

CASE 5775, HESA, INC. FOR AN EXTENSION OF  
TIME AND AMENDMENT OF ORDER NO. R-4495-A  
AS ORDERED BY R-4495-D, LEA COUNTY, NM

CASE 110.

5779

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Application,

Transcripts,

Small Exhibits

ETC.

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Exhibits 1 and 2  
Complete Set

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF AN EXTENSION OF  
TIME FOR THE DISPOSAL OF PRODUCED  
WATERS IN THE AGUA INC. SWD WELL  
NO. C-2.

EMERGENCY ORDER NO. E-29

NOW, on this 30th day of September, 1976, the New Mexico Oil Conservation Commission, a quorum being present, having considered the necessity for the disposal of produced water from the wells using the Agua disposal system, and being fully advised in the premises,

FINDS:

(1) That Agua, Inc., pursuant to authority contained in Order No. R-4495, dated March 14, 1973, is disposing of produced salt water into the San Andres formation through the open-hole interval from 4,400 feet to 5,000 feet in its SWD Well No. C-2 located in Unit C of Section 2, Township 22 South, Range 37 East, Lea County, New Mexico.

(2) That Agua, Inc., pursuant to authority contained in Administrative Order No. SWD-82, dated October 26, 1968, disposed of produced salt water into the San Andres formation through its SWD Well No. H-35, located in Unit H of Section 35, Township 22 South, Range 37 East, Lea County, New Mexico.

(3) That by directive dated August 22, 1975, applicant was ordered to cease injection into the aforesaid SWD Well No. H-35 at 8:00 a.m., Mountain Daylight Time, September 26, 1975, because of certain conditions existent in said well.

(4) That to enable Agua, Inc. to continue to dispose of the produced salt water which was being disposed of into said SWD Well No. H-35, the Commission entered Emergency Order No. E-27, dated September 26, 1975, authorizing the disposal of produced water in the Agua SWD Well No. C-2 through the perforated interval from 4,230 feet to 4,320 feet in addition to the previously authorized injection through the open-hole interval from 4,400 feet to 5,000 feet.

(5) That on October 7, 1975, the Commission entered Order No. R-4495-A authorizing the continued injection of produced waters in the Agua SWD Well No. C-2 through the perforated interval from 4,230 feet to 4,320 feet and through the open-hole interval from 4,400 feet to 5,000 feet for a period not to exceed four months from the date of the order.

(6) That on February 3, 1976, the Commission entered Order No. R-4495-B which authorized Agua, Inc. to continue injection in its SWD Well No. C-2 through the perforations and the open-hole for an additional 90 days.

EMERGENCY ORDER NO. E-29

-2-

(7) That on October 21, 1975, Agua, Inc. filed an application for authority to dispose of produced salt water into the San Andres formation in its Well No. A-22 located in Unit A of Section 22, Township 22 South, Range 37 East, Lea County, New Mexico.

(8) That on December 16, 1975, the Commission entered Order No. R-5137 authorizing the disposal of produced salt water in said Well No. A-22 but limiting the wellhead injection pressure to no more than 100 psi.

(9) That Agua, Inc. made application for Amendment of Order No. R-5137 to allow it to increase the injection pressure in its Well No. A-22.

(10) That Case No. 5644 was heard by the Commission on March 10, 1976, on said Application for Amendment of Order No. R-5137, and on August 3, 1976, the Commission entered Order No. R-5137-B increasing the injection pressure in the Well No. A-22 to 800 psi.

(11) That on May 18, 1976, the Commission entered Order No. R-4495-C authorizing continued injection of produced waters in the Agua SWD Well No. C-2 through the perforated interval from 4,230 feet to 4,320 feet and through the open-hole interval from 4,400 feet to 5,000 feet until August 7, 1976.

(12) That on August 3, 1976, the Commission entered Order No. R-4495-D authorizing continued injection of produced water in said Agua SWD Well No. C-2 through the perforated interval from 4,230 feet to 4,320 feet and through the open-hole interval from 4,400 feet to 5,000 feet until October 1, 1976.

(13) That on September 16, 1976, the Commission received an application from Agua, Inc. for Amendment of Orders Nos. R-4495-A, R-4495-B, R-4495-C, and R-4495-D to allow the injection of produced waters through the perforated and open-hole intervals in its SWD Well No. C-2 for an additional 30 days or until it is able to get electrical power to its Blinebry-Drinkard SWD System Well No. A-22.

(14) That on September 29, 1976, a hearing was held before a Commission examiner on said application of Agua, Inc. for an extension of time to inject produced salt water in its Well No. C-2 (Case 5779).

(15) That it is impossible for the Commission to enter an order in Case 5779 prior to October 1, 1976.

(16) That on October 1, 1976, the authorization to inject produced salt water in the Agua, Inc., SWD Well No. C-2 expires pursuant to the terms of Order No. R-4495-D.

EMERGENCY ORDER NO. E-29

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(17) That the water produced from approximately 430 producing oil wells in Lea County, New Mexico, is being disposed of in the Agua, Inc. SWD Well No. C-2.

(18) That should the authority to inject into the perforated interval in said SWD Well No. C-2 expire, many if not all of the above-mentioned 430 producing wells would be required to be shut-in.

(19) That an emergency exists whereby authorization should be granted to Agua, Inc. to continue to dispose of produced salt water in its SWD Well No. C-2 into both the perforated interval from 4,230 feet to 4,320 feet and the open-hole interval from 4,400 feet to 5,000 feet, in order to avoid the shutting-in of the above-mentioned 430 producing wells.

IT IS THEREFORE ORDERED:

(1) That Agua, Inc., is hereby authorized to dispose of produced salt water into the San Andres formation through the perforated interval from 4,230 feet to 4,320 feet in its SWD Well No. C-2, located in Unit C of Section 2, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico.

(2) That this order shall become effective at 12:01 a.m. Mountain Daylight Savings Time, October 1, 1976, and shall remain in effect for not more than 15 days.

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

PHIL R. LUCERO, Chairman

  
EMERY C. ARNOLD, Member

  
JOE D. RAMEY, Member & Secretary

S E A L

dr/

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BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
September 29, 1976

EXAMINER HEARING

IN THE MATTER OF:

Application of Agua, Inc. for an  
extension of time and amendment of  
Order No. R-4495-A, as amended by  
R-4495-D, Lea County, New Mexico.

CASE  
5779

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:

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

For the Applicant:

James T. Jennings, Esq.  
JENNINGS, CHRISTY & COPPLE  
Attorneys at Law  
1012 Security National Bank Bldg.  
Roswell, New Mexico

For Exxon Company, U.S.A.:

James E. Sperling, Esq.  
MODRALL, SPERLING, RAEI,  
HARRIS & SISK  
Attorneys at Law  
Public Service Building  
Albuquerque, New Mexico

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1 MR. NUTTER: The hearing will come to order, please.  
2 The first case this afternoon will be Case Number 5779.

3 MS. TESCHENDORF: Case 5779, application of Agua,  
4 Incorporated for an extension of time and amendment of  
5 Order No. R-4495-A, as amended by R-4495-D, Lea County,  
6 New Mexico.

7 MR. NUTTER: Call for appearances in this case.

8 MR. JENNINGS: James T. Jennings, Roswell, appearing  
9 on behalf of Agua.

10 MR. SPERLING: To demonstrate Exxon's continuing  
11 interest in this case, James E. Sperling, Modrall, Sperling,  
12 Rael, Harris and Sisk of Albuquerque on behalf of Exxon  
13 Company, U.S.A.

14 MR. JENNINGS: We will have one witness, Mr. Abbott.

15 (THEREUPON, the witness was duly sworn.)  
16

17 W. G. ABBOTT  
18 called as a witness, having been first duly sworn, was  
19 examined and testified as follows:  
20

21 DIRECT EXAMINATION

22 BY MR. JENNINGS:

23 Q Would you state your name and occupation?

24 A W. G. Abbott, I'm manager of Agua, Incorporated,  
25 Hobbs, New Mexico.



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1 Q Have you heretofore testified in this same matter  
2 in Case Numbers 5619, 5562, 5674 and 5714?

3 A Yes, sir.

4 Q And in each of those cases were your qualifications  
5 accepted?

6 A Yes.

7 MR. JENNINGS: Does the Examiner wish me to further  
8 qualify the witness?

9 MR. NUTTER: The witness is qualified.

10 Q (Mr. Jennings continuing.) Mr. Abbott, are you  
11 familiar with the application which Agua has filed here in  
12 this Case Number 5779?

13 A Yes, sir.

14 MR. JENNINGS: Before going into further testimony  
15 we would like at this time to offer the testimony that we  
16 had heretofore offered in the previous hearings in this case,  
17 being 5619, 5562, 5674 and 5714 and request that it be  
18 incorporated into the record if there are no objections.

19 MR. NUTTER: We will incorporate the record of those  
20 cases into the record of this hearing. I would like to have  
21 those numbers again, please.

22 MR. JENNINGS: Don't hold me to them but it's 5562,  
23 5619, 5674 and 5714. To clear the record these cases led to  
24 Order Numbers R-4495-A, B, C and D.

25 MR. NUTTER: Thank you.

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1 Q (Mr. Jennings continuing.) Mr. Abbott, back to  
2 the application. Would you state briefly what the applicant,  
3 Agua, seeks in this application and the reason for the  
4 application?

5 A Yes, sir, this is an application or this hearing,  
6 we would like to extend the time deadline that was established  
7 previously in the Order R-4495-D to permit disposal in our  
8 SWD Well C-2 through some perforations, forty-two, thirty  
9 feet to forty-three, twenty in this well. This Order requires  
10 Agua to blank off these perforations in this disposal well and  
11 just use the open-hole portion of the well for disposal. The  
12 open-hole section is from forty-four hundred to forty-nine,  
13 fifty. The reason we need to extend the deadline, the  
14 New Mexico Electric Service Company has been delayed in getting  
15 a right-of-way from the land owners and the railway, the  
16 Texas-New Mexico Railroad, a division of Missouri Pacific.

17 I did get some information late last night that  
18 they have all of the right-of-way cleared up on the fee lands  
19 to get their electric lines across but they are still waiting  
20 on the railroad and New Mexico Electric Service Company doesn't  
21 know when they will get the right-of-way. They think it's  
22 in the mail but you know how that is. It is just a delay  
23 dealing with the railroad. It may come through in a week  
24 or it may be two, but I don't know.

25 Q When did you request the power hookup for your A-22

1 Well?

2 A We had requested the Power Company to run a line  
3 to that well on the day that we received notice from the  
4 Commission that we had permission to inject into that SWD A-22  
5 well at the restricted pressure of eight hundred pounds.

6 Q Was that on or about August 3rd of this year?

7 A Yes, sir.

8 Q When did you complete your A-22 Well?

9 A I believe the original hearing was held in December  
10 of '75.

11 Q But thereafter when did you complete the well?

12 A Let's see now. It was in May of -- no, I don't  
13 know, I don't have that date.

14 Q Well, to refresh your recollection, after the A-22  
15 Well was completed, there was a wellhead pressure limitation  
16 on that injection well, was there not?

17 A Yes, sir, a hundred pounds.

18 Q And do you recall a hearing requesting this  
19 pressure limitation to be increased?

20 A Yes, sir.

21 Q When was that hearing?

22 A I believe it was in March of this year.

23 Q And the order increasing the pressure was ultimately  
24 granted?

25 A It was issued at the same time as permission to

1 inject into the C-2 until October 1st and that was on  
2 September 3rd.

3 Q The purpose of the A-22 Well is to relieve the  
4 burden of the C-2 Well, is it not?

5 A Yes, sir.

6 Q What is the status of your operation insofar as  
7 the A-22 Well, the new well, is concerned?

8 A The well is all completed. The tanks and terminal  
9 facilities are all installed, the pump is set and we are  
10 gravitying in some water in the well at the present time.

11 Q How long do you estimate that it will take you,  
12 Mr. Abbott, after you have the power at the location to hook  
13 up your well and start injecting the water?

14 A Well, we can probably do it the next day. The  
15 New Mexico Electric Service Company estimates that it will  
16 take them a ten-hour day to put the line in when they get the  
17 required right-of-way.

18 Q Do you have any other disposal facilities other  
19 than the C-2 Well at this time?

20 A No, sir, the third well for that system serving the  
21 four hundred and thirty producing wells is our SWD H-35 which  
22 was shut in by order of the Commission on September 19th of  
23 1975.

24 Q What will happen if you are not allowed to continue  
25 to inject into this interval from forty-two, thirty to

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1 forty-three, twenty after October 1st, 1976?

2 A Well, two things will happen. We have been flowing  
3 the H-35 back and we have been handling that water in the SWD  
4 C-2. We have been flowing it back at the rate of about fifty  
5 to eighty barrels an hour. We will have to shut that well in  
6 and then we will have to either request that all of the  
7 operators shut in their wells, the four hundred and thirty  
8 wells, or haul the produced water. By hauling the produced  
9 water we are talking about four hundred barrels an hour and it  
10 would be very expensive, if it could be done, I don't know if  
11 we could do it.

12 Q What is your best estimate of how long it will take  
13 you to hook up now, considering the right-of-way problems,  
14 to get your A-22 Well into service?

15 A One day after we get the --

16 Q No, do you have any idea how long it will take you  
17 to get the right-of-way?

18 A No, New Mexico Electric has talked to the railroad  
19 office in Houston a couple of times and the last time they  
20 spoke to them they said the right-of-way was in the mail but  
21 they haven't received it yet.

22 It isn't a matter of not securing the right-of-way,  
23 it is a matter of when they will secure the right-of-way. The  
24 railroad has already approved it but they have to cross the  
25 railroad with an electric line.

1 That's a hell of a way to run a railroad but that's  
2 the way it is.

3 MR. JENNINGS: I believe that's all I have.

4 MR. NUTTER: Off the record.

5 (THEREUPON, a discussion was held off  
6 the record.)

7 MR. NUTTER: Okay, back on the record.

8 THE WITNESS: The deadline on the blanking off the  
9 perforations is October 1st and today is the twenty-ninth of  
10 September and that is why we had to have the hearing at this  
11 time.

12 Q (Mr. Jennings continuing.) Just one further question.  
13 Mr. Abbott, in light of the conversation you have heard since  
14 you arrived in Santa Fe, do you feel that you will be able to  
15 hook up the line within thirty days from now?

16 A Yes, sir.

17 MR. JENNINGS: That's all.

18  
19 CROSS EXAMINATION

20 BY MR. NUTTER:

21 Q Mr. Abbott, how far is the line being extended in  
22 order to hook up the A-22?

23 A The electric line?

24 Q Yes, sir.

25 A I don't know, I think it's about a mile.

1 Q And does that involve complete construction, the  
2 installation of poles, and stringing of wire?

3 A Yes.

4 Q Has any of the construction work been accomplished  
5 to date?

6 A Not that I know of, not the New Mexico Electric  
7 work. We have installed our transformers and our switch  
8 box and all of that, controls, so we are just waiting on --

9 Q And your pump is installed?

10 A Yes, sir.

11 Q Is the motor there?

12 A Yes.

13 Q You are ready to turn the switch on as soon as there  
14 is juice in the line?

15 A Yes.

16 Q Okay, now, the New Mexico Electric Company tells you  
17 that in one ten-hour day they can set the poles and string  
18 the wire?

19 A Yes, sir.

20 Q On a one-mile electric line?

21 A Yes, sir.

22 Q And you are ready to turn yours on as soon as they  
23 have the facilities in?

24 A Right. We just have to switch some valves. The  
25 pipeline has already been installed to the tanks and we

1 just have to close the valves and turn on the two  
2 centrifugal pumps and the triplex pump at the well.

3 Q How much are you able to get into the A-22 under  
4 gravity at this time?

5 A About eight hundred barrels a day.

6 MR. NUTTER: Are there any further questions?

7 MR. SPERLING: Yes.

8 MR. NUTTER: Mr. Sperling.

9  
10 CROSS EXAMINATION

11 BY MR. SPERLING:

12 Q Mr. Abbott, are you in a position to represent to  
13 the Commission that with the completion of the facility that  
14 you have just described at the A-22 Well that you will be  
15 able to discontinue injection into the perforated interval  
16 in the C-2 Well?

17 A We will have to after we start injecting water  
18 into the SWD A-22, we will have to pull the tubing in the  
19 SWD C-2 and run a packer into that well which may take  
20 two or three days, according to the availability of pulling  
21 units.

22 Q I see, but you will do that as soon as it is  
23 physically possible for you to do it?

24 A Yes, sir.

25 Q What will you be doing with the flow back water on



1 the H-35 Well after the completion of the installation and the  
2 beginning of the use of the A-22 Well?

3 A We will probably have to shut the H-35 Well in  
4 unless there is some additional capacity at the A-22 and we  
5 don't know if there will be at this time.

6 Q Well, what volumes do you expect to dispose of in  
7 the A-22 Well?

8 A Approximately two hundred barrels an hour at this  
9 time.

10 Q And what is the rate of flow back on the H-35?

11 A About fifty to eighty barrels an hour.

12 Q And what is the volume of produced water that you  
13 are required to dispose of from the four hundred and thirty  
14 wells at this time?

15 A It will be about four hundred and twenty barrels an  
16 hour total, yeah, so that's four hundred and twenty and hour.

17 Q So the difference between that and the total volume  
18 which you are required to dispose of you expect to dispose of  
19 in the open hole interval in the C-2 Well?

20 A Yes, sir, that will be about two hundred and  
21 twenty barrels an hour.

22 Q All right. In your reference to the four hundred  
23 and thirty producing wells, Mr. Abbott, are you testifying  
24 that insofar as each of those wells are concerned that they  
25 all produce salt water which must be disposed of?

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1 A I don't know. There may be some that do not produce  
2 water but I have no idea about that.

3 Q Well, the previous statement or assumption or  
4 implication that we had was that with the discontinuation of  
5 the injection into the C-2 Well, this could very well necessi-  
6 tate the discontinuance of production from four hundred and  
7 thirty wells and that is not necessarily true, is it?

8 A Well, four hundred and thirty wells are connected  
9 to our system. Any well that is connected to a tank battery  
10 that is connected to our system is considered a connected  
11 well, so it will be a very small amount of the wells that  
12 aren't connected out of that four hundred and thirty.

13 Q The fact that they are connected doesn't necessarily  
14 mean that they produce salt water which would require that  
15 they be shut in if there were not disposal facilities?

16 A That's right.

17 MR. SPERLING: That's all.

18  
19 RECROSS EXAMINATION

20 BY MR. NUTTER:

21 Q Mr. Abbott, what are you actually seeking here, a  
22 thirty-day extension of the provisions of 4495-D?

23 A Yes, sir, I think a thirty-day will handle it. It's a  
24 matter of getting the water injecting into the A-22 and getting  
25 a pulling unit and pulling the tubing and rerun the tubing

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1 with a packer on it and it's five-and-a-half-inch tubing  
2 and seven-inch casing and it takes all day to do that.

3 MR. JENNINGS: Mr. Examiner, the application was also  
4 couched in the language until -- it asked for an extension  
5 until we could get the necessary power. If the power is in  
6 thirty days is ample but the application did ask for time  
7 until the power was available.

8 MR. NUTTER: I realize that it was actually an  
9 open-ended extension that was sought by the application. Would  
10 you agree now to a set and fixed period of time?

11 MR. JENNINGS: Yes, sir, it would be fine with me.  
12 I like to come back up here.

13 MR. SPERLING: Well, I would like to call the  
14 Commission's attention to the application which says that all  
15 they need is ten days after the necessary electrical service  
16 has been installed. Now, if that is going to be Monday, I  
17 see no reason to depart from the ten days.

18 MR. JENNINGS: We are going to have to have an  
19 emergency order if the Commission doesn't meet.

20 MR. NUTTER: Does anyone else have anything further  
21 in this case? Are there any further questions of Mr. Abbott?  
22 He may be excused.

23 (THEREUPON, the witness was excused.)

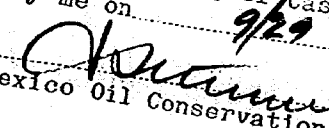
24 MR. NUTTER: Now, does anyone have anything to offer?  
25 We will take the case under advisement.

REPORTER'S CERTIFICATE

1  
2 I, SIDNEY F. MORRISH, a Certified Shorthand Reporter,  
3 do hereby certify that the foregoing and attached Transcript  
4 of Hearing before the New Mexico Oil Conservation Commission  
5 was reported by me, and the same is a true and correct record  
6 of the said proceedings to the best of my knowledge, skill and  
7 ability.

8  
9   
10 Sidney F. Morrish, C.S.R.

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11  
12  
13  
14 I do hereby certify that the foregoing is  
15 a complete record of the proceedings in  
16 the Examiner hearing of Case No. 5779  
17 heard by me on 9/29, 1976.  
18 , Examiner  
19 New Mexico Oil Conservation Commission  
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BEFORE THE  
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BEFORE: Daniel S. Nutter, Examiner

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A P P E A R A N C E S

For the New Mexico Oil Conservation Commission:	Lynn Teschendorf, Esq. Legal Counsel for the Commission State Land Office Building Santa Fe, New Mexico
For the Applicant:	James T. Jennings, Esq. JENNINGS, CHRISTY & COPPLE Attorneys at Law 1012 Security National Bank Bldg. Roswell, New Mexico
For Exxon Company, U.S.A.:	James E. Sperling, Esq. MODRALL, SPERLING, RAEI, HARRIS & SISK Attorneys at Law Public Service Building Albuquerque, New Mexico

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W. G. ABBOTT

Direct Examination by Mr. Jennings

Cross Examination by Mr. Nutter

Cross Examination by Mr. Sperling

Recross Examination by Mr. Nutter

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13 Company, U.S.A.

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15 (THEREUPON, the witness was duly sworn.)

16  
17 W. G. ABBOTT  
18 called as a witness, having been first duly sworn, was  
19 examined and testified as follows:

20  
21 DIRECT EXAMINATION

22 BY MR. JENNINGS:

23 Q Would you state your name and occupation?

24 A W. G. Abbott, I'm manager of Agua, Incorporated,  
25 Hobbs, New Mexico.

1 Q Have you heretofore testified in this same matter  
2 in Case Numbers 5619, 5562, 5674 and 5714?

3 A Yes, sir.

4 Q And in each of those cases were your qualifications  
5 accepted?

6 A Yes.

7 MR. JENNINGS: Does the Examiner wish me to further  
8 qualify the witness?

9 MR. NUTTER: The witness is qualified.

10 Q (Mr. Jennings continuing.) Mr. Abbott, are you  
11 familiar with the application which Agua has filed here in  
12 this Case Number 5779?

13 A Yes, sir.

14 MR. JENNINGS: Before going into further testimony  
15 we would like at this time to offer the testimony that we  
16 had heretofore offered in the previous hearings in this case,  
17 being 5619, 5562, 5674 and 5714 and request that it be  
18 incorporated into the record if there are no objections.

19 MR. NUTTER: We will incorporate the record of those  
20 cases into the record of this hearing. I would like to have  
21 those numbers again, please.

22 MR. JENNINGS: Don't hold me to them but it's 5562,  
23 5619, 5674 and 5714. To clear the record these cases led to  
24 Order Numbers R-4495-A, B, C and D.

25 MR. NUTTER: Thank you.



1 Q (Mr. Jennings continuing.) Mr. Abbott, back to  
2 the application. Would you state briefly what the applicant,  
3 Agua, seeks in this application and the reason for the  
4 application?

5 A Yes, sir, this is an application or this hearing,  
6 we would like to extend the time deadline that was established  
7 previously in the Order R-4495-D to permit disposal in our  
8 SWD Well C-2 through some perforations, forty-two, thirty  
9 feet to forty-three, twenty in this well. This Order requires  
10 Agua to blank off these perforations in this disposal well and  
11 just use the open-hole portion of the well for disposal. The  
12 open-hole section is from forty-four hundred to forty-nine,  
13 fifty. The reason we need to extend the deadline, the  
14 New Mexico Electric Service Company has been delayed in getting  
15 a right-of-way from the land owners and the railway, the  
16 Texas-New Mexico Railroad, a division of Missouri Pacific.

17 I did get some information late last night that  
18 they have all of the right-of-way cleared up on the fee lands  
19 to get their electric lines across but they are still waiting  
20 on the railroad and New Mexico Electric Service Company doesn't  
21 know when they will get the right-of-way. They think it's  
22 in the mail but you know how that is. It is just a delay  
23 dealing with the railroad. It may come through in a week  
24 or it may be two, but I don't know.

25 Q When did you request the power hookup for your A-22

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6

1 Well?

2 A. We had requested the Power Company to run a line  
3 to that well on the day that we received notice from the  
4 Commission that we had permission to inject into that SWD A-22  
5 well at the restricted pressure of eight hundred pounds.

6 Q. Was that on or about August 3rd of this year?

7 A. Yes, sir.

8 Q. When did you complete your A-22 Well?

9 A. I believe the original hearing was held in December  
10 of '75.

11 Q. But thereafter when did you complete the well?

12 A. Let's see now. It was in May of -- no, I don't  
13 know, I don't have that date.

14 Q. Well, to refresh your recollection, after the A-22  
15 Well was completed, there was a wellhead pressure limitation  
16 on that injection well, was there not?

17 A. Yes, sir, a hundred pounds.

18 Q. And do you recall a hearing requesting this  
19 pressure limitation to be increased?

20 A. Yes, sir.

21 Q. When was that hearing?

22 A. I believe it was in March of this year.

23 Q. And the order increasing the pressure was ultimately  
24 granted?

25 A. It was issued at the same time as permission to

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Page 7

1 inject into the C-2 until October 1st and that was on  
2 September 3rd.

3 Q The purpose of the A-22 Well is to relieve the  
4 burden of the C-2 Well, is it not?

5 A Yes, sir.

6 Q What is the status of your operation insofar as  
7 the A-22 Well, the new well, is concerned?

8 A The well is all completed. The tanks and terminal  
9 facilities are all installed, the pump is set and we are  
10 gravitying in some water in the well at the present time.

11 Q How long do you estimate that it will take you,  
12 Mr. Abbott, after you have the power at the location to hook  
13 up your well and start injecting the water?

14 A Well, we can probably do it the next day. The  
15 New Mexico Electric Service Company estimates that it will  
16 take them a ten-hour day to put the line in when they get the  
17 required right-of-way.

18 Q Do you have any other disposal facilities other  
19 than the C-2 Well at this time?

20 A No, sir, the third well for that system serving the  
21 four hundred and thirty producing wells is our SWD H-35 which  
22 was shut in by order of the Commission on September 19th of  
23 1975.

24 Q What will happen if you are not allowed to continue  
25 to inject into this interval from forty-two, thirty to

1 forty-three, twenty after October 1st, 1976?

2 A. Well, two things will happen. We have been flowing  
3 the H-35 back and we have been handling that water in the 3WD  
4 C-2. We have been flowing it back at the rate of about fifty  
5 to eighty barrels an hour. We will have to shut that well in  
6 and then we will have to either request that all of the  
7 operators shut in their wells, the four hundred and thirty  
8 wells, or haul the produced water. By hauling the produced  
9 water we are talking about four hundred barrels an hour and it  
10 would be very expensive, if it could be done, I don't know if  
11 we could do it.

12 Q. What is your best estimate of how long it will take  
13 you to hook up now, considering the right-of-way problems,  
14 to get your A-22 Well into service?

15 A. One day after we get the --

16 Q. No, do you have any idea how long it will take you  
17 to get the right-of-way?

18 A. No, New Mexico Electric has talked to the railroad  
19 office in Houston a couple of times and the last time they  
20 spoke to them they said the right-of-way was in the mail but  
21 they haven't received it yet.

22 It isn't a matter of not securing the right-of-way,  
23 it is a matter of when they will secure the right-of-way. The  
24 railroad has already approved it but they have to cross the  
25 railroad with an electric line.

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1 That's a hell of a way to run a railroad but that's  
2 the way it is.

3 MR. JENNINGS: I believe that's all I have.

4 MR. NUTTER: Off the record.

5 (THEREUPON, a discussion was held off  
6 the record.)

7 MR. NUTTER: Okay, back on the record.

8 THE WITNESS: The deadline on the blanking off the  
9 perforations is October 1st and today is the twenty-ninth of  
10 September and that is why we had to have the hearing at this  
11 time.

12 Q (Mr. Jennings continuing.) Just one further question.  
13 Mr. Abbott, in light of the conversation you have heard since  
14 you arrived in Santa Fe, do you feel that you will be able to  
15 hook up the line within thirty days from now?

16 A Yes, sir.

17 MR. JENNINGS: That's all.

18

19 CROSS EXAMINATION

20 BY MR. NUTTER:

21 Q Mr. Abbott, how far is the line being extended in  
22 order to hook up the A-22?

23 A The electric line?

24 Q Yes, sir.

25 A I don't know, I think it's about a mile.

1 Q And does that involve complete construction, the  
2 installation of poles, and stringing of wire?

3 A Yes.

4 Q Has any of the construction work been accomplished  
5 to date?

6 A Not that I know of, not the New Mexico Electric  
7 work. We have installed our transformers and our switch  
8 box and all of that, controls, so we are just waiting on --

9 Q And your pump is installed?

10 A Yes, sir.

11 Q Is the motor there?

12 A Yes.

13 Q You are ready to turn the switch on as soon as there  
14 is juice in the line?

15 A Yes.

16 Q Okay, now, the New Mexico Electric Company tells you  
17 that in one ten-hour day they can set the poles and string  
18 the wire?

19 A Yes, sir.

20 Q On a one-mile electric line?

21 A Yes, sir.

22 Q And you are ready to turn yours on as soon as they  
23 have the facilities in?

24 A Right. We just have to switch some valves. The  
25 pipeline has already been installed to the tanks and we

1 just have to close the valves and turn on the two  
2 centrifugal pumps and the triplex pump at the well.

3 Q How much are you able to get into the A-22 under  
4 gravity at this time?

5 A About eight hundred barrels a day.

6 MR. NUTTER: Are there any further questions?

7 MR. SPERLING: Yes.

8 MR. NUTTER: Mr. Sperling.

9  
10 CROSS EXAMINATION

11 BY MR. SPERLING:

12 Q Mr. Abbott, are you in a position to represent t  
13 the Commission that with the completion of the facility that  
14 you have just described at the A-22 Well that you will be  
15 able to discontinue injection into the perforated interval  
16 in the C-2 Well?

17 A We will have to after we start injecting water  
18 into the SWD A-22, we will have to pull the tubing in the  
19 SWD C-2 and run a packer into that well which may take  
20 two or three days, according to the availability of pulling  
21 units.

22 Q I see, but you will do that as soon as it is  
23 physically possible for you to do it?

24 A Yes, sir.

25 Q What will you be doing with the flow back water on

1 the H-35 Well after the completion of the installation and the  
2 beginning of the use of the A-22 Well?

3 A. We will probably have to shut the H-35 Well in  
4 unless there is some additional capacity at the A-22 and we  
5 don't know if there will be at this time.

6 Q. Well, what volumes do you expect to dispose of in  
7 the A-22 Well?

8 A. Approximately two hundred barrels an hour at this  
9 time.

10 Q. And what is the rate of flow back on the H-35?

11 A. About fifty to eighty barrels an hour.

12 Q. And what is the volume of produced water that you  
13 are required to dispose of from the four hundred and thirty  
14 wells at this time?

15 A. It will be about four hundred and twenty barrels an  
16 hour total, yeah, so that's four hundred and twenty and hour.

17 Q. So the difference between that and the total volume  
18 which you are required to dispose of you expect to dispose of  
19 in the open hole interval in the C-2 Well?

20 A. Yes, sir, that will be about two hundred and  
21 twenty barrels an hour.

22 Q. All right. In your reference to the four hundred  
23 and thirty producing wells, Mr. Abbott, are you testifying  
24 that insofar as each of those wells are concerned that they  
25 all produce salt water which must be disposed of?



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1 A. I don't know. There may be some that do not produce  
2 water but I have no idea about that.

3 Q. Well, the previous statement or assumption or  
4 implication that we had was that with the discontinuation of  
5 the injection into the C-2 Well, this could very well necessi-  
6 tate the discontinuance of production from four hundred and  
7 thirty wells and that is not necessarily true, is it?

8 A. Well, four hundred and thirty wells are connected  
9 to our system. Any well that is connected to a tank battery  
10 that is connected to our system is considered a connected  
11 well, so it will be a very small amount of the wells that  
12 aren't connected out of that four hundred and thirty.

13 Q. The fact that they are connected doesn't necessarily  
14 mean that they produce salt water which would require that  
15 they be shut in if there were not disposal facilities?

16 A. That's right.

17 MR. SPERLING: That's all.

18

19

RE CROSS EXAMINATION

20 BY MR. NUTTER:

21 Q. Mr. Abbott, what are you actually seeking here, a  
22 thirty-day extension of the provisions of 4495-D?

23 A. Yes, sir, I think a thirty-day will handle it. It's a  
24 matter of getting the water injecting into the A-22 and getting  
25 a pulling unit and pulling the tubing and rerun the tubing

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1 with a packer on it and it's five-and-a-half-inch tubing  
2 and seven-inch casing and it takes all day to do that.

3 MR. JENNINGS: Mr. Examiner, the application was also  
4 couched in the language until -- it asked for an extension  
5 until we could get the necessary power. If the power is in  
6 thirty days is ample but the application did ask for time  
7 until the power was available.

8 MR. NUTTER: I realize that it was actually an  
9 open-ended extension that was sought by the application. Would  
10 you agree now to a set and fixed period of time?

11 MR. JENNINGS: Yes, sir, it would be fine with me.  
12 I like to come back up here.

13 MR. SPERLING: Well, I would like to call the  
14 Commission's attention to the application which says that all  
15 they need is ten days after the necessary electrical service  
16 has been installed. Now, if that is going to be Monday, I  
17 see no reason to depart from the ten days.

18 MR. JENNINGS: We are going to have to have an  
19 emergency order if the Commission doesn't meet.

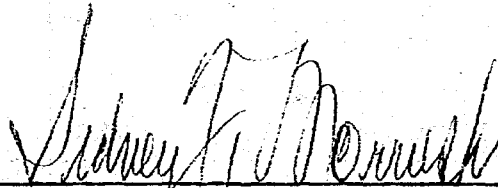
20 MR. NUTTER: Does anyone else have anything further  
21 in this case? Are there any further questions of Mr. Abbott?  
22 He may be excused.

23 (THEREUPON, the witness was excused.)

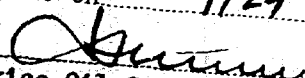
24 MR. NUTTER: Now, does anyone have anything to offer?  
25 We will take the case under advisement.

REPORTER'S CERTIFICATE

I, SIDNEY F. MORRISH, a Certified Shorthand 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.

  
Sidney F. Morrish, C.S.R.

I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the Examiner hearing of Case No. 5779  
heard by me on 7/29, 1976.

  
Examiner  
New Mexico Oil Conservation Commission

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DIRECTOR  
JOE D. RAMEY

## OIL CONSERVATION COMMISSION

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

LAND COMMISSIONER  
PHIL R. LUCERO  
September 30, 1976



STATE GEOLOGIST  
EMERY C. ARNOLD

Mr. James Jennings  
Jennings, Christy & Copple  
Attorneys at Law  
Post Office Box 1180  
Roswell, New Mexico 88201

Re: CASE NO. \_\_\_\_\_  
ORDER NO. E-29

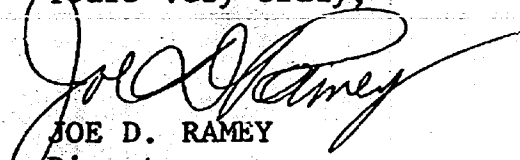
Applicant:

Agua, Inc.

Dear Sir:

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

Yours very truly,

  
JOE D. RAMEY  
Director

JDR/fd

Copy of order also sent to:

Hobbs OCC X  
Artesia OCC X  
Aztec OCC X

Other Mr. James Sperling

- CASE 5776: Application of Continental Oil Company for an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its James Ranch Unit Well No. 9 to be drilled at a point 1980 feet from the North line and 660 feet from the West line of Section 31, Township 22 South, Range 31 East, Los Medanos-Morrow Gas Pool, Eddy County, New Mexico, the N/2 of said Section 31 to be dedicated to the well.
- CASE 5777: Application of Gifford & Mitchell and M. B. Wisenbaker for pool creation, pool rules, and a non-standard gas spacing unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new gas pool for Atoka production for its Horseback Well No. 1 located 1000 feet from the South line and 1980 feet from the East line of Section 33, Township 26 South, Range 36 East, Lea County, New Mexico, the promulgation of pool rules therefor, including a provision for 640-acre spacing and approval for a 589.52-acre non-standard gas spacing unit comprising all of partial Sections 33 and 34 of the aforesaid Township.
- CASE 5778: Application of Gas Company of New Mexico for underground gas storage findings, Eddy County, New Mexico. Applicant, in the above-styled cause, pursuant to Section 65-9-5 NMSA 1953 Comp., seeks a decision from the Commission containing findings as to the propriety of utilization for underground gas storage of the sub-surface strata from the top of the Morrow elastic stratum to the top of the Barnett stratum underlying Sections 15, 16, 17, 20, 21, 22, 27, 28, and 29, Township 16 South, Range 27 East, Eddy County, New Mexico.
- CASE 5779: Application of Agua, Inc. for an extension of time and amendment of Order No. R-4495-A, as amended by R-4495-D, Lea County, New Mexico. Applicant, in the above-styled cause, seeks amendment of Order No. R-4495-A, as amended by Order No. R-4495-D to permit disposal, after the current October 1, 1976, deadline, of produced salt water through perforations from 4230 feet to 4320 feet in its SWD Well No. C-2, located in Unit C of Section 2, Township 22 South, Range 32 East, Lea County, New Mexico. Applicant seeks the amendment of said order to permit such disposal for an additional 30-day period or until it is able to get electrical power to its Blinberry-Drinkard SWD System Well No. A-22, located in Unit A of Section 22, Township 22 South, Range 37 East, Lea County, New Mexico, whichever comes later.
- CASE 5262: (Reopened) (Continued from September 1, 1976, Examiner Hearing)
- In the matter of Case 5262 being reopened pursuant to the provisions of Order No. R-4322-B, which order extended the special pool rules for Southwest Media-Entrada Oil Pool, Sandoval County, New Mexico, including a provision for 160-acre spacing and proration units and a special depth bracket allowable of 750 barrels of oil per day. All interested parties may appear and show cause why said pool should not be developed on 40-acre spacing and why the special depth bracket allowable should not be rescinded.
- CASE 5736: (Continued from September 1, 1976, Examiner Hearing)
- Application of BCO Inc. for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle production from the Basin Dakota Gas Pool and Lybrook-Gallup Oil Pool and undesignated Greenhorn and Mancos production in the wellbore of its Dunn Well No. 2, located in Unit F of Section 10, Township 23 North, Range 7 West, Rio Arriba County, New Mexico.

Dockets Nos. 27-76 and 28-76 are tentatively set for hearing on October 13 and 27, 1976. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - SEPTEMBER 29, 1976

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 5768: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Service Drilling Company, The Travelers Indemnity Company, and all other interested parties to appear and show cause why the Gonzales-Pittman Well No. 1, located in Unit M of Section 24, Township 21 North, Range 21 East, More County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.
- CASE 5769: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Juanita Frank, The Aetna Casualty and Surety Company, and all other interested parties to appear and show cause why the Greathouse Frank Well No. 2, located in Unit C of Section 10, Township 23 North, Range 1 West, Rio Arriba County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.
- CASE 5770: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit George H. Krause, The Hartford Accident and Indemnity Company, and all other interested parties to appear and show cause why the Krause Beck Well No. 1, located in Unit J of Section 10, Township 29 North, Range 12 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.
- CASE 5771: Application of Yates Petroleum Corporation for compulsory pooling and an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the W/2 of Section 22, Township 17 South, Range 26 East, Eddy County, New Mexico, to be dedicated to its Tom Brown 60 Com Well No. 1 to be drilled at an unorthodox location 660 feet from the North line and 1980 feet from the West line of said Section 22. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 5772: Application of Yates Petroleum Corporation for an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Federal BZ Well No. 16 to be drilled at a point 1980 feet from the North line and 660 feet from the East line of Section 28, Township 17 South, Range 25 East, Eddy County, New Mexico, to test the Morrow formation, the N/2 of said Section 28 to be dedicated to the well.
- CASE 5773: Application of Yates Petroleum Corporation for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the North Millman Unit Area comprising 2,017 acres, more or less, of State lands in Township 19 South, Range 28 East, Eddy County, New Mexico.
- CASE 5774: Application of Belco Petroleum Corporation for compulsory pooling and an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the N/2 of Section 31, Township 21 South, Range 27 East, Eddy County, New Mexico, to be dedicated to its Mollie Well No. 1 to be drilled at an unorthodox location 1100 feet from the North line and 1500 feet from the East line of said Section 31. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 5775: Application of Cities Service Oil Company for compulsory pooling and an unorthodox well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the W/2 of Section 30, Township 21 South, Range 27 East, Eddy County, New Mexico, to be dedicated to its Tracy "E" Well No. 1 to be drilled at an unorthodox location 1880 feet from the North line and 660 feet from the West line of said Section 30. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

JAMES T. JENNINGS  
SIM B. CHRISTY IV  
BRIAN W. COPPLE

ROBERT G. ARMSTRONG

LAW OFFICES OF  
**JENNINGS, CHRISTY & COPPLE**  
1012 SECURITY NATIONAL BANK BUILDING  
P. O. BOX 1180  
ROSWELL, NEW MEXICO 88201

TELEPHONE 622-8432  
AREA CODE 505

September 15, 1976

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

Attention: Mr. William Carr  
General Counsel

RE: AGUA, INC. APPLICATION

Gentlemen:

In accordance with our prior telephone conversation, we have prepared and you will find enclosed herewith Agua, Inc.'s Application for Extension of Time and to Amend Orders No. R-4495-A, B, C and D. I understand this matter will be set down for hearing before an Examiner on September 29.

Yours very truly,

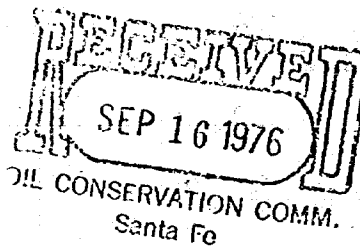
  
JAMES T. JENNINGS

JTJ/mb

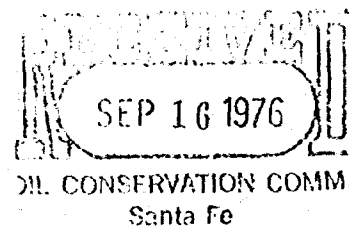
Encl.

cc: Agua, Inc.

James E. Sperling, Esq.



BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO



IN THE MATTER OF THE APPLICATION OF  
AGUA, INC. FOR AN EXTENSION OF TIME  
AND TO AMEND ORDERS NO. R-4495-A, B,  
C AND D, LEA COUNTY, NEW MEXICO.

APPLICATION FOR EXTENSION OF TIME AND  
TO AMEND ORDERS NO. R-4495-A, B, C AND D

5619  
5562  
5674  
5714

Comes now Agua, Inc. and hereby makes Application to Amend Orders No. R-4495-A, B, C and D heretofore entered on October 7, 1975, February 3, 1976, May 18, 1976 and August 3, 1976, respectively, to permit it to continue to dispose of produced salt water into the San Andres formation in the interval from 4230 feet to 4320 feet below the surface for a period of at least 30 days from October 1, 1976, and thereafter until ten days after the New Mexico Electric Service Company has installed the necessary electric service to enable Applicant to dispose of produced salt water into its A-22 salt water disposal well located in Unit A of Section 22, Township 22 South, Range 37 East, N.M.P.M., under pressure, and in support thereof states:

1. That by Order No. 4495-A entered in Case No. 5562 on October 7, 1975, Applicant was authorized to dispose of produced salt water into its SWD Well #C-2 located in Unit C of Section 2, Township 22 South, Range 37 East, N.M.P.M., into the San Andres formation through perforations from the interval from 4230 feet to 4320 feet and into the open hole interval from 4400 feet to 5000 feet below the surface.

2. That by Order No. 4495-D entered in Case No. 5414 on August 3, 1976, it was provided that the disposal into perforations from 4230 feet to 4320 feet should not occur after October 1, 1976.

3. That in Case No. 5592 the Commission entered Order No. R-5137 authorizing Applicant to dispose of produced salt water from



the Blinebry-Drinkard Salt Water System into the San Andres formation in its Well No. A-22 located in Section 22, Township 22 South, Range 37 East, N.M.P.M., but this Order limited the wellhead pressure of the injection well to no more than 100 psi. That this limitation would not allow Applicant to dispose of sufficient amounts of salt water and that Applicant made Application for an amendment to Order R-5137 to authorize it to increase the surface injection pressure up to 1200 psi. That a hearing was had upon this Application on March 10, 1976 and that no action was taken on said Application until August 3, 1976 when the Commission entered its Order No. R-3157-B which amended Order No. R-5137 which limited the wellhead injection pressure on the A-22 injection well to no more than 800 psi.

4. That immediately upon receipt of Order R-5137-B, Applicant installed the necessary pumps and equipment to enable it to dispose of water into its A-22 Well under surface injection pressure, and at the same time requested the New Mexico Electric Service Company to install the electrical service necessary to operate the injection equipment. That notwithstanding the fact that the New Mexico Electric Service Company is a public utility, it has not as yet installed the necessary electrical service, and that said utility company has advised the Applicant that it will not be able to install the service for at least an additional 30 days as it has not been able to obtain the necessary right-of-way between its existing service and the location of the A-22 Well.

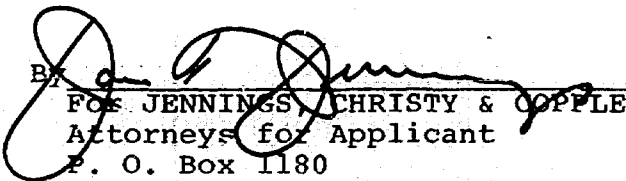
5. That by reason of the delay in the issuance of Order R-5137-B in Case No. 5644 allowing the Applicant to increase the surface injection pressure from 100 psi to 800 psi and by reason of the inability of the New Mexico Electric Service Company to supply the necessary power to permit the use of surface injection pressure equipment, it will not be possible for the Applicant to dispose of salt

water into its A-22 Well located in Section 22, Township 22 South, Range 37 East, N.M.P.M. on or before October 1, 1976, and that Applicant should be allowed to dispose of produced salt water in the interval from 4230 feet to 4320 feet and into the open hole interval from 4400 feet to 5000 feet in its SWD Well #C-2 located in Unit C of Section 22, Township 22 South, Range 37 East, N.M.P.M. for an additional period of 30 days from October 1, 1976, and thereafter until ten days after the New Mexico Electric Service Company has installed the necessary electrical power at the location of the A-22 Well to allow the Applicant to inject water into this well under surface injection pressure authorized under Order R-4495-D.

WHEREFORE, Applicant requests the Commission to set this matter down for hearing before an Examiner at an early date, publish the notice as required by law and after hearing issue its Order amending Orders R-4495-A, B, C and D to authorize Applicant to dispose of produced salt water into the San Andres formation in the perforated interval from 4230 feet to 4320 feet for a period of 30 days from October 1, 1976 and thereafter until ten days after the necessary electrical service has been installed to permit the surface injection under pressure in Applicant's Salt Water Disposal Well #A-22 located in Unit A of Section 22, Township 22 South, Range 37 East, N.M.P.M.

Respectfully submitted,

AGUA, INC.

By   
JOHN JENNINGS, CHRISTY & COPPLE  
Attorneys for Applicant  
P. O. Box 1180  
Roswell, New Mexico 88201

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF  
AGUA, INC. FOR AN EXTENSION OF TIME  
AND TO AMEND ORDERS NO. R-4495-A, B,  
C AND D, LEA COUNTY, NEW MEXICO.

APPLICATION FOR EXTENSION OF TIME AND  
TO AMEND ORDERS NO. R-4495-A, B, C AND D

Comes now Agua, Inc. and hereby makes Application to Amend Orders No. R-4495-A, B, C and D heretofore entered on October 7, 1975, February 3, 1976, May 18, 1976 and August 3, 1976, respectively, to permit it to continue to dispose of produced salt water into the San Andres formation in the interval from 4230 feet to 4320 feet below the surface for a period of at least 30 days from October 1, 1976, and thereafter until ten days after the New Mexico Electric Service Company has installed the necessary electric service to enable Applicant to dispose of produced salt water into its A-22 salt water disposal well located in Unit A of Section 22, Township 22 South, Range 37 East, N.M.P.M., under pressure, and in support thereof states:

1. That by Order No. 4495-A entered in Case No. 5562 on October 7, 1975, Applicant was authorized to dispose of produced salt water into its SWD Well #C-2 located in Unit C of Section 2, Township 22 South, Range 37 East, N.M.P.M., into the San Andres formation through perforations from the interval from 4230 feet to 4320 feet and into the open hole interval from 4400 feet to 5000 feet below the surface.

2. That by Order No. 4495-D entered in Case No. 5414 on August 3, 1976, it was provided that the disposal into perforations from 4230 feet to 4320 feet should not occur after October 1, 1976.

3. That in Case No. 5592 the Commission entered Order No. R-5137 authorizing Applicant to dispose of produced salt water from

the Blinebry-Drinkard Salt Water System into the San Andres formation in its Well No. A-22 located in Section 22, Township 22 South, Range 37 East, N.M.P.M., but this Order limited the wellhead pressure of the injection well to no more than 100 psi. That this limitation would not allow Applicant to dispose of sufficient amounts of salt water and that Applicant made Application for an amendment to Order R-5137 to authorize it to increase the surface injection pressure up to 1200 psi. That a hearing was had upon this Application on March 10, 1976 and that no action was taken on said Application until August 3, 1976 when the Commission entered its Order No. R-3157-B which amended Order No. R-5137 which limited the wellhead injection pressure on the A-22 injection well to no more than 800 psi.

4. That immediately upon receipt of Order R-5137-B, Applicant installed the necessary pumps and equipment to enable it to dispose of water into its A-22 Well under surface injection pressure, and at the same time requested the New Mexico Electric Service Company to install the electrical service necessary to operate the injection equipment. That notwithstanding the fact that the New Mexico Electric Service Company is a public utility, it has not as yet installed the necessary electrical service, and that said utility company has advised the Applicant that it will not be able to install the service for at least an additional 30 days as it has not been able to obtain the necessary right-of-way between its existing service and the location of the A-22 Well.

5. That by reason of the delay in the issuance of Order R-5137-B in Case No. 5644 allowing the Applicant to increase the surface injection pressure from 100 psi to 800 psi and by reason of the inability of the New Mexico Electric Service Company to supply the necessary power to permit the use of surface injection pressure equipment, it will not be possible for the Applicant to dispose of salt

water into its A-22 Well located in Section 22, Township 22 South, Range 37 East, N.M.P.M. on or before October 1, 1976, and that Applicant should be allowed to dispose of produced salt water in the interval from 4230 feet to 4320 feet and into the open hole interval from 4400 feet to 5000 feet in its SWD Well #C-2 located in Unit C of Section 22, Township 22 South, Range 37 East, N.M.P.M. for an additional period of 30 days from October 1, 1976, and thereafter until ten days after the New Mexico Electric Service Company has installed the necessary electrical power at the location of the A-22 Well to allow the Applicant to inject water into this well under surface injection pressure authorized under Order R-4495-D.

WHEREFORE, Applicant requests the Commission to set this matter down for hearing before an Examiner at an early date, publish the notice as required by law and after hearing issue its Order amending Orders R-4495-A, B, C and D to authorize Applicant to dispose of produced salt water into the San Andres formation in the perforated interval from 4230 feet to 4320 feet for a period of 30 days from October 1, 1976 and thereafter until ten days after the necessary electrical service has been installed to permit the surface injection under pressure in Applicant's Salt Water Disposal Well #A-22 located in Unit A of Section 22, Township 22 South, Range 37 East, N.M.P.M.

Respectfully submitted,

AGUA, INC.

By 

For JENNINGS, CHRISTY & COPPLE  
Attorneys for Applicant  
P. O. Box 1180  
Roswell, New Mexico 88201

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF  
AGUA, INC. FOR AN EXTENSION OF TIME  
AND TO AMEND ORDERS NO. R-4495-A, B,  
C AND D, LEA COUNTY, NEW MEXICO.

APPLICATION FOR EXTENSION OF TIME AND  
TO AMEND ORDERS NO. R-4495-A, B, C AND D

Comes now Agua, Inc. and hereby makes Application to Amend Orders No. R-4495-A, B, C and D heretofore entered on October 7, 1975, February 3, 1976, May 18, 1976 and August 3, 1976, respectively, to permit it to continue to dispose of produced salt water into the San Andres formation in the interval from 4230 feet to 4320 feet below the surface for a period of at least 30 days from October 1, 1976, and thereafter until ten days after the New Mexico Electric Service Company has installed the necessary electric service to enable Applicant to dispose of produced salt water into its A-22 salt water disposal well located in Unit A of Section 22, Township 22 South, Range 37 East, N.M.P.M., under pressure, and in support thereof states:

1. That by Order No. 4495-A entered in Case No. 5562 on October 7, 1975, Applicant was authorized to dispose of produced salt water into its SWD Well #C-2 located in Unit C of Section 2, Township 22 South, Range 37 East, N.M.P.M., into the San Andres formation through perforations from the interval from 4230 feet to 4320 feet and into the open hole interval from 4400 feet to 5000 feet below the surface.
2. That by Order No. 4495-D entered in Case No. 5414 on August 3, 1976, it was provided that the disposal into perforations from 4230 feet to 4320 feet should not occur after October 1, 1976.
3. That in Case No. 5592 the Commission entered Order No. R-5137 authorizing Applicant to dispose of produced salt water from

the Blinebry-Drinkard Salt Water System into the San Andres formation in its Well No. A-22 located in Section 22, Township 22 South, Range 37 East, N.M.P.M., but this Order limited the wellhead pressure of the injection well to no more than 100 psi. That this limitation would not allow Applicant to dispose of sufficient amounts of salt water and that Applicant made Application for an amendment to Order R-5137 to authorize it to increase the surface injection pressure up to 1200 psi. That a hearing was had upon this Application on March 10, 1976 and that no action was taken on said Application until August 3, 1976 when the Commission entered its Order No. R-3157-B which amended Order No. R-5137 which limited the wellhead injection pressure on the A-22 injection well to no more than 800 psi.

4. That immediately upon receipt of Order R-5137-B, Applicant installed the necessary pumps and equipment to enable it to dispose of water into its A-22 Well under surface injection pressure, and at the same time requested the New Mexico Electric Service Company to install the electrical service necessary to operate the injection equipment. That notwithstanding the fact that the New Mexico Electric Service Company is a public utility, it has not as yet installed the necessary electrical service, and that said utility company has advised the Applicant that it will not be able to install the service for at least an additional 30 days as it has not been able to obtain the necessary right-of-way between its existing service and the location of the A-22 Well.

5. That by reason of the delay in the issuance of Order R-5137-B in Case No. 5644 allowing the Applicant to increase the surface injection pressure from 100 psi to 800 psi and by reason of the inability of the New Mexico Electric Service Company to supply the necessary power to permit the use of surface injection pressure equipment, it will not be possible for the Applicant to dispose of salt

water into its A-22 Well located in Section 22, Township 22 South, Range 37 East, N.M.P.M. on or before October 1, 1976, and that Applicant should be allowed to dispose of produced salt water in the interval from 4230 feet to 4320 feet and into the open hole interval from 4400 feet to 5000 feet in its SWD Well #C-2 located in Unit C of Section 22, Township 22 South, Range 37 East, N.M.P.M. for an additional period of 30 days from October 1, 1976, and thereafter until ten days after the New Mexico Electric Service Company has installed the necessary electrical power at the location of the A-22 Well to allow the Applicant to inject water into this well under surface injection pressure authorized under Order R-4495-D.

WHEREFORE, Applicant requests the Commission to set this matter down for hearing before an Examiner at an early date, publish the notice as required by law and after hearing issue its Order amending Orders R-4495-A, B, C and D to authorize Applicant to dispose of produced salt water into the San Andres formation in the perforated interval from 4230 feet to 4320 feet for a period of 30 days from October 1, 1976 and thereafter until ten days after the necessary electrical service has been installed to permit the surface injection under pressure in Applicant's Salt Water Disposal Well #A-22 located in Unit A of Section 22, Township 22 South, Range 37 East, N.M.P.M.

Respectfully submitted,

AGUA, INC.

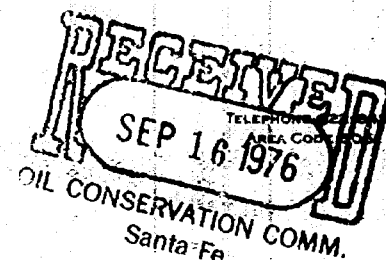
By 

For JENNINGS, CHRISTY & COUPLE  
Attorneys for Applicant  
P. O. Box 1180  
Roswell, New Mexico 88201



JAMES T. JENNINGS  
SIM B. CHRISTY IV  
BRIAN W. COPPLE  
ROBERT G. ARMSTRONG

LAW OFFICES OF  
JENNINGS, CHRISTY & COPPLE  
1012 SECURITY NATIONAL BANK BUILDING  
P. O. BOX 1180  
ROSWELL, NEW MEXICO 88201



September 15, 1976

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

Attention: Mr. William Carr  
General Counsel

RE: AGUA, INC. APPLICATION

Gentlemen:

In accordance with our prior telephone conversation, we have prepared and you will find enclosed herewith Agua, Inc.'s Application for Extension of Time and to Amend Orders No. R-4495-A, B, C and D. I understand this matter will be set down for hearing before an Examiner on September 29.

Yours very truly,

JAMES T. JENNINGS

JTJ/mb

Encl.

cc: Agua, Inc.

COPY

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF  
AGUA, INC. FOR AN EXTENSION OF TIME  
AND TO AMEND ORDERS NO. R-4495-A, B,  
C AND D, LEA COUNTY, NEW MEXICO.

APPLICATION FOR EXTENSION OF TIME AND  
TO AMEND ORDERS NO. R-4495-A, B, C AND D

Comes now Agua, Inc. and hereby makes Application to Amend Orders No. R-4495-A, B, C and D heretofore entered on October 7, 1975, February 3, 1976, May 18, 1976 and August 3, 1976, respectively, to permit it to continue to dispose of produced salt water into the San Andres formation in the interval from 4230 feet to 4320 feet below the surface for a period of at least 30 days from October 1, 1976, and thereafter until ten days after the New Mexico Electric Service Company has installed the necessary electric service to enable Applicant to dispose of produced salt water into its A-22 salt water disposal well located in Unit A of Section 22, Township 22 South, Range 37 East, N.M.P.M., under pressure, and in support thereof states:

1. That by Order No. 4495-A entered in Case No. 5562 on October 7, 1975, Applicant was authorized to dispose of produced salt water into its SWD Well #C-2 located in Unit C of Section 2, Township 22 South, Range 37 East, N.M.P.M., into the San Andres formation through perforations from the interval from 4230 feet to 4320 feet and into the open hole interval from 4400 feet to 5000 feet below the surface.

2. That by Order No. 4495-D entered in Case No. 5414 on August 3, 1976, it was provided that the disposal into perforations from 4230 feet to 4320 feet should not occur after October 1, 1976.

3. That in Case No. 5592 the Commission entered Order No. R-5137 authorizing Applicant to dispose of produced salt water from

the Blinebry-Drinkard Salt Water System into the San Andres formation in its Well No. A-22 located in Section 22, Township 22 South, Range 37 East, N.M.P.M., but this Order limited the wellhead pressure of the injection well to no more than 100 psi. That this limitation would not allow Applicant to dispose of sufficient amounts of salt water and that Applicant made Application for an amendment to Order R-5137 to authorize it to increase the surface injection pressure up to 1200 psi. That a hearing was had upon this Application on March 10, 1976 and that no action was taken on said Application until August 3, 1976 when the Commission entered its Order No. R-3157-B which amended Order No. R-5137 which limited the wellhead injection pressure on the A-22 injection well to no more than 800 psi.

4. That immediately upon receipt of Order R-5137-B, Applicant installed the necessary pumps and equipment to enable it to dispose of water into its A-22 Well under surface injection pressure, and at the same time requested the New Mexico Electric Service Company to install the electrical service necessary to operate the injection equipment. That notwithstanding the fact that the New Mexico Electric Service Company is a public utility, it has not as yet installed the necessary electrical service, and that said utility company has advised the Applicant that it will not be able to install the service for at least an additional 30 days as it has not been able to obtain the necessary right-of-way between its existing service and the location of the A-22 Well.

5. That by reason of the delay in the issuance of Order R-5137-B in Case No. 5644 allowing the Applicant to increase the surface injection pressure from 100 psi to 800 psi and by reason of the inability of the New Mexico Electric Service Company to supply the necessary power to permit the use of surface injection pressure equipment, it will not be possible for the Applicant to dispose of salt

water into its A-22 Well located in Section 22, Township 22 South, Range 37 East, N.M.P.M. on or before October 1, 1976, and that Applicant should be allowed to dispose of produced salt water in the interval from 4230 feet to 4320 feet and into the open hole interval from 4400 feet to 5000 feet in its SWD Well #C-2 located in Unit C of Section 22, Township 22 South, Range 37 East, N.M.P.M. for an additional period of 30 days from October 1, 1976, and thereafter until ten days after the New Mexico Electric Service Company has installed the necessary electrical power at the location of the A-22 Well to allow the Applicant to inject water into this well under surface injection pressure authorized under Order R-4495-D.

WHEREFORE, Applicant requests the Commission to set this matter down for hearing before an Examiner at an early date, publish the notice as required by law and after hearing issue its Order amending Orders R-4495-A, B, C and D to authorize Applicant to dispose of produced salt water into the San Andres formation in the perforated interval from 4230 feet to 4320 feet for a period of 30 days from October 1, 1976 and thereafter until ten days after the necessary electrical service has been installed to permit the surface injection under pressure in Applicant's Salt Water Disposal Well #A-22 located in Unit A of Section 22, Township 22 South, Range 37 East, N.M.P.M.

Respectfully submitted,

AGUA, INC.

By

For JENNINGS, CHRISTY & COPPLE  
Attorneys for Applicant  
P. O. Box 1180  
Roswell, New Mexico 88201