

CASE 5367: Appli. of YATES PET.
CORP. for salt water disposal,
Eddy County, New Mexico

copy to 8
copy to 2

CASE No.

5367

Application,
Transcripts,
Small Exhibits

ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
January 8, 1975

EXAMINER HEARING

IN THE MATTER OF:)
)
)

Application of Yates Petroleum Cor-)
poration for salt water disposal, Eddy)
County, New Mexico.)
)
)

Case No.
5367

BEFORE: Richard L. Stamets, Examiner.

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil
Conservation Commission:

William Carr, Esq.
Legal Counsel for the
Commission
State Land Office Bldg.
Santa Fe, New Mexico

For the Applicant:

A.J. Losee, Esq.
LOSEE & CARSON
Carper Building
Artesia, New Mexico

THE NYE REPORTING SERVICE
STATE-WIDE DEPOSITION NOTARIES
225 JOHNSON STREET
SANTA FE, NEW MEXICO 87501
TEL. (505) 982-0386

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MR. STAMETS: Call the next case, Case 5367.

MR. CARR: Case 5367. Application of Yates Petroleum Corporation for salt water disposal, Eddy County, New Mexico.

MR. LOSEE: A.J. Losee appearing on behalf of the Applicant. I have one witness who was sworn in the second preceding case.

(Witness previously sworn.)

EDDIE MAHFOOD

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

DIRECT EXAMINATION

BY MR. LOSEE:

Q State your name, residence and occupation?

A Eddie Mahfood, Artesia, New Mexico, Chief Engineer for Yates Petroleum Corporation.

Q You are the Witness who testified in the preceding cases -- two cases -- as a Petroleum Engineer?

A Yes.

Q Would you explain the purpose of your Application in this Case 5367?

A We need an additional disposal well in the Penasco Draw area and we would like a procedure whereby

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additional wells can be converted through administrative procedure.

Q To salt water disposal?

A Salt water disposal.

Q And this subject well is your Hornbaker BA Well No. 1, located in Unit G of Section 25, 18, 25?

A Right.

Q That's the Penasco Draw Yeso-San Andres Pool?

A Right.

Q Please refer to Exhibit 1 and explain what is shown?

A Exhibit 1 is the ownership map of the area showing existing wells and the existing salt water disposal well which is the proposed injection well or disposal well.

Q Is your proposed disposal well marked with a red and an arrow, is it not?

A Yes.

Q And the existing salt water disposal well was in the Southeast quarter of that Section?

A That is correct.

Q Exhibit 2 appears to be a diagrammatic sketch of the proposed completion. Would you explain what is

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shown on this sketch briefly?

A You see the casing strings were run in this well and cemented to the surface. It is proposed to set a packer, extension packer at approximately 1200 feet and the tubing will be fiber glass tubing. We'll have inhibited fresh water in the annulus with a pressure gauge. We propose to inject into all perforations.

Q The well was actually drilled at 5320. Have you plugged off the bottom?

A Yes. The Abo was plugged off at the original completion.

Q Where is the bottom of the artesian water in this well?

A At 944. This diagrammatic sketch moved a little bit. The casing is actually set at 130 feet -- about 130 feet below the artesian zone.

Q So the sketch is in error to that extent?

A Yes.

Q And that casing was cemented back?

A That is correct.

Q To the surface?

A To the surface.

Q What water do you propose to inject into these

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producing intervals?

A Produced water. I might point out that we treat these wells with fresh water once a week and we also produce a little bit of water from the formations so it is a commingled water and produced water.

Q And it comes from the Yeso-San Andres, your wells in this area?

A Yes.

Q What do you anticipate the volume of injection in this well?

A Approximately 200 barrels a day at the most.

Q What pressure?

A Pressures up to 700 pounds.

Q Is your system a closed injection system?

A It is a closed injection system. We would, of course, like to set the injection limit higher than 200 barrels a day.

Q You can get more water than that?

A Yes, and pressure perhaps about 900 pounds. However, we do try to hold the pressure down below 700.

Q Please refer to what has been marked as Exhibit 3 and explain what is shown by this Exhibit?

A Exhibit 3 is a copy of the gamma ray neutron

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log of the Hornbaker No. 1.

Q It shows the --

A (Interrupting) It shows the pay, the perforations --

Q (Interrupting) And the intervals where you're going to inject the water?

A This is correct.

Q Will this proposed completion of this salt water disposal well protect any fresh water in the area?

A Yes. We have a good 130 feet of cement between the highest perforation, and its perforations will be at 1400 feet and the fresh water zone is at 944 so we have 456 feet of separation.

Q Were Exhibits 1 through 3 prepared by you or under your direction?

A Yes.

MR. LOSEE: I move the introduction of Exhibits 1 through 3, Mr. Examiner.

MR. STAMETS: Without objection these Exhibits will be admitted.

(Whereupon, Yates' Exhibits Nos. 1 through 3 were admitted into evidence.)

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CROSS EXAMINATION

BY MR. STAMETS:

Q Mr. Mahfood, will you use the same pump for both disposal wells?

A Yes, sir.

Q What are the current injection pressures on the existing injection well?

A Repeat the question, please.

Q What are the current injection pressures of the existing disposal well?

A I think we are running approximately 650 pounds by the injecting and when we shut off the injection well it drops to 250, 300 pounds.

Q So, at that type of surface pressure you're looking at probably 1400 pounds at bottom hole; about a pound per foot?

A It would be half a pound per foot.

Q Well, but counting the weight of the water to be injected.

A Yes.

Q If such a limitation were imposed in this case that would give you an accessible surface pressure of 700 pounds. Would that be sufficient?

A Yes, we think so. However, from experience I find it takes a lot more than 700 pounds to break that rock. In fracturing the rock we are having to go as high as 3200 pounds of pressure.

Q So the San Andres itself has quite a bit of vertical stability, resistance to fracturing?

A We think so.

Q This would tend to keep the water in the formation and not up in the fresh water?

A Yes, I would think so.

Q The same could be said for the cement around the pipe?

A That is something else.

Q How do you limit the pressure on the injection well?

A We can put pop-off valve on the system. At the moment we do not have this pop-off valve but we could put a pop-off valve on the system so that with the pressure goes up above the set pressure it will bypass the injection wells and go back into the tank. I might point out that pumper reads the pressure gauge every day.

Q Are the pressure gauges on the well now that can be read by anybody coming up or is it one of those

plug-in type that he carries with him?

A No. On the existing injection well we have a permanent pressure gauge.

Q Okay. You propose this same system with the gauge and loaded annulus in this well?

A Yes, sir, we do.

Q How much are fiber glass pipe now? What kind of pressure does that take?

A It's rated to 1650 pounds of pressure. We're at the moment using fiber glass tubing at Eagle Creek and it is working satisfactorily.

Q Has this been run in the hole already?

A Yes.

Q Has the tubing been tested for leaks?

A At Eagle Creek, yes.

Q No, the well we are talking about here.

A No. This well has not been completed yet.

Q Would you propose to test the tubing once you got it into the hole to determine it was not leaking?

A Well, once you turn the injection well in there -- yes, when you turn the injection well in there you go pressure up and we'll have a feel for whether it is going to leak or not.

Q I see. In other words, if it were leaking you would be able to determine that by reading the gauge on the annulus?

A Yes.

Q If it was leaking just a little bit?

A We could take the gauge out and let it flow for that matter.

MR. STAMETS: Any other questions?

MR. LOSEE: No further questions.

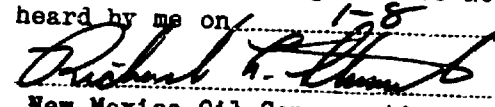
MR. STAMETS: The Witness may be excused.

Anything further in this Case? We will take the Case under advisement, and recess the hearing until 1:30.

STATE OF NEW MEXICO)
)
COUNTY OF SANTA FE) SS.

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


RICHARD L. NYE, Court Reporter

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 5367 heard by me on 1-8-1995
, Examiner
New Mexico Oil Conservation Commission

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BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
November 26, 1974

EXAMINER HEARING

IN THE MATTER OF:

Application of Yates Petroleum
Corporation for salt water
disposal, Eddy County, New Mexico

CASE NO. 5367

BEFORE: Daniel S. Nutter, Examiner

For the New Mexico Oil
Conservation Commission:

Thomas Derryberry, Esq.
Legal Counsel for the
Commission
State Land Office Building
Santa Fe, New Mexico

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MR. NUTTER: Case 5367.

MR. DERRYBERRY: Case 5367. Application of Yates Petroleum Corporation for salt water disposal, Eddy County, New Mexico.

Mr. Examiner, the Commission has received a request by the Applicant that this case be continued until January 8th.

MR. NUTTER: Case No. 5367 will be continued to the Examiner Hearing scheduled to be held at this same place at 9:00 o'clock a.m., January 8, 1975.

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STATE OF NEW MEXICO)
COUNTY OF SANTA FE) SS.

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

Richard L. Nye
COURT REPORTER

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 5367, heard by me on 11/26, 1974.

James, Examiner
New Mexico Oil Conservation Commission

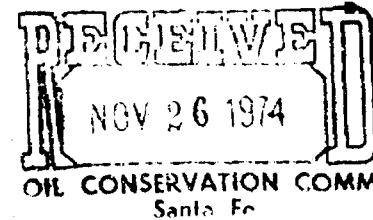
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YATES BUILDING - 207 SOUTH 4TH ST.
ARTESIA, NEW MEXICO - 88210

November 25, 1974

S. P. YATES
PRESIDENT
MARTIN YATES, III
VICE PRESIDENT
JOHN A. YATES
VICE PRESIDENT
W. HARPER
SEC. - TREAS.



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

Re: Case 5367, Application for Salt Water Disposal,
Hornbaker BA #1, Penasco Draw.

Dear Sir:

Case 5367, Application for Salt Water Disposal, is docketed for November 26. Yates Petroleum has several cases on docket for January 8. Would you please continue Case 5367 for January 8 also.

Thank you.

Yours very truly,

YATES PETROLEUM CORPORATION

Eddie M. Mahfood
Eddie M. Mahfood
Petroleum Engineer

EMM/jg
cc: A. J. Losee

DOCKET MAILED

12-26-74

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
November 13, 1974

EXAMINER HEARING

IN THE MATTER OF:

Application of Yates Petroleum Corporation
for salt water disposal, Eddy County,
New Mexico.

CASE 5367

BEFORE: Richard L. Stamets, Examiner.

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil	William Carr, Esq.
Conservation Commission:	Legal Counsel for the Commission
	State Land Office Building
	Santa Fe, New Mexico

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MR. STAMETS: Call next Case 5367.

MR. CARR: Case 5367, application of Yates Petroleum Corporation for salt water disposal, Eddy County, New Mexico.

Mr. Examiner, the Commission has received a request that this Case be continued until the November 26 Examiner Hearing.

MR. STAMETS: Case 5367 will be so continued.

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STATE OF NEW MEXICO)
) SS.
COUNTY OF SANTA FE)

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

Richard L. Nye

RICHARD L. NYE, Court Reporter

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 5367, heard by me on 11-13-1974.
Richard L. Nye, Examiner
New Mexico Oil Conservation Commission

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OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE NEW MEXICO 87501

January 21, 1975

Mr. A. J. Losee
Losee & Carson
Box 239
Artesia, New Mexico 88210

Re: Case No. 5367
Order No. R-4952

Dear Mr. Losee:

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

It will be noted that Order No. 2 of the order provides that the injection well or system shall be equipped with a pop-off valve or acceptable substitute to limit the well head injection pressure. Should any pressure limiting device or procedure be used which could result in discharge of water to the surface of the ground, such system must provide for retention of the water in an emergency pit and return of such water to the disposal system.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/RLS/ir

Enclosures

cc: Oil Conservation Commission:
Hobbs and Artesia

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. 5367
Order No. R-4952

APPLICATION OF YATES PETROLEUM
CORPORATION FOR SALT WATER DIS-
POSAL, EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 8, 1975, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 22nd day of January, 1975, 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 applicant, Yates Petroleum Corporation, is the owner and operator of the Hornbaker BA Well No. 1, located in Unit G of Section 25, Township 18 South, Range 25 East, NMPM, Penasco Draw Yeso-San Andres Pool, Eddy County, New Mexico.
- (3) That the applicant proposes to utilize said well to dispose of produced salt water into the Yeso and San Andres formations, with injection into the perforated intervals from approximately 1400 feet to 2480 feet.
- (4) That the injection should be accomplished through 2 3/8-inch EUE 1650 psi fiberglass tubing installed in a packer set at approximately 1370 feet; that the casing-tubing annulus should be filled with an inert fluid; and that a pressure gauge or other approved leak detection device should be attached to the annulus in order to determine leakage in the casing, tubing, or packer.
- (5) That the injection well or system should be equipped with a pop-off valve or acceptable substitute which will limit the well head pressure on the injection well to no more than 700 psi.

-2-

CASE NO. 5367
Order No. R-4952

(6) That the operator should notify the supervisor of the Artesia district office of the Commission of the date and time of the installation of disposal equipment so that the same may be inspected.

(7) That the operator should 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.

(8) That approval of the subject application will prevent the drilling of unnecessary wells and otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Yates Petroleum Corporation, is hereby authorized to utilize its Hornbaker EA Well No. 1, located in Unit G of Section 25, Township 18 South, Range 25 East, NMPM, Penasco Draw Yeso-San Andres Pool, Eddy County, New Mexico, to dispose of produced salt water into the Yeso and San Andres formations, injection to be accomplished through 2 3/8-inch 1650 psi fiberglass tubing installed in a packer set at approximately 1370 feet, with injection into the perforated intervals from approximately 1400 feet to 2480 feet;

PROVIDED HOWEVER, that the casing-tubing annulus shall be filled with an inert fluid; and that a pressure gauge or other approved leak detection device shall be attached to the annulus in order to determine leakage in the casing, tubing, or packer.

(2) That the injection well or system shall be equipped with a pop-off valve or acceptable substitute which will limit the well head pressure on the injection well to no more than 700 psi.

(3) That the operator shall notify the supervisor of the Artesia district office of the Commission of the date and time of the installation of disposal equipment so that the same may be inspected.

(4) That the operator shall immediately notify the supervisor of the Commission's Artesia district office of the failure of the tubing, casing, or packer, in said well or the leakage of water from or around said well and shall take such steps as may be timely and necessary to correct such failure or leakage.

(5) That the applicant shall submit monthly reports of its disposal operations in accordance with Rules 704 and 1120 of the Commission Rules and Regulations.

-3-
CASE NO. 5367
Order No. R-4952

(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

I. R. TRUJILLO, Chairman



Phil R. Lucero

PHIL R. LUCERO, Member

A. L. Porter, Jr.

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

S E A L

jr/

NEW MEXICO OIL CONSERVATION COMMISSION
APPLICATION TO DISPOSE OF SALT WATER BY INJECTION INTO A POROUS FORMATION

OPERATOR Yates Petroleum Corporation		ADDRESS 207 So. 4th St., Artesia, New Mexico 98210			
LEASE NAME Hornbaker "BA"	WELL NO. 1	FIELD Penasco Draw (Yeso, S.A.)	COUNTY Eddy		
LOCATION UNIT LETTER <u>G</u> ; WELL IS LOCATED <u>1900</u> FEET FROM THE <u>North</u> LINE AND <u>1650</u> FEET FROM THE <u>East</u> LINE, SECTION <u>25</u> TOWNSHIP <u>18S</u> RANGE <u>25E</u> NMPM.					
CASING AND TUBING DATA					
NAME OF STRING SURFACE CASING	SIZE 9 5/8" 32.3#	SETTING DEPTH 1072'	SACKS CEMENT 1060	TOP OF CEMENT Surface	T DETERMINED BY Circ.
INTERMEDIATE					
LONG STRING	7" 23#	4478'	750	Surface	Circ.
TUBING	2 3/8"	1370'	NAME, MODEL AND DEPTH OF TUBING PACKER Baker Tension Packer		
NAME OF PROPOSED INJECTION FORMATION San Andres & Yeso		TOP OF FORMATION 1277'		BOTTOM OF FORMATION 1567'	
IS INJECTION THROUGH TUBING, CASING, OR ANNULUS? Tubing		PERFORATIONS OR OPEN HOLE? Perforations		PROPOSED INTERVAL(S) OF INJECTION 1400-90', 1640-1700', 2215-2315', 2405-80'	
IS THIS A NEW WELL DRILLED FOR DISPOSAL? No		IF ANSWER IS NO, FOR WHAT PURPOSE WAS WELL ORIGINALLY DRILLED? Oil Production		HAS WELL EVER BEEN PERFORATED IN ANY ZONE OTHER THAN THE PROPOSED INJECTION ZONE? Yes	
LIST ALL SUCH PERFORATED INTERVALS AND SACKS OF CEMENT USED TO SEAL OFF OR SQUEEZE EACH Abo - 4410-4420'. Bridge Plug at 4380' w/10 sx cement on top.					
DEPTH OF BOTTOM OF DEEPEST FRESH WATER ZONE IN THIS AREA 944'		DEPTH OF BOTTOM OF NEXT HIGHER OIL OR GAS ZONE IN THIS AREA		DEPTH OF TOP OF NEXT LOWER OIL OR GAS ZONE IN THIS AREA	
ANTICIPATED DAILY INJECTION VOLUME (BBL'S.) 150	MINIMUM 100	MAXIMUM 200	OPEN OR CLOSED TYPE SYSTEM Closed	IS INJECTION TO BE BY GRAVITY OR PRESSURE? Pressure	APPROX. PRESSURE (PSI) 600
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 -			WATER TO BE DISPOSED OF Yes	NATURAL WATER IN DISPOSAL ZONE Yes	ARE WATER ANALYSES ATTACHED?
NAME AND ADDRESS OF SURFACE OWNER (OR LESSEE, IF STATE OR FEDERAL LAND) John Gates, Artesia, New Mexico					
LIST NAMES AND ADDRESSES OF ALL OPERATORS WITHIN ONE-HALF (1/2) MILE OF THIS INJECTION WELL Yates Petroleum Corporation, 207 So. 4th St., Artesia, N.M. 89210					
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 N.A.					
THE NEW MEXICO STATE ENGINEER Yes					
ARE THE FOLLOWING ITEMS ATTACHED TO THIS APPLICATION (SEE RULE 701-B) Yes					
PLAN OF AREA Yes					
ELECTRICAL LOG Yes					
DIAGRAMMATIC SKETCH OF WELL Yes					

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

Edder H. Malpica
(Signature)

Engineer

(Title)

10-22-74

(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.

YATES PETROLEUM CORPORATION
Hornbaker "BA" #1
1900 FNL & 1650 FEL, Sec. 25-18S-25E

Elevation: 3456 GL
Spud: 2-10-67
Compl: 6-6-67
IPP: 50 BOPD, 30 BLW

Top of S.A. at 740'

Btm of Artesia Wtr at 944'

Slaughter Zone

LDY Zone

Top Glorietta at 2106'

Top Yaso at 2207'

Y-1

Y-2

Top of Abo at 4319'

Swb test 4338-4390, 4390-4420'

13 3/4" hole to 887', 12 1/4" hole to 1072'
9 5/8" 32# csg set at 1072', cmtd w/1060 sx
Class C cmt circ, reduced hole to 8 3/4"

Propose to set approx 1200' 2 3/8" EUE 1650#
Fiberglass pipe on PC Tension pkr inhibited
fresh wtr in annulusw/press gauge on csg valve.
PF 1400-1480, 75 bullets; Trtd w/2250 g 15%
NEA, SWF 60000# 20-40 in 90000 g treated wtr.
PF 1640-1700, 75 bullets; Trtd w/2250 g 15% NEA,
SWF 110000# 20-40 in 64000 g treated wtr.

PF 2215-2315, 75 bullets, Trtd w/2250 g 15% NEA,
SWF 30000# 20-40 in 64000 g treated wtr.
PF 2405-2480, 75 bullets, Trtd w/2250 g 15% NEA,
SWF 30000# 20-40 in 64000 g treated wtr.

PBTD 4380'
PF 4410-4420, 25 bullets, Trtd w/6000 g 15% NEA
7" 23# csg set at 4473', cmtd w/750 sx, circ.

100' cmt plug at 4600-4500'

TD 5320', 8 3/4" hole.

BEFORE EXAMINER STAMETS
OIL CONSERVATION COMMISSION

EXHIBIT NO. 2

CASE NO. 5367

Submitted by

Hearing Date 1/8/75

Exhibit 2

STATE OF TEXAS	
COMMISSIONER OF THE GENERAL LAND OFFICE	COUNTY OF _____
LAND OFFICE	SECTION _____
FIELD OFFICE	TOWNSHIP _____
COUNTY OFFICE	RANGE _____
STATE OFFICE	DATE _____

Slaughter

LDY

Gleriatta

V-1

V-2

A-60

BEFORE EXAMINER STAMETS	
OIL CONSERVATION COMMISSION	
EXHIBIT NO. 3	
CASE NO. 5376	
Submitted by _____	
Hearing Date 1/8/75	

Exhibit 3

Dockets Nos. 1-75 and 2-75 are tentatively set for hearing on January 8, and January 22, 1975. Application for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - TUESDAY - NOVEMBER 26, 1974

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 Richard L. Stamets, Alternate Examiner:

CASE 5081: (Reopened) (Continued from the November 13, 1974, Examiner Hearing)

In the matter of Case 5081 being reopened pursuant to the provisions of Order No. R-4657, which order established temporary special rules and regulations for the North Shoe Bar-Wolfcamp Pool, Lea County, New Mexico, including a provision for 160-acre spacing and proration units. All interested parties may appear and show cause why said pool should not be developed on less than 160-acre spacing and proration units.

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CASE 5367: (Continued from the November 13, 1974, Examiner Hearing)

Application of Yates Petroleum Corporation for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to convert its Hornbaker BA Well No. 1, located in Unit G of Section 25, Township 18 South, Range 25 East, Penasco Draw Yeso-San Andres Pool, Eddy County, New Mexico, to dispose of produced salt water into the Yeso and San Andres formations through the perforated intervals from 1400 to 2460 feet. Applicant further seeks an administrative procedure for approval of additional salt water disposal into the Yeso and San Andres formations in the subject pool without notice and hearing.

CASE 4843: (Reopened)

In the matter of Case No. 4843 being reopened pursuant to the provisions of Order No. R-4435, which order established the Southeast Chaves Queen Gas Area and promulgated special rules and regulations therefor, including a provision for 320-acre spacing units for gas wells. All interested parties may appear and show cause why said Order No. R-4435 should not be rescinded.

(Case 5386 Continued from Page 2)

The Federal "CR" Com Well No. 1, located at an unorthodox gas well location 660 feet from the South and West lines of Section 29, to produce gas from the Canyon formation through the casing-tubing annulus and from the Atoka formation through tubing, the W/2 of said Section 29 to be dedicated to the well;

The State "CY" Well No. 1, located in Unit K of Section 32, to produce gas from the Strawn and Atoka formations through the casing-tubing annulus and from the Cisco through tubing by means of a cross-over assembly;

The Powell "DG" Com Well No. 1, located in Unit O of Section 35, to produce gas from the Morrow through the casing-tubing annulus and from the Cisco through tubing by means of a cross-over assembly;

And the Federal "CZ" Well No. 1, located in Unit B of Section 8, Township 18 South, Range 25 East, to produce gas from the Morrow through the casing-tubing annulus and from the Cisco through tubing by means of a cross-over assembly.

CASE 5367: (Continued from the November 26, 1974, Examiner Hearing)

Application of Yates Petroleum Corporation for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to convert its Hornbaker BA Well No. 1, located in Unit G of Section 25, Township 18 South, Range 25 East, Penasco Draw Yeso-San Andres Pool, Eddy County, New Mexico, to dispose of produced salt water into the Yeso and San Andres formations through the perforated intervals from 1400 to 2480 feet. Applicant further seeks an administrative procedure for approval of additional salt water disposal into the Yeso and San Andres formations in the subject pool without notice and hearing.

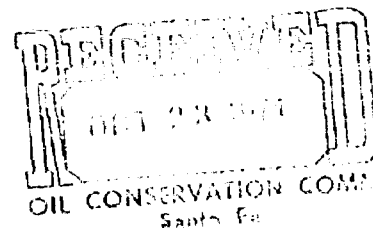
CASE 5387: Application of HNG Oil Co. for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox gas well location in the Devonian and/or Ellenburger formation of its Dogie Draw Fed. Well No. 2, to be drilled at a point 1325 feet from the South and West lines of Section 5, Township 26 South, Range 36 East, Lea County, New Mexico, the S/2 of said Section 5 to be dedicated to the well.

CASE 5388: Application of Great Western Drilling Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Hay Hollow Unit Area comprising 7040 acres, more or less, of Federal and State lands in Township 26 South, Range 27 East, Eddy County, New Mexico.

CASE 5389: Application of Shell Oil Company for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard gas proration unit comprising the S/2 NW/4, NE/4 SW/4, and NW/4 SE/4 of Section 3, Township 21 South,



YATES BUILDING - 207 SOUTH 4TH ST.
ARTESIA, NEW MEXICO - 88210



Case 5367
S. P. YATES
PRESIDENT
MARTIN YATES, III
VICE PRESIDENT
JOHN A. YATES
VICE PRESIDENT
B. W. HARPER
SEC. - TREAS.

October 22, 1974

Mr. A. L. Porter, Jr.
Secretary-Director
New Mexico Oil Conservation Commission
P.O. Box 2086
Santa Fe, New Mexico 87501

Re: Application for Salt Water Disposal Well
Hornbaker BA #1, G-Sec. 25-18S-25E
Penasco Draw (Yeso S.A.), Eddy County

Dear Sir:

Application is hereby submitted for permit to convert our Hornbaker BA #1 well to Salt Water Disposal, and for a procedure whereby additional wells may be approved for salt water disposal by Administrative Action in the Penasco Draw (Yeso, San Andres) Pool, Eddy County.

Yours truly,

YATES PETROLEUM CORPORATION

Eddie M. Mahfood
Eddie M. Mahfood
Petroleum Engineer

EMM/jg
Encl.

cc: State Engineer, Roswell
John Gates
Losee & Carson, P.A.

DOCKET MAILED

Date _____

for 1-8-75

DOCKET MAILED

Date 11-15-74

for NOV 26
DOCKET MAILED

Date 11-174

RECEIVED
Form C-108
Revised 1-1-65
OCT 23 1974

NEW MEXICO OIL CONSERVATION COMMISSION
APPLICATION TO DISPOSE OF SALT WATER BY INJECTION INTO A POROUS FORMATION

OPERATOR Yates Petroleum Corporation		ADDRESS 207 So. 4th St., Artesia, New Mexico 88210	
LEASE NAME Hornbaker "BA"	WELL NO. 1	FIELD Penasco Draw (Yeso, S.A.)	COUNTY Eddy
LOCATION UNIT LETTER G ; WELL IS LOCATED 1900 FEET FROM THE North LINE AND 1650 FEET FROM THE East LINE, SECTION 25 TOWNSHIP 18S RANGE 25E N.M.P.M.			
CASING AND TUBING DATA			
NAME OF STRING	SIZE	SETTING DEPTH	SACKS CEMENT
SURFACE CASING	9 5/8" 32.3#	1072'	1060
INTERMEDIATE			
LONG STRING	7" 23#	4478'	750
TUBING	2 3/8"	1370'	NAME, MODEL AND DEPTH OF TUBING PACKER Baker Tension Packer
NAME OF PROPOSED INJECTION FORMATION San Andres & Yeso		TOP OF FORMATION 1277'	BOTTOM OF FORMATION 1567'
IS INJECTION THROUGH TUBING, CASING, OR ANNULUS? Tubing		PERFORATIONS OR OPEN HOLES Perforations	PROPOSED INTERVAL(S) OF INJECTION 1400-80', 1640-1700', 2215-2315', 2405-80'
IS THIS A NEW WELL DRILLED FOR DISPOSAL? No	IF ANSWER IS NO, FOR WHAT PURPOSE WAS WELL ORIGINALLY DRILLED? Oil Production		HAS WELL EVER BEEN PERFORATED IN ANY ZONE OTHER THAN THE PROPOSED INJECTION ZONE? Yes
LIST ALL SUCH PERFORATED INTERVALS AND SACKS OF CEMENT USED TO SEAL OFF OR SQUEEZE EACH Abo - 4410-4420'. Bridge Plug at 4380' w/10 sx cement on top.			
DEPTH OF BOTTOM OF DEEPEST FRESH WATER ZONE IN THIS AREA 944'		DEPTH OF BOTTOM OF NEXT HIGHER OIL OR GAS ZONE IN THIS AREA	DEPTH OF TOP OF NEXT LOWER OIL OR GAS ZONE IN THIS AREA
ANTICIPATED DAILY INJECTION VOLUME (BBLs.) 150	MINIMUM 100	MAXIMUM 200	OPEN OR CLOSED TYPE SYSTEM Closed
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	IS INJECTION TO BE BY GRAVITY OR PRESSURE? Pressure
NAME AND ADDRESS OF SURFACE OWNER (OR LEASEE, IF STATE OR FEDERAL LAND) John Gates, Artesia, New Mexico		APPROX. PRESSURE (PSI) 600	
LIST NAMES AND ADDRESSES OF ALL OPERATORS WITHIN ONE-HALF (1/2) MILE OF THIS INJECTION WELL Yates Petroleum Corporation, 207 So. 4th St., Artesia, N.M. 88210			
HAVE COPIES OF THIS APPLICATION BEEN SENT TO EACH OF THE FOLLOWING?		THE NEW MEXICO STATE ENGINEER	
SURFACE OWNER Yes		Yes	
EACH OPERATOR WITHIN ONE-HALF MILE OF THIS WELL N.A.		Yes	
ARE THE FOLLOWING ITEMS ATTACHED TO THIS APPLICATION (SEE RULE 701-B)		DIAGRAMMATIC SKETCH OF WELL	
PLAT OF AREA Yes		Yes	
ELECTRICAL LOG Yes		Yes	

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

Eddie H. Wally Engineer 10-22-74
(Signature) (Title) (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.

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
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YATES PETROLEUM CORPORATION
Hornbaker "BA" #1
1900 FNL & 1650 FEL, Sec. 25-18S-25E

Elevation: 3456 GL
Spud: 2-10-67
Compl: 6-6-67
IPP: 50 BOPD, 30 BLW

Top of S.A. at 740'

Bit of Artesia Wtr at 944'

Slaughter Zone

LDY Zone

Top Glorietta at 2106'
Top Yeso at 2207'

Y-1

Y-2

Top of Abo at 4319'

Swb test 4338-4390, 4390-4420'

13 3/4" hole to 887', 12 1/4" hole to 1072'
9 5/8" 32# csg set at 1072', cmtd w/1060 sx
Class C cmt circ, reduced hole to 8 3/4"

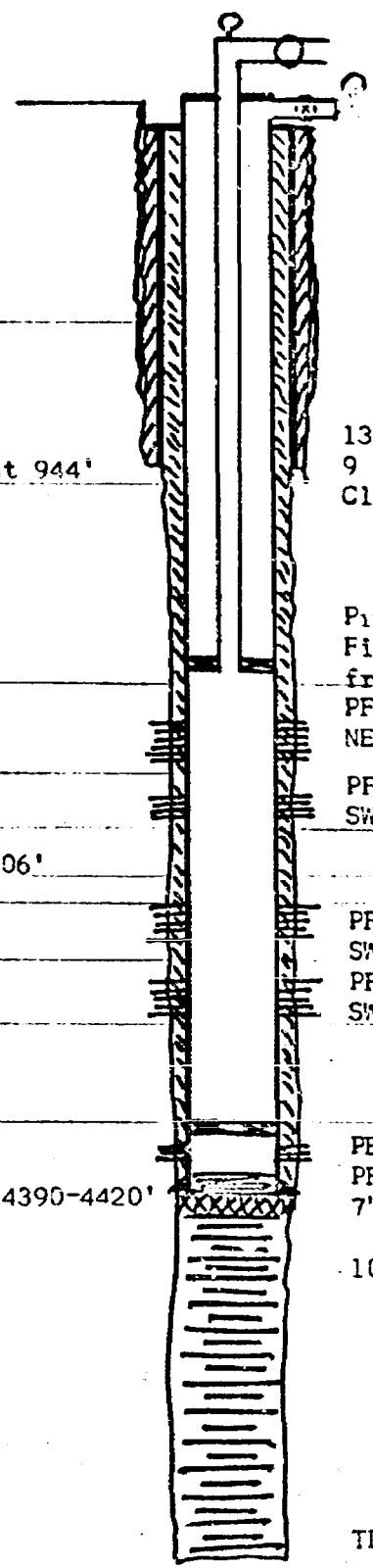
Propose to set approx 1200' 2 3/8" EUE 1650#
Fiberglass pipe on PC Tension pkr inhibited
fresh wtr in annulusw/press gauge on csg valve.
PF 1400-1430, 75 bullets; Trtd w/2250 g 15%
NEA, SWF 60000# 20-40 in 90000 g treated wtr.
PF 1640-1700, 75 bullets; Trtd w/2250 g 15% NEA
SWF 110000# 20-40 in 64000 g treated wtr.

PF 2215-2315, 75 bullets, Trtd w/2250 g 15% NEA
SWF 30000# 20-40 in 64000 g treated wtr.
PF 2405-2480, 75 bullets, Trtd w/2250 g 15% NEA
SWF 30000# 20-40 in 64000 g treated wtr.

PBTD 4380'
PF 4410-4420, 25 bullets, Trtd w/6000 g 15% NEA
7" 23# csg set at 4478', cmtd w/750 sx, circ.

100' cmt plug at 4600-4500'

TD 5320', 8 3/4" hole.



Should have pressure
regulating device on
well head or on
system to keep
well head pressure
below frac pressure
850#?

gsk

Dockets Nos. 32-74 and 33-74 are tentatively set for hearing on November 26, 1974, and January 8, 1975. Application for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - NOVEMBER 13, 1974

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

The following cases will be heard before Richard L. Stamets, Examiner, or Daniel S. Nutter, Alternate Examiner:

- ALLOWABLE:
- (1) Consideration of the allowable production of gas from seventeen prorated pools in Lea, Eddy, Roosevelt, and Chaves Counties, New Mexico, for December, 1974;
 - (2) Consideration of the allowable production of gas from five prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico, for December, 1974.

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