

NMOCD

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTFORM APPROVED  
OMB NO. 1004-0135  
Expires: November 30, 2000**SUNDRY NOTICES AND REPORTS ON WELLS**  
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.***SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM04827B
2. Name of Operator MARATHON OIL COMPANY		6. If Indian, Allottee or Tribe Name
Contact: CHARLES KENDRIX E-Mail: cekendrix@marathonoil.com		7. If Unit or CA/Agreement, Name and/or No.
3a. Address P O BOX 3128 HOUSTON, TX 77253	3b. Phone No. (include area code) Ph: 800.351.1417 Ext: 8104 Fx: 915.687.8196	8. Well Name and No. MOC FEDERAL 7
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 1 T21S R23E SESW 890FSL 1750FWL		9. API Well No. 30-015-28309-00-S1
RECEIVED SEP 08 2004 OCD-ARTESIA		10. Field and Pool, or Exploratory S DAGGER DRAW
		11. County or Parish, and State EDDY COUNTY, NM

## 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input checked="" type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Marathon Oil is proposing to convert the MOC Federal No. 7 into an injection well for pilot testing of flood potential for the South Dagger Draw Upper Penn Associated lease. Please see attachments for copies of the NMOCD approval for the pilot test, Order No. SWD-908.

14. I hereby certify that the foregoing is true and correct.	
Electronic Submission #35559 verified by the BLM Well Information System For MARATHON OIL COMPANY, sent to the Carlsbad Committed to AFMSS for processing by LINDA ASKWIG on 09/03/2004 (04LA0787SE)	
Name (Printed/Typed) CHARLES KENDRIX	Title AUTHORIZED REPRESENTATIVE
Signature (Electronic Submission)	Date 09/02/2004

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By ALEXIS C SWOBODA	Title PETROLEUM ENGINEER	Date 09/07/2004
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.		
Office Carlsbad		

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**\*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\***

Southern U.S. Business Unit  
Domestic Production



**Marathon  
Oil Company**

P.O. Box 552  
Midland, TX 79702-0552  
Telephone 432/682-1626

November 21, 2003

William Jones  
New Mexico Energy, Minerals, and Natural Resources Department  
Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

**RECEIVED**

**SEP 08 2004**

**ESPARTESIA**

Dear Mr. Jones:

Marathon Oil Company respectfully requests approval for a single well injectivity test in the MOC Federal #7 well, located in Unit N of Section 1 of T21S & R23E in Eddy County, New Mexico. The injectivity test is being designed to evaluate the feasibility of a future waterflood for the Canyon reservoir in the Dagger Draw South field.

Enclosed please find an original and one copy of the completed OCD Form C-108, Application for Authorization to Inject. As you suggested for a single well injectivity test during our discussion on the phone on October 23, 2003, Marathon Oil Company is requesting administrative approval for this application. As required for administrative approval, enclosed please find a draft of the legal advertisement published in the Carlsbad Current-Argus. In addition, we have provided a copy of this application to the Oil Conservation Division's District Office in Artesia, New Mexico, and a copy to the Bureau of Land Management in Carlsbad, New Mexico as surface owner of record.

Your attention to this matter is appreciated. Please contact me for questions at 432-687-8314 before 1/1/04, or 713-296-2983 after 1/1/04.

Sincerely,

A handwritten signature in cursive script that reads 'Allen C. Brummert'.

Allen C. Brummert

xc w/ Enclosure:

Tim Gum

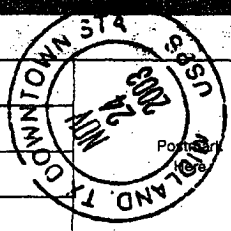
District Supervisor

New Mexico Energy, Minerals, and Natural Resources Department  
Oil Conservation Division  
1301 W. Grand Avenue  
Artesia, New Mexico 88210

7001 0320 0003 9459 1275

U.S. Postal Service	
CERTIFIED MAIL RECEIPT	
(Domestic Mail Only; No Insurance Coverage Provided)	
<div>Postage \$</div> <div>Certified Fee</div> <div>Return Receipt Fee (Endorsement Required)</div> <div>Restricted Delivery Fee (Endorsement Required)</div> <div>Total Postage &amp; Fees \$</div>	
<div>Sent To</div> <div>TIM EMM, DISTRICT SUPERVISOR, DCD</div> <div>Street, Apt. No., or PO Box No. 1301 W. GRAND AVE.</div> <div>City, State, ZIP+4 ARTESIA, NM 88210</div>	

PS Form 3800, January 2001 See Reverse for Instructions



**APPLICATION FOR AUTHORIZATION TO INJECT**

- I. PURPOSE: ☒ Secondary Recovery ☐ Pressure Maintenance ☐ Disposal ☐ Storage  
Application qualifies for administrative approval? ☒ Yes ☐ No
- II. OPERATOR: Marathon Oil Company  
ADDRESS: PO Box 552 Midland, TX 79702 (Before 1/1/04)  
PO Box 3128 Houston, TX 77253 (After 1/1/04)  
CONTACT PARTY: Allen C. Brummert  
PHONE: 432-687-8314 (Before 1/1/04)  
713-296-2983 (After 1/1/04)
- III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection.  
Additional sheets may be attached if necessary.
- IV. Is this an expansion of an existing project? ☐ Yes ☒ No  
If yes, give the Division order number authorizing the project: \_\_\_\_\_
- V. 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.
- 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.
- VII. Attach data on the proposed operation, including:
1. Proposed average and maximum daily rate and volume of fluids to be injected;
  2. Whether the system is open or closed;
  3. Proposed average and maximum injection pressure;
  4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
  5. 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.).
- \*VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic 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 sources known to be immediately underlying the injection interval.
- IX. Describe the proposed stimulation program, if any.
- \*X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).
- \*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.
- 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 sources of drinking water.
- XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.
- 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: Allen C. Brummert

TITLE: Reservoir Engineer

SIGNATURE: Allen C Brummert

DATE: 11/21/03

E-MAIL ADDRESS: ACBrummert@MarathonOil.com

- \* If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstances of the earlier submittal: \_\_\_\_\_

DISTRIBUTION: Original and one copy to Santa Fe with one copy to the appropriate District Office

RECEIVED

SEP 08 2004

COB-ARTESIA

**C-108**  
**Application for Authorization to Inject**  
**Marathon Oil Company**

**MOC Federal #7**  
**Unit N 1-21S-23E**  
**890' FSL & 1750' FWL**  
**Eddy County, New Mexico**

- I. Purpose**  
Marathon Oil Company will re-inject produced water into the Canyon (Upper Pennsylvanian) reservoir of the MOC Federal #7 as part of a single-well injectivity test to evaluate the feasibility of a future waterflood in the Dagger Draw South field.
- II. Operator**  

<u>Before 1/1/2004</u> Allen C. Brummert Marathon Oil Company PO Box 552 Midland, TX 79702-0552	<u>After 1/1/2004</u> Allen C. Brummert Marathon Oil Company PO Box 3128 Houston, TX 77253
---	--
- III. Well Data**  
See Attachment A
- IV. Project Expansion**  
This is not an expansion of an existing project.
- V. Map**  
See Attachment B
- VI. Table of all Wells within Area of Review**  
See Attachment C
- VII. Proposed Operation**
  1. The proposed average daily injection volume is estimated to be 1000 BWPD, and the proposed maximum daily injection volume is estimated to be 5000 BWPD for this well.
  2. The system will be a closed system.
  3. The proposed average injection pressure is estimated to be 750 psi, and the proposed maximum injection pressure is estimated to be 1550 psi.
  4. The source of the injection water will be nearby production wells completed in the Cisco & Canyon (Upper Pennsylvanian) reservoir of the South Dagger Draw Upper Pennsylvanian Associated Gas Pool and the Indian Basin Upper Pennsylvanian Gas Pool.
- VIII. Geologic Data**  
The Cisco & Canyon (Upper Pennsylvanian) reservoir is a fine to coarse crystalline dolomite with vugular and intercrystalline porosity. The measured depth to the top of the productive dolomite is 7510' in the MOC Federal #7, and the average thickness is 250'. The proposed injection zone is perforated from 7762' - 7844' in the MOC Federal #7.  
  
The known fresh water zone overlying the proposed injection zone is the San Andres aquifer located to 1100 feet below the surface. There are now underlying fresh water aquifers.
- IX. Proposed Stimulation Program**  
The proposed injection interval may be acidized with HCL acid.
- X. Well Logs**  
Well logs have been previously submitted to the New Mexico Oil Conservation Division.
- XI. Fresh Water Analyses**  
No fresh water wells exist within a one mile radius of the MOC Federal #7.

**XII. Hydrologic Connection to Sources of Drinking Water**

See Attachment D for the signed affirmation stating no evidence of open faults or other hydrologic connection between the proposed injection zone and any underground source of drinking water.

**XIII. Proof of Notice**

Marathon Oil Company has sent a certified letter, shown in Attachment E, to the Bureau of Land Management, the only owner of surface land on which the MOC Federal #7 is located.

Other than Marathon Oil Company, there are no other leasehold operators within one-half mile of the proposed injection well.

A letter to the Carlsbad Current-Argus, with the attached public notice, is shown in Attachment F.

## Attachment A1

### III. Well Data

#### Section A:

1. Lease Name: MOC Federal #7

Location: 890' FSL & 1750' FWL, Sec. 1, T21S, R23E, Eddy County, NM

2. Casing and Cement

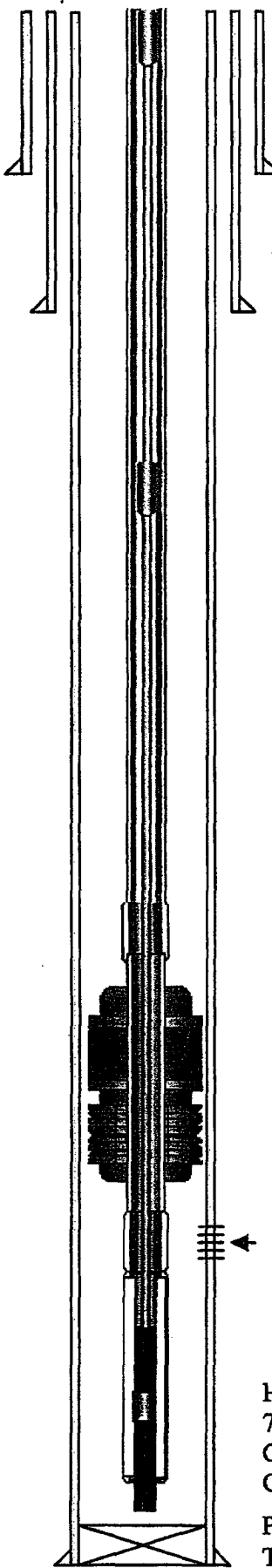
<u>Casing Size</u>	<u>Setting Depth</u>	<u>Sacks Cement</u>	<u>Hole Size</u>	<u>Top of Cement</u>
16"	65'	unknown	20"	to surface
9-5/8"	1222'	750	12.25"	circ 416 sx to surface
7"	8047'	1280	8.75"	1 <sup>st</sup> stage circ 68 sx to surface 2 <sup>nd</sup> stage circ 77 sx to surface

3. Tubing: 3-1/2", 9.3# internally plastic coated at about 7750'.
4. Packer: Set at about 7750'.

#### Section B

1. Injection Formation: Canyon  
Field or Pool Name: South Dagger Draw Upper Pennsylvanian Associated Gas Pool
2. Injection Interval: 7762' - 7844' perforated
3. Original purpose of well: Drilled as a producer from the Upper Penn
4. Other perforated intervals, bridge plugs, cement plugs: None
5. Next higher oil & gas zone: Cisco  
Next lower oil & gas zone: Strawn

See current and proposed wellbore schematics (Attachments A2 and A3)



Spud: 01/18/95  
 G.L. Elev.: 3743'  
 K.B.: 3761'

16" Conductor Casing  
 Set at 65', Cement to Surface  
 W/readi-mix.

Intermediate Casing  
 9 5/8" 36#, Csg.  
 Set at 1222', Cmt. W/750 sks.  
 Circ. 416 sks.

**Attachment A2**  
 Current Wellbore Diagram  
 MOC Federal No.7  
 Date: 10/30/2001  
 U.L. "N", 890' FSL, 1750' FWL  
 Sec. 1, T-21-S, R-23-E  
 Eddy Co., N.M.

Well Name: MOC #7

Date Job: 11/10/1998

Co. Man: Grandpa (R. J. Goodrich)

KB: 15

# Joints	Size	Weight	Grade	Csg	Length	Top	Bottom
				KBC	15.00	0.00	15.00
245	2 7/8"	6.5#	L-80	8rd	7541.15	15.00	7556.15
	Tbg Anchor				2.41	7556.15	7558.56
10	2 7/8"	6.5#	L-80	8rd	308.50	7558.56	7867.06
	SN				1.10	7867.06	7868.16
	Perf. Sub				4.23	7868.16	7872.39
	Mud Anchor				31.82	7872.39	7904.21
	Collar w/ Bull plug				0.80	7904.01	7904.81
						7904.81	7904.81
						7904.81	7904.81
						7904.81	7904.81
						7904.81	7904.81
						7904.81	7904.81
						7904.81	7904.81
255	Total # Joints					7904.81	7904.81

#### Rod Report

	1 1/2" x 28'	Polish Rod					
	1 3/4" x 18'	PR Liner					
2	1 1/4" x 3'	Pony Rod					
102	1 1/4"	Fiberoptic					
158	1"	N-97					
	33k	Shear Tool					
1	1"	N-97					
	2 1/2" x 1 1/2" x 2'	Pump					
	1 1/4" x 18'	Gas Anchor					
261	Total # Rods						

#### Pump Report

Size: 2 1/2" x 1 1/2" x 28' Trico RDCB Pump # MS-089

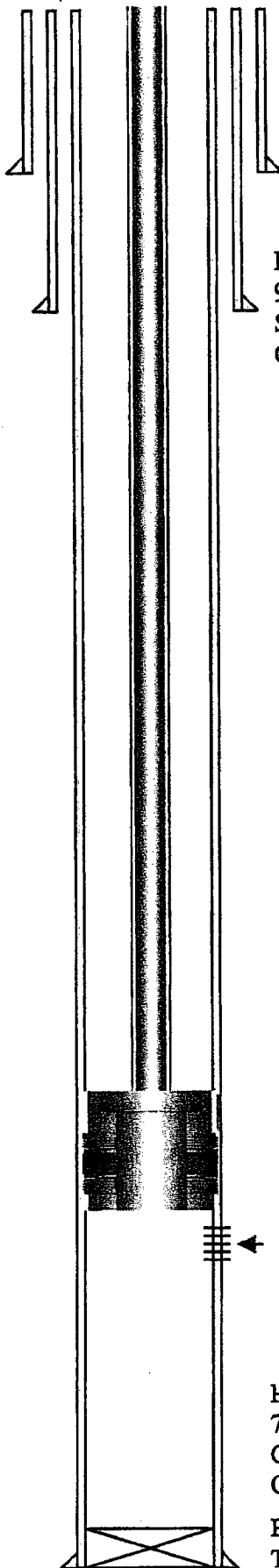
Comments: Top Perf: 7762'  
 Bottom Perf: 7844'  
 PBTD: 7952'

Perforations:  
 7762 - 7844

Production Casing  
 7" 23# & 26#, Set at 8047',  
 Cmt. W/1280 sks.  
 Circ. 77 sks.

PBTD: 7952'  
 TD: 8047'





Spud: 01/18/95  
G.L. Elev.: 3743'  
K.B.: 3761'

16" Conductor Casing  
Set at 65', Cement to Surface  
W/readi-mix.

Intermediate Casing  
9 5/8" 36#, Csg.  
Set at 1222', Cmt. W/750 sks.  
Circ. 416 sks.

3-1/2" IPC tbg & pkr @ ~7750'

Perforations:  
7762 - 7844

Production Casing  
7" 23# & 26#, Set at 8047',  
Cmt. W/1280 sks.  
Circ. 77 sks.

PBTD: 7952'  
TD: 8047'

**Attachment A3**  
**Proposed Wellbore Diagram**

MOC Federal No.7

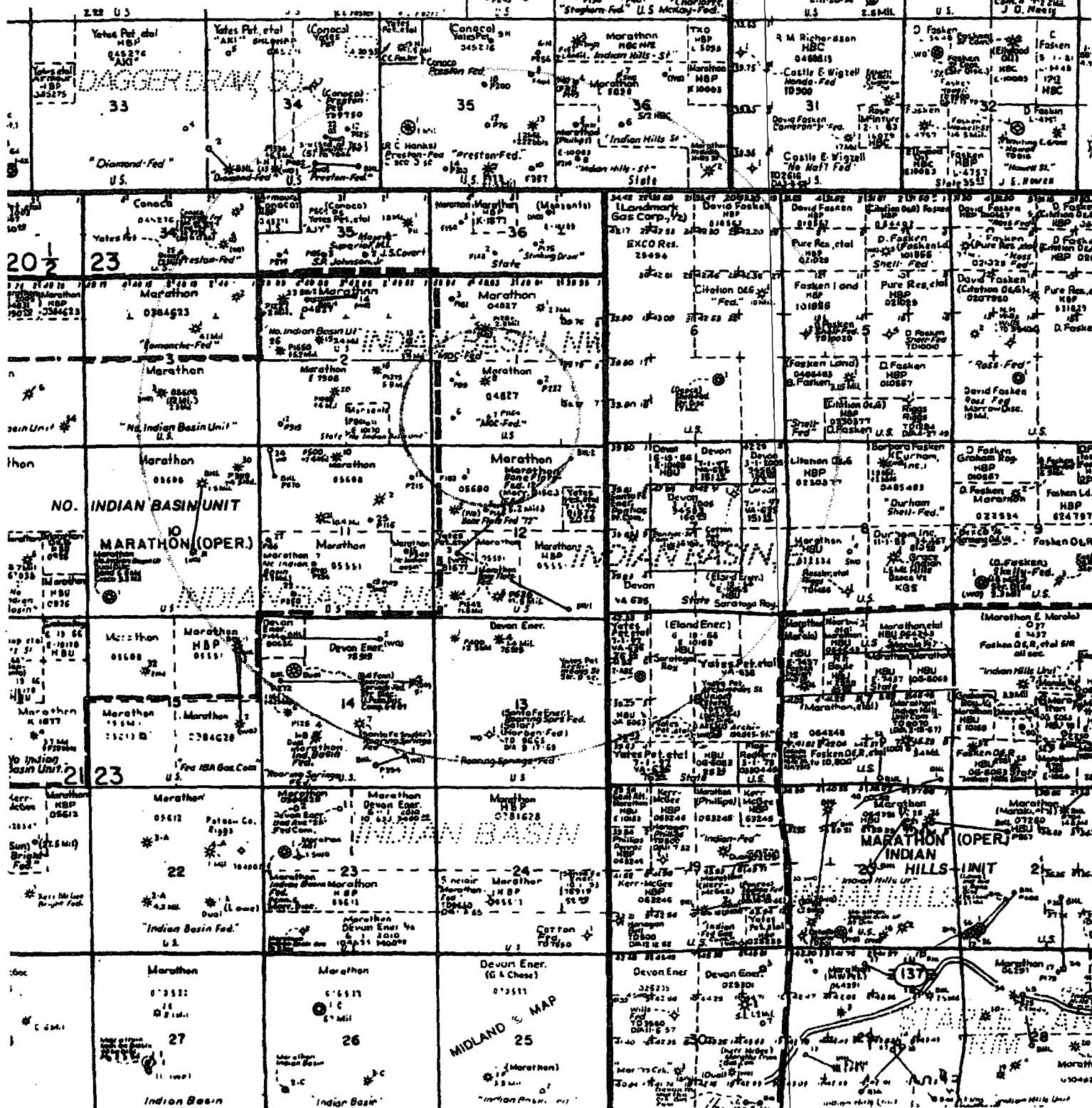
Date: 10/30/2001

U.L. "N", 890' FSL, 1750' FWL

Sec. 1, T-21-S, R-23-E

Eddy Co., N.M.

**Marathon Oil Company  
Proposed Injection Well  
MOC Federal #7  
Unit N, 1-21S-23E  
Eddy County, New Mexico**



### Attachment C: Table of Wells Within Area of Review

WELL NAME	OPERATOR	LOCATION	TYPE OF WELL	TD	PBD	SPUD DATE	INITIAL COMP DATE	PERFED INTERVALS	PRODUCING FORMATION	CA	
										Conductor	Inte
MOC FED 2	MOC	1980' FSL 1980' FWL SEC 1, T21S, R23E	OIL	8100'	8015'	3/18/1995	4/25/1995	7555' - 7860'	Cisco & Canyon	18" @ 60', cmt to surface.	9-5/8" @ 11: 1000 sks; 18" @ 25'
MOC FED 4	MOC	1980' FSL 680' FWL SEC 1, T21S, R23E	OIL	8020'	8000'	9/2/1994	10/30/1994	7485' - 7850'	Cisco & Canyon	18" @ 63', cmt to surface.	9-5/8" @ 11: 800 sks; cmt to surface.
MOC FED 5	MOC	1650' FNL 1650' FWL SEC 1, T21S, R23E	OIL	7975'	7890'	11/22/1994	1/17/1995	7474' - 7814'	Cisco & Canyon	18" @ 72', cmt to surface.	9-5/8" @ 11: 1000 sks; 18" @ 25'
MOC FED 6	MOC	680' FSL 680' FWL SEC 1, T21S, R23E	OIL	8022'	7939'	1/15/1996	3/4/1996	7528' - 7880'	Cisco & Canyon	13-3/8" @ 40', cmt to surface.	9-5/8" @ 11: 855 sks; cmt to surface.
MOC FED 8	MOC	2030' FSL 1650' FWL SEC 1, T21S, R23E	OIL GAS	9660'	9565'	2/24/1996	4/12/1996 10/22/1996	7682' - 7886' 9210' - 9447'	Cisco & Canyon Morrow	13-3/8" @ 16', cmt to surface.	9-5/8" @ 11: 825 sks; to surface.
Bone Flats 12 - 1	MOC	990' FNL 990' FWL SEC 12, T21S, R23E	OIL	8080'	8080'	7/7/1994	8/13/1994	7506' - 7900'	Cisco & Canyon	18" @ 52', cmt to surface.	9-5/8" @ 11: 800 sks; cmt to surface.

## **Attachment D: Hydrologic Connection to Sources of Drinking Water**

Marathon Oil Company has examined the available geologic and engineering data and has found no evidence of open faults or other hydrologic connection between the proposed injection zone and any underground source of drinking water.

*Rich Stever* 10 Nov 2003

Richard C. Stever  
Geologist  
Marathon Oil Company

**Attachment E**

Southern U.S. Business Unit  
Domestic Production



P.O. Box 552  
Midland, TX 79702-0552  
Telephone 432/682-1626

November 21, 2003

Leslie Theiss  
Field Manager  
Bureau of Land Management  
620 E. Green St.  
Carlsbad, New Mexico 88220

Dear Ms. Theiss:

Enclosed please find a copy of OCD Form C-108, Application for Authorization to Inject. The application is for the proposed MOC Federal #7 well located on Unit N of Section 1, T21S & R23E in Eddy County, New Mexico.

Please contact me for questions at 432-687-8314 before 1/1/04, or 713-296-2983 after 1/1/04.

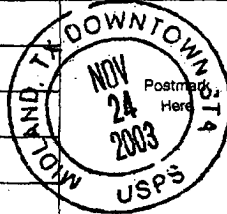
Sincerely,

A handwritten signature in cursive script that reads 'Allen C. Brummert'.

Allen C. Brummert

**U.S. Postal Service**  
**CERTIFIED MAIL RECEIPT**  
(Domestic Mail Only; No Insurance Coverage Provided)

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$



Sent To LESLIE THEISS, FIELDMANAGER, BLM  
Street, Apt. No.,  
or PO Box No. 620 E. GREENE ST.  
City, State, ZIP+4 CARLSBAD, NM 88220

PS Form 3800, January 2001

See Reverse for Instructions

7001 0320 0003 9459 0971

**Attachment F**

Southern U.S. Business Unit  
Domestic Production



**Marathon  
Oil Company**

P.O. Box 552  
Midland, TX 79702-0552  
Telephone 432/682-1626

November 21, 2003

Carlsbad Current-Argus  
Classified Department  
620 S. Main Street  
Carlsbad, New Mexico 88220

Dear Carlsbad Current-Argus:

Marathon Oil Company desires to place the public notice, shown below, in the classified section of your newspaper for one day, as required by the New Mexico Oil Conservation Division. Please place this notice in your paper on Sunday, November 23, 2003 or quickly thereafter, and forward an affidavit along with your bill to the undersigned at the above address.

Please contact me for questions at 432-687-8314.

Sincerely,

  
Allen C. Brummert

**Public Notice**

Marathon Oil Company, PO Box 552, Midland, TX 79702 has filed Form C-108, Application for Authorization to Inject, with the New Mexico Oil Conservation Division seeking approval for an injection well. The proposed well, the MOC Federal #7 located on Unit N of Section 1, Township 21 South and Range 23 East of Eddy County, New Mexico, will be used to re-inject nearby produced water from the Cisco and Canyon (Upper Pennsylvanian) formations of the South Dagger Draw Upper Pennsylvanian Associated Gas Pool and the Indian Basin Upper Pennsylvanian Gas Pool at a depth of 7762 - 7842 feet with a maximum pressure of 1550 psi and a maximum rate of 5000 BWPD.

Any party opposing the aforementioned must file an objection or request for hearing with the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505 within 15 days. Additional information can be obtained by contacting Marathon Oil Company at 432-687-8314.



# Affidavit of Publication

State of New Mexico,  
County of Eddy, ss.

**Dawn Higgins**, being first duly sworn, on oath says:

That she is Business Manager of the Carlsbad Current-Argus, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof on the date as follows, to wit:

November 25	2003
_____	2003
_____	2003
_____	2003

That the cost of publication is \$ 39.79  
and that payment thereof has been made and will be assessed as court costs.

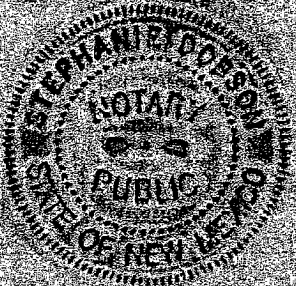
Dawn Higgins

Subscribed and sworn to before me this

25 day of November, 2003

Stephanie Dobson

My commission expires 12-13-05  
Notary Public



November 25, 2003

## Public Notice

Marathon Oil Company, PO Box 552, Midland, TX 79702 has filed Form G-108, Application for Authorization to Inject, with the New Mexico Oil Conservation Division seeking approval for an injection well. The proposed well, the MOC Federal #7 located on Unit N of Section 1 Township 21 South and Range 23 East of Eddy County, New Mexico, will be used to re-inject near by produced water from the Cisco and Canyon (Upper Pennsylvanian) formations of the South Dagger Draw Upper Pennsylvanian Associated Gas Pool and the Indan Basin Upper Pennsylvanian Gas Pool at a depth of 7752 - 7842 feet with a maximum pressure of 1650 psi and a maximum rate of 5000 BWPD.

Any party opposing the aforementioned must file an objection or request for hearing with the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505 within 15 days. Additional information can be obtained by contacting Marathon Oil Company at 432-687-8314.





# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**

Governor

Joanna Prukop  
Cabinet Secretary

**Lori Wrotenbery**

Director

Oil Conservation Division

RECEIVED

SEP 08 2004

OCD-ARTESIA

ADMINISTRATIVE ORDER SWD-908

**APPLICATION OF MARATHON OIL COMPANY FOR SALT WATER DISPOSAL,  
EDDY COUNTY, NEW MEXICO.**

RECEIVED

DEC 8 2003

OCD-ARTESIA

## ADMINISTRATIVE ORDER OF THE OIL CONSERVATION DIVISION

Under the provisions of Rule 701(B), Marathon Oil Company made application to the New Mexico Oil Conservation Division on December 1, 2003 for permission to re-complete for salt water disposal its MOC Federal Well No. 7 (API No. 30-015-28309) located 890 feet from the South line and 1,750 feet from the West line (Unit N) of Section 1, Township 21 South, Range 23 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:

Marathon Oil Company is hereby authorized to re-complete the MOC Federal Well No. 7 (API No. 30-015-28309) located 890 feet from the South line and 1,750 feet from the West line (Unit N) of Section 1, Township 21 South, Range 23 East, NMPM, Eddy County, New Mexico, in such a manner as to permit the injection of produced water for disposal purposes into the Canyon formation through a perforated interval from 7,762 feet to 7,844 feet through 3 1/2-inch plastic-lined tubing set in a packer located at approximately 7,750 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.

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 1,552 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 formation. 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.

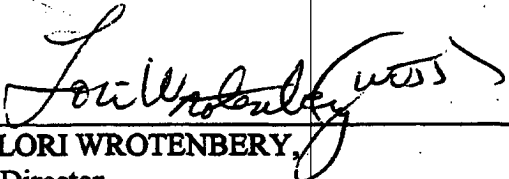
The operator shall provide written notice of the date of commencement of injection to the Artesia district office of the Division. The operator shall submit monthly reports of the disposal operations on Division Form C-120-A, in accordance with Rule Nos. 706 and 1120 of the Division Rules and Regulations.

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.

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Marathon Oil Company  
December 16, 2003  
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Approved at Santa Fe, New Mexico, on this 16<sup>th</sup> day of December 2003.

  
LORI WROTENBERY,  
Director

LW/wvj

cc: Oil Conservation Division - Artesia  
Bureau of Land Management - Carlsbad