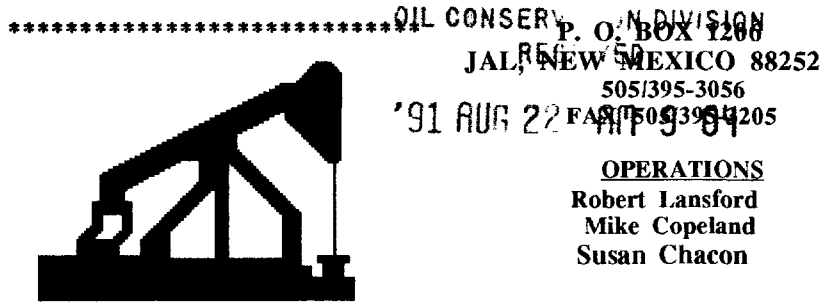


LANEXCO, INC.

P. O. BOX 2730
MIDLAND, TEXAS 79702
915/687-5047
FAX 915/687-5048

ADMINISTRATION

Tommy Phipps
Ric Flores



OPERATIONS

Robert Lansford
Mike Copeland
Susan Chacon

August 21, 1991

Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501

Re: Hal J. Rasmussen Operating, Inc. Application
for Authorization to Inject.
Salt Water Disposal Well located 660' FSL &
1980 FEL of Section 16 T 23S R 36 E Lea
County, NM. Seven Rivers Formation
3260' - 3269' Approx 500,000 BWPD at 0# psi.

Dear Sir:

Lanexco Inc. as an offset operator to the above referenced well respectfully protests authorization of such well and requests a formal hearing with the Oil Conservation Division.

Your attention on this matter will be greatly appreciated.

If you have any questions please advise. Thank you.

Very truly yours

A handwritten signature in black ink, appearing to read "R. W. Lansford", written over a horizontal line.

Robert W. Lansford
Executive Vice President

RWL/bc

cc: Mr. Scott Casey
Hal J. Rasmussen Operating, Inc.
Six Desta Drive, Suite 2700
Midland, Texas 79705

*

DRILLING

ENGINEERING

*

OPERATING

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION COMMISSION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

Case No. 10,395

APPLICATION OF HAL J. RASMUSSEN
OPERATING INC. FOR SALT WATER
DISPOSAL, LEA COUNTY, NEW MEXICO.

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Applicant as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Hal J. Rasmussen Operating,
Inc.
6 Desta Drive, Suite 5850
Midland, Texas 79705
(915) 687-1664
Attention: Dennis Moore

ATTORNEY

James Bruce
Hinkle, Cox, Eaton,
Coffield & Hensley
500 Marquette, N.W.
Suite 800
Albuquerque, N.M. 87102

OPPOSITION OR OTHER PARTY

ATTORNEY

Applicant has been notified that this case may be opposed.

STATEMENT OF CASE

APPLICANT

Applicant seeks authority to dispose produced salt water into the Jalmat Pool in its Mobil State Well No. 1.

OPPOSITION OR OTHER PARTY

Pre-hearing Statement
NMOCD Case No. 10,395
Page 2

PROPOSED EVIDENCE

APPLICANT

WITNESS (Name and expertise)	EST. TIME	EXHIBITS
Dennis Moore (Engineer)	30 minutes	(a) C-108. (b) Notice letters.

OPPOSITION

WITNESSES	EST. TIME	EXHIBITS
-----------	-----------	----------

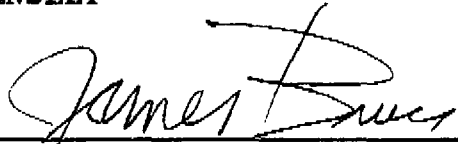
PROCEDURAL MATTERS

(Please identify any procedural matters which
need to be resolved prior to the herein)

Respectfully Submitted,

HINKLE, COX, EATON, COFFIELD &
HENSLEY

By


James Bruce
500 Marquette, N.W.
Suite 800
Albuquerque, New Mexico 87102
(505) 768-1500

Attorneys for Rasmuesson
Operating Company

**HINKLE, COX, EATON, COFFIELD & HENSLEY**

ATTORNEYS AT LAW
500 MARQUETTE NW, SUITE 800
ALBUQUERQUE, NEW MEXICO 87102

TELEPHONE: (505) 768-1500

TELECOPIER: (505) 768-1529

TELECOPIER LEAD SHEET9-30-91

(DATE)

PLEASE DELIVER THE FOLLOWING DOCUMENT

TO:

Oil Conservation Division

COMPANY:

TELECOPIER:

(505) 827-5741

TOTAL PAGES:

3 pgs

(INCLUDING THIS COVER SHEET)

FROM:

James Bruce

OPERATOR:

LFC/M#: office

MESSAGE(S):

HEREWITH THE FOLLOWING:

PLEASE CALL:

☐ TO CONFIRM RECEIPT☐ AFTER REVIEW☐**CONFIRMATION**

BY:

WITH:

DATE:

TIME:

(Rev. 8/90)

Charles W. Kemp
1701 E. Highland
Hobbs, New Mexico 88240

September 25, 1991

Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501

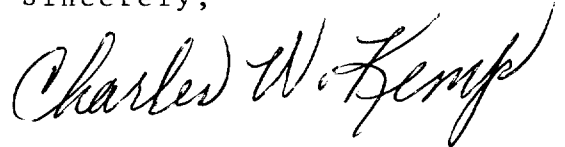
Re: Hal J. Rasmussen Operating Inc.
Application for Authorization to Inject Salt Water
Disposal Well located 660' FSL & 1980' FEL of
Sec 16T 23S 36E Lea County, NM Seven Rivers
Formation 3260'-3269'

Dear Sir:

Charles W. Kemp respectfully protests authorization of this disposal well. This well would be located in the SE4 of Sec 16. We have two wells located in the SW4 of Sec 15. The Stevens B-15 #3 is perforated in this zone and the Stevens B-15 #2 is an open hole completion in this zone. We also have doubts about the integrity of the casing and the cement behind the casing.

For these reasons I protest this authorization and I appreciate your consideration.

Sincerely,

A handwritten signature in cursive script that reads "Charles W. Kemp". The signature is written in dark ink and is positioned above the typed name and title.

Charles W. Kemp
Operator

OIL CONSERVATION DIVISION
HINKLE, COX, EATON, COFFIELD & HENSLEY

LEWIS C. COX
PAUL W. EATON
CONRAD E. COFFIELD
HAROLD L. HENSLEY, JR.
STUART D. SHANOR
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CLARENCE E. HINKLE (1904-1985)
W. E. BONDURANT, JR. (1913-1973)
ROY C. SNODGRASS, JR. (1914-1987)

October 14, 1991

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(505) 622-6510
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FAX (915) 683-6518

1700 TEAM BANK BUILDING
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(806) 372-5569
FAX (806) 372-9761

218 MONTEZUMA
POST OFFICE BOX 2068
SANTA FE, NEW MEXICO 87504
(505) 982-4554
FAX (505) 982-8623

*NOT LICENSED IN NEW MEXICO

Mr. William Lemay
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504

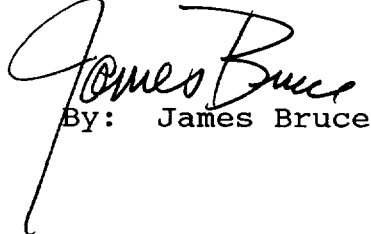
Re: Case No. 10,395, The Application of Hal J. Rasmussen
Operating, Inc. for Salt Water Disposal, Lea County, New
Mexico

Dear Mr. Lemay:

The above matter had been readvertised for the Thursday,
October 17, 1991 hearing. Please continue this matter to the
October 31, 1991 hearing. At the examiner's request, we have been
gathering additional data, and we need the extra two weeks in
order to submit all the data requested by the examiner. Thank
you.

Very truly yours,

HINKLE, COX, EATON, COFFIELD &
HENSLEY


By: James Bruce

JB:le

HINKLE, COX, EATON, COFFIELD & HENSLEY DIVISION

ATTORNEYS AT LAW

500 MARQUETTE N.W., SUITE 800
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ROY C. SNODGRASS, JR. (1914-1987)

October 30, 1991

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LISA K. SMITH*
JAMES K. SCHUSTER*

*NOT LICENSED IN NEW MEXICO

Mr. Michael E. Stogner
Oil Conservation Division
310 Old Santa Fe Trail, Room 206
Santa Fe, New Mexico 87501

Re: **Case No. 10,395, The Application of Hal J. Rasmussen
Operating, Inc. for Salt Water Disposal, Lea County, New
Mexico**

Dear Mr. Stogner:

As you requested at the hearing, enclosed are the following:

1. An Affidavit Regarding Notice to the offset operators. This notice was testified to by the witness, Dennis Moore, but Mr. Stovall requested that it be put in Affidavit form.

2. An Affidavit Regarding Notice to the Commissioner of Public Lands (the surface owner). Notice was given to the Commissioner in September 1991, but it was not sent by certified mail. Therefore, the Commissioner was renotified of the hearing by certified mail.

3. Exhibit No. 1 from the hearing, which has been amended to code the Yates, Seven Rivers, and Queen wells in Sections 8, 9, 10, 15, 16, 17, 20, 21, and 22 to represent the formations or pools each well is producing from. In addition, there is a cover letter from the Applicant discussing Lanexco's well in Section 22.

Please call me if you need anything further on this matter.

Very truly yours,

HINKLE, COX, EATON, COFFIELD &
HENSLEY

By:  James Bruce

JB:le

OIL CONSERVATION DIVISION
HINKLE, COX, EATON, COFFIELD & HENSLEY
RECEIVED

ATTORNEYS AT LAW

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FAX (505) 768-1529

OF COUNSEL
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RICHARD S. MORRIS

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ROY C. SNODGRASS, JR. (1914-1987)

November 19, 1991

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JAMES K. SCHUSTER*

*NOT LICENSED IN NEW MEXICO

Mr. Michael E. Stogner
New Mexico Oil Conservation
Division
P. O. Box 2088
Santa Fe, New Mexico 87504

Re: **Case No. 10,395, The Application of Hal J. Rasmussen
Operating, Inc. for Salt Water Disposal, Lea County, New
Mexico**

Dear Mr. Stogner:

This matter was taken under advisement at the November 5, 1991 hearing. There was a question as to whether the information you requested at hearing had been received by the Division. Enclosed is a copy of my letter to you dated October 30, 1991 with the requested information. If you need any of the documents mentioned in the letter, please let me know.

In addition, enclosed is a cross section which includes a Seven Rivers injection well (the McKenny No. 1), injecting 600 BWPDP, offset by several Yates gas wells, without problem.

Very truly yours,

HINKLE, COX, EATON, COFFIELD &
HENSLEY

By:  James Bruce

JB:le
Enclosures

HINKLE, COX, EATON, COFFIELD & HENSLEY

ATTORNEYS AT LAW

500 MARQUETTE N.W., SUITE 800
ALBUQUERQUE, NEW MEXICO 87102-2121

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FAX (505) 768-1529

OF COUNSEL
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RICHARD S. MORRIS

CLARENCE E. HINKLE (804-8885)
W. E. BONDURANT, JR. (803-4872)
ROY C. SNODGRASS, JR. (804-4887)

October 30, 1991

LIONEL C. COX
PAUL W. EATON
CONRAD E. COFFIELD
HAROLD L. HENSLEY, JR.
STUART D. SHANOR
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*NOT LICENSED IN NEW MEXICO

Mr. Michael E. Stogner
Oil Conservation Division
310 Old Santa Fe Trail, Room 206
Santa Fe, New Mexico 87501

Re: Case No. 10,395, The Application of Hal J. Rasmussen
Operating, Inc. for Salt Water Disposal, Lea County, New
Mexico

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As you requested at the hearing, enclosed are the following:

1. An Affidavit Regarding Notice to the offset operators. This notice was testified to by the witness, Dennis Moore, but Mr. Stovall requested that it be put in Affidavit form.
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3. Exhibit No. 1 from the hearing, which has been amended to code the Yates, Seven Rivers, and Queen wells in Sections 8, 9, 10, 15, 16, 17, 20, 21, and 22 to represent the formations or pools each well is producing from. In addition, there is a cover letter from the Applicant discussing Lanexco's well in Section 22.

Please call me if you need anything further on this matter.

Very truly yours,

HINKLE, COX, EATON, COFFIELD &
HENSLEY

By:  James Bruce

JB:le



State of New Mexico
ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT
Santa Fe, New Mexico 87505



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

MATTHEW BACA
DEPUTY SECRETARY

January 22, 1992

**HINKLE, COX, EATON,
COFFIELD & HENSLEY**
Attorneys at Law
500 Marquette, NW
Suite 740
Albuquerque, New Mexico 87102

RE: CASE NO. 10395
ORDER NO. R-9628

Dear Sir:

Enclosed herewith are two copies of each of the above-referenced Division orders recently entered in the subject cases.

Sincerely,

Florene Davidson

Florene Davidson
OC Staff Specialist

FD/sl

cc: BLM - Carlsbad
Robert Lansford

VILLAGRA BUILDING - 408 Gallisteo
Forestry and Resources Conservation Division
P.O. Box 1948 87504-1948
827-5830
Park and Recreation Division
P.O. Box 1147 87504-1147
827-7465

2040 South Pacheco
Office of the Secretary
827-5950
Administrative Services
827-5925
Energy Conservation & Management
827-5900
Mining and Minerals
827-5970

LAND OFFICE BUILDING - 310 Old Santa Fe Trail
Oil Conservation Division
P.O. Box 2088 87504-2088
827-5800

HAL J. RASMUSSEN OPERATING, INC.
SIX DESTA DRIVE, SUITE 2700
MIDLAND, TEXAS 79705
(915) 687-1664

October 24, 1991

New Mexico Oil Conservation Division
State Land Office Building
State of New Mexico

Attn: Michael E. Stogner

Re: El Paso State #1
22J 23S 36E

Dear Mr. Stogner:

I have reviewed the well that Mr. Lansford claims watered out his El Paso State #1. After reviewing the logs and scout tickets on the two wells, I think there is a reasonable explanation as to why the Conoco Shell-State #10 watered out Mr. Lansford's well.

First, note the injection interval on the Conoco water injection well. This is the log for the Shell-State JK #4. The top sand perforated at 3623 feet in what is commonly called the "I" sand in the bottom of the Seven Rivers Formation. This sand has anywhere from 100 to 500 md permeability and is the uppermost pay in the Langlie Mattix field. This sand is flooded, along with the Queen, in 90 percent of the wells located in Langlie Mattix water flood projects.

I had to use the log on the Shell State JK #2 in reference to Lanexco's El Paso State #1, because a log has not been released on Mr. Lansford's well. This well is only 300 feet away and is 10 feet lower structurally.

Note that when adjusted for depth, the El Paso State #1 is TD'd just in the top of the "I" sand. More than likely when Lanexco drilled out the shoe on this well it was communicated with the I sand. Very rarely is there good cement at the bottom of a shoe, anyway. Once Conoco started injecting into the "I" sand, the water communicated through this sand and watered out Mr. Lansford's well.

If Mr. Landsford set a bridge plug above the "I" sand, I believe his water problems would cease. If this were not the case, then either one or both wells do not have good cement behind the pipe. There is no other explanation why these wells would communicate, when they are completed in different zones.

Either way this should not effect our petition, because in the above case Lanexco's well is completed in the Seven Rivers and the Yates formations. In our case, Lanexco's well is producing only from the Yates and we propose to inject only into the Seven Rivers.

I hope this will help explain our case and I appreciate your consideration on this matter. If you have any questions or if I can be of further assistance, please don't hesitate to contact me.

Sincerely,

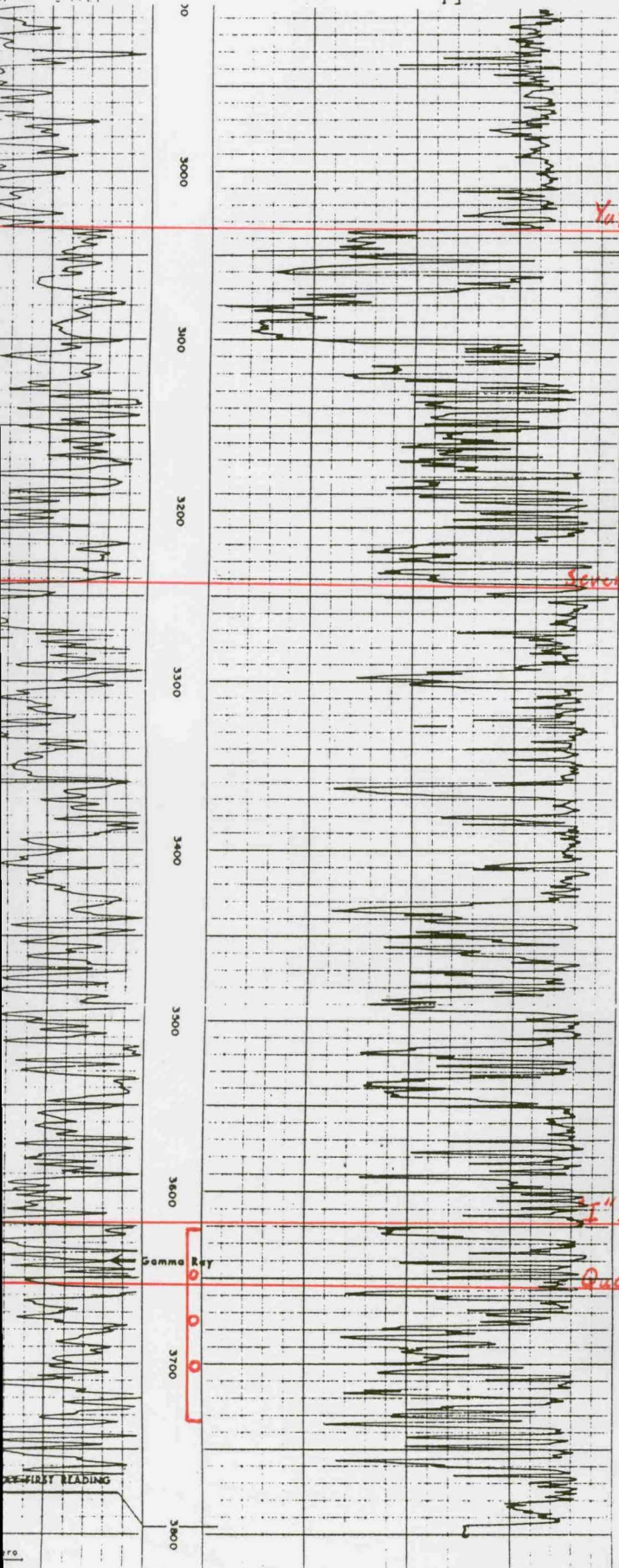

Hal J. Rasmussen

SCHLUMBERGER SONIC LOG
SCHLUMBERGER WELL SURVEYING CORPORATION
Houston, Texas

COMPANY SHELL OIL COMPANY CONOCO		Other Surveys LL, MLL, MD
WELL STATE JK # 4 Langlie Lynn Unit #1		Location of Well 640' FROM S/L 650' FROM E/L
FIELD LANGLEY MATTIX		Elevation: K.B.: D.F.: 3400 or G.L.: 3391
LOCATION SEC. 22-23S-36E		
COUNTY LEA		
STATE NEW MEXICO		

Depths Measured From DF Ft. above

N No.	ONE			
Reading	3795			
Measured	3796			
Driller	300			
Reached	3801			
Driller	3500			
Salinity	SALT			
Visc.	3.7	33		
Resist.	0.7	82	°F	
Res. BHT	0.4	30	°F	
Wtr. Loss	5.5			
Rmf	0.47	82	°F	
Size	5"			
R. 1 R.	2500	To 3795	To	
R. 2 R.	CSG	To 2700	To	
Rig Time	5 HOURS			
Job No.	12524-40885			
Recorded By	BARKER			
Checked By	KIN			



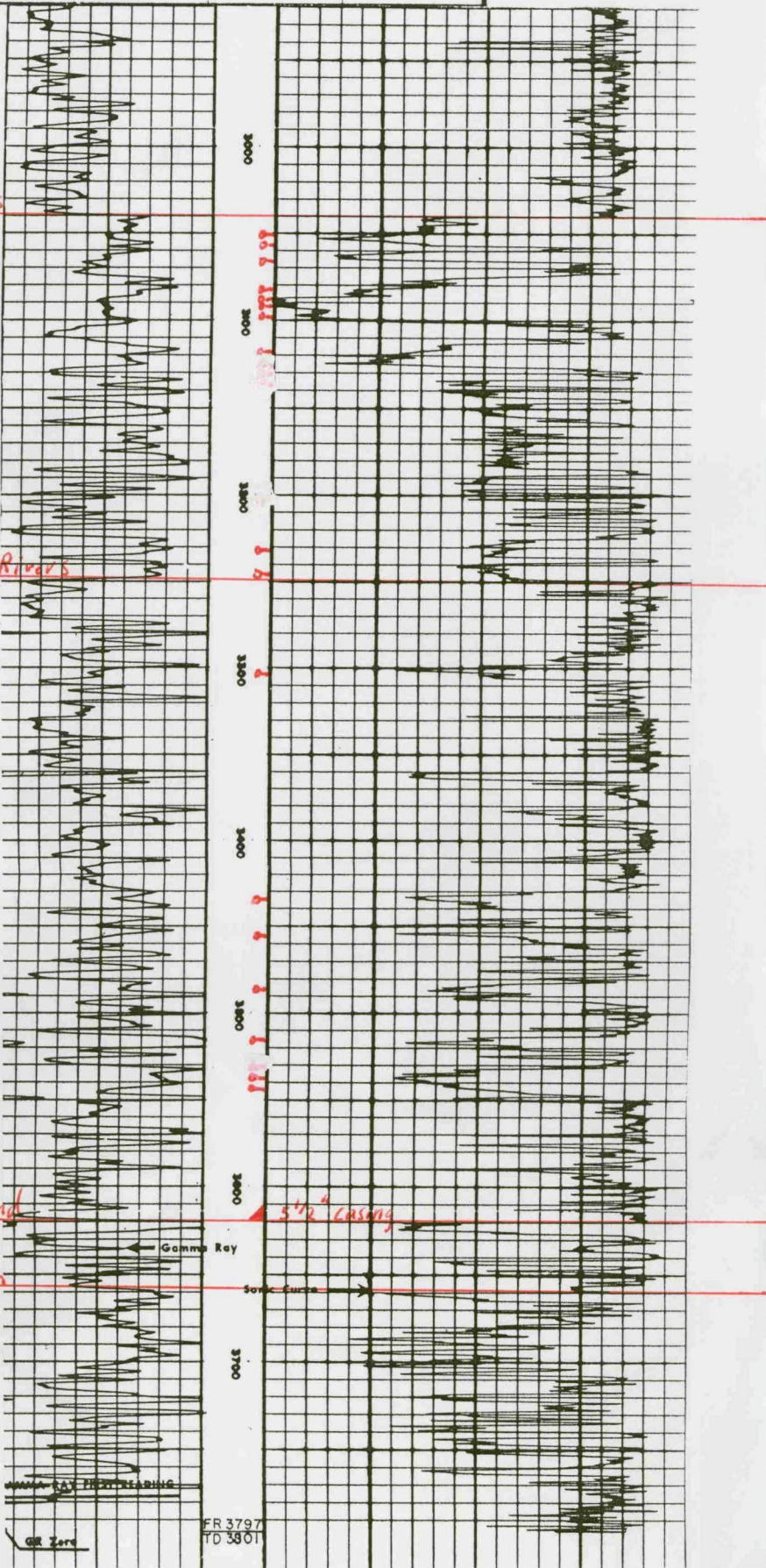
SCHLUMBERGER WELL SURVEYING CORPORATION

Sonic Log

COMPANY SHELL OIL COMPANY		Other Surveys MLL, LL
WELL #1 SHELL STATE JK # 2		Location of Well 1980' FROM S/L 1980' FROM E/L
FIELD LANGLEY MATTIX		Elevation: K.B.: 3399.3 D.F.: 3397 or G.L.: 338H
LOCATION SEC. 22-23S-36E		
COUNTY LEA		
STATE NEW MEXICO		

Depths Measured From KB 11.30 Ft. above GL

RUN No.	ONE			
Reading	3797			
Measured	3797			
Driller	324			
Reached	3801			
Driller	3801			
Salinity	SALT			
Visc.	10.8	35		
Resist.	0.5	85	°F	
Res. BHT	0.45	94	°F	
Wtr. Loss	6			
Rmf	0.4	80	°F	
Size	7 7/8"			
R. 1 R.	CSG	To 2700	To	
R. 2 R.	CSG	To 10	To	
Rig Time	5 HOURS			
Job No.	12524-40885			
Recorded By	BARKER			
Checked By	KIN			



Analogous to
Lanexco
El Paso State #1