lynn Unit #1 Sec 22 T23S R36E Unit J shortly after injection, infiltrated into Lanexco, Inc. Well the El Paso State #1 Sec 22 T23S R36E producing from the Jalmat Pool (yates-seven rivers Formation). The perforated interval on this well is 3045' to 3548'. Conoco, Inc. and Lanexco, Inc. met with the Hobbs Oil Commission and the decision was made that Conoco would shut down the injection of its LLU #1 for Lanexco to test the El Paso State Well and shortly thereafter entered into Litigation.

After Litigation between Lanexco and Conoco was settled, Conoco agreed to pay certain damages without admitting blame and to plug their LLU #1 in July of 1992. Lanexco, Inc. has been pumping the El Paso State #1 from the date of water invasion to the present time of this letter.

Energen reentered the LLU #1 in Jan. 2000 and replugged the well. In Feb. 2000 Energen drilled a replacement Well the Langlie Lynn Unit #23 approximately 300' west of Lanexco's El Paso State #1 Well. I believe the same invasion problem will result in this case causing Lanexco to again enter into Litigation.

Please contact me if you have any questions or need additional information.

Sincerely,



Robert W. Lanford, President

cc: Hobbs Oil Commission
Energen-Mr. Ken Gray