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litions of approval, if any, are attached. Approval of this notice does not warrant or y that the applicant holds legal or equitable title to those rights in the subject lease h would entitle the applicant to conduct operations thereon. Office	y that the applicant holds legal or equit	table title to those rights in the subject lease		K _	SUPERVISO	DR-EPS	

\*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\*

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### Additional data for EC transaction #269012 that would not fit on the form

32. Additional remarks, continued

3. How water is stored on the lease.3 500BBLS water tariks

4. How water is moved to disposal facility.

Trucked

5. Operators of disposal facility: a) Mesquite SWD Inc. b) Mesquite SWD Inc.

a. Lease name or well name and number a) Paduca #1 SWD b)West Jal Disposal #1

b. Location by ? ? Section, Township, and Range of the disposal system \_a) SE/4 NE/4, S22, T25S, R32E b) SW/4 NE/4, S10, T25S, R36E

c. The appropriate NMOCD permit number \_a) \_SWD1264 b) SWD-272

New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez Governor

Harrison H. Schmitt Cabinet Secretary-Designate J. Daniel Sanchez Acting Division Director Oil Conservation Division



Administrative Order SWD-1264 January 24, 2011

# ADMINISTRATIVE ORDER OF THE OIL CONSERVATION DIVISION

Under the provisions of Division Rule 26.8B., Mesquite SWD, Inc. seeks an administrative order to re-enter and utilize its Paduca Fed Unit Com Well No. 1 (API 30-025-27616), located 1980 feet from the North line and 660 feet from the East line, Unit Letter H of Section 22, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, for produced water disposal purposes.

#### THE DIVISION DIRECTOR FINDS THAT:

The application has been duly filed under the provisions of Division Rule 26.8B. Satisfactory information has been provided that affected parties as defined in Rule 26.8B.(2) have been notified and no objections have been received within the prescribed waiting period. The applicant has presented satisfactory evidence that all requirements prescribed in Rule 26.8 will be met and the operator is in compliance with Division Rule 5.9.

### IT IS THEREFORE ORDERED THAT:

The applicant, Mesquite SWD, Inc., is hereby authorized, <u>pursuant to conditions stated</u> <u>below</u>, to re-enter and utilize its Paduca Fed Unit Com Well No. 1 (API 30-025-27616), located 1980 feet from the North line and 660 feet from the East line, Unit Letter H of Section 22, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, for disposal of oil field produced water (UIC Class II only) through perforations in the Bell Canyon and Cherry Canyon members of the Delaware Mountain Group from 4722 feet to 6964 feet, and through lined tubing and a packer set within 100 feet of the permitted disposal interval.

# As preparation, and prior to any disposal, the operator shall, under direction of inspectors from the US BLM and the Division's Hobbs office:

a. Re-enter this plugged well to the depths as directed by the US BLM for purposes of properly plugging it back from deeper depths. Run a cement bond log from approximately 7200 feet to 4500 feet. This log shall be supplied to the BLM and also to the Division's Hobbs district office.

Oil Conservation Division \* 1220 South St. Francis Drive \* Santa Fe, New Mexico 87505 \* Phone: (505) 476-3440 \* Fax (505) 476-3462\* <u>http://www.emnrd.state.nm.us</u>

- b. The well shall be plugged back from the re-entered depths under direction of the BLM to approximately 7070 feet, where a cast iron bridge plug, capped with cement, shall be set.
- c. The new bond log shall be interpreted to ensure cement exists behind the 9-5/8 inch casing over the intended disposal interval [the bottom (6964 feet) and the top (4722 feet) must be bounded with cement].
- d. If top and bottom are not already bounded by cement, the operator shall squeeze this well to the satisfaction of both the BLM and the Hobbs district office of the Division.
   All squeeze work shall be verified with new cement bond log(s) supplied to the Division.

The operator shall obtain written confirmation of this work prior to any disposal from the engineering bureau of the Division in Santa Fe. This permit shall not be in effect until this confirmation is obtained.

#### IT IS FURTHER ORDERED THAT:

The operator shall take all steps necessary to ensure that the disposed water enters only the proposed disposal interval and is not permitted to escape to other formations or onto the surface.

After installing tubing, the casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge or an approved leak detection device in order to determine leakage in the casing, tubing, or packer. The casing shall be pressure tested from the surface to the packer setting depth to assure casing integrity.

The wellhead injection pressure on the well shall be limited to **no more than 944 psi**. In addition, the disposal well or system shall be equipped with a pressure limiting device in workable condition which shall, at all times, limit surface tubing pressure to the maximum allowable pressure for this well.

The Director of the Division may authorize an increase in tubing pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the disposed fluid from the target formation. Such proper showing shall be demonstrated by sufficient evidence including but not limited to an acceptable Step-Rate-Test.

The operator shall notify the supervisor of the Division's district office of the date and time of the installation of disposal equipment and of any mechanical integrity test so that the same may be inspected and witnessed. The operator shall provide written notice of the date of commencement of disposal to the Division's district office. The operator shall submit monthly reports of the disposal operations on Division Form C-115, in accordance with Division Rules 26.13 and 7.24.

Without limitation on the duties of the operator as provided in Division Rules 30 and 29,

or otherwise, the operator shall immediately notify the Division's district office of any failure of the tubing, casing or packer in the well, or of any leakage or release of water, oil or gas from around any produced or plugged and abandoned well in the area, and shall take such measures as may be timely and necessary to correct such failure or leakage.

The injection authority granted under this order is not transferable except upon division approval. The division may require the operator to demonstrate mechanical integrity of any injection well that will be transferred prior to approving transfer of authority to inject.

The division may revoke this injection permit after notice and hearing if the operator is in violation of 19.15.5.9 NMAC.

In accordance with Division Rule No 26.12.C., the disposal 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, mailed by the operator prior to the termination date, may grant an extension thereof for good cause. One year after disposal into the well has ceased, the authority to dispose will terminate *ipso facto*.

Compliance with this order does not relieve the operator of the obligation to comply with other applicable federal, state or local laws or rules, or to exercise due care for the protection of fresh water, public health and safety and the environment.

Jurisdiction is retained by the Division for the entry of such further orders as may be necessary for the prevention of waste and/or protection of correlative rights or upon failure of the operator to conduct operations (1) to protect fresh or protectable waters or (2) consistent with the requirements in this order, whereupon the Division may, after notice and hearing, terminate the disposal authority granted herein.

> J. DANIEL SANCHEZ Acting Director

JDS/wvjj

cc: Oil Conservation Division – Hobbs Bureau of Land Management - Carlsbad



# STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION

#### ORDER SWD-272

TONEY ANAYA GOVERNOR

POST OFFICE BOX 2008 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87501 (505) 827-5800

### THE APPLICATION OF P & O TREATING PLANT

## ADMINISTRATIVE ORDER OF THE OIL CONSERVATION DIVISION

Under the provisions of Rule 701(B), P & O Treating Plant made application to the New Mexico Oil Conservation Division on March 16, 1984, for permission to complete for salt water disposal its Meadora A Well No. 1 located in Unit G of Section 10, Township 25 South, Range 36 East, NMPM, Lea County, New Mexico.

The Division Director finds:

(1) That application has been duly filed under the provisions of Rule 701(B) 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, P & O Treating Plant is hereby authorized to complete its Meador A Well No. 1, located in Unit G of Section 10, Township 25 South, Range 36 East, NMPM, Lea County, New Mexico, in such a manner as to permit the injection of salt water for disposal purposes into the Delaware formation at approximately 5406 feet to approximately 5426 feet through 2 3/8-inch plastic lined tubing set in a packer located at approximately 5375 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 1081 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 Delaware formation.

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.

<u>PROVIDED FURTHER</u>, 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. Approved at Santa Fe, New Mexico, on this \_\_\_\_\_ day of May, 1984.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION ZNRA JOE D. RAMEY, Division Director

SEAL

# BUREAU OF LAND MANAGEMENT Carlsbad Field Office 620 East Greene Street Carlsbad, New Mexico 88220 575-234-5972

# Disposal of Produced Water From Federal Wells Conditions of Approval

Approval of the produced water disposal methodology is subject to the following conditions of approval:

1. This agency shall be notified of any change in your method or location of disposal.

- 2. Compliance with all provisions of Onshore Order No. 7.
- 3. This agency shall be notified of any spill or discharge as required by NTL-3A.
- 4. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.
- 5. Any on-lease open top storage tanks shall be covered with a protective cover to prevent entry by birds and other wildlife.
- 6. This approval should not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.
- 7. If water is transported via a pipeline that extends beyond the lease boundary, then you need to submit within 30 days an application for right-of-way approval to the Realty Section in this office if you have not already done so.
- 8. Disposal at any other site will require prior approval.

9. Subject to like approval by NMOCD.

7/10/14