

CASE 5420: TEXACO, INC. for salt
water disposal, Lea County

CASE No.

5420

Application,
Transcripts,
Small Exhibits

ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
February 19, 1975

EXAMINER HEARING

IN THE MATTER OF:

Application of Texaco, Inc., for salt
water disposal, Lea County, New Mexico.

Case No.
5420

BEFORE: Daniel S. Nutter, Examiner.

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil
Conservation Commission:

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

For the Applicant:

Booker Kelly, Esq.
WHITE, KOCH, KELLY & McCARTHY
McKee Building
220 Otero Street
Santa Fe, New Mexico

PIERCE

CASE 5420

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I N D E X

PAGE

WAYNE C. PIERCE

Direct Examination by Mr. Kelly

3

Cross Examination by Mr. Nutter

11

E X H I B I T S

Marked

Admitted

Texaco's Exhibits Nos. 1
through 3

--

10

MR. NUTTER: The next case will be No. 5420.

MR. DERRYBERRY: Case 5420. Application of

Texaco, Incorporated, for salt water disposal, Lea County,
New Mexico.

MR. KELLY: Booker Kelly of White, Koch, Kelly
& McCarthy, on behalf of the Applicant. We have one
witness we would like to be sworn.

Those and so Hobbs (Witness sworn.)

Q By your witness WAYNE C. PIERCE subject well
called as a witness, having been first duly sworn, was
examined and testified as follows:

acceptable?

DIRECT EXAMINATION

BY MR. KELLY: DIRECT: Yes, this is

Q Would you state your name, address, and employer
please?

A My name is Wayne Pierce; I live at 2901 Northwest
Drive in Hobbs, New Mexico; I am currently employed by
Texaco, Incorporated.

Q In what capacity?

A As their District Production Engineer.

Q Have you previously qualified as an expert
witness in the field of petroleum engineering before this
Commission?

A No, sir.

Q Would you give the Examiner a summary of your educational and professional background?

A I attended Texas A & I University in Kingsville, Texas, where I received my degree in general engineering in September of 1970. I then went to work for Texaco in Lea County, New Mexico in Lovington, New Mexico, to serve there and in Hobbs, New Mexico, in various assignments.

Q Do your duties include the subject well?

A Yes, sir.

MR. KELLY: Are the Witness' qualifications acceptable?

MR. NUTTER: Yes, they are.

BY MR. KELLY:

Q Referring to the plat marked Exhibit 1, would you state what Texaco seeks by this Application?

A Texaco seeks authority to dispose of produced water from their leases in the Lazy J Penn Field, Lea County, New Mexico, into the Lazy J Penn Pool through perforation from 9742 to 9792 in the New Mexico "DM" State, Tract 1, Well No. 1, located in Section 21, Township 13 South, Range 33 East, Lea County, New Mexico.

Q What is the present status of the disposal well?

A The well is currently shut-in ASE.

Q And can you give the Examiner the production history on this?

A All right. The well was completed in December of 1967 at a total depth of 9900 feet in Lazy J Penn Field. It was perforated in the interval 9742 to 9792; potential tested for 445 barrels of oil and 149 barrels of water by flow test. The well's production declined rapidly until December of 1972 at which time the well was shut-in producing one barrel of oil and 340 barrels of water per day. The well has accumulative production of 160,900 barrels.

Q So it was a Lazy J Penn oil well at one time?

A That is correct.

Q Is the water that you're going to be disposing all from the Lazy J Penn?

A That is correct.

Q And could you tell us where your producing wells are now?

A There are 6 remaining producing wells in the Lazy J Penn Field. One well is located on our "DM" Tract 2 lease to the north of the subject lease, and there are five wells located on our "BV" and "BY" leases to the southeast.

Q What are you doing with this water at the present

time?

A The water is currently being injected in two injection wells in our Lazy J Penn pilot waterflood project. These are located on our "BV" Tract 1 lease. These two wells have been taking water since September of 1967 and they have pressured out the reservoir; The reservoir will no longer take water. We have calculated that the current cumulative injection is one-and-a-half times primary voidage. The pilot project was unsuccessful and we are at a point now in time whereby we have no way of disposing of our produced water in the field.

Q What would be your volume in pressure of injection?

A These six wells currently produce 400 barrels of water a day and we anticipate an injection pressure of 1800 pounds.

Q Do you expect that that volume will increase or decrease as time goes on?

A We expect it to decrease due to the fact that our remaining wells are at a marginal state of production and that several of them are rapidly posing their economic limits and will be shut-in in the very near future so that this volume of 400 barrels will decrease as time progresses on.

Q Do you think that this well can handle that much volume at this pressure?

A Yes, sir, we do. The two injection wells that we were injecting the water into in September of 1967 when they were converted to injection we were disposing of volumes up to 800 barrels per day at less than this 1800 pounds.

Q All right. Now, turning to Exhibit No. 2, your sketch of proposed installation--

MR. KELLY: Mr. Examiner, I would like to bring to your attention that in the initial Application had an error, it had the packer being set at 3700 feet. This Exhibit is correct and it shows it at 9700 feet.

MR. NUTTER: Okay.

Q (Continuing) Would you explain the proposed installation as shown on Exhibit 2?

A Okay. The well has 11-3/4-inch surface pipe set at a depth of 364 feet. Cement was circulated on this string of pipe. There is 8-5/8th intermediate casing set at a depth of 4150 feet with calculated cement top on this string as 400 feet. The production string with 4-1/2-inch casing was set at total depth of 9899 and the calculated cement top behind this string is 5065 feet. The injection

tubing will consist of 2-7/8th internally plastic-coated tubing set in a nickel-coated packer at a depth of 9700 feet, and this will be within 100 feet of the uppermost part of the disposal interval and below the calculated cement top behind the 4-1/2-inch production pipe.

Q Has Texaco experienced any corrosion problems with these fluids?

A No, sir. Based on our experience in our pilot area where we have been injecting water into the two injection wells since '67, there have not been any adverse problems concerning corrosion.

Q Are you going to be using new pipe, plastic-coated pipe?

A Yes, sir, it will be new tubular goods.

Q Now, is there fresh water anywhere near the area?

A To my knowledge the closest water-supply well is located one mile southeast of the proposed disposal well, and this well, from what I could find out, the depth of this water is at 60 feet and is used primarily for grazing and livestock purposes.

Q Will your proposed installation shown on Exhibit 2 prevent migration of fluids?

A Yes, sir. Since this fresh-water zone is at a depth of 60 feet and the service pipe is set below there, we are protected by that string in addition to our injection string. It will be plastic coated and the annulus will be inhibited.

Q And you will have a pressure gauge?

A That is correct. We will have a pressure gauge installed on the casing tubing.

Q What is Texaco's procedures for checking the pressure gauge to see that there is no leakage?

A Currently the pumpers are in direct responsibility of the particular lease. In this case, in addition to checking its production and batteries on these leases he daily checks the disposal well to ascertain that injection is being continued as expected and there is no indication of a casing leak. In addition to that the production foreman in charge of the particular area visits the injection plant and the well periodically to ascertain that there is no problems with the disposal well in regard to the casing leak or tubing leak.

Q All right. Now, Exhibit No. 3 is your log and you have indicated the injection interval on this, is that correct?

A That's correct. The intervals will be 9742 to 9792, and this is the existing producing interval; there have been no other zones opened; there are no zones above this zone that are productive of hydrocarbons, and this will be the disposal interval.

Q In your opinion, will the granting of this Application effectively dispose of the salt water so that it will not constitute a hazard to other production zones or fresh water in the area?

A Yes, sir.

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

A Yes, sir.

MR. KELLY: We move their introduction, Mr.

Examiner.

MR. NUTTER: Texaco's Exhibits 1 through 3 will be admitted into evidence.

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

MR. KELLY: We have no further direct testimony,

Mr. Examiner.

CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. Pierce, how about this well immediately west of your proposed injection well, is it still producing?

A Coquina's Well?

Q No, this Texaco Well No. 2.

A No, sir. It is currently shut-in; it was drilled in 1970 and was shut-in in 1973 with a cumulative production of 5600 barrels.

Q 5600?

A Yes, sir. It's on the very northwesterly trend of the Lazy J Penn, and we're just practically out of the field on that lease.

Q And then the "DM" No. 1, up here in Unit E of Section 21, is it still producing?

A Yes, sir, it is. It is currently producing 28 oil and 187 water. It has a cumulative production of 162,000 barrels, and the proposed disposal interval in the subject well is subseawise lower than the producing horizon in this particular well.

Q Now, has the injection of water into these two wells over here in Section 26 had any effect on the production,

PIERCE-CROSS

CASE 5420
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either good or bad?

A No.

Q In the offsetting wells?

A No, sir, no effect whatsoever; no increase in water production and no increase in oil production.

MR. NUTTER: Are there any further questions of the Witness? He may be excused. Do you have anything further Mr. Kelly?

MR. KELLY: Nothing further.

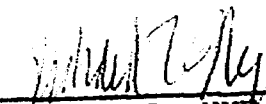
MR. NUTTER: Does anyone have anything they wish to offer in Case 5420? We will take the Case under advisement.

PIERCE

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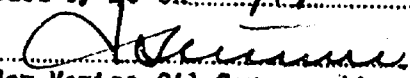
STATE OF NEW MEXICO)
)
COUNTY OF SANTA FE) SS.

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. 5420, heard by me on 2/19, 1975.


_____, Examiner
New Mexico Oil Conservation Commission



OIL CONSERVATION COMMISSION

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

I. R. TRUJILLO
CHAIRMAN
LAND COMMISSIONER
PHIL R. LUCERO
MEMBER

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

February 25, 1975

Mr. Booker Kelly
White, Koch, Kelly & McCarthy
Attorneys at Law
Post Office Box 787
Santa Fe, New Mexico

Re: CASE NO. 5420
ORDER NO. R-4968

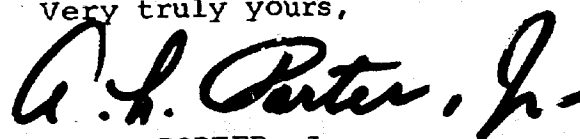
Applicant:

Texaco Inc.

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

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. 5420
Order No. R-4968

APPLICATION OF TEXACO, INC.,
FOR SALT WATER DISPOSAL, LEA
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on February 19, 1975, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 25th day of February, 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, Texaco, Inc., is the owner and operator of the New Mexico "DM" State (NCT-1) Well No. 1, located in Unit N of Section 21, Township 13 South, Range 33 East, NMPM, Lazy J-Pennsylvanian Pool, Lea County, New Mexico.

(3) That the applicant proposes to utilize said well to dispose of produced salt water into the Pennsylvanian formation, with injection into the perforated interval from approximately 9742 feet to 9792 feet.

(4) That the injection should be accomplished through 2 7/8-inch plastic-lined tubing installed in a packer set at approximately 9700 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.

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

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Case No. 5420

Order No. R-4968

IT IS THEREFORE ORDERED:

(1) That the applicant, Texaco, Inc., is hereby authorized to utilize its New Mexico "DM" State (NCT-1) Well No. 1, located in Unit N of Section 21, Township 13 South, Range 33 East, NMPM, Lazy J-Pennsylvanian Pool, Lea County, New Mexico, to dispose of produced salt water into the Pennsylvanian formation, injection to be accomplished through 2 7/8-inch tubing installed in a packer set at approximately 9700 feet, with injection into the perforated interval from approximately 9742 feet to 9792 feet;

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

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

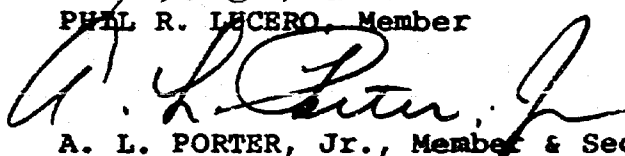
(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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. LECERO, Member

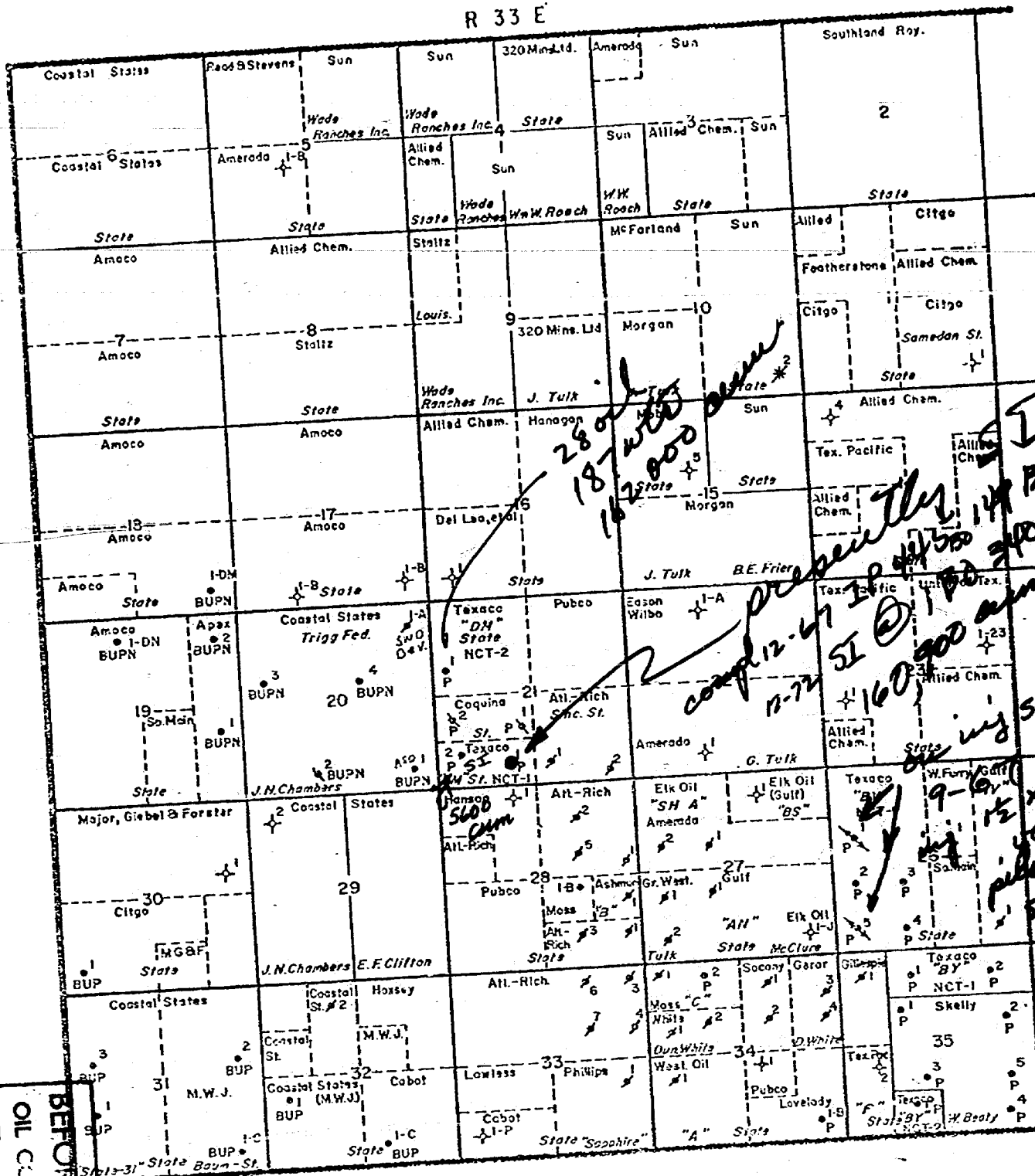

A. L. PORTER, Jr., Member & Secretary

S E A L

jr/

X12A

R 33 E



BEFORE EXAMINER NUTTER
OIL COMMISSION
TEXACO EXPLORATION
CASE NO. 5420

LEGEND

WATER INJECTION WELL
PLUGGED AND ABANDONED WELL
BAUM UPPER PENN.
BAUM UPPER PENN, NORTH
LAZY J PENN.

TEXACO Inc.
NEW MEXICO "DN" STATE (NCT-1)
WELL NO. 1
LAZY "J" PENN POOL
LEA COUNTY, NEW MEXICO

400 BUPD 1800 psi

since
cum
x prom
voidage
pilot not
sacces
full
pres
too
high
now
need
new
well
no corros
ion prove
in old
two in
wells

Pressure Gauge →

11-3/4" csg. set at 364'. Cmt.
with 300 sacks. Cmt. circulated.

Casing Tubing annulus loaded
with inhibited fluid.

2-7/8" Plastic Coated tubing at
9700'.

8-5/8" csg. set at 4150'. Cemented
with 650 sacks.

calc 400' top

4-1/2" csg. set at 9899'. Cemented
with 1100 sacks. Cmt. top at 5065'

nickel coated pipe calc.
Packer at 9700'.

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
TXDLO EXHIBIT NO. *2*
5420

PENNSYLVANIAN
Perf: 9742'-9792'

Injection Interval

P5TB 9867'

Proposed Salt Water Disposal
NEW MEXICO "DM" STATE (NCT-1) NO. 1
LAZY "J" PENN POOL
LEA COUNTY, NEW MEXICO

Docket No. 5-75

Dockets Nos. 6-75 and 7-75 are tentatively set for hearing on March 5 and March 19, 1975. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 19, 1975

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:

- ALLOWABLE:
- (1) Consideration of the allowable production of gas for March, 1975, from seventeen prorated pools in Lea, Eddy, Chaves and Roosevelt Counties, New Mexico.
 - (2) Consideration of the allowable production of gas for March, 1975, from five prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.
 - (3) Consideration of purchaser's nominations for the one-year period beginning April 1, 1975, for both of the above areas.

CASE 5402: (Continued from the January 22, 1975 Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Tyra & Tyra, Fidelity and Deposit Company of Maryland and all other interested parties to appear and show cause why the Tyra & Tyra BTA Lulu Well No. 1 located in Unit C of Section 22, Township 9 South, Range 35 East, Lea County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 5415: Application of Burk Royalty Co. for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Double L Queen Unit Area, comprising 2670 acres, more or less, of Federal, State, and fee lands in Townships 14 and 15 South, Ranges 29 and 30 East, Chaves County, New Mexico.

CASE 5416: Application of Tesoro Petroleum Corporation for a unit agreement, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Coal Creek Unit Area comprising 11,225 acres, more or less, of State and Federal lands in Township 23 North, Ranges 12 and 13 West, San Juan County, New Mexico.

CASE 5409: (Continued from the February 5, 1975, Examiner Hearing)

Application of Atlantic Richfield Company for a non-standard gas proration unit, an unorthodox gas well location, and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 320-acre non-standard gas proration unit comprising the SE/4 of Section 12 and the NE/4 of Section 13, both in Township 24 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico, to be simultaneously dedicated to its George W. Toby WN Wells Nos. 4, 1, and 1-A, located, respectively, in Units A and H of said Section 12 and in Unit A of said Section 13.

CASE 5417: Application of Atlantic Richfield Company for a non-standard gas proration unit, two unorthodox locations, and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 640-acre non-standard gas proration unit comprising the S/2 of Section 24 and the N/2 of Section 25, both in Township 22 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico, to be simultaneously dedicated to its McDonald State WN Wells Nos. 12 and 24, located, respectively at unorthodox locations in Unit M of Section 24, and in Unit E of Section 25.

CASE 5418: Application of Joel B. Burr, Jr. and William J. Cooley for permission to flare casinghead gas, McKinley County, New Mexico. Applicants, in the above-styled cause, seek an exception to Order No. R-4070, to permit the flaring of casinghead gas produced by their Coleman Well No. 2, located in Unit C of Section 8, Township 17 North, Range 8 West, Lone Pine Dakota D Oil Pool, McKinley County, New Mexico.

CASE 5419: Application of J. Gregory Merrion & Robert L. Bayless for downhole commingling, Rio Arriba County, New Mexico. Applicants, in the above-styled cause, seek authority to commingle Gavilan-Pictured Cliffs and Blanco-Mesaverde production in the wellbore of their North Lindrith Unit Com Well No. 1, located in Unit M of Section 20, Township 26 North, Range 2 West, Rio Arriba County, New Mexico.

CASE 5420: Application of Texaco, Inc., for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to convert its New Mexico "DM" State (NCT-1) Well No. 1, located in Unit N of Section 21, Township 13 South, Range 33 East, Lazy J Pennsylvanian Pool, Lea County, New Mexico, to dispose of produced salt water into the Pennsylvanian formation through the perforated interval from approximately 9742 to 9792 feet.

CASE 5421: Application of Texaco, Inc., for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Justis Tubb-Drinkard and North Justis-Fusselman production in the wellbore of its G. L. Erwin "B" Federal Well No. 3, located in Unit I of Section 35, Township 24 South, Range 37 East, Lea County, New Mexico.

CASE 5422: Application of Hilliard Oil and Gas, Inc., for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of temporary special rules for the EK-Bone Springs Pool, in Township 18 South, Range 34 East, Lea County, New Mexico, including a provision for 80-acre spacing and proration units.

CASE 5122: (Reopened) (Continued from the January 22, 1975, Examiner Hearing)

In the matter of Case 5122 being reopened pursuant to the provisions of Order No. R-4693, which order established temporary special pool rules for the East Lusk-Wolfcamp Oil Pool, Lea County, New Mexico, including a provision for 160-acre spacing and proration units and a limiting gas-oil ratio of 4000 to 1. All interested parties may appear and show cause why said pool should not be developed on 40-acre spacing and proration units with a limiting gas-oil ratio of 2000 to 1.

- CASE 5423: Application of Cities Service Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in formations of Pennsylvanian age or older underlying the W/2 of Section 29, Township 21 South, Range 27 East, Eddy County, New Mexico, to be dedicated to a well to be drilled at an orthodox location within the spacing unit. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs, as well as actual operating costs and charges for supervision. Also to be considered is the designation of the applicant as the operator of the well and a charge for the risk involved in drilling said well.
- CASE 5424: Application of Cities Service Oil Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Dark Canyon Unit Area, comprising 2560 acres, more or less, of State lands in Township 23 South, Range 25 East, Eddy County, New Mexico.
- CASE 5425: Application of Continental Oil Company for an unorthodox location and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the simultaneous dedication of a non-standard 480-acre gas proration unit comprising the W/2 of Section 13 and the E/2 E/2 of Section 14, Township 21 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, to its Lockhart B Wells Nos. 4 and 8, located at unorthodox locations in Units H and P, respectively, of Section 13, and to its Lockhart B Well No. 7, at an unorthodox location in Unit D of said Section 14. Applicant further seeks approval for the simultaneous dedication of a 320-acre non-standard gas proration unit comprising the S/2 of Section 12, Township 19 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, to its State KN-12 Wells Nos. 1 and 2, located at unorthodox locations in Units P and N, respectively, of said Section 12.
- CASE 5426: Application of Continental Oil Company for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Bell Lake Unit Well No. 16 to be drilled 660 feet from the North and East lines of Section 7, Township 24 South, Range 34 East, South Bell Lake-Morrow Gas Pool, Lea County, New Mexico, the N/2 of said Section 7 to be dedicated to said well.
- CASE 5427: Application of Penroc Oil Corporation for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its Allied B Com Well No. 1, located in Unit K of Section 27, Township 20 South, Range 27 East, Eddy County, New Mexico, in such a manner as to produce oil from the Bone Springs formation through tubing and gas from the Morrow formation through the casing-tubing annulus by means of a cross-over assembly.

Examiner Hearing - Wednesday - February 19, 1975

Docket No. 5-75

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CASE 5428: Application of Amax Chemical Corporation for the extension of the Potash-Oil Area, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the extension of the Potash-Oil Area in Eddy County, New Mexico, as defined by Order No. R-11-A, as amended, by the addition of the following described lands:

TOWNSHIP 19 SOUTH, RANGE 29 EAST

Section 13: S/2 SE/4

Section 14: W/2 SW/4

Section 23: N/2 NW/4, SE/4 NW/4, S/2 NE/4

Section 24: NW/4, W/2 NE/4, NE/4 NE/4

TOWNSHIP 19 SOUTH, RANGE 30 EAST

Section 14: W/2 NE/4

Section 18: SW/4

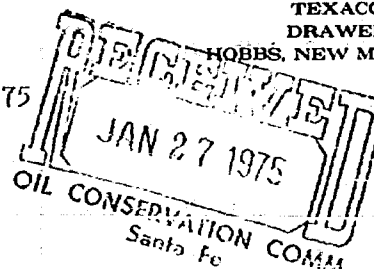
Cue 5420



PETROLEUM PRODUCTS

TEXACO INC.
DRAWER 728
HOBBS, NEW MEXICO 88240

January 24, 1975



New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Request for Examiner Hearing
for Salt Water Disposal
New Mexico "DM" State (NCT-1) No. 1
Lazy "J" Penn Pool
Lea County, New Mexico

Gentlemen:

It is requested that an examiner hearing be scheduled to consider the application of TEXACO Inc. for disposal of produced water in the Lazy "J" Penn Pool, Lea County, New Mexico.

At this hearing, TEXACO will request permission to dispose of produced water into the New Mexico "DM" State (NCT-1) No. 1 located in Unit N, Section 21, Township 13 South, Range 33 East, Lea County, New Mexico. Disposal will be via plastic coated tubing into perforations from 9742' to 9792'. The initial disposal rate will be approximately 400 barrels of water per day.

Enclosed with this request are three copies of a plat of the area showing the proposed salt water disposal well, three copies of a diagrammatic sketch of the proposed disposal well, three copies of a log and three copies of a list of Offset Operators.

Each Offset Operator has been notified of this request by copy of letter.

Yours very truly,

J. V. Gannon
J. V. Gannon

District Superintendent

JBS/kw
NMOCC-Hobbs
Offset Operators
MAS, Jr.
JSR
Attachments

DUCKET MAILED

Date 2/1/75

Case 5420

Casing-Tubing annulus loaded
with inhibited fluid.

Pressure Gauge

11-3/4" csg. set at 364'. Cmt.
with 300 sacks. Cmt. circulated.

2-7/8" Plastic Coated tubing at
3700'.

Packer at 3700'.

8-5/8" csg. set at 4150'. Cemented
with 650 sacks.

4-1/2" csg. set at 9899'. Cemented
with 1100 sacks. Cmt. top at 5065'.

PENNSYLVANIAN
Perf: 9742'-9792'

Injection Interval

PSTD 9867'

Proposed Salt Water Disposal
NEW MEXICO "DM" STATE (NCT-1) NO. 1
LAZY "J" PENN POOL
LEA COUNTY, NEW MEXICO

Case 5420

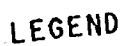
OFFSET OPERATORS

Coastal States Gas Prod. Co.
P. O. Box 235
Wilco Bldg.
Midland, Texas 79701

Coquina Oil Corp.
418 Bldg. of Southwest
Midland, Texas 79701

ARCO
P. O. Box 1610
Midland, Texas 79701

R 33 E

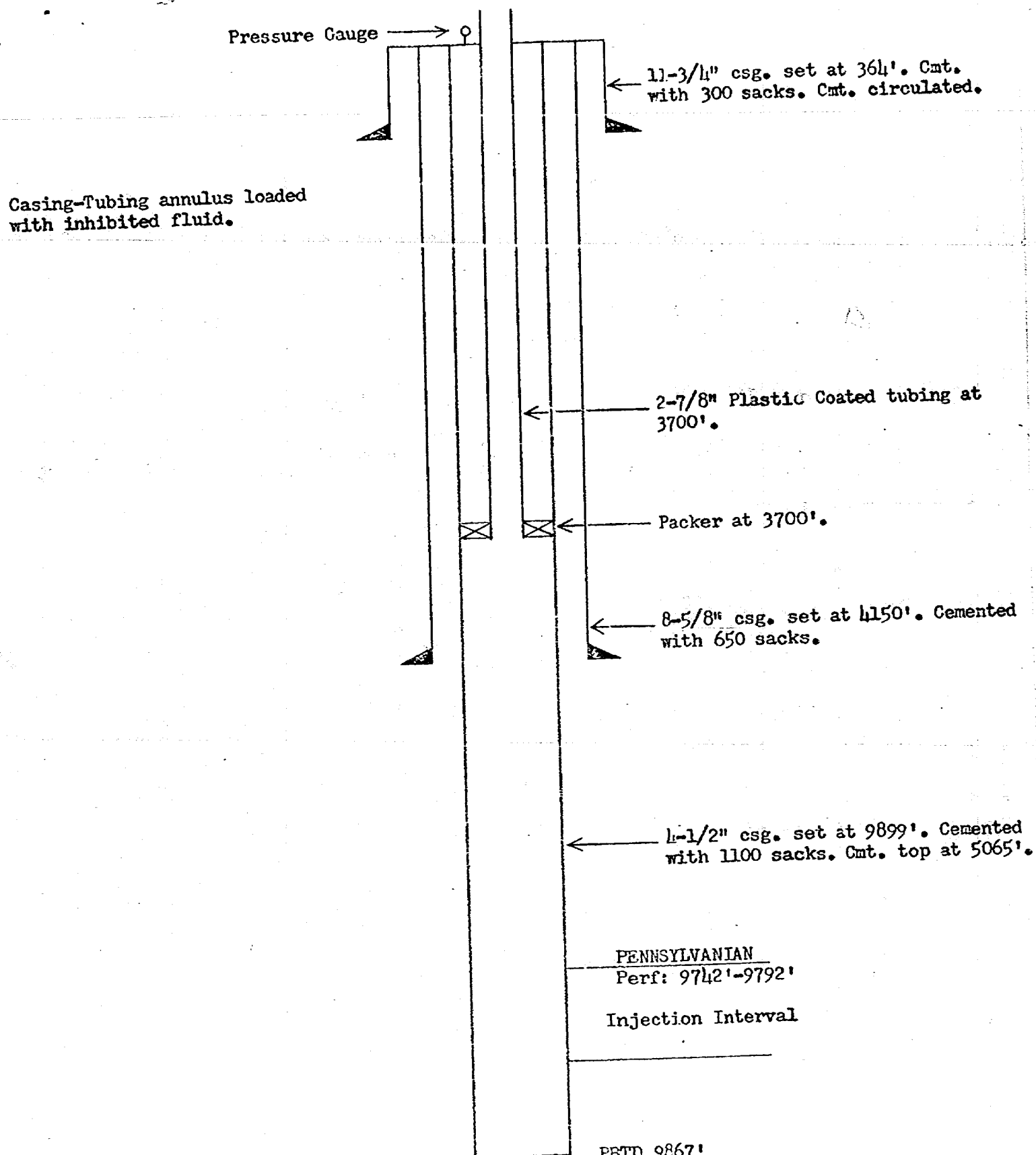


LEGEND

WATER INJECTION WELL
PLUGGED AND ABANDONED WELL
BAUM UPPER PENN.
BAUM UPPER PENN., NORTH
LAZY J PENN.

TEXACO Inc.
NEW MEXICO "DM" STATE (NCT-1)
WELL NO. 1
LAZY "J" PENN POOL
LEA COUNTY, NEW MEXICO

Case 5420



PENNSYLVANIAN
Perf: 9742'-9792'

Injection Interval

PBTD 9867'

Proposed Salt Water Disposal
NEW MEXICO "DM" STATE (NCT-1) NO. 1
LAZY "J" PENN POOL
IEA COUNTY, NEW MEXICO

Case 5420

OFFSET OPERATORS

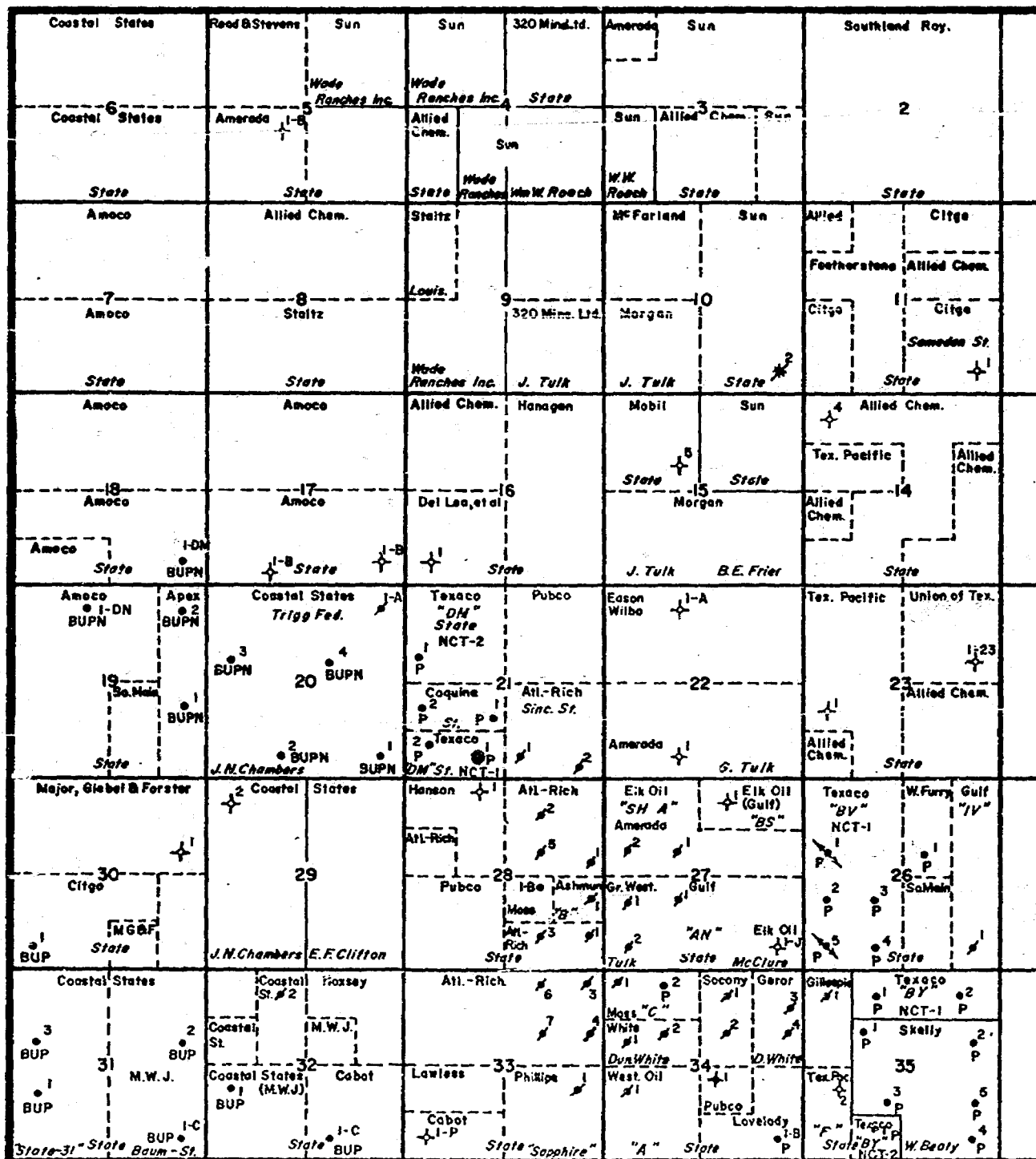
Coastal States Gas Prod. Co.
P. O. Box 235
Wilco Bldg.
Midland, Texas 79701

Coquina Oil Corp.
418 Bldg. of Southwest
Midland, Texas 79701



ARCO
P. O. Box 1610
Midland, Texas 79701

Case 5420

R 33 E



LEGEND

 WATER INJECTION WELL
 PLUGGED AND ABANDONED WELL
 BUP BAUM UPPER PENN.
 BUPN BAUM UPPER PENN, NORTH
 P LAZY J PENN.

TEXACO Inc.
 NEW MEXICO "DM" STATE (NCT-1)
 WELL NO. 1
 LAZY "J" PENN POOL
 LEA COUNTY, NEW MEXICO

Cas. 5420

Casing-Tubing annulus loaded
with inhibited fluid.

Pressure Gauge

11-3/4" csg. set at 364'. Cmt.
with 300 sacks. Cmt. circulated.

2-7/8" Plastic Coated tubing at
3700'.

Packer at 3700'.

8-5/8" csg. set at 4150'. Cemented
with 650 sacks.

4-1/2" csg. set at 9899'. Cemented
with 1100 sacks. Cmt. top at 5065'.

PENNSYLVANIAN

Perf: 9742'-9792'

Injection Interval

PSTD 9867'

Proposed Salt Water Disposal
NEW MEXICO "DM" STATE (NCT-1) NO. 1
LAZY "J" PENN POOL
LEA COUNTY, NEW MEXICO

Cue 5420

OFFSET OPERATORS

Coastal States Gas Prod. Co.
P. O. Box 235
Wilco Bldg.
Midland, Texas 79701

Coquina Oil Corp.
418 Bldg. of Southwest
Midland, Texas 79701

APCO
P. O. Box 1610
Midland, Texas 79701

DRAFT

jr/

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. 5420

Order No. R- 4968

APPLICATION OF TEXACO, INC., FOR
SALT WATER DISPOSAL, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on February 19, 1975,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this _____ day of February, 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, Texaco, Inc.,
is the owner and operator of the New Mexico "DM" State (NCT-1) Well,
located in Unit N of Section 21, Township 13 South, Range
33 East, NMPM, Lazy J. Pennsylvanian Pool, Lea
County, New Mexico.

(3) That the applicant proposes to utilize said well to
dispose of produced salt water into the Pennsylvanian
formation, with injection into the perforated interval
from approximately 9742 feet to 9792 feet.

(4) That the injection should be accomplished through
2 1/4-inch plastic-lined tubing installed in a packer set at

CASE No. _____

approximately 9700 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, ~~or the annulus left open at the surface in order to determine leakage in the casing, tubing, or packer.~~

(5) 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, Texaco, Inc., is hereby authorized to utilize its New Mexico "DM" State (NCT-1) Well No. 1, located in Unit N of Section 21, Township 13 South, Range 33 East, NMPM, Lazy J-Pennsylvanian Pool, Lea County, New Mexico, to dispose of produced salt water into the Pennsylvanian formation, injection to be accomplished through 2 7/8-inch tubing installed in a packer set at approximately 9700 feet, with injection into the perforated interval from approximately 9742 feet to 9792 feet;

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

(2) 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) 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.