

Case Number
4223

Application

Transcripts

Small Exhibits

ETC.

dearnley-meier

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

1120 SIMMS BLDG. • P. O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO



BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
October 22, 1969

EXAMINER HEARING

IN THE MATTER OF:)
)
)

Application of Resler and Sheldon)
for two waterflood projects, Lea)
County, New Mexico.)

CASE NO. 4223

BEFORE: Daniel S. Nutter, Examiner.

TRANSCRIPT OF HEARING

MR. NUTTER: We'll call next Case Number 4223.

MR. HATCH: Case 4223. Continued from the October 8, 1969, Examiner Hearing. Application of Resler and Sheldon for two waterflood projects, Lea County, New Mexico.

MR. WATSON: Neil B. Watson of the firm of Watson & Watson, Artesia, New Mexico, representing the Applicant, Resler and Sheldon.

(Whereupon, Applicant's Exhibits 1 through 6 were marked for identification.)

MR. WATSON: We have Mr. Vilas P. Sheldon, one of the co-owners and one of the Applicants, as the witness.

(Sworn in.)

MR. WATSON: For the record, Mr. Examiner, Order Number S1D102 was entered on May 20, 1969, and with reference to the Steeler Number One Well to permit the injection of salt water for disposal purposes in the Grayburg formation. I presume the Commission will take notice of that order.

MR. NUTTER: The Commission will take administrative notice of the order.

VILAS P. SHELDON

called as a witness, having been first duly sworn, was examined and testified as follows:

DIRECT EXAMINATIONBY MR. WATSON:

Q State your name, please.

A Vilas P. Sheldon.

Q You are one of the co-owners of Resler and Sheldon?

A Yes, sir. I am.

Q And you are one of the Applicants?

A Yes.

Q You have testified before the Commission before as an expert witness; right?

A I have; yes, sir.

Q You are a geologist?

A Yes. I am a geologist.

Q You are in active management of Resler and Sheldon and have been since its inception; is that correct?

A That is correct.

Q You are familiar with the application filed here -- the area of the particular wells and the purpose of the application?

A Yes, I am.

MR. WATSON: Are his qualifications acceptable? He stated he has testified here before.

MR. NUTTER: Yes, they are.

Q (By Mr. Watson) Your application is in two parts,

or, at least, involves two wells. Would you briefly state what the purpose of the application is, and with reference to each well, each area?

A The purpose of the application is to, as stated in the request, is for waterflood permits in the case of the Steeler Well. We propose to inject water into the Queen Penrose formation to stimulate production from offset wells. In the case of this Kelly Number Three Well, we propose to inject water into the Grayburg formation. Resler and Sheldon owns three offset wells, which have perforations open in the Grayburg formation.

Q Exhibit One and Exhibit Two are plats of the area of the Steeler Well and of the Kelly Well?

A Yes, they are.

Q Were those plats prepared by you?

A I prepared them -- yes, sir.

Q They show the wells involved, the additional wells of Resler and Sheldon and the wells of the other operators within a two-mile radius?

A That is correct. Yes, sir.

Q Have you notified all of the other operators within the two-mile radius of this application?

A Yes, we did.

Q Have any protests been received by you?

A Not by me.

MR. WATSON: Have any protests been received by the Commission?

MR. NUTTER: I don't believe there have been any.

Q (By Mr. Watson) All right. Is the Steeler Well committed to a quantity or any sort of a secondary recovery project at this time?

A No, sir. It is not.

Q How long have the Resler and Sheldon wells in this area been producing?

A Twelve and a half or thirteen years.

Q What is the state of the production from the wells at this time? Have they or have they not reached an advanced stage of depletion?

A They have. They're well under five barrels per well per day.

Q What quantities and under what pressures do you propose to inject water into the Steeler well?

A We propose to inject 500 barrels per day, initially, at -- on pressure or by vacuum, and later on, at whatever pressure it requires. I presume up to 2,000 pounds per square inch.

Q What would be the source of the water?

A We propose to secure water from the tank truck

companies operating in the area. It will be water -- it will be oil field brine that has to be disposed of.

Q How will this be injected into the formation?

A Down in the case of the Steeler Well. It will be injected down the annulus between the tubing and casing.

Q This is shown on your Exhibit Number Three?

A Yes, sir. It is. In the case of the Kelly Well, it will be introduced on the 2 3/8 inch tubing.

Q And that is shown on your diagramatic sketch of the Kelly Number Three well, Exhibit Number Four?

A Yes, it is.

Q Do you have anything else you wish to add with reference to the Steeler Well, Mr. Sheldon?

A I can't think of anything.

Q Does the Commission have any questions with reference to this, or do you wish to wait?

MR. NUTTER: Mr. Watson, go ahead, and I'll have some questions when you finish.

MR. WATSON: All right.

A (By Mr. Watson) With reference to the Kelly, Number One Well, you are seeking permission to dispose of salt water or have a secondary recovery program by injection of water in this well; is that correct?

A Yes, sir. That is correct.

Q The well and the lease of Resler and Sheldon and the leases within a two-mile radius are shown on your exhibits One and Two?

A Yes; that is true.

Q And you have received no objections?

A No, sir.

Q You have notified all of the adjoining operators in this area?

A Yes, sir. They were notified by mail.

Q All right. How do you propose to inject the fluid into this formation?

A Well --

Q And into this --

A Down the tubing, down the 2 3/8 inch tubing, initially, as in the other case. Initially, under vacuum. Later, a pump will be installed.

Q What quantities of water and from what source will the water be?

A Five hundred barrels per day. The source will be from tank truck. It will be oil field brine.

Q You propose to waterflood the Grayburg formation?

A Yes.

Q In this Kelly?

A The Grayburg formation.

Q Is there any presently completed secondary recovery program for waterflooding?

A No, there is not.

Q Or has there been any study made for this purpose?

A Yes, sir. Skelly Penrose C unit is a study. They contemplate forming a unit in the Langlie-Mattix Pool for water flood purposes in the Queen. They do not contemplate actual waterflooding of the Grayburg. However, it should be stated and openly stated that they do, that it is discussed to include the top 150 feet of the Grayburg in the Penrose C Unit, but I reiterate -- there is no plan to flood the Grayburg.

Q Have the wells on your Kelly lease, the Resler and Sheldon wells, have they reached an advanced state of depletion?

A Yes, they are possibly three barrels per day.

Q Have these wells virtually reached their economic limit of production through primary methods?

A So far as oil is concerned, yes. Very, very close. Resler and Sheldon still sells gas from the lease and will continue to do so regardless of this proposal.

Q Do you have anything else to add with reference to this Kelly Number Three Well?

A Insofar as waterflooding is concerned, I don't

believe so.

Q With reference to an alternate proposal to dispose of salt water into this well, do you have anything else to add?

A Really nothing additional. It is an alternative suggestion. In Resler and Sheldon's opinion, it would accomplish precisely the same purpose. It has been submitted on the form C-108 to the Commission. The various information desired. We have extra copies of that there.

Q Yes. You have an application to dispose and that application is on file?

A I believe the exhibit is self-explanatory. I'll be glad to discuss it at any length desired.

MR. NUTTER: I have one here for Kelly. Let's see. If I have one for the Steeler.

Q (By Mr. Watson) The Steeler has been approved for salt water disposal in the --

A In the Grayburg formation.

Q We're now seeking a secondary recovery program in the Queens formation and that is the only application you have there, I believe, is this letter of September 12. And we have another letter of September 12, which is the application to dispose of salt water in the Kelly. We'll mark these.

MR. NUTTER: Now, I've got the application to the Kelly.

Q (By Mr. Watson) You adopted these copies then?

A No, sir.

Q All right. Maybe we --

A There was no application for the Steeler submitted.

MR. WATSON: (To the Reporter) Would you mark these for me, please? These will be 7 and 8, please.

(Whereupon, Applicant's Exhibits 7 and 8 were marked for identification.)

Q I hand you Exhibits 7 and 8, which we are offering and ask you to state if those reflect the injection facility layouts with reference to a proposed secondary recovery program in the area that you testified about?

A Yes, I could testify to that.

Q Where did you obtain those?

A They represent the latest proposal of the two units that are being organized.

Q But those units have not been completed as yet?

A They are not official units. They have not been completed.

Q With reference to the application that you have pending here, what is shown with reference to the Steeler Well?

A The Steeler Well is not in either of the organizational units. It happens to lie between them.

Q With reference to the Kelly Number Three Well?

A The Kelly lease is within the proposed Skelly Penrose C Unit, but as stated earlier, the Skelly Penrose C Unit is being put together for consequent flooding. And I can quote, "No actual flooding of the Grayburg is planned." That comes from the organizational preliminary report of Penrose C Unit.

Q Did you prepare Exhibits 7 and 8?

A I did not.

Q I mean, were they prepared by you, from copies out of the proposed Skelly Unit?

A Yes, sir. And I have attended the meetings and verified the information thereon.

Q They are correct, as far as you know?

A I think so.

Q Did you also prepare Exhibits 1 and 2, the plat showing the location of the wells within two miles?

A Yes, I prepared this.

Q And did you prepare Exhibits 3 and 4, the sketch of the injection wells?

A I did, sir.

Q Exhibits 5 and 6, the logs, they were from the files

of Resler and Sheldon?

A They were from the files of Resler and Sheldon.

Q And Exhibits 7 and 8 were the ones you have just testified about?

A Yes.

Q We will offer Applicant's Exhibits 1, 2, 3, 4, 5, 6, 7, and 8.

MR. NUTTER: Applicant's Exhibits 1 through 8 will be admitted into evidence.

(Whereupon, Applicant's Exhibits 1 through 8 were admitted into evidence.)

Q (By Mr. Watson) Do you have anything else that you wish to add to your testimony, Mr. Sheldon, regarding these applications?

A No.

MR. WATSON: Does the Examiner have any questions?

MR. NUTTER: Yes, I do.

CROSS EXAMINATION

BY MR. NUTTER:

Q Now, first of all, Mr. Sheldon, referring to your Exhibit Number Two, which is the plat for the Kelly Well. Now, you mentioned that there were three producing wells on that lease, producing from the Grayburg. Which would those wells be, please?

A Three additional wells. They would be Wells 1, 2, and 4.

Q Okay. Now, the Number 2 is directly north?

A Directly north.

Q Number 4 is directly east?

A And the Number 1 is a diagonal northeast.

Q That's just west of the pump well on that plan, then, isn't it?

MR. WATSON: Yes, I believe it would be.

A No, it's 1980 from south and west.

Q (By Mr. Nutter) Well, now, the --

A The Number 1 Well is 1980 from the south and west corner of the section. It is a northeast diagonal acre across from the Number 3 Well.

Q Now, on this plat that I've got, I think there is another little well right west of that.

A Yes.

Q And so, that's the Grayburg well?

A That's the Grayburg well.

Q An injection into the Kelly Number 3 will be into the Grayburg formation and the perforated interval from 3555 to 3617; is that correct?

A That is correct. It is definitely Grayburg. It's alunitic lime. It's not sandstone.

Q And this is equipped with 10 3/4 inch casing with cement circulated, and with 7-inch casing at total depth -- or what is the depth of that?

A At the total depth of that?

Q Cemented with 600 sacks and you calculate the top of that cement would be 440 feet from the surface?

A That is the Halliburton table calculation.

Q Okay. Now, referring to the, and this would be waterflood, because there are three producing wells from the same formation that you are going to be injecting water into?

A Yes, sir.

Q Now, on this other well, there are actually no producing wells on the lease completed in the Penrose section of the Queen?

A Not the lease; no, sir. There is a well to the east.

Q On your May lease?

A On the May lease.

Q And is that well producing from the Queen?

A It's open. Yes, it's producing.

Q Now, the previous order for this Steeler Well authorized injection into the Grayburg from 3681 to 3689?

A That is correct.

Q And the schematic diagram that we have here is Exhibit Three, showing the perforations below the packer to be those 3681 to 3689, which was what was authorized by SWD102?

A Yes, sir.

Q But, now, you propose to go down the annulus and inject the water into the Queen formation and the perforations 3439 to 3562?

A That is correct; sir.

Q Those were above the packer?

A Or alternatively, we could move the packer.

Q Up above?

A Up above.

Q So, really, this would be for injection into the Queen and Grayburg?

A Well, we already have permission to inject in the Grayburg and are so doing. It's taking 500 barrels a day at the moment. It took --

Q Well, if we interceded this order with a new order, then, we would authorize injection from 3439 to the top of perforation in the Queen down to 3689 in the bottom of the perforation in the Grayburg?

A That would be extremely satisfactory; yes, sir, because there would be no purpose from our standpoint to

segregate the two, although the well is set up now, so that could be done very easily, and we could or would put a motor on each.

Q Well, wouldn't it be preferable to pull the packer up and set the packer above those perforations and then go down the tubing?

A It would be some safer from eventual corrosion; yes, sir.

Q I think the order from the Commission should specify that the injection be down the tubing.

A That would be most satisfactory. It is a retrievable packer. We would pull it right up.

Q Yes, sir. Do you have anything else, or are we straight now on the formation?

A Well, it takes quite a lot of study of those laws.

Q Does that take care of it?

A I think so.

Q Does anyone else have any further questions of the witness? He may be excused.

(Witness excused.)

MR. NUTTER: Do you have anything further, Mr. Watson?

MR. WATSON: No, thank you.

MR. NUTTER: Does anyone have anything to offer in

Case 4223? The hearing is adjourned.

I N D E X

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STATE OF NEW MEXICO)
) ss
 COUNTY OF BERNALILLO)

I, DAVID BINGHAM, a Court Reporter in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me; that the same is a true and correct record of the said proceedings, to the best of my knowledge, skill and ability.

David Bingham
 COURT REPORTER

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 4223 heard by me on 10/22, 1969.

[Signature]
 New Mexico Oil Conservation Commission

dearnley-meier 1200 Long Santa Fe, N.M.

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

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BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
October 8, 1969

EXAMINER HEARING

IN THE MATTER OF:)

Application of Resler and Sheldon)
for two waterflood projects, Lea)
County, New Mexico.)

Case No.
4223

BEFORE: Elvis A. Utz, Examiner

TRANSCRIPT OF HEARING

MR. UTZ: Case 4223.

MR. HATCH: Case 4223. Application of Resler and Sheldon for two waterflood projects, Lea County, New Mexico.

I tried to contact Mr. Sheldon this morning at his home and at his office, and I have not been able to reach him.

So, I suggest that the case be continued to the next Examiner's Hearing, which will be on October the 22nd. And I will see if I can contact him during that time.

MR. UTZ: Case 4223 will be continued to October the 22nd.

And the hearing is adjourned.

(WHEREUPON, the hearing was adjourned at 2:05

P.M.)

I N D E X

Discussion

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SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

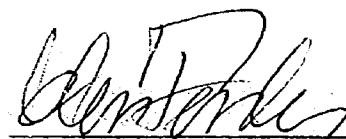
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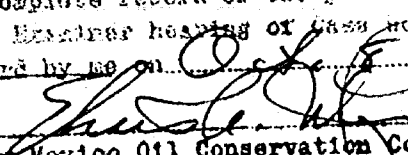
STATE OF NEW MEXICO)
) SS
COUNTY OF BERNALILLO)

I, CA FENLEY, Court Reporter in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me, and that the same is a true and correct record of the said proceedings, to the best of my knowledge, skill and ability.

Witness my Hand this 20th day of November, 1969.



CA FENLEY - COURT REPORTER

I do hereby certify that the foregoing is a complete record of the proceedings in the Bernalillo hearing of case No. 11-223 heard by me on October 17, 1969.
, Executive
New Mexico Oil Conservation Commission



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

P. O. BOX 2088 - SANTA FE

87501

GOVERNOR
DAVID F. CARGO
CHAIRMAN

**LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER**

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

November 6, 1970

Mr. Sumner Buell
Montgomery, Federici, Andrews,
Hannahs & Morris
Attorneys at Law
Post Office Box 2307
Santa Fe, New Mexico

Re: Case No. 4423
Order No. R-4054
Applicant:
Union Oil Company of California

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Very truly yours,

G. L. Parker, Jr.

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC x

Artesia OCC_____

Aztec OCC

Other _____

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 4223
Order No. R-3868

APPLICATION OF RESLER AND SHELDON
FOR TWO WATERFLOOD PROJECTS, LEA
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on October 22, 1969, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 29th day of October, 1969, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicants, Resler and Sheldon, seek authority to inject produced salt water into the Grayburg formation in the perforated interval from approximately 3555 feet to 3617 feet in their Kelly Well No. 3 and into the Queen and Grayburg formations in the perforated interval from approximately 3439 feet to 3689 feet in their Steeler Well No. 1, said wells being located, respectively, in Unit M of Section 16 and Unit I of Section 20, both in Township 23 South, Range 37 East, NMPM, Langlie-Mattix Pool, Lea County, New Mexico.

(3) That the Kelly Well No. 3 should be classified as a pilot waterflood project injection well.

(4) That the Steeler Well No. 1 should be classified as a salt water disposal well.

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CASE No. 4223

Order No. R-3868

(5) That injection through said Kelly Well No. 3 should be accomplished through 2-inch tubing set just above the uppermost perforation in said well.

(6) That injection through said Steeler Well No. 1 should be accomplished through 2-inch tubing installed in a packer set at approximately 3400 feet in said well; that the casing-tubing annulus should be filled with an inert fluid; that a pressure gauge should be attached to the annulus in order to determine leakage in the casing, tubing, or packer.

(7) That approval for the injection of produced salt water as described above will prevent the drilling of unnecessary wells, prevent waste, and will not violate correlative rights.

(8) That Administrative Order No. SWD-102 should be superseded.

IT IS THEREFORE ORDERED:

(1) That the applicants, Resler and Sheldon, are hereby authorized to institute a pilot waterflood project by utilizing their Kelly Well No. 3, located in Unit M of Section 16, Township 23 South, Range 37 East, NMPM, Langlie-Mattix Pool, Lea County, New Mexico, to inject produced salt water into the Grayburg formation in the perforated interval from approximately 3555 feet to 3617 feet through 2-inch tubing set just above said perforated interval.

(2) That the above-described waterflood project is hereby designated the Resler and Sheldon Langlie Mattix Kelly Waterflood Project and shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

(3) That the applicants are hereby authorized to utilize their Steeler Well No. 1, located in Unit I of Section 20, Township 23 South, Range 37 East, NMPM, Langlie-Mattix Pool, Lea County, New Mexico, to dispose of produced salt water into the Queen and Grayburg formations in the perforated interval from approximately 3439 feet to 3689 feet through 2-inch tubing installed in a packer set at approximately 3400 feet in said well;

PROVIDED HOWEVER, that the casing-tubing annulus shall be filled with an inert fluid and that a pressure gauge shall be

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CASE No. 4223

Order No. R-3868

attached to the annulus at the surface in order to determine leakage in the casing, tubing, or packer.

(4) That the applicants shall submit monthly reports of the waterflood project and the disposal operation authorized herein in accordance with Rules 704 and 1120 of the Commission Rules and Regulations.

(5) That Administrative Order No. SWD-102 is hereby superseded.

(6) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


DAVID F. CARGO, Chairman


ALEX J. ARMIJO, Member


A. L. PORTER, Jr., Member & Secretary

ear/



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE
87501

GOVERNOR
DAVID F. CARGO
CHAIRMAN
LAND COMMISSIONER
ALEX J. ARMijo
MEMBER
STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

October 29, 1969

Mr. Neil Watson
Watson & Watson
Attorneys at Law
Carper Building
Artesia, New Mexico 88210

Re: Case No. 4223
Order No. R-3868
Applicant:
Resler & Sheldon

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC X

Artesia OCC

Aztec OCC

Other State Engineer Office

SUBJECT: SALT WATER DISPOSAL WELL

ORDER NO. SWD-102

THE APPLICATION OF RESLER AND SHELDON
FOR A SALT WATER DISPOSAL WELL.

ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION COMMISSION

Under the provisions of Rule 701 (C) Resler and Sheldon, made application to the New Mexico Oil Conservation Commission on May 5, 1969, for permission to complete for salt water disposal its Steeler Well No. 1 located in Unit I of Section 20, Township 23 South, Range 37 East, NMPM, Lea County, New Mexico.

The Secretary-Director finds:

1. That application has been duly filed under the provisions of Rule 701 (C) of the Commission Rules and Regulations;
2. That satisfactory information has been provided that all offset operators, surface owners, and the New Mexico State Engineer Office have been duly notified; and
3. That the applicant has presented satisfactory evidence that all requirements prescribed in Rule 701 (C) will be met.
4. That no objections have been received within the waiting period prescribed by said rule.

IT IS THEREFORE ORDERED:

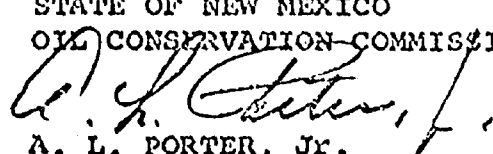
That the applicant herein, Resler and Sheldon, is hereby authorized to complete its Steeler Well No. 1 located in Unit I of Section 20, Township 23 South, Range 37 East, NMPM, Lea County, New Mexico, in such a manner as to permit the injection of salt water for disposal purposes into the Grayburg formation at approximately 3681 feet to approximately 3689 feet through 2-inch EUE tubing with a packer set at approximately 3670 feet.

IT IS FURTHER ORDERED:

That jurisdiction of this cause is hereby retained by the Commission for such further order or orders as may seem necessary or convenient for the prevention of waste and/or protection of correlative rights; upon failure of applicant to comply with any requirement of this order after notice and hearing, the Commission may terminate the authority hereby granted in the interest of conservation. That applicant shall submit monthly reports of the disposal operation in accordance with Rules 704 and 1120 of the Commission Rules and Regulations.

APPROVED at Santa Fe, New Mexico, on this 20th day
of May, 1969.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


A. L. PORTER, Jr.
Secretary-Director

SEAL

Docket No. 27-69

DOCKET: EXAMINER HEARING - WEDNESDAY - OCTOBER 8, 1969

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

The following cases will be heard before Elvis A. Utz, Examiner, or Daniel S. Nutter, Alternate Examiner:

CASE 4220: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit E. F. Campbell, and all other interested parties to appear and show cause why the E. P. Campbell Christmas Well No. 1 located in Unit C of Section 6, Township 23 South, Range 36 East, Jalmat Pool, Lea County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 4221: Application of Tenneco Oil Company for a dual completion and water injection, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its South Hospah Unit Well No. 23 located in Unit K of Section 12, Township 17 North, Range 9 West, McKinley County, New Mexico, in such a manner as to permit the production of gas from the perforated interval 2590 feet to 2865 feet, undesignated Dakota gas pool, and the injection of water for secondary recovery purposes into the upper sand, South Hospah-Upper Sand Oil Pool, in the perforated interval from 1685 feet to 1714 feet.

CASE 4222: Application of Coastal States Gas Producing Company for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the West Sawyer-San Andres Pool, Lea County, New Mexico, including a provision for 80-acre spacing and proration units.

CASE 3881: (Reopened)

In the matter of Case No. 3881 being reopened pursuant to the provisions of Order No. R-3533, which order established 80-acre spacing units for the South Prairie-Devonian Pool, Roosevelt County, New Mexico, for a period of one year. All interested parties may appear and show cause why said pool should not be developed on 40-acre spacing units.

CASE 4181: (Continued from the September 10, 1969 Examiner Hearing)

Application of J. M. Huber Corporation for a dual completion and salt water disposal, Lea County, New Mexico. Applicant,

(Case 4181 continued)

in the above-styled cause, seeks authority to dually complete its Stoltz Federal Well No. 1 located in Unit J of Section 12, Township 15 South, Range 34 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Morton-Wolfcamp Pool and the disposal of produced salt water through the 8 5/8 X 4 1/2-inch casing-casing annulus into the San Andres, Tubb, Abo, and possibly other formations in the open-hole interval from approximately 4330 feet to 9750 feet.

CASE 4223: Application of Resler and Sheldon for two waterflood projects, Lea County, New Mexico. Applicants, in the above-styled cause, seek authority to institute two waterflood projects by the injection of water into the Grayburg, and possibly other formations in the perforated interval from approximately 3555 feet to 3617 feet in their Kelly Well No. 3 and into the Queen, and possibly other formations in the perforated interval from approximately 3439 feet to 3689 feet in their Steeler Well No. 1, said wells being located, respectively, in Unit M of Section 16, and Unit I of Section 20, Township 23 South, Range 37 East, Langlie-Mattix Pool, Lea County, New Mexico. In the alternative, applicants seek authority to dispose of produced salt water in said wells in the intervals as described above.

CASE 4224: Application of Big "6" Drilling Company for a dual completion and salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its Ora Jackson "A" Well No. 1 located 660 feet from the South and West lines of Section 5, Township 19 South, Range 35 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Scharb-Bone Springs Pool and the disposal of produced salt water through the intermediate casing-production casing annulus into the Seven Rivers, Queen, San Andres, Upper Bone Springs, and possibly other formations in the interval from approximately 3989 feet to 9500 feet.

CASE 4225: Application of S. P. Yates for a pressure maintenance project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pressure maintenance project by the injection of water into the Queen formation through his Anderson Well No. 2 located 2310 feet from the South line and 990 feet from the East line of Section 11, Township 20 South, Range 26 East, West McMillan Pool, Eddy County, New Mexico.

Examiner Hearing - October 8, 1969

-3-

Docket No. 27-69

CASE 4226: Application of John A. Yates for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Grayburg formation through his John A. Yates-State A Wells Nos. 2 and 6 located in Units J and P, respectively, of Section 5, Township 19 South, Range 28 East, Artesia Pool, Eddy County, New Mexico.

CASE 4227: Application of Penrock Oil Corporation for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 104 C 11 to permit the re-entry of a well at an unorthodox gas well location 660 feet from the South and East lines of Section 33, Township 12 South, Range 34 East, West Ranger Lake-Devonian Gas Pool, Lea County, New Mexico. The E/2 of said Section 33 to be dedicated to the well.

DOCKET NO. 29-69

DOCKET: EXAMINER HEARING - WEDNESDAY - OCTOBER 22, 1969

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

The following cases will be heard before Daniel S. Nutter, Examiner, or
Elvis A. Utz, Alternate Examiner:

CASE 4213: (Continued from the September 10, 1969, Examiner Hearing)

Application of Texo Oil Company for pool redelineation, creation of a new gas pool, an unorthodox gas well location, and non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the redelineation of the vertical limits of the South Corbin-Queen Pool to permit the creation of a new basal Penrose gas pool for its Buffalo Unit Well No. 11 located at an unorthodox gas well location 2310 feet from the South line and 330 feet from the West line of Section 35, Township 18 South, Range 33 East, Lea County, New Mexico. Applicant further seeks approval of an 80-acre non-standard gas proration unit comprising the N/2 SW/4 of said Section 35, to be dedicated to the above-described well.

CASE 4230: Application of Dalport Oil Corporation for an exception to Order No. R-3221, as amended, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221, as amended, which order prohibits the disposal of water produced in conjunction with the production of oil on the surface of the ground in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico. Said exception would be for applicant's AMCO Federal Well No. 2 located in the SW/4 NW/4 of Section 31, Township 14 South, Range 30 East, Double L Field, Chaves County, New Mexico. Applicant seeks authority to dispose of salt water produced by said well in an unlined surface pit located in the vicinity of said well.

CASE 4231: Application of Western States Producing Company for salt water disposal, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation in the perforated interval from 4174 feet to 4368 feet in its State "30" Well No. 3, located in Unit 1 of Section 30, Township 7 South, Range 33 East, Chavero-San Andres Pool, Roosevelt County, New Mexico.

- CASE 4232: Application of Pan American Petroleum Corporation for a pressure maintenance project, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pressure maintenance project on its Baskett "D" Lease by the injection of water into the San Andres formation through its Baskett "D" Well No. 4 located in Unit I of Section 11, Township 8 South, Range 30 East, Cato-San Andres Pool, Chaves County, New Mexico.
- CASE 4233: Application of Aztec Oil & Gas Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Yates-Seven Rivers formations in the open-hole interval from 3929 feet to 3990 feet in its State SR Well No. 1 located in Unit G of Section 16, Township 24 South, Range 36 East, Jalmat Field, Lea County, New Mexico.
- CASE 4234: Application of Gulf Oil Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the upper Morrow and lower Morrow formations underlying Section 12, Township 23 South, Range 24 East, Eddy County, New Mexico. Said acreage to be dedicated to a well to be drilled at a standard location 1650 feet from the North and East lines of said Section 12, and within one mile of the Rock Tank-Upper Morrow and Rock Tank-Lower Morrow Gas Pools. Also to be considered will be the costs of drilling said well, a charge for the risk involved, a provision for the allocation of actual operating costs, and the establishment of charges for supervision of said well.
- CASE 4235: Application of Continental Oil Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project on its Jack A-29 lease by the injection of water into the Seven Rivers-Queen formations through its Jack A-29 Wells Nos. 2 and 4 located, respectively, in Units J and O of Section 29, Township 24 South, Range 37 East, Langlie-Mattix Pool, Lea County, New Mexico.

CASE 4236: Application of Continental Oil Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in its Anderson Ranch Unit Area by the injection of water into the Wolfcamp formation through its Anderson Ranch Unit Wells Nos. 4 and 5, located, respectively, in Units B and J of Section 11, Township 16 South, Range 32 East, Anderson Ranch-Wolfcamp Pool, Lea County, New Mexico.

CASE 4237: Application of Continental Oil Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle production from the Monument-Tubb and Weir-Blinbry Pools in the well-bores of the following four wells located in Township 20 South, Range 37 East, Lea County, New Mexico:

Britt "B" Well No. 18 - Unit N - Section 10
Britt "B" Well No. 19 - Unit B - Section 15
Britt "B" Well No. 20 - Unit L - Section 10
Britt "B" Well No. 21 - Unit J - Section 10

CASE 4238: Application of McCasland Disposal System for the amendment of Order No. R-3781, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-3781, to permit the disposal of produced salt water in the Yates formation, in addition to the previously authorized Seven Rivers formation, in its Getty Oil Company J. H. Day Well No. 2 located in Unit D of Section 6, Township 22 South, Range 36 East, Jalmat Pool, Lea County, New Mexico. Overall disposal interval would be from 3543 feet to 3939 feet.

CASE 4239: Application of Amini Oil Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Upper Pennsylvanian formation underlying the SE/4 of Section 8, Township 14 South, Range 34 East, Lea County, New Mexico. Said acreage to be dedicated to a well to be drilled at a standard location in said quarter section and within one mile of the Cerca-Upper Pennsylvanian Pool. Also to be considered will be the costs of drilling said

Case 4239 - Continued from Page 3 -

well, a charge for the risk involved, a provision for the allocation of actual operating costs, and the establishment of charges for supervision of said well.

CASE 4240: Application of Pan American Petroleum Corporation for an exception to Order No. R-3221, as amended, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks exceptions to Order No. R-3221, as amended, which order prohibits the disposal of water produced in conjunction with the production of oil on the surface of the ground in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico. Said exceptions would be for applicant's Smernoff Federal Well No. 1 located in Unit B of Section 24 and LaRue Federal Well No. 1 located in Unit D of Section 25, both in Township 15 South, Range 29 East, Sulimar-Queen Pool, Chaves County, New Mexico. Applicant seeks authority to dispose of water produced by said wells in two unlined surface pits located in said Units B and D.

CASE 4241: Application of Pennzoil United, Inc., for a non-standard gas proration unit or the creation of a new gas pool, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 320-acre non-standard gas proration unit comprising the E/2 of Section 21, Township 24 South, Range 26 East, White City-Pennsylvanian Gas Pool, Eddy County, New Mexico, said unit to be dedicated to applicant's Allied Federal 21 Well No. 1 located at a standard location in Unit J of said Section 21. In the alternative, applicant seeks the deletion of said Section 21 from the White City-Pennsylvanian Gas Pool and the creation of a new Morrow gas pool for said Allied Federal 21 Well No. 1.

CASE 4242: Application of Pennzoil United, Inc., for a non-standard gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 104 C II, to permit the recompletion of its Mescalero Ridge Well No. 1 at a non-standard location 660 feet from the South and West lines of Section 20, Township 19 South, Range 34 East, and within one mile of the Quail Ridge-Morrow Gas Pool, Lea County, New Mexico.

October 22, 1969 - Examiner Hearing

Docket No. 29-69

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(Continued from the October 8, 1969, Examiner Hearing)

CASE 4223: Application of Resler and Sheldon for two waterflood projects, Lea County, New Mexico. Applicants, in the above-styled cause, seek authority to institute two waterflood projects by the injection of water into the Grayburg, and possibly other formations in the perforated interval from approximately 3555 feet to 3617 feet in their Kelly Well No. 3 and into the Queen, and possibly other formations in the perforated interval from approximately 3439 feet to 3689 feet in their Steeler Well No. 1, said wells being located, respectively, in Unit M of Section 16, and Unit I of Section 20, Township 23 South, Range 37 East, Langlie-Mattix Pool, Lea County, New Mexico. In the alternative, applicants seek authority to dispose of produced salt water in said wells in the intervals as described above.

Los Angeles

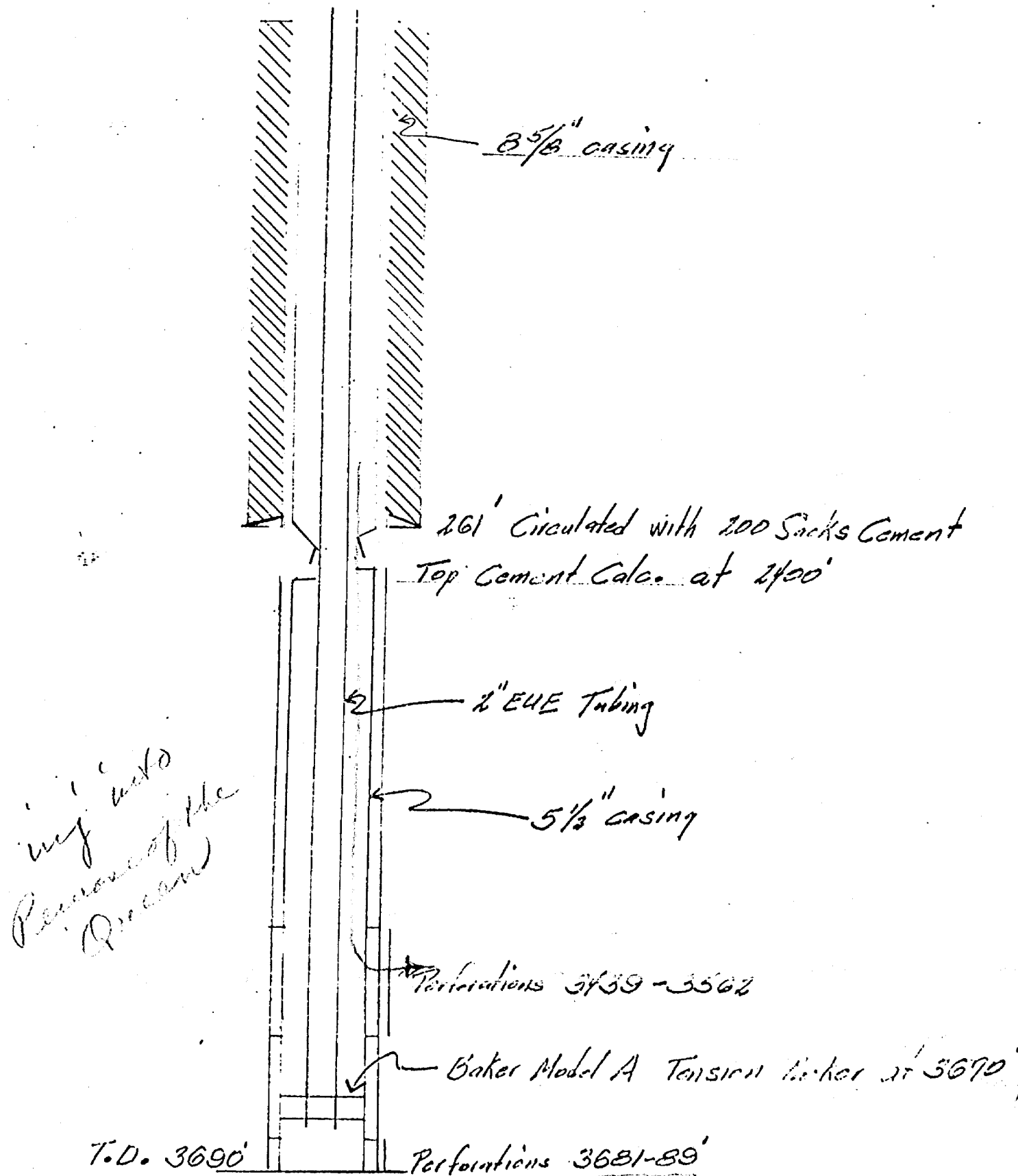
Skelly Penrose Unit

Skelly Myers Langley Mattox Unit

[illegible]

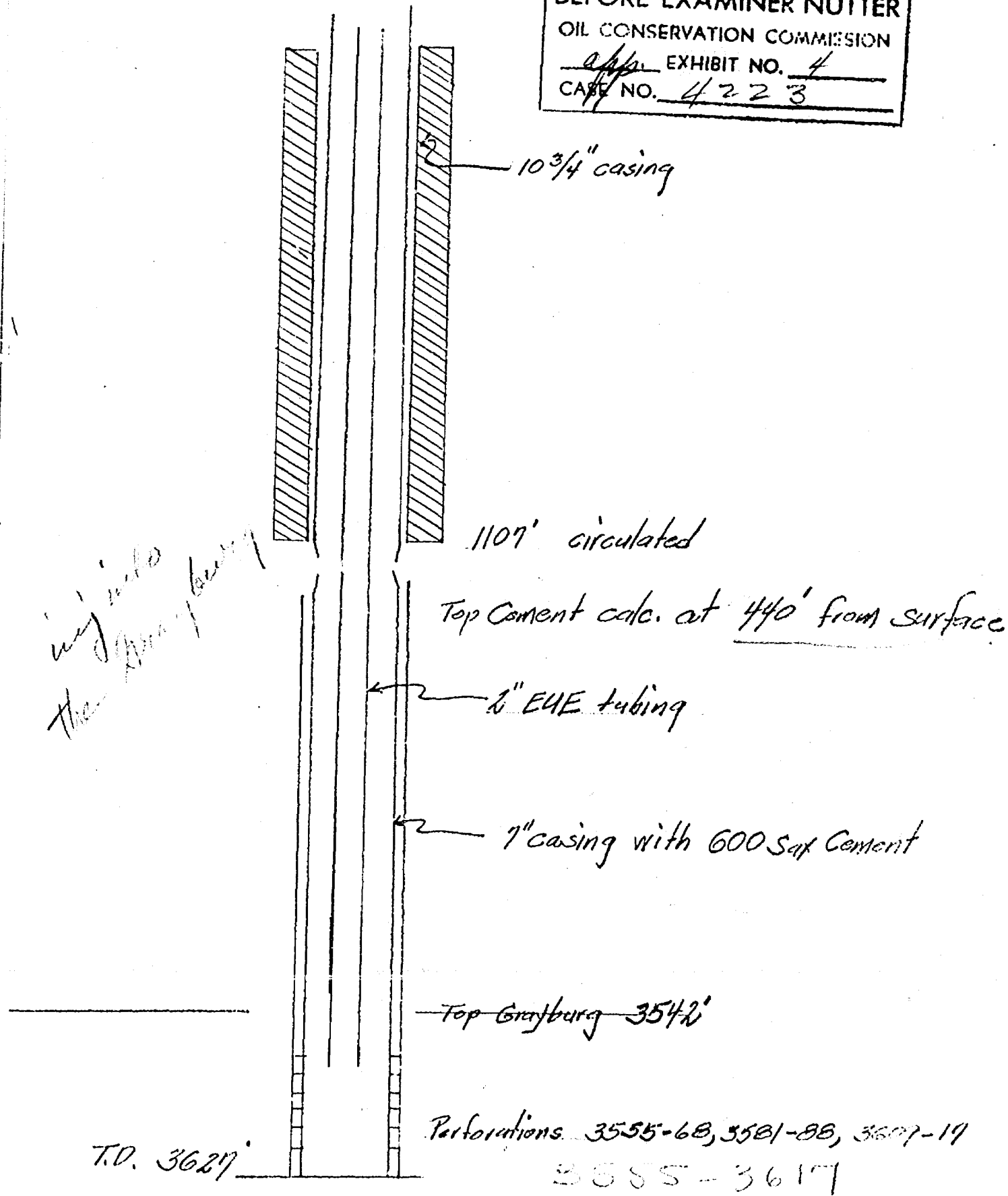
BEFORE EXAMINER NUTTER
 OIL CONSERVATION COMMISSION
Opp. EXHIBIT NO. 3
 CASE NO. 4223

Diagrammatic Sketch of Resler and Sheldon Proposed Salt Water Disposal
 Well Steeler #1 Section 20 T.23S R.37E. Lea County.

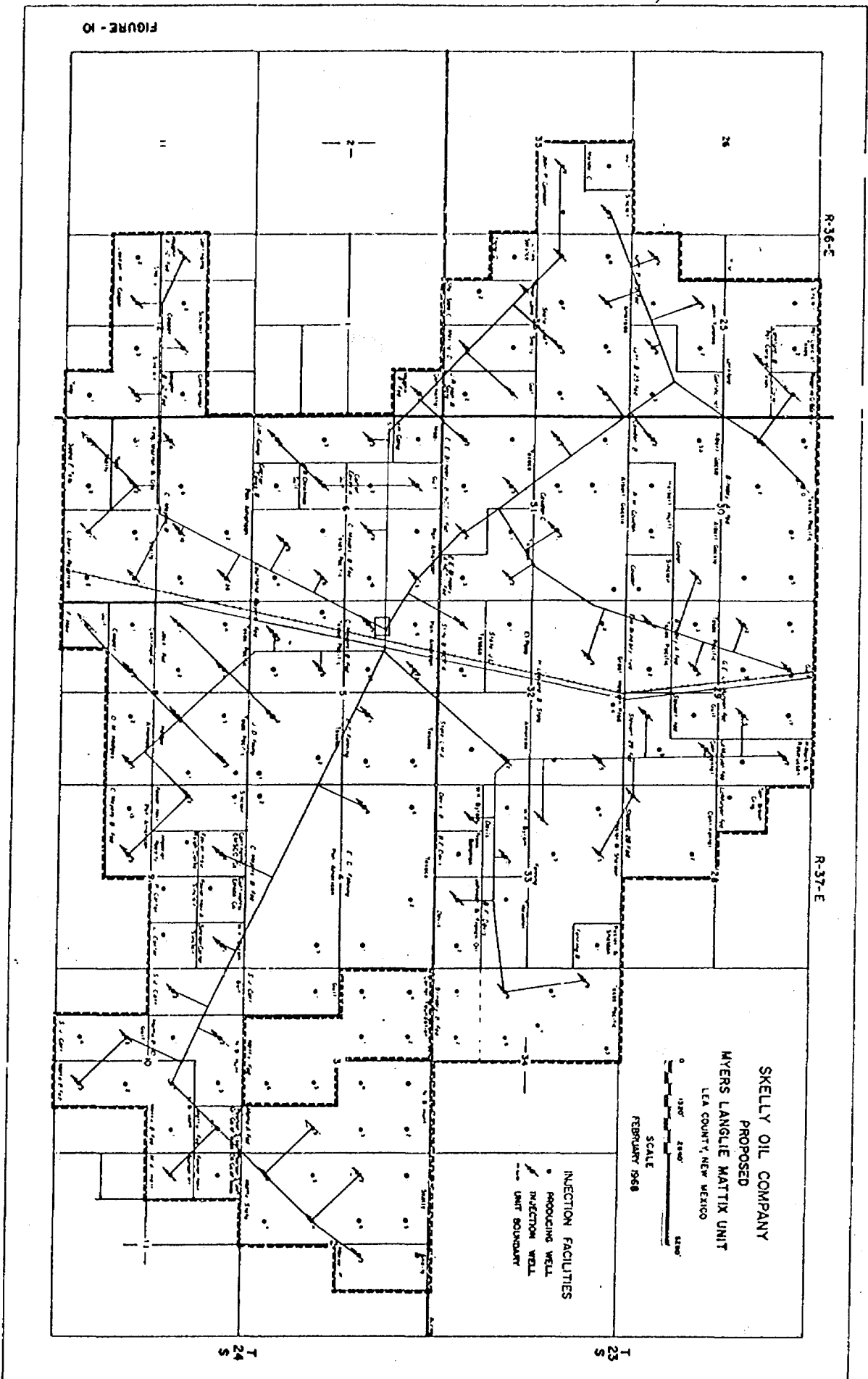


Diagrammatic Sketch of the Resler and Sheldon Proposed
Salt Water Disposal System Kelly # 3 Section 16,
T 238 R 37 E, Lea County

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
app. EXHIBIT NO. 4
CASE NO. 4223







BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
EXHIBIT NO. 8
CASE NO. 4223

CERTIFIED PROFESSIONAL GEOLOGIST
A.I.P.G. NO. 1204

LAND SURVEYOR — STATE OF
NEW MEXICO CERTIFICATE NO. 963

VILAS P. SHELDON
801 WEST TEXAS
ARTESIA, NEW MEXICO

ABERDEEN ANGUS CATTLE
HERD AND FARMS
OTOE, NEBRASKA

RESIDENTIAL RENTALS — ARTESIA

September 12, 1969

Mr. A. L. Porter
Oil Conservation Commission
P.O. Box 2088
Santa Fe, New Mexico 87501

Dear Sir,

We would appreciate your setting a date for a hearing to consider an application by Resler and Sheldon for authority to conduct a pilot water flood in a portion of the Langlie Mattix Pool.

We are attaching

1. Plat of area showing location of the two proposed injection wells, the location of all wells within two miles, the pay said wells are producing from, and the oil lessees within the two mile radius.
2. Sketch of the injection wells as required by Rule 701 B-3
3. Gamma Neutron logs of the proposed injection wells
4. Copies of the injection facility layouts for the Skelly Myers Langlie Mattix Unit and for the Skelly Penrose "C" Unit.

The Resler and Sheldon leases are not committed in or to either the Myers Langlie Mattix or the Penrose "C" water flood units.

^{Sec 20}
The Steeler injection well (section 20) will introduce water into the Penrose (Lower Queen) sand and will complement the injection pattern of both nearby floods. We propose to inject five hundred barrels daily of oil field brine water obtained from the Resler and Sheldon Steeler Salt Water disposal system. The water is obtained from tank truckers.

^{Sec 16}
The Kelly injection well (section 16) will introduce water into the Grayburg formation. It will complement the Penrose "C" Unit injection plan albeit a slight alteration. We will inject an anticipated five hundred barrels daily of oil field brine obtained from tank trucks. Later it is anticipated that pressured water will be purchased from the Skelly Penrose "C" Unit.

DOCKET MAILED

Yours sincerely,

Date 9-26-69

DOCKET MAILED

Date 10-9-69

Vilas P. Sheldon

CERTIFIED PROFESSIONAL GEOLOGIST
A.I.P.G. NO. 1204
LAND SURVEYOR — STATE OF
NEW MEXICO CERTIFICATE NO. 963

VILAS P. SHELDON
801 WEST TEXAS
ARTESIA, NEW MEXICO

ABERDEEN ANGUS CATTLE
HERD AND FARMS
OTOE, NEBRASKA
RESIDENTIAL RENTALS — ARTESIA

September 12, 1969

Mr. A. L. Porter
Oil Conservation Commission
P.O. Box 2088
Santa Fe, New Mexico 87501

*League Grayburg Pool connects of
SE 1/4 Sec 20 & SW 1/4 Sec 21
T3 S, 37 E*

Dear Sir,

Attached are three copies of C-108 requesting authority to dispose of salt water into the Resler and Sheldon Kelly #3 well in section 16 - 23S - R 37E.

Since the well is not two miles from the nearest well producing from the same formation, it would seem that a hearing is necessary. We are sending copies of the C-108 to all operators within one-half mile, as well as to the State Land Commissioner.

It should be pointed out that the interval in Kelly #3, into which we propose to inject water, is the Grayburg formation and below the vertical limits of the Langlie Mattix Pool.

Yours sincerely,

Vilas P. Sheldon

for Resler and Sheldon

DOCKET MARKED

Date *9/26/69*

NEW MEXICO OIL CONSERVATION COMMISSION

APPLICATION TO DISPOSE OF SALT WATER BY INJECTION INTO A POROUS FORMATION

OPERATOR Resler and Sheldon		ADDRESS 314 Carper Bldg. Artesia, New Mexico 88210			
LEASE NAME Kelly	WELL NO. 3	FIELD	COUNTY Lea		
LOCATION UNIT LETTER M ; WELL IS LOCATED 660 FEET FROM THE South LINE AND 660 FEET FROM THE West LINE, SECTION 16 TOWNSHIP 23S RANGE 37E NMPM.					
CASING AND TUBING DATA					
NAME OF STRING	SIZE	SETTING DEPTH	SACKS CEMENT	TOP OF CEMENT	TOP DETERMINED BY
SURFACE CASING	10 3/4	1107		Circulated	
INTERMEDIATE					
LONG STRING	7	3627	600	440 feet	Calculation
TUBING	2	3540	NAME, MODEL AND DEPTH OF TUBING PACKER None		
NAME OF PROPOSED INJECTION FORMATION Grayburg		TOP OF FORMATION 3542		BOTTOM OF FORMATION still in @ T&D	
IS INJECTION THROUGH TUBING, CASING, OR ANNULUS? casing		PERFORATIONS OR OPEN HOLES perforations		PROPOSED INTERVAL(S) OF INJECTION 3555 - 3617	
IS THIS A NEW WELL DRILLED FOR DISPOSAL? no	IF ANSWER IS NO, FOR WHAT PURPOSE WAS WELL ORIGINALLY DRILLED? oil producer			HAS WELL EVER BEEN PERFORATED IN ANY ZONE OTHER THAN THE PROPOSED INJECTION ZONE? no	
LIST ALL SUCH PERFORATED INTERVALS AND SACKS OF CEMENT USED TO SEAL OFF OR SQUEEZE EACH 3555-68, 3581-88, 3609-17					
DEPTH OF BOTTOM OF DEEPEST FRESH WATER ZONE IN THIS AREA above 1107 feet		DEPTH OF BOTTOM OF NEXT HIGHER OIL OR GAS ZONE IN THIS AREA Queen 3500 feet		DEPTH OF TOP OF NEXT LOWER OIL OR GAS ZONE IN THIS AREA Blaine 5400 feet	
ANTICIPATED DAILY INJECTION VOLUME (BBLs.) 100	MINIMUM 2000	MAXIMUM open	OPEN OR CLOSED TYPE SYSTEM open	IS INJECTION TO BE BY GRAVITY OR PRESSURE? gravity	APPROX. PRESSURE (PSI)
ANSWER YES OR NO WHETHER THE FOLLOWING WATERS ARE MINERALIZED TO SUCH A DEGREE AS TO BE UNFIT FOR DOMESTIC, STOCK, IRRIGATION, OR OTHER GENERAL USE - yes			WATER TO BE DISPOSED OF yes		
NAME AND ADDRESS OF SURFACE OWNER (OR LESSEE, IF STATE OR FEDERAL LAND) State of New Mexico Resler and Sheldon			NATURAL WATER IN DISPOSAL ZONE yes		
ARE WATER ANALYSES ATTACHED? no					
LIST NAMES AND ADDRESSES OF ALL OPERATORS WITHIN ONE-HALF (1/2) MILE OF THIS INJECTION WELL					
Texaco, Inc. P.O. Box 3109 Midland, Texas 79701					
Solan Oil Co. P.O. Box 5596 Midland, Tex.					
Samedan Oil Corp. P.O. Box 190 Hobbs, New Mexico 88240 Southwest Production Co 3108 Southland Center, Dallas, Tex 75201					
Skelly Oil Co. P.O. Box 730 Hobbs, New Mexico 88240					
Cornell Oil Co 4616 Greenville Ave Dallas, Texas 75206					
Gulf Oil Corp. P.O. Box 980 Kermit, Texas 79745					
Alan Drilling Co 807 Oil & Gas Bldg. Wichita Falls, Texas					
Tom Brown Drilg Co. P.O. Box 5706 Midland, Texas 79701					
HAVE COPIES OF THIS APPLICATION BEEN SENT TO EACH OF THE FOLLOWING? yes		SURFACE OWNER yes		EACH OPERATOR WITHIN ONE-HALF MILE OF THIS WELL yes	
ARE THE FOLLOWING ITEMS ATTACHED TO THIS APPLICATION (SEE RULE 701-B) yes		PLAN OF AREA yes		ELECTRICAL LOG yes	
				THE NEW MEXICO STATE ENGINEER no	
				DIAGRAMMATIC SKETCH OF WELL yes	

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

Resler and Sheldon
(Signature)

Commissioner

(Title)

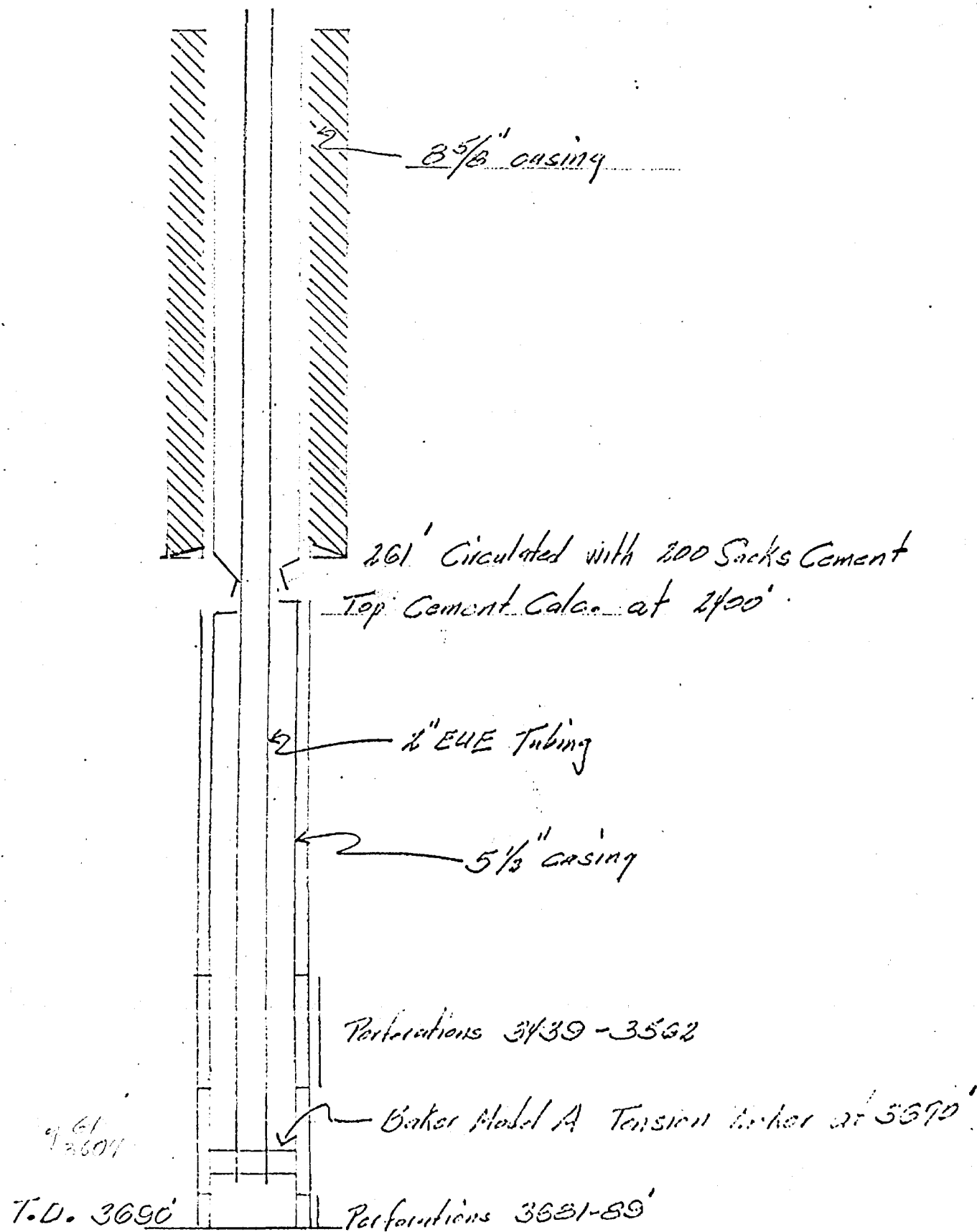
September 12, 1960

(Date)

NOTE: Should waivers from the State Engineer, the surface owner, and all operators within one-half mile of the proposed injection well, not accompany this application, the New Mexico Oil Conservation Commission will hold the application for a period of 15 days from the date of receipt by the Commission's Santa Fe office. If at the end of the 15-day waiting period no protest has been received by the Santa Fe office, the application will be processed. If a protest is received, the application will be set for hearing, if the applicant so requests. SEE RULE 701.

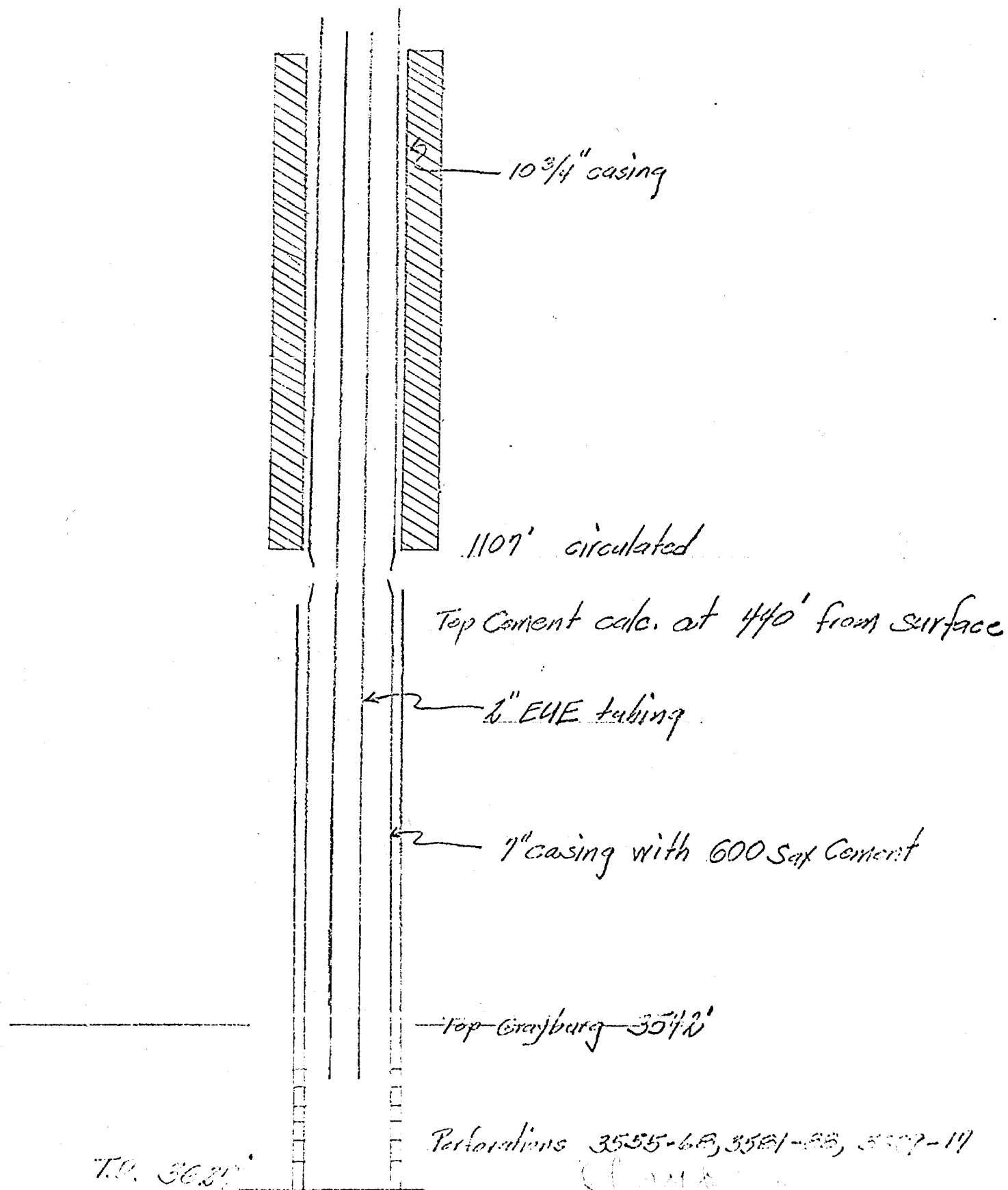
Diagrammatic Sketch of Resler and Sheldon Proposed Water Flood
Injection well Steeler #1 Section 20, T.23S, R. 37E, Lea County

Ch 4223



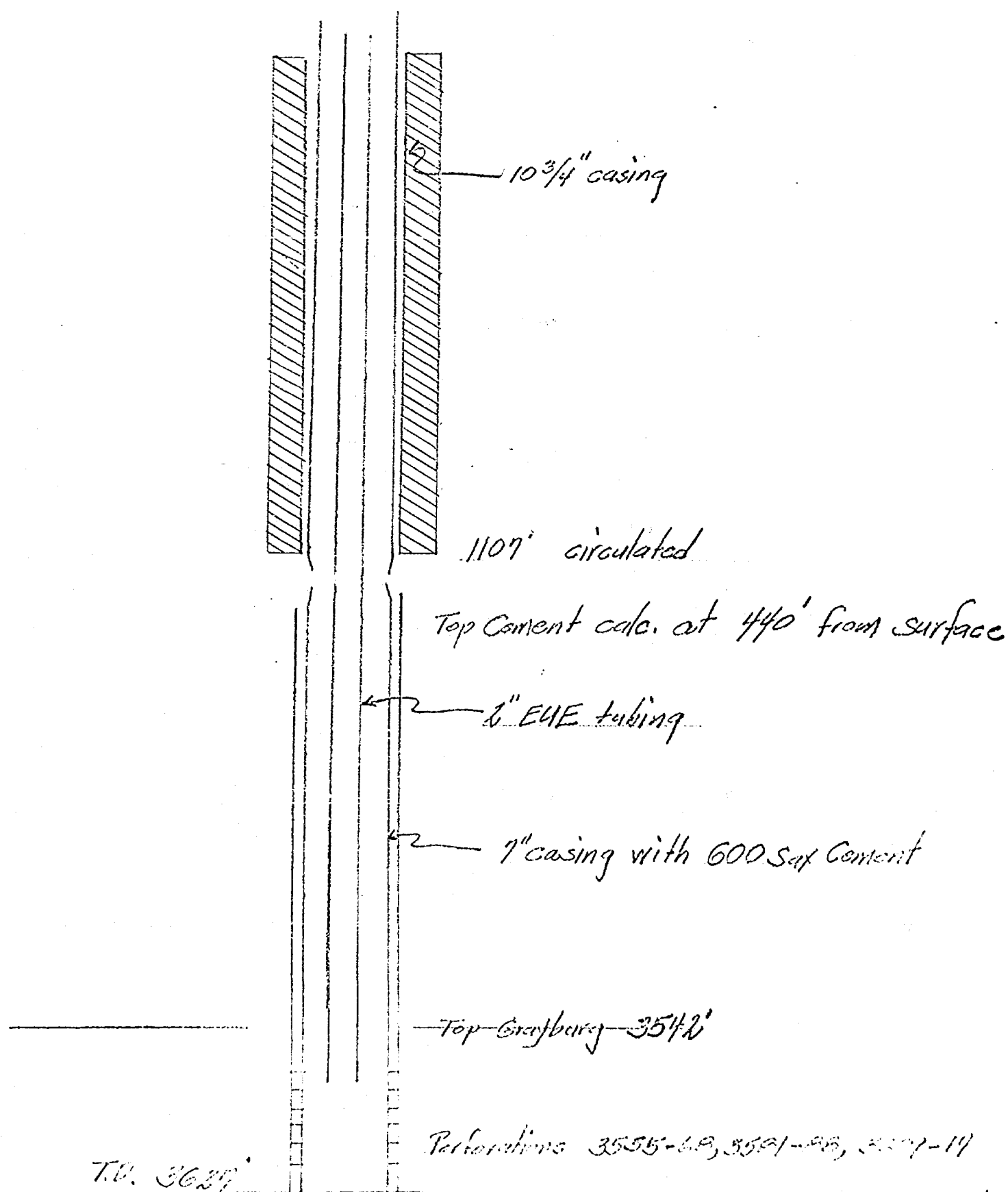
Case 4223

Diagrammatic Sketch of Resler and Sheldon Proposed Water Flood
Injection well Kelly 3, Section 16, T23S., R37E, Lea County



Case 4223

Diagrammatic Sketch of Resler and Sheldon Proposed Water Flood
Injection well Kelly 3 , Section 16, T23S., R37E, Lea County

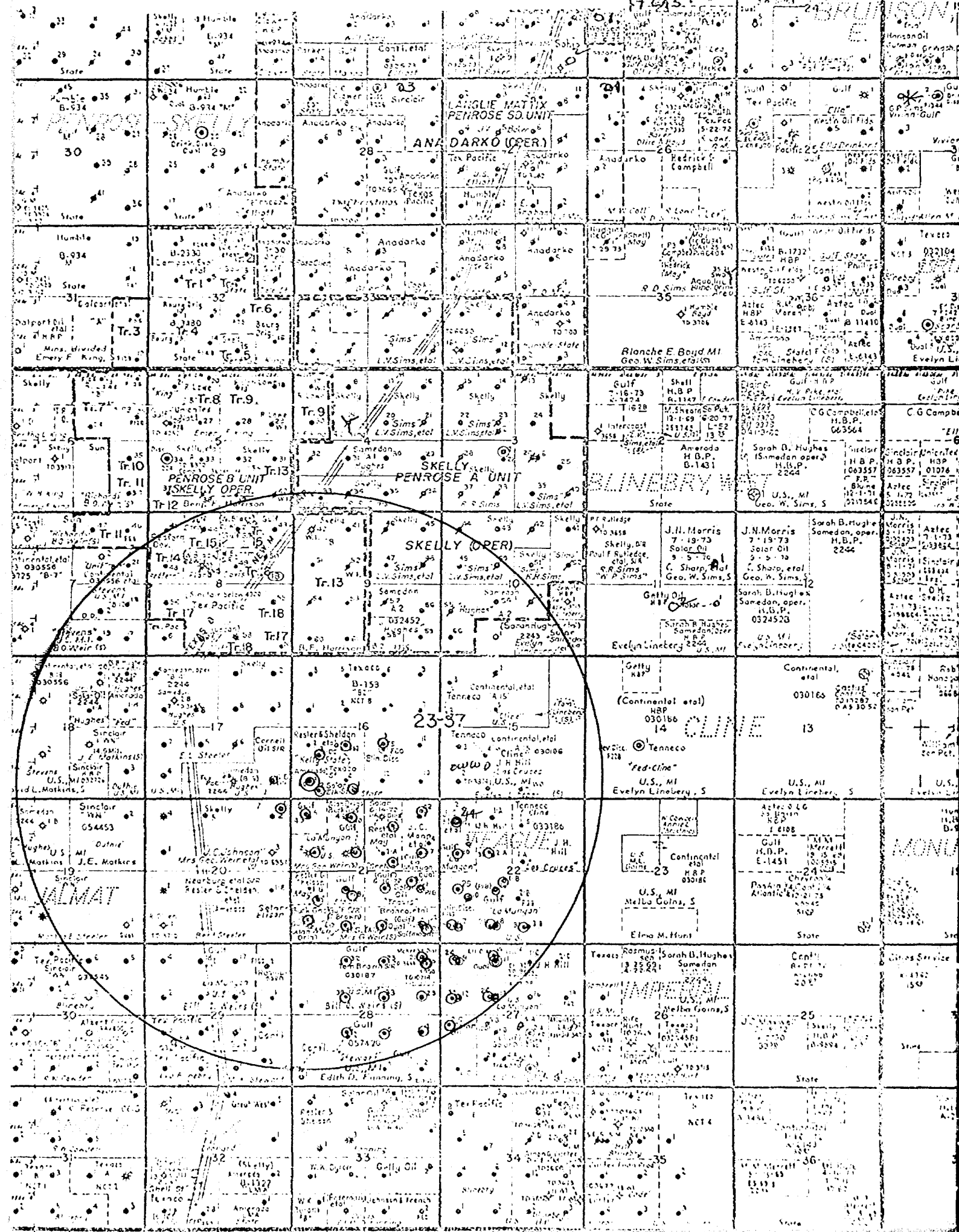


Resler and Sheldon Application
for Salt Water Disposal Well Kelly #3
Section 16-T23S-R37E Lea County

Purple circles are wells producing from
Blainebray and/or Tubb

Wells circled in Red produce from pre-Permian

Other wells produce from Langlie-Mattix pays



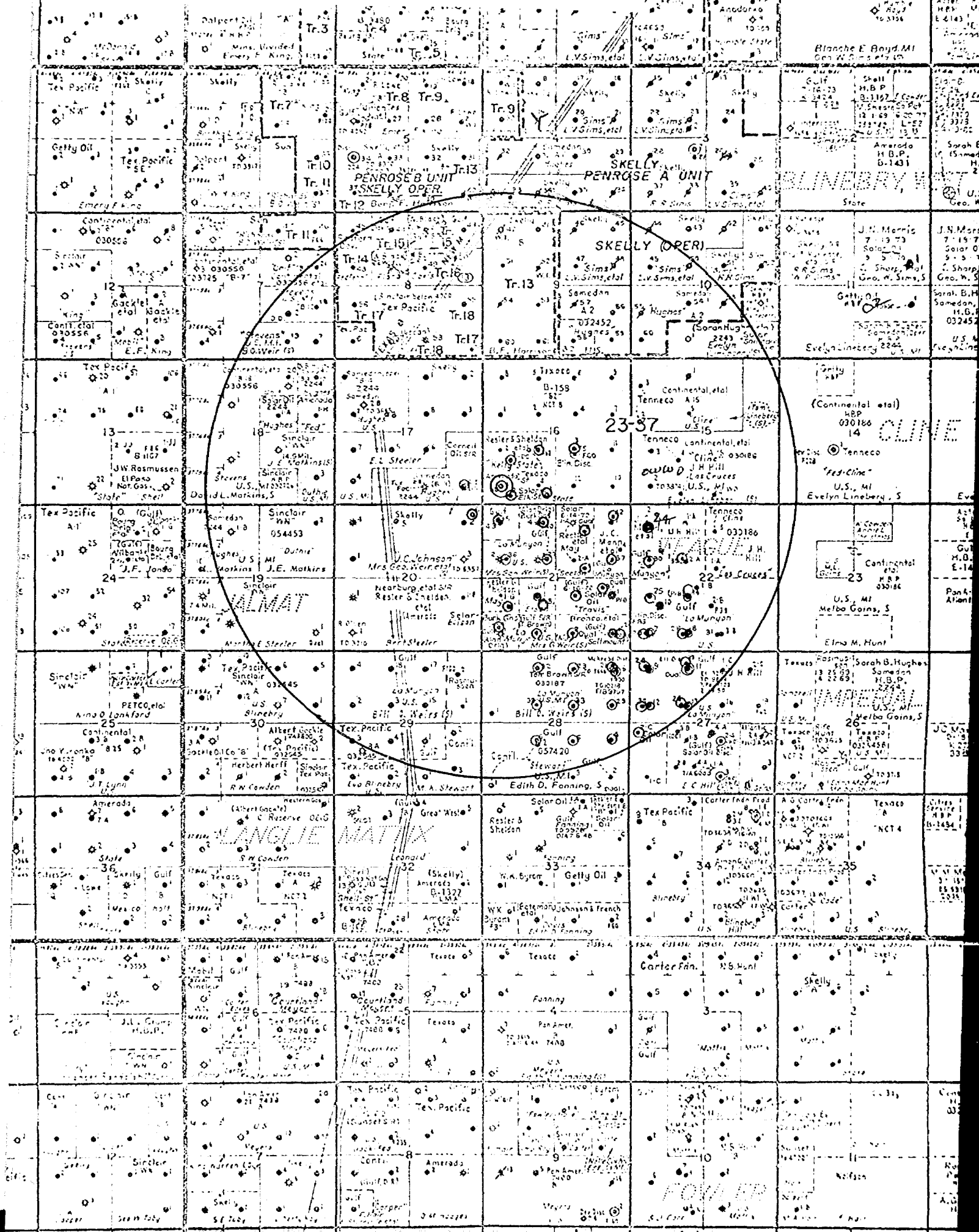
Resler and Sheldon Application
for Salt Water Disposal Well Kelly #3
Section 16-T23S-R37E Lea County

Purple circles are wells producing from
Blinebry and/or Tubb

Wells circled in Red produce from pre-Permian

Other wells produce from Langlie-Mattix pays

Page 4223



DRAFT

GMH/esr

October 27, 1969

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 4223

Order No. R- 3868

APPLICATION OF RESLER AND SHELDON
FOR TWO WATERFLOOD PROJECTS, LEA
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on October 22, 1969, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this _____ day of October, 1969, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicants, Resler and Sheldon, seek authority to inject produced salt water into the Grayburg formation in the perforated interval from approximately 3555 feet to 3617 feet in their Kelly Well No. 3 and into the Queen and Grayburg formations in the perforated interval from approximately 3439 feet to 3689 feet in their Steeler Well No. 1, said wells being located, respectively, in Unit M of Section 16 and Unit I of Section 20, both in Township 23 South, Range 37 East, NMPM, Langlie-Mattix Pool, Lea County, New Mexico.

(3) That the Kelly Well No. 3 should be classified as a pilot waterflood project injection well.

(4) That the Steeler Well No. 1 should be classified as a salt water disposal well.

(5) That injection through said Kelly Well No. 3 should be accomplished through 2-inch tubing set just above the uppermost perforation in said well; ~~that the casing-tubing annulus should be filled with an inert fluid; that a pressure gauge should be attached to the annulus at the surface in order to determine leakage in the casing or tubing~~

(6) That injection through said Steeler Well No. 1 should be accomplished through 2-inch tubing installed in a packer set *at approximately 3400 feet* ~~just above the uppermost perforation~~ in said well; that the casing-tubing annulus should be filled with an inert fluid; that a pressure gauge should be attached to the annulus in order to determine leakage in the casing, tubing, or packer.

(7) That approval for the injection of produced salt water as described above will prevent the drilling of unnecessary wells, prevent waste, and will not violate correlative rights.

No.

(8) That Administrative Order/SWD-102 should be superseded.

IT IS THEREFORE ORDERED:

(1) That the applicants, Resler and Sheldon, are hereby authorized to institute a pilot waterflood project by utilizing their Kelly Well No. 3, located in Unit M of Section 16, Township 23 South, Range 37 East, NMPM, Langlie-Mattix Pool, Lea County, New Mexico, to inject produced salt water into the Grayburg formation in the perforated interval from approximately 3555 feet to 3617 feet through 2-inch tubing set just above said perforated interval.

~~PROVIDED HOWEVER, that the casing-tubing annulus shall be filled with an inert fluid and that a pressure gauge shall be~~

~~attached to the annulus in order to determine leakage in the casing or tubing.~~

(2) That the above-described waterflood project is hereby designated the Risler and Shelton Langlie Mattix Kelly Waterflood Project and shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

(3) That the applicants are hereby authorized to utilize their Steeler Well No. 1, located in Unit I of Section 20, Township 23 South, Range 37 East, NMPM, Langlie-Mattix Pool, Lea County, New Mexico, to dispose of produced salt water into the Queen and Grayburg formations in the perforated interval from approximately 3439 feet to 3689 feet through 2-inch tubing installed in a packer set ~~just above said uppermost perforation;~~ *at approximately 3400 feet in said well.*

PROVIDED HOWEVER, that the casing-tubing annulus shall be filled with an inert fluid and that a pressure gauge shall be attached to the annulus at the surface in order to determine leakage in the casing, tubing, or packer.

(4) That the applicants shall submit monthly reports of the waterflood project and the disposal operations authorized herein in accordance with Rules 704 and 1120 of the Commission Rules and Regulations.

(5) That Administrative Order No. SWD-102 is hereby superseded.

(6) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.