

3-01-96

NEW MEXICO OIL CONSERVATION DIVISION - Form C-108

III. SALT WATER DISPOSAL WELL DATA

SDE '31' Federal : Bell Canyon Interval

# 9 - Unit Letter J, 1980'FSL & 1980'FEL, Section 31, T-23-S, R-32-E  
Lea County, New Mexico

All pertinent data for the above proposed salt water disposal well is included on the well schematic sheets in this application.

V. SUBJECT AREA MAPS AND AREA OF REVIEW

A map of the subject area, SDE '31' Federal, including all wells within a 2 mile radius is attached. Also attached is a map showing the subject well's area of review (or 1/2 mile radius circle).

VI. TABULATION OF DATA ON WELLS WITHIN AREA OF REVIEW

Currently, Texaco E&P Incorporated operates ten wells on the subject lease (and two offsetting leases, SDE '19' Federal and SDE '18' Federal) producing approximately 400 BOPD, 1,500 MCFPD and 500 BWPD. The subject well is approaching its economic limit and further development potential does not exist within the wellbore. Therefore, Texaco E&P Inc. is proposing to utilize the well to dispose of produced fluids from Texaco's SDE '31' lease, SDE '19' lease and SDE '18' lease within the non-commercial Bell Canyon interval. Attached is a schematic of the subject disposal well and its proposed completion and tubing/packer arrangement. Also attached is a schematic and completion report for each well with the area of review.

The intent of this application is to seek approval, either through a NMOC administrative approval, or through a New Mexico Oil Conservation Commission sponsored hearing to modify the subject well for salt water disposal. This application is pursuant to the continuation of development and production on Texaco's SDE '31' Federal, SDE '19' Federal and SDE '18' Federal leases, which produce from the Brushy Canyon and Bone Spring intervals. The approval of this application will enhance Texaco E&P Inc. efforts to operate the subject lease as optimally as possible and increase the reserve potential by lowering the economic limit on each producing well.