

Submit 1 Copy To Appropriate District Office
District I - (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II - (575) 748-1283
811 S. First St., Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV - (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources
NM OIL CONSERVATION
ARTESIA DISTRICT
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505
RECEIVED

Form C-103
Revised July 18, 2013

WELL API NO.	30-015-21711
5. Indicate Type of Lease	STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.	
7. Lease Name or Unit Agreement Name	East Millman Unit
8. Well Number	219
9. OGRID Number	119305
10. Pool name or Wildcat	East Millman - QN-GBG-SA

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)	
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/>	NM OIL CONSERVATION
2. Name of Operator	Ray Westall Operating, Inc. ARTESIA DISTRICT
3. Address of Operator	P.O. Box 4, Loco Hills, NM 88255
4. Well Location	Unit Letter J : 1980 feet from the South line and 1650 feet from the East line Section 15 Township 19-S Range 28-E NMPM County Eddy
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3449' GL	

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
CLOSED-LOOP SYSTEM <input type="checkbox"/>	RENAME WELL <input type="checkbox"/>		
OTHER: <input checked="" type="checkbox"/>		OTHER: <input type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Ray Westall Operating, Inc. is requesting the the well be renamed to its original designation of the DHY A State and add SWD to the name.

The well recently was permitted for SWD by NMOCD order SWD-1556.

The P&A'd well had been part of the East Millman Unit prior to being plugged and abandoned.

To avoid any confusion or misunderstanding and as the East Millman Unit continues to operate, this well should be renamed and hereby designated as the DHY 'A' State SWD No.1. The pool will be SWD; Cisco - Canyon, pool ID 96186.

(A C-101 is being submitted to reenter and configure this well for SWD.)

Accepted for record
NMOCD

Spud Date:

8/01/2015 (Dpnding on Rig avlty)

Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE



TITLE Agent for Ray Westall Operating, Inc.

DATE 7/22/2015

Type or print name Ben Stone

E-mail address: ben@sosconsulting.us

PHONE: 903-488-9850

For State Use Only

APPROVED BY:

Accepted for record
NMOCD

TITLE

DATE

7/22/2015

Conditions of Approval (if any):

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

NM OIL CONSERVATION
ARTESIA DISTRICT
JUL 23 2015



NM OIL CONSERVATION
ARTESIA DISTRICT
JUL 21 2015

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Administrative Order SWD-1556
June 14, 2015

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ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION

Pursuant to the provisions of Division Rule 19.15.26.8B, NMAC, Ray Westall Operating, Inc. (the "operator") seeks an administrative order for its DHY "A" State SWD Well No. 1 (API No. 30-015-21711, formerly the East Millman Unit Well No. 219) located 1980 feet from the South line and 1650 feet from the East line, Unit letter J of Section 15, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico, for commercial disposal of produced water.

THE DIVISION DIRECTOR FINDS THAT:

The application has been duly filed under the provisions of Division Rule 19.15.26.8B, NMAC and satisfactory information has been provided that affected parties as defined in said rule have been notified and no objection was received within the required suspense period. The applicant has presented satisfactory evidence that all requirements prescribed in Rule 19.15.26.8 NMAC have been met and the operator is in compliance with Rule 19.15.5.9 NMAC.

IT IS THEREFORE ORDERED THAT:

The applicant, Ray Westall Operating, Inc. (OGRID 119305) is hereby authorized to utilize its DHY "A" State SWD Well No. 1 (API No. 30-015-21711) located 1980 feet from the South line and 1650 feet from the East line, Unit letter J of Section 15, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico, for commercial disposal of oil field produced water (UIC Class II only) through an open-hole interval within Cisco and Canyon formations from approximately 9505 feet to approximately 9857 feet. Injection shall occur through internally-coated tubing and a packer set a maximum of 100 feet above the top of the open-hole interval.

Within one year after commencing disposal, the operator shall submit to the Division copies of an injection survey run on this well consisting of a tracer and temperature log, or equivalent, run under representative disposal rates. The operator shall notify the Artesia district office of the Division and the engineering bureau of the Division of any depth changes in the open hole disposal interval and formally ask for those changes to be permitted.

Failure to comply with the requirements detailed above shall result ipso-facto in the loss of disposal authority approved by this order.

IT IS FURTHER ORDERED THAT:

1220 South St. Francis Drive • Santa Fe, New Mexico 87505
Phone (505) 476-3440 • Fax (505) 476-3462 • email: www.emnrd.state.nm.us/ocd

The operator shall take all steps necessary to ensure that the disposed water enters only the approved disposal interval and is not permitted to escape to other formations or onto the surface. This includes the well construction proposed in the application and any required modifications of construction as required by the Division.

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 well shall pass an initial mechanical integrity test ("MIT") prior to initially commencing disposal and prior to resuming disposal each time the disposal packer is unseated. All MIT procedures and schedules shall follow the requirements in Division Rule 19.15.26.11A, NMAC. The Division Director retains the right to require at any time wireline verification of completion and packer setting depths in this well.

The wellhead injection pressure on the well shall be limited to **no more than 1900 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 operator shall install and maintain a chart recorder showing casing and tubing pressures during disposal operations.

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 MIT 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 19.15.26.13 and 19.15.7.24 NMAC.

Without limitation on the duties of the operator as provided in Division Rules 19.15.29 and 19.15.30 NMAC, 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 disposal 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 Rule 19.15.5.9 NMAC.

The disposal authority granted herein shall terminate two (2) years after the effective date of this order if the operator has not commenced injection operations into the subject well. One year after the last date of reported disposal into this well, the Division shall consider the well abandoned, and the authority to dispose will terminate *ipso facto*. The Division, upon written request mailed by the operator prior to the termination date, may grant an extension thereof for good cause.

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.



DAVID R. CATANACH
Director

DRC/wvj

cc: Oil Conservation Division – Artesia District Office
State Land Office – Oil, Gas, and Minerals Division
Administrative Application pMEM1510655976