



OCD-Artesia

# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**

Governor

Joanna Prukop  
Cabinet Secretary

October 28, 2003

**Lori Wrotenbery**

Director

Oil Conservation Division

Marbob Energy Corporation  
P.O. Box 227  
Artesia, New Mexico 88211-0227

Attention: Mr. Brian Collins

Re: Division Order No. SWD-897  
Salt Draw "SFWG" State Well No. 1  
API No. 30-015-25641  
Unit H, Section 4, T-25S, R-28E, NMPM,  
Eddy County, New Mexico

RECEIVED

NOV 24 2003

OCD-ARTESIA

Dear Mr. Collins:

Please be advised that Division Order No. SWD-897 that was issued October 19, 2003 was issued in error. This order authorized Marbob to utilize as a disposal well its Salt Draw "SFWG" State Well No. 1. As you may recall, an objection to this application from Southwest Energy Production Company was received by the Division on September 29, 2003, and after you discussed the situation with Division personnel, Marbob requested that the application be withdrawn. Apparently, an extra copy of the application was processed by another engineer in the Santa Fe office, unaware of the objection.

Division Order No. SWD-897 is hereby cancelled effective immediately. If Marbob wishes to utilize this well for injection at a future time, a new application will be required.

Sincerely,

*Lori Wrotenbery*  
Lori Wrotenbery  
Division Director

Xc: OCD-Artesia  
Southwest Energy Production Company  
File-SWD-897

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0615- Artesia

# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**

Governor  
Joanna Prukop  
Cabinet Secretary

Lori Wrotenberg  
Director  
Oil Conservation Division

ADMINISTRATIVE ORDER SWD-897

**APPLICATION OF MARBOB ENERGY CORPORATION FOR SALT WATER  
DISPOSAL, EDDY COUNTY, NEW MEXICO.**

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**ADMINISTRATIVE ORDER  
OF THE OIL CONSERVATION DIVISION**

Under the provisions of Rule 701(B), Marbob Energy Corporation made application to the New Mexico Oil Conservation Division on September 18, 2003 for permission to re-enter and complete for salt water disposal the Salt Draw "SFWG" State Well No. 1 API 30-015-25641 (renamed to the South Malaga H-4-25-28 SWD) located 2310 feet from the North line and 330 feet from the East line (Unit H) of Section 4, Township 25 South, Range 28 East, NMPM, Eddy County, New Mexico.

**THE DIVISION DIRECTOR FINDS THAT:**

(1) The application has been duly filed under the provisions of Rule 701(B) of the Division Rules and Regulations;

(2) Satisfactory information has been provided that all offset operators and surface owners have been duly notified;

(3) The applicant has presented satisfactory evidence that all requirements prescribed in Rule 701 will be met; and

(4) No objections have been received within the waiting period prescribed by said rule.

**IT IS THEREFORE ORDERED THAT:**

Marbob Energy Corporation is hereby authorized to re-enter and complete the Salt Draw "SFWG" State Well No. 1 API 30-015-25641 (renamed to the South Malaga H-4-25-28 SWD) located 2310 feet from the North line and 330 feet from the East line (Unit H) of Section 4, Township 25 South, Range 28 East, NMPM, Eddy County, New Mexico, in such a manner as to permit the injection of produced water for disposal purposes into the Delaware formation through a perforated interval from 3630 feet to 4,530 feet through 2 7/8-inch plastic-lined tubing set in a packer located at approximately 3580 feet.

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

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**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.

If this well is artificially hydraulically fractured using proppant, the proppant shall be tagged with radioactive isotope(s) and post fracture temperature and tracer survey gamma log(s) run and supplied to the Artesia office of the Division. In addition, the 9-5/8 by 5-1/2 bradenhead on the Eagle "4" State Well No. 1 operated by Southwestern Energy Production Company shall be tested for flow and pressure at least once per year and results reported to the Artesia office of the Division.

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.

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 726 psi.

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 injection formations. Such proper showing shall consist of a valid step-rate test run in accordance with and acceptable to this office.

The operator shall notify the supervisor of the Artesia district office of the Division of the date and time disposal equipment will be installed and the mechanical integrity pressure test conducted so that these operations may be inspected and witnessed.

The operator shall immediately notify the supervisor of the Artesia district office of the Division of the failure of the tubing, casing, or packer in said well and shall take such steps as may be timely and necessary to correct such failure or leakage.

**PROVIDED FURTHER THAT,** 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 water or (2) consistent with the requirements in this order, whereupon the Division may, after notice and hearing, terminate the injection authority granted herein.

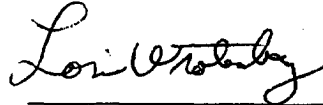
**Administrative Order SWD-897**  
**Marbob Energy Corporation**  
**October 19, 2003**  
**Page 3 of 3**

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The operator shall submit monthly reports of the disposal operations on Division Form C-120-A, in accordance with Rule Nos. 706 and 1120 of the Division Rules and Regulations.

The injection 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 by the operator, may grant an extension thereof for good cause shown.

Approved at Santa Fe, New Mexico, on this 19th day of October 2003.



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LORI WROTENBERY,  
Director

LW/wvij

cc: Oil Conservation Division – Artesia  
State Land Office – Minerals Management Division

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