BLACKWOOD & NICHOLS CO., LTD.

P.O. BOX 1237 DURANGO, COLORADO 81302-1237

(303) 247-0728

April 19, 1988

State of New Mexico Energy & Minerals Department Oil Conservation Division 1000 Rio Brazos Road Aztec, New Mexico 87410

Cuse 9385

Re: Salt Water Disposal Well Application Northeast Blanco Unit Well No. 206 SW 1/4, Sec. 10, T31N, R7W San Juan County, New Mexico

Gentlemen:

Enclosed is a Form 108 for the referenced well. This is Blackwood & Nichols Co., Ltd.'s first water disposal well application and we are hopeful that you will be able to process it in a timely manner.

The No. 206 well is a noncommercial Pictured Cliffs completion we wish to abandon. Then the Ojo Alamo formation will be tested for disposal capacity. Blackwood & Nichols Co., Ltd. is planning a significant Fruitland development program during 1988 and this disposal test is important to our overall plans.

Please review this application and advise us of any problems. Thank you for your cooperation in this matter.

Sincerely,

BLACKWOOD & NICHOLS CO., LTD.

William F. Clark

Operations Manager

WFC:ew

Enclosure

UIL CONSERVATION DIVISION POST OFFICE BOX 2018 STATE LAND OFFICE BOX DING SANTA FE NEW MERCO 87501

FORM C-108 Revised 7-1-81

APPLICATION FOR AUTHORIZATION TO INJECT

I.	Purpose: Secondary Recovery Pressure Maintenance Disposal Storage Application qualifies for administrative approval? Ryes Inc
II.	Operator: Blackwood & Nichols Co., Ltd.
٠	Address: P. O. Box 1237, Durango, Colorado 81302
	Contact party: William Clark Phone: 303-247-0728
111.	Well data: Complete the d≢ta required on the reverse side of this form for each well proposed for injection. Additional sheets may be attached if necessary. See Attachment I.
IV.	Is this an expansion of an existing project? X no If yes, give the Division order number authorizing the project
٧.	Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review. See Attachment II.
* VI.	Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail. See Attachment III
VII.	Attach data on the proposed operation, including:
	 Proposed average and maximum daily rate and volume of fluids to be injected; Whether the system is open or closed; Proposed average and maximum injection pressure; Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.). See Attachment IV.
*VIII.	Attach appropriate geological data on the injection zone including appropriate lithologic detail, geological name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such source known to be immediately underlying the injection interval.
IX.	Describe the proposed stimulation program, if any. See Attachment IV.
* X.	Attach appropriate logging and test data on the well. (If well logs have been filed with the Division they need not be resubmitted.) (On File)
* XI.	Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken. See Attachment IV.
XII.	Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground source of drinking water. See Attachment IV.
XIII.	Applicants must complete the "Proof of Notice" section on the reverse side of this formSee Attachment V.
XIV.	Certification
	I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.
	Name: William F. Clark Title Operations Manager
•	Signature: William F- Clare Date: April 18,1988
subm.	he information required under Sections VI, VIII, X, and XI above has been previously itted, it need not be duplicated and resubmitted. Please show the date and circumstance he earlier submittal.

III. WELL DATA

- A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:
 - (1) Lease name; Well No.; location by Section, Township, and Range; and footage location within the section.
 - (2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.
 - (3) A description of the tubing to be used including its size, lining material, and setting depth.
 - (4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

- B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.
 - (1) The name of the injection formation and, if applicable, the field or pool name.
 - (2) The injection interval and whether it is perforated or open-hole.
 - (3) State if the well was drilled for injection or, if not, the original purpose of the well.
 - (4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.
 - (5) Give the depth to and name of the next higher and next lower oil or gas zone in the area of the well, if any.

XIV. PROOF OF NOTICE

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

- (1) The name, address, phone number, and contact party for the applicant;
- (2) the intended purpose of the injection well; with the exact location of single wells or the section, township, and range location of multiple wells:
- (3) the formation name and depth with expected maximum injection rates and pressures; and
- (4) a notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, P. O. Box 2088, Santa Fe, New Mexico 87501 within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

ATTACHMENT I INJECTION WELL DATA SHEET

ELL NO.	Nichols Co., Ltd. FOUTAGE LOCATION	Northeast Blanco SECTION	TOWNSHIP	RANGE
206	790' FSL - 1190' FWL	10	31N	_ 7W
Schem	ati <u>c</u>		Tobular Doto	
		Surface Casing	200	
			Cemented with	300
		G., C	feet determined by	
2888 (GR266)		Hole size 12 1/4		CITCUIALEU
				
		Intermediate Casing		
			" Cemented with	
			feet determined by	
	-Animas-1250'	Hole size		
3.7		Long string		
			Cemented with	sx.
		TOC	feet determined by	CBL
		Hole size 7 7/8		
	- Ojo Alamo 2230	Total depth 3704		
	-Kirtland-2415'	Injection interval		
		2422 feet	to <u>2531</u>	feet
	7		hole, indicate which) te with 1 SPF as fol:	
	-Fruitland-3250'	2422	- 42	/
		2451 2466		
	Pic. Cliffs-35	115 '	- 2531	/
	-Lewis-3640'			
			-	
		•		
oposed				
bing size _	2 3/8" lined	with plastic*	terial)	set in a
_	l R-3 or equivalent	packer		feet
Baker Model	nd and model)			
Baker Model	any other casing-tubing	seal). *If injection	n test is successful	
Baker Model (bran r describe	any other casing-tubing	seal). *If injectio	n test is successful	•
aker Model (bran r describe her Data			n test is successful	•
Baker Model (bran r describe her Data Name of t	the injection formation	Ojo Alamo	n test is successful	
Baker Model (bran r describe her Data Name of t	the injection formation	Ojo Alamo		
Baker Model (bran r describe her Data Name of t Name of F	the injection formation	Ojo Alamo able) NA njection? /// Yes	<u>∕</u>	
Baker Model (bran r describe her Data Name of t Name of F	the injection formation	Ojo Alamo able) NA njection? /// Yes	<u>∕</u>	
Baker Model (bran r describe her Data Name of t Name of f Is this a If no, fo	the injection formation	Ojo Alamo oble) NA njection? / Yes vell originally drill	/X/ No ed? _ Gas Development	
Name of the state	the injection formation	Ojo Alamo able) NA njection? /// Yes well originally drill d in any other zone(s of coment or bridge p	/x/ No ed? Gas Development)? List all such perflug(s) used) 3518, 352	orated intervals 24, 3529, 3537 &
Name of the state	the injection formation rield or Pool (if application and well drilled for intermed what purpose was the world ever been perforated plugging detail (sacks of with 150 sxs. 3572, 8	Ojo Alamo able) NA njection? /// Yes well originally drill d in any other zone(s of coment or bridge p	/X/ No ed? Gas Development)? List all such perflug(s) used) 3518, 352 @ 3505' 3462' - PT to	orated intervals 24, 3529, 3537 &
Name of the state	the injection formation	Ojo Alamo able) NA njection? /// Yes well originally drill d in any other zone(s of coment or bridge p	/X/ No ed? Gas Development)? List all such perflug(s) used) 3518, 352 @ 3505' 3462' - PT to	orated intervals 24, 3529, 3537 &

ATTACHMENT III AREA OF REVIEW WELLS

WELL NAME	LOCATION	STATUS	SPUD DATE	COMP. DATE	TOTAL DEPTH		CASING/CEMENTING RECORD	RECORD		PERFORATIONS	STIMULATION
						동	.36.	рертн	CEMENT		
T BLANCO	790' FSL - 990' FWL	PGW	10-6-78	11-10-78	6250	12 1/4"	9 5/8"	223'	150 SXS.	5528' -5724'	SWF W/73,500 GALS, WATER
0NI + 404	SEL. 10, 31N, K/W					8 3/4"	7*	3794'	350 SXS.*	5816 - 6152'	% 60,000% 20/40 SAND SWF W/ 91,895 GALS. WATER
						6 1/4"	4 1/2"	3681-6246	300 SXS.		4 do, 000 20/40 SAND
BLANCO	990' FSL - 990' FEL	МÐЫ	7-14-79	8-03-79	6190	12 1/4"	9 5/8*, 36\$	221	200 SXS.	5458" - 5642"	SWF W/67,075 GALS. WATER &
UNI #64A	SEC. 10, 31M, K/M					8 3/4	7", 23#	3739,	300 SXS.*	(40 MULES) 5748' - 6032'	58,000# 10/20 SAND SWF W/79,560 GALS. WTR.
						6 1/4	4 1/2"	3556-6190	300 SXS.	(b) MULES)	4 124,000f 10/20 SARU
BLANCO	990' FSL - 1650' FEL	M9d	7-05-79	7-30-79	6528	12 1/4	9 5/8", 36#	214'	175 SXS.	5495" - 5638"	SWF W/66,276 GALS. WATER
#/o# iIwn	SEC: 7, 131M, K/H					8 3/4"	7", 23#	37491	300 SXS,*	5772' - 5884'	SWF W/79,543 GALS. WATER
						6 1/4"	4 1/2*	3520-6528	375 SXS.	(36 MULES)	4 124,000# 20/20 SAND
NORTHEAST BLANCO	1180' FSL - 925' FEL	M9d	7-22-79	8-07-79	3660	12 1/4"	9 5/8", 36#	216'	150 SXS.	3350" - 62"	SWF W/28,640 GALS, WATER
	SEC. 10, 131N, K/W					7 7/8"	4 1/2", 10.5#	3660"	487 SXS.*	(11 MULES)	&30,000 10/20 34ND
YAGER #1	1800' FNL - 850' FWL SEC. 10, T31N, R7W	#96	5-08-77	7-05-77	6014"	13 3/4"	9 5/8", 36#	2537	250 SXS.	5620' - 80' (8 HOLES)	SWF W/62,328 GALS. WATER & 22,500# 100 MESH +69,000 #10/20 SAND
						8 3/4" 6 1/4"	7", 20# 4 1/2"	3650' 3556-6010'	600 SXS. 300 SXS.	5766' - 5830' (8 HOLES)	SWF W/84,000 GALS. WATER & 22,500# 100 MESH +110,000# 10/20 SAND

*CALCULATED CEMENT TOPS ASSUMING 50% EXCESS TO COVER HOLE SIZE VARIATIONS IS 1300 - 1700 FOR THESE WELLS.

ATTACHMENT IV

PROPOSED OPERATION

- 1. The proposed injection well will be used to dispose of produced water from the Northeast Blanco Unit wells. The maximum daily rate of disposal will be determined by the step rate injection test. The average daily rate cannot be determined at this time. Primary use of the facility will be disposal of produced water from development of Fruitland Coal gas wells. Amount of water to be disposed of will depend on this development. Blackwood & Nichols' current estimate of produced water to be disposed of is less than 500 BPD; however, this should not be the implied limit because they plan to develop more coal gas wells in the near future.
- 2. The proposed system will be designed and installed as a closed system.
- 3. The maximum injection pressure will be determined by the step rate injection test. The average pressure will be maintained at less than the maximum pressure.
- 4. The latest produced water analysis are: (all values in mq/1)

<u>Well</u>	Name	<u>Na</u>	<u>Ca</u>	Mg	<u>K</u>	<u>C1</u>	HCO3	<u>so</u> 4	<u>co</u> 3	TDS
NEBU		3660	40	11	28	5060	2440	<10	0	11,000
NEBU	#212	3639	29	20	20	520	7970	<10	696	9,410
NEBU	#213	3110	8	15	22	920	6680	11	612	8,223
NEBU	#214	3950	24	23	29	2330	7860	<10	0	10,190
NEBU	#215	2570	22	5	21	3310	1790	<10	0	7,260
NEBU	#216	5070	43	32	37	4160	7170	<10	168	11,498
NEBU	#218	3196	27	20	24	440	8930	<10	0	8,600
									Average	- 9,454

5. A chemical analysis is not available at this time. A sample will be secured during testing. Water analysis for the Ojo Alamo at the nearest known sources are:

Location	Source	Na	<u>Ca</u>	<u>Mg</u>	<u>K</u>	<u>Cl</u>	HCO3	<u>so</u> 4	<u>co</u> 3	TDS
SW-32-31-8	Pump Mesa Water Well	3279	452	37	NR*	1050	71	6606	0	12870
C-31-30-6	San Juan 30-6 Unit #58A-SWD	2170	1130	49	NR*	1460	2350	3240	0	10400
SE-14-32-7 NR* - not r	Middle Mesa- Water Well ecorded	3194	2400	172	NR*	8800	120	1100	0	17160

6. Geologic information -

The Ojo Alamo formation was encountered from 2230' to 2415'. The proposed injection interval is the basal sandstone unit just above the Kirtland. The gross thickness of this sandstone is 105', with approximately 80' being opened up for injection. The Ojo Alamo, Animas, San Jose and Naciemento are the only possible aquifers above the proposed injection interval. There are no known aquifers below the proposed injection interval.

There are no known oil or gas reservoirs above this interval. The South Los Pinos Fruitland-Pictured Cliffs Pool is the first productive zone below the Ojo Alamo, starting at approximately 3140'.

7. Proposed stimulation program -

Propose to perforate the Ojo Alamo with 1 shot per foot from 2422' - 42', 2451' - 61', 2466' - 76' and 2491' - 2531'. Samples of formation fluids will be collected and analyzed. A step rate test will be run to determine the capacity of the formation to accept fluid. Additional perforating or stimulation may be done to enchance the injection capacity. The proposed disposal interval is shown on the attached log section.

Blackwood & Nichols Company proposes that for an initial 3 to 6 month test period that unlined tubing be employed. Then, if the injectivity performance is positive, that plastic lined tubing will be installed. In both cases a compression packer will be set at 2400'.

- 8. There are no fresh water supply wells within a one mile radius of the proposed injection well.
- 9. I hereby certify that I have examined available geologic and engineering data and can find no evidence of connection between the disposal zone and underground drinking water sources.

BLACKWOOD & NICHOLS CO., LTD.

Date

William F. Clark Operations Manager

ATTACHMENT V

NORTHEAST BLANCO UNIT NO. 206

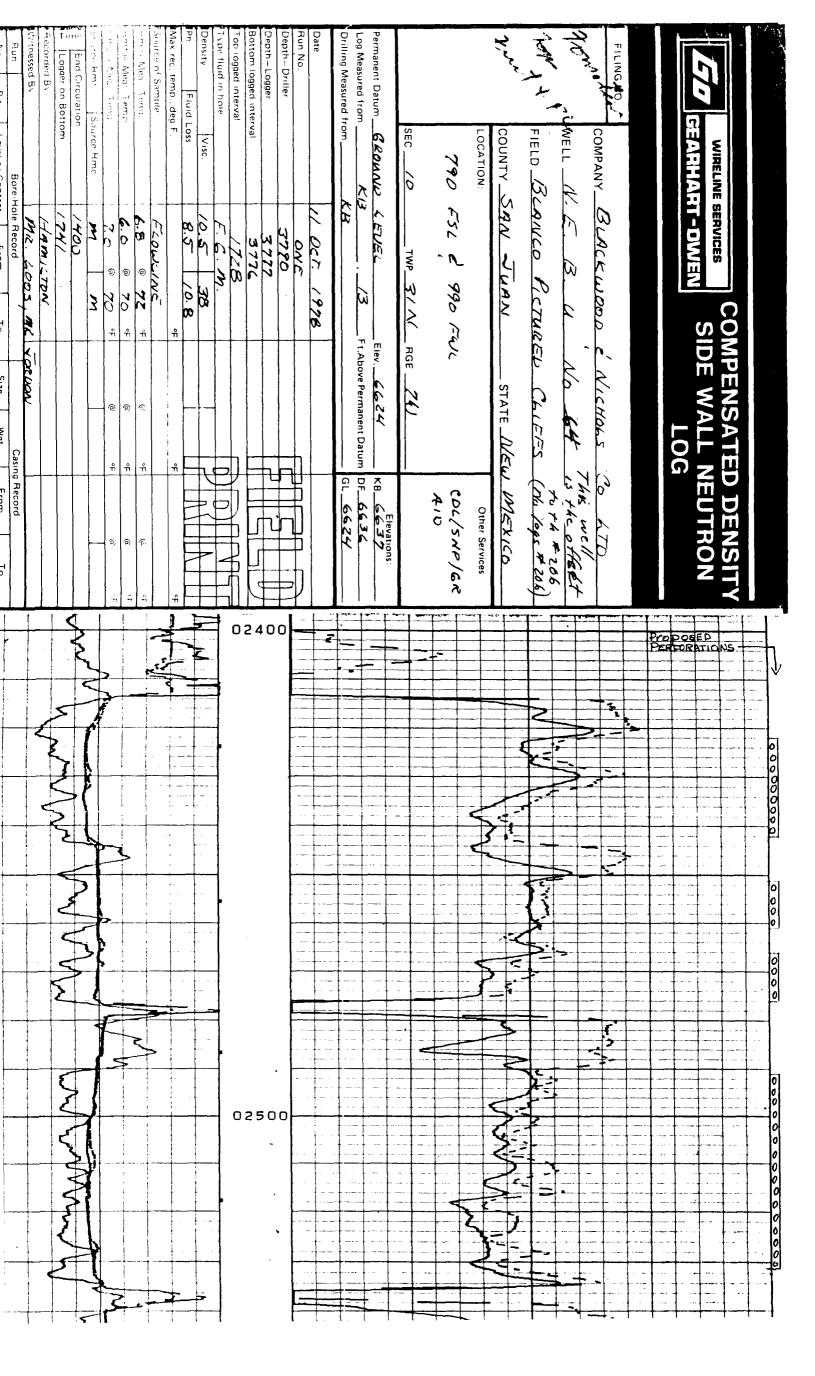
WATER DISPOSAL WELL NOTIFICATION

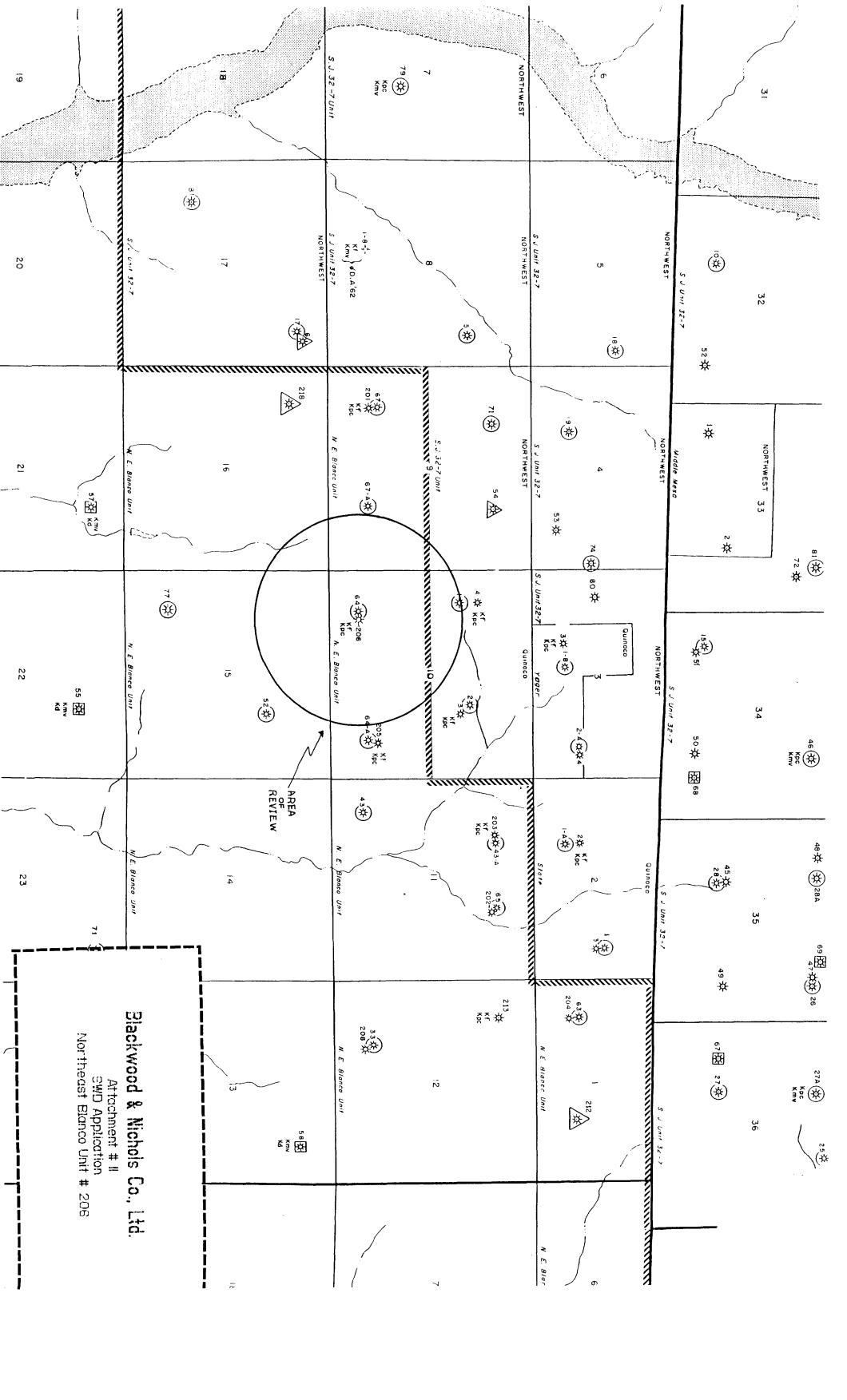
"INTENT TO DISPOSE OF WATER IN THE SUBSURFACE"
Blackwood Nichols Co.. Ltd. proposes to dispose of produced water in the Ojo Alamo formation. The injection well will be the Northeast Blanco Unit #206 located 790' FSL & 1190' FWL of Section 10. T31N, R7W. San Juan Co.. New Mexico. Water will be injected in the interval 2422-2531. Maximum rate and pressure are to be determined by step rate testing.

be determined by step rate testing.

Questions should be addressed to Mr. Bill Clark, clo Blackwood Nichols Co., Ltd., PO Box 1237, Durango, Colorado, 81302-1237, or call 303-247-0728. Objections or requests for hearing by interested parties, must be filed with the New Mexico Oil Conservation Division, PO Box 2088, Santa Fe. New Mexico, 87501, within 15 days.

days.
Legal No. 21653 published in the Farmington Daily Times, Farmington. New Mexico on Sunday, Monday and Tuesday, April 17, 18 and 19, 1988.





UNITED STATES

RTMENT OF	THE	INTERIOR	tructions on a		DLS16	SATION	AND	SERI
-----------	-----	----------	----------------	--	-------	--------	-----	------

		TMENT OF			R	ractions on case side)	5. LEASE DES	SIGNATION AND SERIAL
		GEOLOGICAL	SURVE	Y	- Andrews			03358
		OR RECOM	PLETION	REPORT	AND LO)G*). II IMMAN,	ALLOCALIA CAC ERIOR NAME
1a. TYPE OF WEL	WEL	LL GAS WELL,	DRY [Other		- (1.7)	UNIT AGRE	LMENT NAME
b. TYPE OF COMI	WORK DEE	P- PLUG DACK	DIFF. RESVR.	Other	JUL 3 OIL CON		FARM OR I	. Agrmt. #1, Sec.
2. NAME OF OPERAT				•	PIST		Northea 9, WELL NO.	ast Blanco Unit
Blackwoo	od & Nichol	ls Co., Ltd.			tant I - 200 (206
P.O. BOX	k 1237, Dui	ango, Colora	ado					D POOL, OR WILDCAT
At surface	790' F/SL	- 1190' F/WI	1		n n 1981			OS Pinos-Fruitland
At top prod. Into	erval reported bel	low Same		u s snot	SOCIAL SUF	WEY	M_10	0-31N-7W
At total depth		Same	1	1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1			11 10	5 51N 7N
		Ī	14. PERMITAN	Ю.	DATE ISSUED		12. COUNTY O	OR 13. STATE
15. DATE SPUDDED	16. DATE T.D. R	EACHED 17. DATE C	OMPL. (Ready	to prod.) 1	8. ELEVATIONS	(DF, RKB, R	San C	Juan New Mexico
3-19-81	3-25-81		6-8-81		662,	5' GL		66221
20. TOTAL DEPTH, MD	t TVD 21. PLUS		22. IF MI	CATHLE COMPI	23. 1	NTI RVALS RULLED BY	ROTARY TOOL	LS CABLE TOOLS
3704 * 24. PRODUCING INTER		3657'					3704!	1 25, WAS DIRECTIONAL
24. PRODUCING INTER	VAL(S), OF THIS	COMPLETIONTOP, B	OTTOM, NAME	(MD AND IVD)	•			SURVET MADE
3518' -	3549' - Pi	Ctured Cliff	s					Yes
26. TYPE ELECTRIC A	ND OTHER LOGS	RUN						27. WAS WELL CORED
	y-Neutron-	-Cement Bond						No
28. CASING SIZE	WEIGHT, LB./			eport all string wone size		rementing (RECORD	AMOUNT FULLED
9 5/8"	36.00#	H-40 208'	1	2 1/4"	200 sa	cks cir	culated	
4 1/2"		K-55 3690		7 5/8"			cmt. 15 <u>0</u> 0	
			-		·- ·			
29.		LINER RECORD			30.	'1	UBING RECO	(RI)
SIZE	TOP (MD)	BOTTOM (MD) S	CKS CEMENT	SCREEN (GUIH SET (MI	D) PACKER SET (MD)
					2_3,	/8"	3564'	
31. PERFORATION REC	ORD (Interval, siz	ce and number)		32.	ACID, SH	DT FRACT	UPE CEMENT	SQUFEZE, ETC.
					TERVAL (MD)			D OF MATERIAL USED
3518 ' - 35	649† - 20 h	oles	1,0,0	3518	- 3549	49,9	80 gals.	gel water
		$\mathcal{M}_{\mathcal{U}} = \mathcal{M}_{\mathcal{U}}$	14 , -	-/				10-20 sand
				17.4			·	
33.*		(1)3	ANT PR	ODUCTION				
DATE FIRST PRODUCTI	ON PRODU	CTION WETHOD (FIG	3.51		and type of p	ա ար)	Will shut	SIATUS (Producing or
Not connecte	d l							nut-in
DATE OF TEST	HOURS TESTED	CHOKE SIZE	FROD'N. FOR TEST PERIOD	OILBBL.	GAS-		WATERBBL.	
6-15-81	3 hrs.	3/4"		(15	Q =	890 mc		OIL GRAVITY-AFI (CORR.)
60	510	24-HOUR RATE	OILBBL.		F = 1021		17.17.17.	CID GRAFILITATI (CORR.)
34. DISPOSITION OF G		fuel, vented, etc.)				- <u>1.02, u</u>	TEST WITNES	SED BY
05		·						
35. LIST OF ATTACHM	HENTS							
6. I hereby certify	tion t the foregoin	gand attached info	rmation is cor	aplete and cor	rect as determ	ined from		
SIONED	asso	teron	TITLE _	Distric	t_Managei	<u> </u>	EFF. DATE	6-19-81

NSTRUCTIONS

General: This form is designed for submitting a complete and correct well completion report and log on all types of lands and leases to either a Federal agency or a State agency or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office. See instructions on items 22 and 24, and 33, below regarding separate reports for separate completions.

If not filed prior to the time this summary record is submitted, copies of all currently available logs (drillers, geologists, sample and core analysis, all types electric, etc.), formation and pressure tests, and directional surveys, should be attached hereto, to the extent required by applicable Federal and/or State laws and regulations. All attachments should be listed on this form, see item 35.

or Federal office for specific instructions. Hem 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State

for each additional interval to be separately produced, showing the additional data pertinent to such interval. Item 18: Indicate which elevation is used as reference (where not otherwise shown) for depth measurements given in other spaces on this form and in any attachments.

If this well is completed for separate production from more than one interval zone (multiple completion), so state in item 22, and in item 24 show the producing interval, or intervals, top(s), bottom(s) and name(s) (if any) for only the interval reported in item 33. Submit a separate report (page) on this form, adequately identified.

Item 29: "Sacks Cement": Attached supplemental records for this well should show the details of any multiple stage cementing and the location of the cementing tool.

Item 33: Submit a separate completion report on this form for each interval to be separately produced. (See instruction for items 22 and 24 above.)

Animas Ojo Alamo Kirtland Fruitland Pictured Cliffs Lewis	•	FORMATION	SHOW ALL IMPORT DEPTH INTERVAL
1250 2230 2415 3250 3505 3640		TOP	TESTED, CUSHION
1250 2230 2415 3250 3505 3640		MOTTOM	ROSITY AND CONTENTS TH
		DESCRIPTION, CONTENTS, ETC.	BHOW ALL IMPORTANT COMES OF POROSITY AND CONTENTS THEREOF; CORED INTERVALS; AND ALL DRILL-STEM TO DEFTH INTERVAL TESTED, CUSHION USED, TIME TOOL OPEN, FLOWING AND SHUT-IN PRESSURES, AND RECOVERIES
W. A. C.		ETC.	COVERIES TESTS, INCLUDING
1111 20 1987	2428		COVERIES GEOLOGIC MARKERS