Union Oil Compa. of lifornia

500 N. Marienfeld, Midland, Texas 79701 Telephone (915) MU 2-9731

Midland District

August 22, 1968

Mr. Frank Irby Chief of Water Rights Division State Engineer Office State Capitol Building Santa Fe, New Mexico

Dear Mr. Irby:

Disposal of Produced Water in the Casing Annulus of the Federal "A" Well No. 1, Morton Wolfcamp Field, Lea County, New Mexico

Attached is a copy of an application submitted by Union Oil Company of California to the New Mexico Oil Conservation Commission requesting administrative approval to dispose of produced water from the captioned well in the annulus between the 5-1/2" production and 8-5/8" intermediate casing strings. This application is submitted in accordance with the provisions of Rule 701-A of the Rules and Regulations of the New Mexico Oil Conservation Commission.

The Federal "A" Well No. 1 has 11-3/4" surface casing set at 356' (see enclosed diagrammatic sketch) with cement circulated to surface. Red beds were encountered at 267', which is also base of the Ogallala Sand formation. Consequently, if a leak should develop in the 8-5/8" intermediate casing, water would have to penetrate some 89' of impervious Red Beds to enter fresh water bearing sands. As explained in the application to the Oil Commission, no surface pressure will be required for this injection.

All water disposed of in this well will be treated by constant chemical injection with both scale and corrosion inhibitors. However, two years of production history indicates the produced water is actually not too corrosive.

If you are in agreement with this proposal, we would appreciate your so notifying the Secretary-Director of the New Mexico Oil Conservation Commission as soon as possible. Thank you for your consideration in this matter.

Very truly yours, district Operations Superintendent

GWC:JRH/bMe Attachment