



# New Mexico Energy, Minerals and Natural Resources Department

**Bill Richardson**  
Governor

**Joanna Prukop**  
Cabinet Secretary

**Mark Fesmire**  
Division Director  
Oil Conservation Division



December 10, 2009

Patterson Operating and Pumping Inc.  
P.O. Box 50076  
Midland, TX 79710

Certified Mail No.: 7002 3150 0005 2327 4652

**\* FORMAL NOTICE OF LOSS OF INJECTION AUTHORITY \***  
**OPERATOR REQUIRED TO CEASE AND DESIST INJECTION**

Re: Patterson Operating and Pumping Inc., OGRID 188566  
Glenn-Ryan Cooperative Waterflood Project

Dear Operator:

The purpose of this letter is to give Patterson Operating and Pumping Inc. (Patterson) formal notice that its authority to inject into the Glenn-Ryan Cooperative Waterflood has terminated. **\*Patterson no longer has authority to inject into the wells in that waterflood.\***

19.15.26.12(C)(1) NMAC provides:

"Whenever there is a continuous one year period of non-injection into all wells in an injection or storage project or into a salt water disposal well or special purpose injection well, the division shall consider the project or well abandoned, and the authority for injection shall automatically terminate ipso facto."

19.15.26.12(C)(2) NMAC provides:

For good cause shown, the director may grant an administrative extension or extensions of injection authority as an exception to Paragraph (1) of Subsection C of 19.15.26.12 NMAC, provided that any such extension may be granted only prior to the end of one year or [sic] continuous non-injection, or during the term of a previously granted extension.

According to Oil Conservation Division (OCD) records, Order R-5675 in Case 6161 allowed two lease waterfloods: the Leonard Brothers Waterflood and the Leonard



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Federal Waterflood. A copy of that order is attached. By letter dated November 20, 1991, the OCD consolidated the project into the Glenn-Ryan Waterflood Project. A copy of that letter is attached. The Glenn-Ryan Waterflood Project includes the following acreage:

Township 26 South, Range 37 East, NMPM:  
Section 13: E/2, NW/4, N/2 SW/4, SW/4 SW/4  
Section 14: N/2  
Township 26 South, Range 37 East, NMPM:  
Section 14: S/2.

The OCD researched that acreage and found the following injection wells, all operated by Patterson:

Glenn Ryan #006, 30-025-11985  
Glenn Ryan #008, 30-025-25981  
Glenn Ryan #013, 30-025-25982  
Glenn Ryan #015, 30-025-25857  
\* Glenn Ryan #019, 30-025-25581 \*  
Glenn Ryan #021, 30-025-25856  
Glenn Ryan #023, 30-025-25561  
Glenn Ryan #030, 30-025-25339

None of these wells is currently reporting injection. None of these wells has reported injection for a period in excess of one year. A copy of Patterson's well list, showing the last reported injection for each well, is attached.

Because all injection in the waterflood ceased for a period in excess of one year, the authority for injection into wells in the Glenn-Ryan Waterflood Project automatically terminated pursuant to 19.15.26.12(C)(1) NMAC. **If Patterson wishes to operate a waterflood in this area or inject into any of the identified wells it will need to apply for a new permit under 19.15.26.8 NMAC. Please note that to be eligible for a permit Patterson must be in compliance with 19.15.5.9 NMAC.**

By copy of this letter, I am notifying the Hobbs District Office that your injection authority for these wells has been terminated.

If you disagree with the OCD's conclusion that the authority to inject in the Glenn-Ryan Waterflood Project has terminated, please provide documentary proof that there has not been a period of one year of non-injection, or that you are operating under an administrative extension of injection authority.

Sincerely,

  
Daniel Sanchez

Underground Injection Control Director for the State of New Mexico

Ec: Larry "Buddy" Hill, Supervisor, Hobbs District Office  
Sylvia Dickey, Hobbs District Office