

Case No.

1531

Application, Transcript,  
Small Exhibits, Etc.

5455 1411 Plan Engineering  
Inc. for 1411 Plan Engineering  
well for American Petr. Corp.  
#2-5-288-37E.

BEFORE THE  
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

IN THE MATTER OF:

Case No. 1531

TRANSCRIPT OF HEARING

October 22, 1958

DEARNLEY - MEIER & ASSOCIATES  
GENERAL LAW REPORTERS  
ALBUQUERQUE NEW MEXICO  
Phone CHapel 3-6891

BEFORE THE  
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

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IN THE MATTER OF: :  
: :  
: :

Application of Rice Engineering & Operating, Inc.:  
for an order authorizing a salt water disposal :  
well. Applicant, in the above-styled cause, :  
seeks an order authorizing the disposal of pro- :  
duced salt water through Amerada Petroleum :Case 1531  
Corporation's Adkins Well No. 2, located 990 :  
feet from the South line and 330 feet from the :  
West line of Section 5, Township 20 South, Range :  
37 East, Lea County, New Mexico. Applicant pro- :  
poses to inject the produced salt water into the :  
San Andres formation in the interval from 4490 :  
to 4950 feet. :  
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Mabry Hall  
Santa Fe, New Mexico  
October 22, 1958

BEFORE:

Elvis A. Utz, Examiner.

TRANSCRIPT OF HEARING

MR. UTZ: The hearing will come to order, please.

The next case on the docket will be Case 1531.

MR. PAYNE: Case 1531, "Application of Rice Engineering  
& Operating, Inc., for an order authorizing a salt water disposal  
well."

MR. KELLAHIN: Jason Kellahin from Kellahin and Fox, Santa  
Fe, appearing for the applicant. We have one witness, Mr. Abbott,  
who was sworn in the other case. Do you want to swear him again?

MR. PAYNE: That's all right.

W. G. ABBOTT

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

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Would you state your name, please?

A W. G. Abbott.

Q You are the same Mr. Abbott who testified in Case 1530 and sworn --

A Yes, sir.

Q In that case?

A Yes, sir.

Q Mr. Abbott, are you familiar with the application in Case 1531?

A Yes sir, I am. This application is for the purpose of getting approval from the Commission to recomplete an Amerada Blinebry well to a salt water disposal well. This well was temporarily abandoned by Amerada in September of 1956. This will also be a disposal well in the San Andres zone and it is up in the Monument area.

Q Referring to what has been marked as Exhibit A, would you state what that is?

A Exhibit A is a plat of this immediate area surrounding the Adkins, Amerada Adkins Number 2. There is also a half a mile radius circle drawn around this well and then the wells in this

half mile radius are marked by a key on this exhibit showing the producing zone and also there is a cross section, AA prime, marked on this exhibit, which will be described later.

Q Now, on that exhibit, it indicates other wells in the Grayburg and San Andres formation, does it not?

A Yes sir, it does.

Q The plat likewise shows the lease ownership in the area involved?

A Yes.

Q Now, you referred to the Adkins Well Number 2. Is that the subject well which you propose to convert into a salt water disposal well?

A Yes sir, that is the well we propose to make into a salt water disposal well.

Q Now, referring to Exhibit B, would you state what that shows?

A Exhibit B is a diagrammatic sketch of the casing program in this Adkins Number 2 and also a side of the well bore is pictured and a gamma ray resistivity log of this well is also shown and the proposed zone that we intend to perforate in this well to make a salt water disposal well.

Q Now, that exhibit would seem to indicate a rather unusual casing situation. Can you give something of the history of this well?

A Yes sir, this well was drilled by Amerada. It was

drilled in 1952 to the Elinebry formation and it is also fairly high on the Monument structure. In that area, there was a lot of shallow gas present and they had trouble from lost circulation and then gas blowing out at the same time. When they were drilling this well, it was necessary for them to run all these strings of casing. There's a thirteen and three eighths inch set at 1297 feet, there's nine and five eighths set at 2388, seven-inch at 3710 and then there's a liner set from 3661 to 5665, five-inch liner. It was necessary to set that seven-inch at 3710 because the well was blowing out and they were having trouble with the lost circulation zone.

Q Now, are you familiar with the cementing program on that casing?

A Yes, I am. On the thirteen and three eighths, they used 225 sacks and that was circulated.

Q Circulated to the surface?

A Yes, sir. Then on the nine and five eighths, they used 2,000 sacks and the top of the cement is at 1,096. That was by a temperature survey, and then in the seven-inch, they used 300 sacks of cement which brought the cement back to 1440 on the outside of the seven-inch and then set the liner and used-- let's see, 160 sacks of cement around the bottom of the liner and then they squeezed about 740 sacks in at the top of the liner between the top of the liner and the seven-inch casing, so we feel that it is an adequate cementing program and that the San Andres

zone is very well protected.

Q In your opinion, would the type of completion made in this well be adequate to protect any fresh water zones that might be encountered?

A Yes, sir.

Q Now, do you propose to make any tests of the well prior to converting it to salt water disposal?

A Well, we plan to test the top of the liner, pressure test that with 2,000 pounds pressure before we perforate the liner.

Q Then what type of completion do you expect to make in the well for salt water disposal purposes?

A It will be a perforated completion well, perforate this liner and acidize it.

Q And setting a bridge plug at five thousand feet?

A We will set the bridge plug at five thousand feet.

Q Referring to what has been marked as Exhibit C, would you state what that shows?

A Exhibit C is a cross section, more or less a completion cross section. It is marked AA prime on Exhibit A showing the wells surrounding this Adkins 2 within a half mile radius and other cross sections AA prime. The Grayburg-San Andres wells are shown in blue, the Monument-Paddock wells are shown in red, the completion interval and the Monument-Blinbry wells are shown in green, our proposed salt water disposal zone is in yellow.

Q Now, that exhibit indicates wells producing from the



Grayburg-San Andres formation, does it not?

A Yes sir, those two wells. The Ohio Barber Number 6 is shown on this cross section and also the Amerada Adkins Number 1.

Q How does the disposal interval compare to the producing interval in those other wells?

A Well, the disposal interval is approximately about five hundred feet below the lowest producing interval in the San Andres formation.

Q In your opinion, will the use of this zone as a disposal interval cause any contamination to any producing zones in the area --

A No, sir.

Q That are above or below?

A No. Well --

Q Is there any danger of communication to the lower intervals?

A No sir, the lowest interval in the disposal will still be approximately over two hundred feet above the top of the Paddock zone.

Q In your opinion, is there effective separation between the two zones?

A Yes, sir.

Q Referring to what has been marked as Exhibit D, would you state what that shows?

A Exhibit D shows all of the wells in this half mile radius surrounding the Adkins Number 2 Well. It shows the operator and the lease, well number and the completion interval and the completion zone, and then it shows some dual completions and gas wells in that area also.

Q That indicates that Amerada has producing wells from the Grayburg-San Andres near by the disposal well, does it not?

A Yes sir, their Adkins Number 1 is the closest well.

Q And in spite of that, they have agreed to the use of this well as a disposal well?

A Yes sir, they feel that there will be no danger of communication between the Adkins 2 and the Adkins 1 wells.

Q Now, referring to what has been marked Exhibit E, would you state what that is?

A Exhibit E is a list of the operators with addresses that are in the Eunice-Monument-Eumont SWD System.

Q And again, Rice Engineering is the operator of the disposal system, is that correct?

A Yes, sir.

Q Referring to what has been marked as Exhibit F, would you state what that is?

A Exhibit F is an agreement between Amerada Petroleum Corporation and Rice Engineering setting out certain stipulations in this Adkins 2 as to the sum of money that Rice will pay Amerada for this well, and also agreeing that this well will be

turned over to the Eunice-Monument-Eumont Salt Water Disposal System.

Q Now, what volumes of water do you propose to dispose of in this well?

A In this well, because of that five-inch liner, we expect to get approximately 12,000 barrels a day in that well.

Q What is the source of this water?

A It will be the Monument pay, the Monument-Blinebry, Monument-Paddock and there may be some Eumont wells that the water will go to this well.

Q Has there any analysis been made of this water?

A Yes, sir.

Q Is any of it potable water?

A No sir, it is not.

Q In your opinion, Mr. Abbott, is the formation you propose to use for salt water disposal sufficiently--of sufficient permeability and porosity to handle the volume of water contemplated?

A Yes, sir.

Q And is it necessary, in your opinion, to dispose of this water in the interests of conservation and prevention of waste?

A Yes sir, it is.

MR. KELLAHIN: At this time, we would like to offer in evidence Exhibits A through F inclusive.

MR. UYZ: Without objection, they will be received.

MR. KELLAHIN: That's all the questions we have, Mr. Examiner.

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MR. UTZ: Are there questions of the witness?

MR. FISCHER: Yes, sir.

MR. UTZ: Mr. Fischer?

CROSS EXAMINATION

BY MR. FISCHER:

Q Mr. Abbott, are you going to inject tubing in this well?

A Yes sir, we will. We will have to run a smaller tubing, smaller string of tubing in the liner, but it will be a large size tubing string up in the seven-inch.

Q That will taper on your string?

A Yes, sir.

Q What size do you think that the bottom of that tubing will be?

A It will either be two and a half inch upset tubing or three-inch erect tubing.

Q Do you anticipate that you could put it in under gravity?

A Yes sir, it will be under gravity.

MR. FISCHER: That's all.

MR. UTZ: Any other questions of the witness?

MR. IRBY: Yes, sir.

MR. UTZ: Mr. Irby?

MR. IRBY: Frank Irby, State Engineer's Office.

CROSS EXAMINATION

BY MR. IRBY:

Q Mr. Abbott, I note that in that interval between the bottom of the thirteen and three eighths and the bottom of the nine and five eighths, you have a section of roughly a thousand feet in there which has no cement behind the nine and five eighths?

A Yes, sir.

Q Is there anything between the seven-inch and the nine and five eighths in that thousand-foot interval?

A No, you will have your--of course, in the completed disposal well, you will have the injection tubing, you will have the seven-inch and nine and five eighths in that interval, but it was not indicated that the cement came up between or around that nine and five eighths in that interval.

Q Will this tubing be such that the annulus outside the tubing be filled with oil as in the previous case?

A Yes sir, it will.

Q Was there any fresh water encountered in this thousand-foot interval?

A No sir, the bottom of the fresh water is approximately two hundred feet in that area.

Q There was no water found in the so-called Santa Rosa?

A No, not to my knowledge. In that Santa Rosa, in that area, we just don't know if it is potable. It may be brackish, we

don't know.

Q Is it your opinion that the tubing, the oil in the annulus around the tubing, the seven-inch and nine and five eighths-inch casings, will be adequate protection to any fresh water that might exist in that thousand-foot interval?

A Yes sir, we feel that that will be very adequate protection.

Q And do you have means of determining if there is a leak through from your salt water tubing in that thousand-foot interval?

A Yes sir, we will keep a pressure gauge and recordings on the annular space and we will take periodic readings of that pressure and with that method, we can determine if there are any leaks in the tubing string.

Q Now, in the event a leak is found there, what takes place?

A Well, if a leak is found in the casing, the pressure will drop and we will be able to know that we have a leak in that tubing or casing.

Q What is done about reporting this to the Oil Conservation Commission or toward the repairs of any leak that occurs?

A Well, we will repair any leaks immediately.

Q You are not required to make any report on it?

A No sir, I don't believe so.

MR. IRBY: Thank you.

CROSS EXAMINATION

BY MR. UTZ:

Q Mr. Abbott, wouldn't you be required to report any repair work on your C-103?

A Yes sir, before we did the work, we would have to report it on the C-103 and after we have done the work, report it on the C-102.

Q The other way around.

A 102 and 103, yes sir.

Q Mr. Abbott, when was this well completed? In other words, how is the casing?

A That well was completed November 17, 1952. It is a fairly new well in that area.

Q Have you done any work on the well so far?

A No sir, we have not.

Q Do you intend to test this casing before you start injecting water down?

A Yes sir, that is right.

Q What will be the nature of the test?

A We will set the bridge plug at around five thousand feet and then pressure test the casing to at least two thousand pounds to see if there is any drop in pressure and then we will perforate the well.

Q During the process of injection, will there be pressures in excess of two thousand pounds?

A No sir, not at the --

Q Surface?

A Not at the surface, no. We plan no gravity of the water in the well.

Q I believe you stated that in your opinion there was no danger of contamination of the oil producing zones either below or above this formation, did you not?

A No sir, we feel that they are well protected.

Q What would be the interval of injection from the well surface, is it 4490 and 4560?

A I have it written down some place. The zones we plan to perforate are 4490 to 4560, 4600 to 4715, 4750 to 4795, 4825 to 4950.

MR. UTZ: Any other questions of the witness?

MR. FISCHER: Yes.

CROSS EXAMINATION

BY MR. FISCHER:

Q Will your tubing in the well be lined?

A We plan to either cement line that tubing or have a plastic lining.

MR. FISCHER: That's all.

CROSS EXAMINATION

BY MR. UTZ:

Q Mr. Abbott, any corrosion that might be taking place in this casing now, do you think that the sweet oil in the annulus



will stop that corrosion?

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A Yes sir, it will stop it.

Q And it will protect it from then on?

A Yes, sir.

MR. UTZ: Any other questions of the witness?  
(No response).

MR. UTZ: If not, the witness may be excused.

(Witness excused).

MR. UTZ: Any other statements in this case?  
(No response).

MR. UTZ: If there are none, the case will be taken under  
advisement.

STATE OF NEW MEXICO )  
COUNTY OF BERNALILLO ) ss

I, JERRY MARTINEZ, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me in stenotype and reduced to typewritten transcript by me, and that the same is a true and correct record, to the best of my knowledge, skill and ability.

WITNESS my Hand and Seal this 24th day of October, 1958, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

*Jerry Martinez*  
Notary Public

My Commission Expires:  
January 24, 1962

I do hereby certify that the foregoing is a true and correct transcript of the proceedings in the Bernalillo County Oil Conservation Commission, Case No. 1531, heard by me on Oct. 22, 1958.  
*[Signature]*  
New Mexico Oil Conservation Commission

DEARNLEY - MEIER & ASSOCIATES  
GENERAL LAW REPORTERS  
ALBUQUERQUE, NEW MEXICO  
Phone CHapel 3-6691

OIL CONSERVATION COMMISSION  
P. O. BOX 871  
SANTA FE, NEW MEXICO

November 11, 1958

C  
O  
P  
Y

Mr. Jason Kellahin  
Kellahin & Fox  
P.O. Box 1713  
Santa Fe, New Mexico

Dear Mr. Kellahin:

On behalf of your client, Rice Engineering & Operating, Inc., we enclose two copies of Order R-1277 issued November 5, 1958, by the Oil Conservation Commission in Case 1531, which was heard on October 22nd at Santa Fe before an examiner.

Very truly yours,

A. L. Porter, Jr.  
Secretary - Director

bp  
Encls.

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. 1531  
Order No. R-1277

APPLICATION OF RICE ENGINEERING &  
OPERATING, INC., FOR AN ORDER  
AUTHORIZING A SALT WATER DISPOSAL  
WELL IN SECTION 5, TOWNSHIP 20 SOUTH,  
RANGE 37 EAST, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on October 22, 1958, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 5<sup>th</sup> day of November, 1958, the Commission, a quorum being present, having considered the application, the evidence adduced and the recommendations of the Examiner, Elvis A. Utz, 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, Rice Engineering & Operating, Inc., seeks an order authorizing the disposal of produced salt water into the San Andres formation through the Adkins Well No. 2, located 990 feet from the South line and 330 feet from the West line of Section 5, Township 20 South, Range 37 East, NMPL, Lea County, New Mexico, with the proposed injection zone from 4490 feet to 4850 feet.

(3) That the casing in said Adkins Well No. 2 should be pressure tested under 2,000 psi surface pressure prior to utilization of said well as a disposal well.

(4) That disposal should be through tubing and the casing-tubing annulus should be filled with "sweet" oil as a protective measure.

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Case No. 1531  
Order No. R-1277

(5) That approval of the subject application is in the interest of conservation.

IT IS THEREFORE ORDERED:

(1) That the applicant, Rice Engineering & Operating, Inc., be and the same is hereby authorized to dispose of produced salt water into the San Andres formation through the Adkins Well No. 2, located 990 feet from the South line and 330 feet from the West line of Section 5, Township 20 South, Range 37 East, NEPM, Lea County, New Mexico, with the injection zone from 4490 feet to 4350 feet;

PROVIDED HOWEVER, That disposal shall be through tubing and that the casing-tubing annulus shall be kept full of "sweet" oil to prevent corrosion, and

PROVIDED FURTHER, That the casing in said Adkins Well No. 2 shall be pressure tested under 2,000 psi surface pressure and the results of such test approved by the Commission prior to utilization of said well as a disposal well.

(2) That the applicant shall submit monthly reports of its disposal operations in accordance with Rules 704 and 1119 of the Commission's Rules and Regulations.

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

*S. L. Mechem*

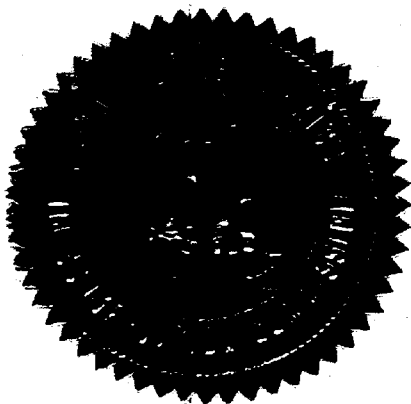
EDWIN L. MECHAM, Chairman

*Murray E. Morgan*

MURRAY E. MORGAN, Member

*A. L. Porter, Jr.*

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



1r/

OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

Date 10-24-58

CASE NO. 1531

HEARING DATE 10-22-58

My recommendations for an order in the above numbered case(s) are as follows:

1. Approve Rice Eng. & Operating, Inc. request for SWD Permit known as the Amerado-Adkins #2, 890/S, 330/W lines sec. 5 - 20S-37E.
2. Casing shall be tested under 2000<sup>#</sup> psi surface pressure such test to be satisfactory to the Commission before the well is utilized as an SWD well.
3. The well shall be tubed and sweet oil will be put in the annular space as a corrosion inhibitor.

Luis P. Alf  
Staff Member

*copy for Case 1531*  
*hearing*  
RICE Engineering & Operating, Inc.

Post Office Box 1142

Telephone EXpress 3-9174

HOBBS, NEW MEXICO

September 10, 1958

MAIN OFFICE OCC  
1958 SEP 15 AM 8:43

New Mexico Oil Conservation Commission  
P. O. Box 871  
Santa Fe, New Mexico

Re: Rule 701. Permit for  
Injection of Water  
(Salt Water Disposal)

Gentlemen:

Rice Engineering & Operating, Inc., of Hobbs, New Mexico, hereby applies for a hearing to be held before the New Mexico Oil Conservation Commission for the purpose of securing a permit under Rule 701 to dispose of salt water in the Amerada Petroleum Corporation Adkins No. 2 Well, Monument Field, Lea County, New Mexico.

Rice Engineering & Operating, Inc. further deposes and states the following:

- A. That said well located 330 feet from west line and 990 feet from south line of Section 5, Township 20 South, Range 37 East, N.M.P.M., was drilled and completed November 23, 1952, in the Monument Blinbry Pool by Amerada Petroleum Corporation. (See Exhibit "A")
- B. That said well was temporarily abandoned by Amerada Petroleum Corporation September 20, 1956.
- C. That said well by agreement between Rice Engineering & Operating, Inc., and Amerada Petroleum Corporation shall be utilized by the Eunice - Monument - Eumont Salt Water Disposal System as a disposal well.
- D. That said well has 13 3/8 inch OD casing set at 297 feet, 9 5/8 inch OD casing set at 2388 feet, 7 inch OD casing set at 3710 feet, and a 5 inch OD liner set at 5665 feet with the top of liner at 3661 feet. (See Exhibit "B")

*Exhibit mailed  
10-20-58 to BT*

N.M.O.C.C.

-2-

September 10, 1958

- E. That said well casing shall be pressure tested with 2000 psi before casing is perforated.
- F. That said well shall be completed as a disposal well in the lower San Andres zone by setting bridge plug in 5 inch liner at 5000 feet and perforating liner in the interval from 4490 to 4950 feet.
- G. That the salt water to be injected is produced in the Monument area from the Monument, Monument Paddock, and Monument Blinbry Pools.
- H. That the volume of salt water to be disposed shall be approximately 12,000 barrels per day.

Therefore, Rice Engineering & Operating, Inc. requests that the Secretary of the New Mexico Oil Conservation Commission set a date for this application to be heard, and after said hearing to grant this permit to dispose of salt water in the Amerada Adkins No. 2 Well.

Respectfully submitted,

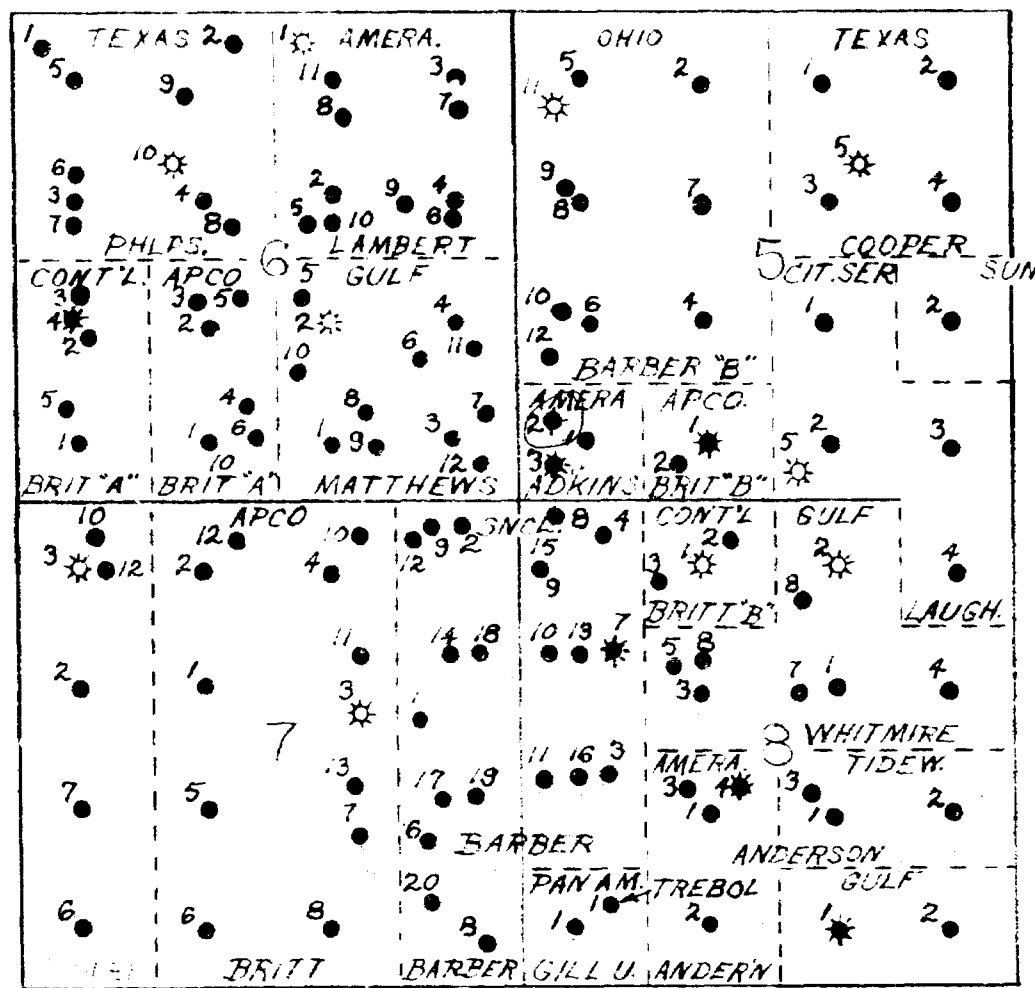
RICE ENGINEERING & OPERATING, INC.

BY W. G. Abbott  
W. G. ABBOTT  
Division Manager

WGA/js

Attachments:  
Exhibit "A"  
Exhibit "B"

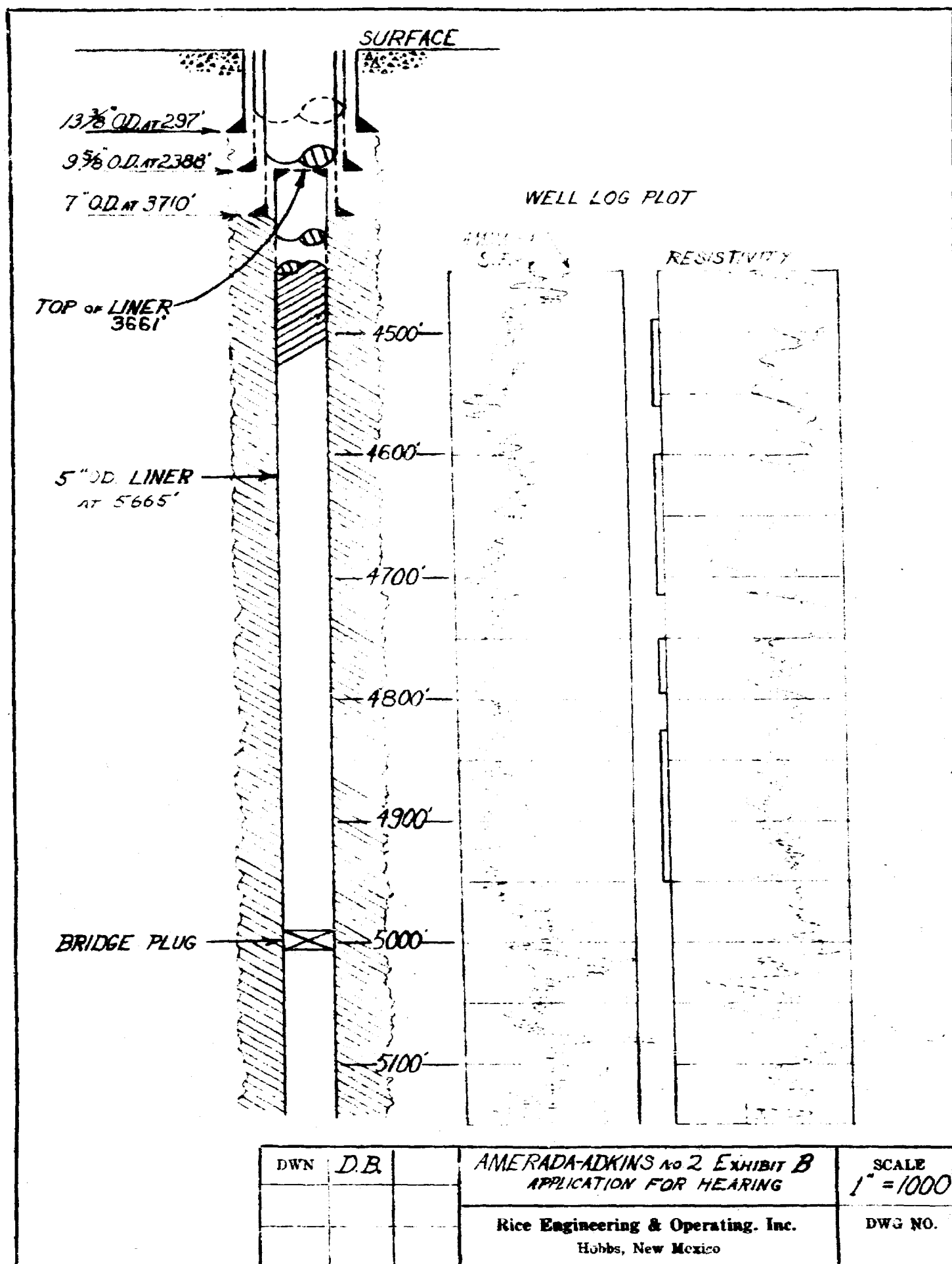




T 20 S

R 37 E

DWN	D.B.	AMERADA ADKINS No. 2 EXHIBIT A APPLICATION FOR HEARING	SCALE
			DWG NO.
		Rice Engineering & Operating, Inc. Hobby, New Mexico	



DOCKET: EXAMINER HEARING OCTOBER 22, 1958

Oil Conservation Commission 9 a.m. Mabry Hall, State Capitol, Santa Fe

The following cases will be heard before Elvis A. Uts, Examiner:

- CASE 962: Application of Humble Oil & Refining Company for the amendment of a unit agreement. Applicant, in the above-styled cause, seeks an order amending the South Four Lakes Unit Agreement approved by Order M-710 to enlarge the unit area to include the N/2 SW/4 of Section 1, Township 12 South, Range 34 East, Lea County, New Mexico
- CASE 1527: Application of Tennessee Gas Transmission Company for permission to commingle the oil produced from two separate oil pools. Applicant, in the above-styled cause, seeks an order authorizing it to commingle the oil produced from its State A. A. Kennitz "B" Well No. 5, located in the SW/4 NW/4 of Section 25, Township 16 South, Range 33 East, Lea County, New Mexico, from the Kennitz-Wolfcamp Pool and an undesignated Pennsylvanian (Cisco) pool. Applicant proposes to separately meter the production from each zone prior to commingling.
- CASE 1528: Application of Tennessee Gas Transmission Company to commingle the production from two separate oil pools from three of its state leases. Applicant, in the above-styled cause, seeks an order authorizing it to commingle the oil produced from the Kennitz-Wolfcamp and Kennitz-Cisco Pools from the wells on its State "B", State "C" and State "D" Leases located in Sections 21 and 28, Township 16 South, Range 34 East, Lea County, New Mexico.
- CASE 1529: Application of Kersey & Company for permission to commingle production from two separate oil pools. Applicant, in the above-styled cause, seeks an order authorizing it to commingle the production from the Grayburg-Jackson Pool and the Fren Pool from two wells located on the SE/4 SW/4 of Section 16, Township 17 South, Range 31 East, Eddy County, New Mexico. Applicant does not propose to meter the production from each pool.
- CASE 1530: Application of Rice Engineering & Operating, Inc. for an order authorizing a salt water disposal well. Applicant, in the above-styled cause, seeks an order authorizing the disposal of produced salt water through its E-M-E SWD Well No. A-32 to be located 1320 feet from the North and East lines of Section 32, Township 21 South, Range 36 East, Lea County, New Mexico. Applicant proposes to inject the produced salt water into the San Andres formation in the interval from 4250 feet to 4800 feet.

CASE 1531: Application of Rice Engineering & Operating, Inc. for an order authorizing a salt water disposal well. Applicant, in the above-styled cause, seeks an order authorizing the disposal of produced salt water through Amerada Petroleum Corporation's Adkins Well No. 2, located 990 feet from the South line and 330 feet from the West line of Section 5, Township 20 South, Range 37 East, Lea County, New Mexico. Applicant proposes to inject the produced salt water into the San Andres formation in the interval from 4490 feet to 4950 feet.

CASE 1532: Application of Sunray Mid-Continent Oil Company for an order authorizing a salt water disposal well. Applicant, in the above-styled cause, seeks an order authorizing the disposal of produced salt water through its Hobbs "G" Well No. 1, located 1980 feet from the North and West lines of Section 36, Township 9 South, Range 33 East, Lea County, New Mexico. Applicant proposes to inject the produced salt water through the well bore into the Pennsylvanian formation in the interval from 9834 feet to 9865 feet.

CASE 1533: Application of El Paso Natural Gas Products Company for a dual completion. Applicant, in the above-styled cause, seeks an order authorizing it to dually complete its Frontier No. 1-B Well, located 890 feet from the South line and 890 feet from the East line of Section 9, Township 27 North, Range 11 West, San Juan County, New Mexico, in such a manner as to permit the production of oil from an undesignated Gallup oil pool and the production of gas from an undesignated Dakota gas pool through parallel strings of tubing.

CASE 1534: Application of Zapata Petroleum Corporation for permission to commingle production from nine non-contiguous state leases. Applicant, in the above-styled cause, seeks an order authorizing it to commingle the production from nine separate state leases in the Vacuum Pool, all in Townships 17 and 18 South, Range 35 East, Lea County, New Mexico.

CASE 1535: Application of Carper Drilling Company for permission to commingle the oil produced from two separate oil pools. Applicant, in the above-styled cause, seeks an order authorizing it to commingle the production from three wells completed in the Corbin Pool and one well completed in the Maljamar Pool, all on its Wyatt lease in Sections 33 and 34, Township 17 South, Range 33 East, and Section 5, Township 18 South, Range 33 East, Lea County, New Mexico, and to ascertain the production from each well by means of periodic tests.

CASE 1536: Application of Shell Oil Company for permission to commingle the oil produced from four separate leases. Applicant, in the above-styled cause, seeks an order authorizing it to commingle the production from four separate state leases in Sections 8 and 9, Township 16 South, Range 34 East, Hume-Queen Pool, Lea County, New Mexico.

CASE 1537: Application of Pure Oil Company for a dual completion. Applicant, in the above-styled cause, seeks an order authorizing it to dually complete its South Vacuum Unit No. 2-35 Well, located 1980 feet from the South line and 660 feet from the East line of Section 35, Township 10 South, Range 35 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the South Vacuum-Devonian Pool and gas from an undesignated McKee gas pool through parallel strings of tubing.

CASE 1538: Application of Aztec Oil & Gas Company for the assignment of minimum allowables to certain gas wells in the Fulcher Kutz-Pictured Cliffs Gas Pool, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order assigning minimum allowables to the following described gas wells in the Fulcher Kutz-Pictured Cliffs Gas Pool in order to prevent premature abandonment of said wells:

Consens No. 3 and No. 4 Wells, both in Section 20, Township 29 North, Range 11 West;  
Hart No. 1 Well, Section 11, Township 29 North, Range 12 West;  
Holder No. 1 Well, Section 29, Township 30 North, Range 12 West;  
Cornell No. 3 and No. 4 Wells, both in Section 12, Township 29 North, Range 12 West;

all in San Juan County, New Mexico.

CASE 1539: Application of T. J. Sivley for an exception to the casing requirements for the potash-oil area in Eddy and Lea Counties, New Mexico. Applicant, in the above-styled cause, seeks an order authorizing an exception to the casing requirements for the potash-oil area as set forth in Order R-111-A for its Federal-Silver No. 1, an exploratory well to be located 1980 feet from the South and East lines of Section 23, Township 20 South, Range 34 East, Lea County, New Mexico. Applicant proposes to drill with cable tools to the Yates formation. The casing program of applicant is as follows:

13-3/8" Casing in top of red bed at approximately 70 feet.

10-3/4" Casing as cave string to about 700 feet.

8-5/8" Casing, this being the water shutoff string to approximately 1250', but in any event below water.

5-1/2" Casing to be set at a point selected by operator above pay zone expected to be encountered at 3625', but in no event to exceed a depth greater than 600 feet below the base of salt.

That the applicant should be permitted to pull all casing except the 5-1/2" production string in the event that commercial oil or gas is found.

CASE 1540: Application of E. P. Campbell for an exception to Rule 505 of the Commission Rules and Regulations. Applicant, in the above-styled cause, seeks an order granting an exception to Rule 505 of the Commission Rules and Regulations and assigning an allowable proportional factor of 1.33 for the oil pool in the Abo formation discovered by applicant's Cockerham No. 1 Well, NE/4 NE/4 Section 34, Township 18 South, Range 26 East, Eddy County, New Mexico, even though the depth of the casing shoe is 4205 feet. The top of the Abo pay is at approximately 5280 feet in the above-described well.

CONTINUED CASE

CASE 1516: Application of El Paso Natural Gas Company for two non-standard gas proration units and for the approval of one unorthodox gas well location. Applicant, in the above-styled cause, seeks an order establishing a 120-acre non-standard gas proration unit in the Jalmat Gas Pool consisting of the N/2 SW/4 and the SW/4 SW/4 of Section 4, Township 25 South, Range 37 East, said unit to be dedicated to the applicant's Wells Federal No. 3 Well located 1980 feet from the South and West lines of said Section 4. Applicant further seeks the establishment of a 200-acre non-standard gas proration unit in the Jalmat Gas Pool consisting of the SE/4 SW/4 of Section 4 and the NW/4 of Section 9, Township 25 South, Range 37 East, Lea County, New Mexico, said unit to be dedicated to the applicant's Wells Federal No. 11 Well located 430 feet from the South line and 2317 feet from the West line of said Section 4. Applicant further seeks approval of the unorthodox gas well location of the said Wells Federal No. 11 Well.

CLASS OF SERVICE

This is a fast message unless its deferred character is indicated by the proper symbol.

# WESTERN UNION TELEGRAM

W. P. MARSHALL, President

SYMBOLS

DL = Day Letter  
NL = Night Letter  
LT = International Letter Telegram

1201

The filing time shown in the date line on domestic telegrams is STANDARD TIME at point of origin. Time of delivery is STANDARD TIME at point of destination.

LA018 DC022

MDA028 PD=MIDLAND TEX 21 925AMC=

NEW MEXICO OIL CONSERVATION COMM=

ELVIA A UTZ EXAMINER SANTA FE NMEX=

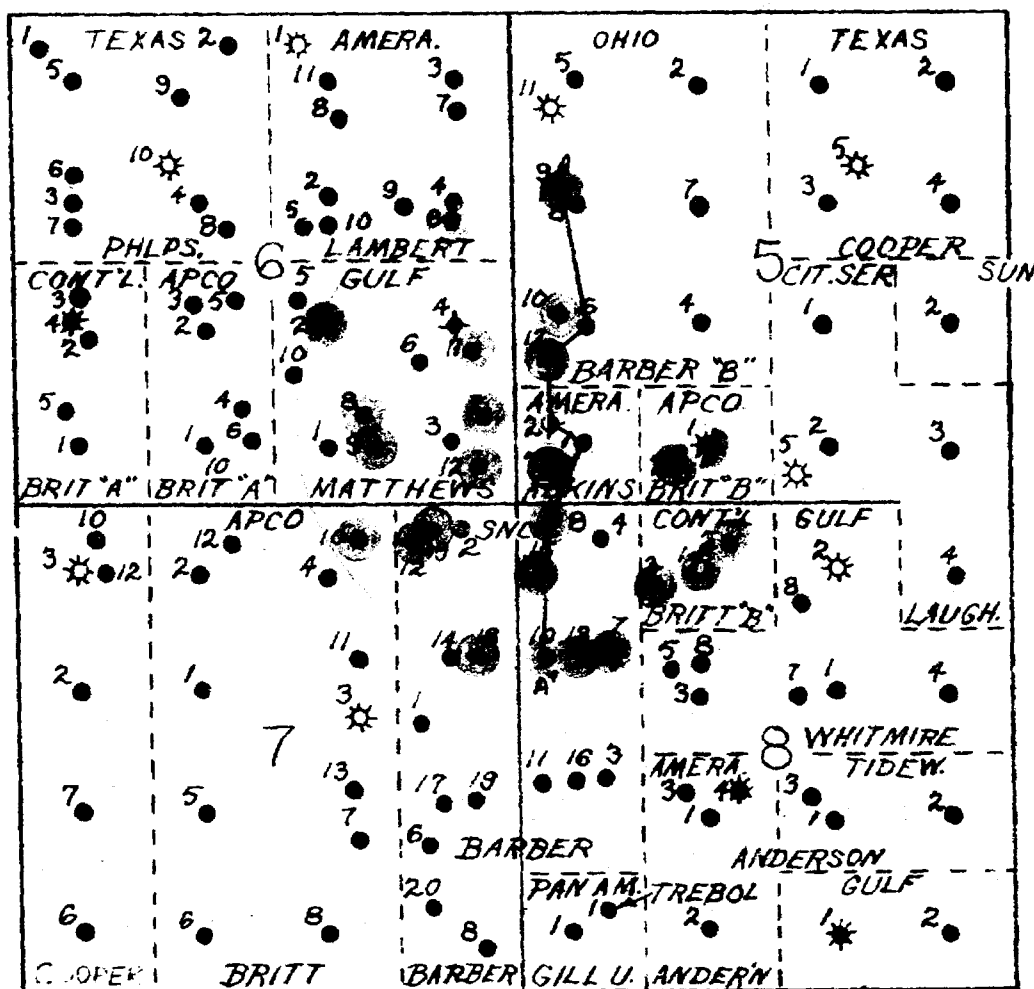
AMERADA CONCURS WITH RICE IN CASE 1531 AND URGES THE  
COMMISSION TO AUTHORIZE SALT WATER DISPOSAL IN ADKINS #2=

AMERADA PET CORP BY O C MCBRYDE JR=

91:6 W 12 100 8561

MAIN OFFICE OCC

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE



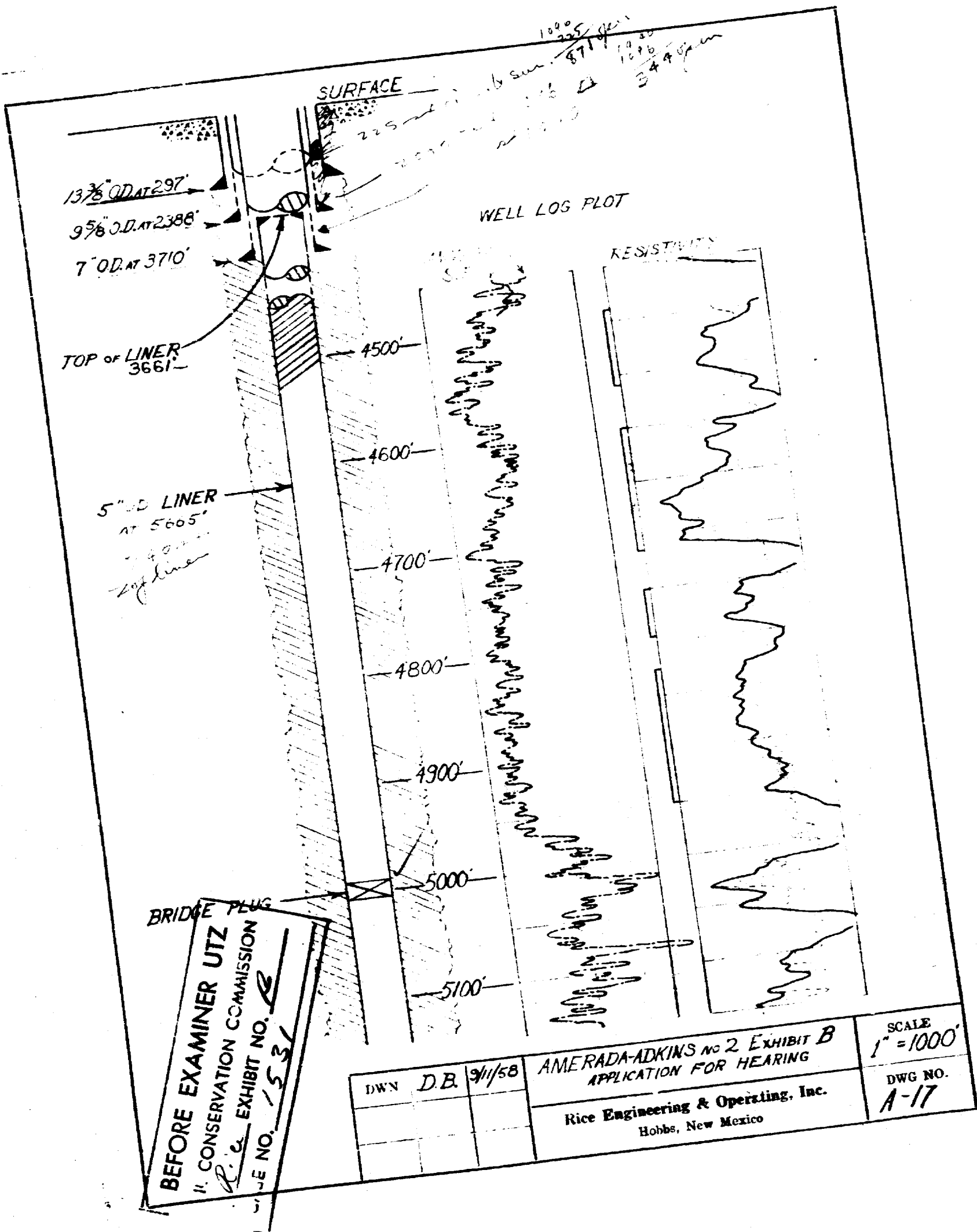
# KEY TO PRODUCING ZONES

Paddock  
Blindbry  
7 Rivers & Queen  
Grayburg-San Andres ●

BEFORE EXAMINER UTZ  
OIL CONSERVATION COMMISSION  
EXHIBIT NO. A  
CASE NO. 1531

DWN	D.B.	9/11/58	AMERADA ADKINS no. 2 EXHIBIT A APPLICATION FOR HEARING	SCALE
			Rice Engineering & Operating, Inc. Hobbs, New Mexico	DWG NO. A-16





**KEY TO PRODUCING ZONES**  
 Paddock  
 Blinberry  
 Grayburg-San Andres

**BEFORE EXAMINER UTZ**  
 OIL CONSERVATION COMMISSION  
 EXHIBIT NO. 1531  
 CASE NO. 1531

DWN	DOS	Oct 17-58	SECTION A - A' "EXHIBIT C"	SCALE NONE
			E M E - S.W.D SYSTEM	DWG NO. A-24
			Ice Engineering & Operating, Inc.	
			Hobbs, New Mexico	

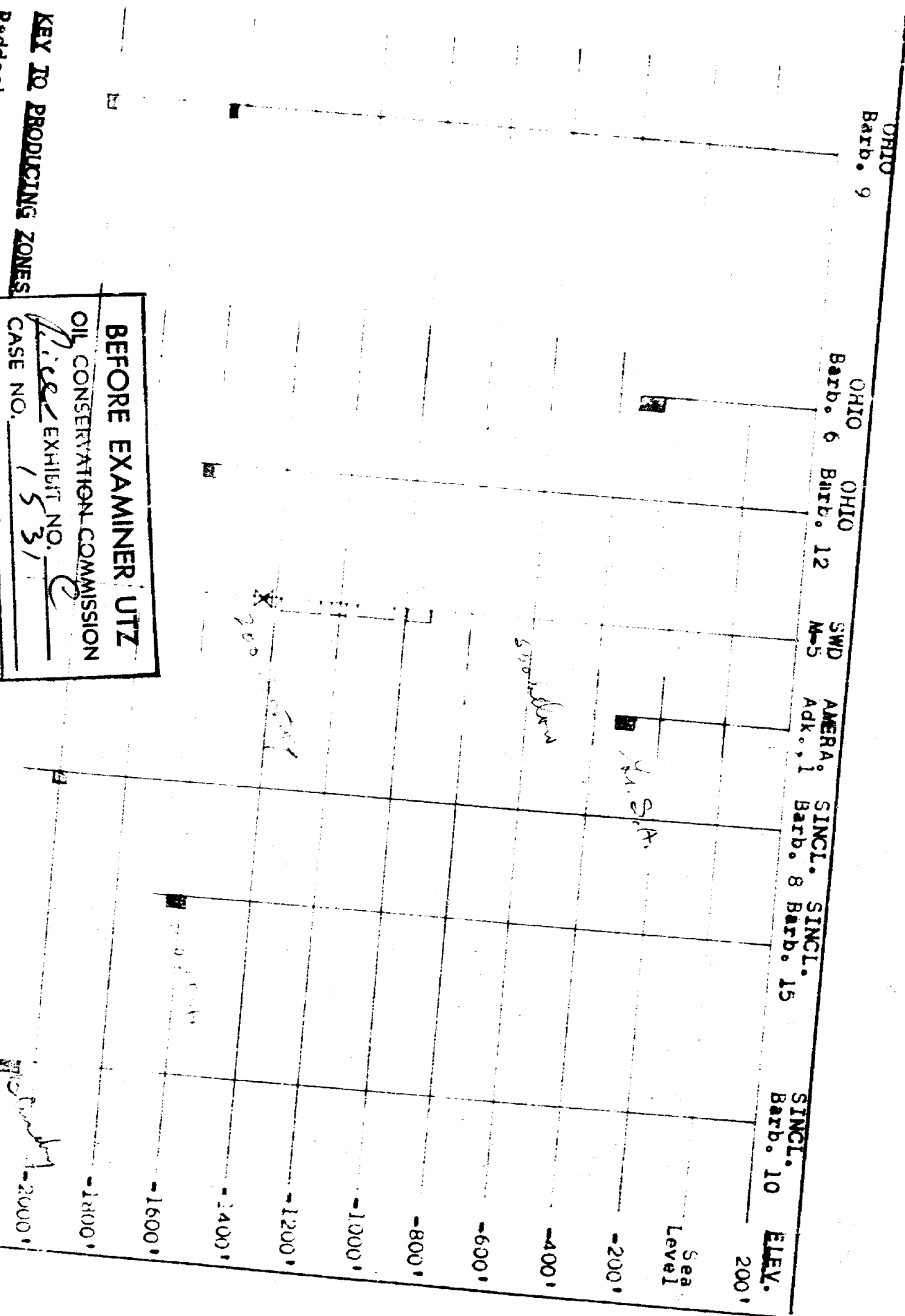
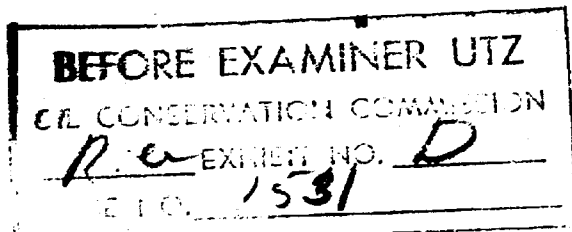


Exhibit D

Wells Within 1/2 Mile of SWD M-5  
E-M-E - SWD System

Operator	Lease	Well No.	Completion Interval Elevation	Completion Zone	Remarks
Anderson-Prichard	Britt "B"	1	-267 to -327	Gbg-San Andres	Dual
"	"	"	+1132 to +983	7 Rivers & Queen	
"	"	2	-1605 to -1660	Paddock	
"	Britt	10	-2061 to -2135	Blinebry	
Amerada	Adkins	1	-268 to -327	Gbg-San Andres	
"	"	3	-1623 to -1665	Paddock	Dual
"	"	"	+1065 to -135	7 Rivers & Queen	
"	Lambert	4	-161 to -212	Gbg-San Andres	
"	"	6	-2090 to -2151	Blinebry	
"	"	9	-1618 to -1663	Paddock	
Cities Service	Laughlin	5	+359 to +211	7 Rivers & Queen	Gas
Continental	Britt "B"	1	+666 to +604	7 Rivers & Queen	Gas
"	"	2	-2079 to -2103	Blinebry	
"	"	3	-1585 to -1655	Paddock	
Gulf	Matthews	1	-125 to -150	Gbg-San Andres	
"	"	2	+396 to +296	7 Rivers & Queen	
"	"	3	-124 to -147	Gbg-San Andres	
"	"	4	-163 to -196	Temp Abd. Perfs Squeezed	
"	"	6	-151 to -169;		
"	"	"	-178 to -204	Gbg-San Andres	
"	"	7	-1547 to -1637	Paddock	
"	"	8	-2084 to -2147	Blinebry	
"	"	9	-1586 to -1679	Paddock	
"	"	10	-1590 to -1681	Paddock	
"	"	11	-1592 to -1672	Paddock	
"	"	12	-2102 to -2137	Blinebry	
Ohio	Barber "B"	4	-290 to -307	Gbg-San Andres	
"	"	6	-263 to -333	Gbg-San Andres	
"	"	7	-241 to -259	Gbg-San Andres	
"	"	8	-198 to -208	Gbg-San Andres	
"	"	9	-1629 to -1652	Paddock	
"	"	"	-1999 to -2029	Blinebry	
"	"	10	-2110 to -2133	Blinebry	
"	"	12	-1600 to -1633	Paddock	
Sinclair	Barber	2	-178 to -201	Gbg-San Andres	
"	"	4	-174 to -196	Gbg-San Andres	
"	"	1	+337 to -38	7 Rivers & Queen	Gas
"	"	8	-1987 to -2029	Blinebry	
"	"	9	-2057 to -2107	Blinebry	



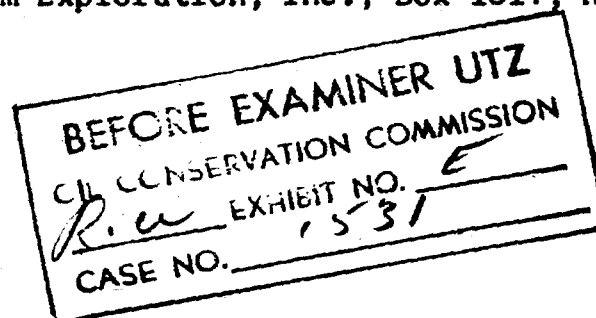
Operator	Lease	Well No.	Completion Interval Elevation	Completion Zone	Remarks
Sinclair	Barber	10	-2052 to -2112	Blinabry	
"	"	12	-1591 to -1629	Paddock	
"	"	13-A	-1552 to -1642	Paddock	
"	"	14	-2068 to -2130	Blinabry	
"	"	15	-1587 to -1641	Paddock	
"	"	18	-1588 to -1646	Paddock	

Exhibit E

EUNICE - MONUMENT - EUMONT

MAILING LIST

Amerada Petroleum Corporation, Drawer D., Monument, New Mexico  
Anderson-Frithard Oil Corporation, Box 1859, Midland, Texas  
Atlantic Refining Company, The, Box 1038, Denver City, Texas  
Aztec Oil & Gas Company, Box 847, Hobbs, New Mexico  
W. K. Byrom, 1000 N. Dal Paso, Hobbs, New Mexico  
Cities Service Oil Company, Box 97, Hobbs, New Mexico  
Continental Oil Company, Box 427, Hobbs, New Mexico  
General Crude Oil Company, 314 Commerce Bldg., Abilene, Texas  
Getty Oil Company, Box 547, Hobbs, New Mexico  
Gulf Oil Corporation, Box 2167, Hobbs, New Mexico  
Hudson & Hudson, Inc., 1810 Electric Bldg., Fort Worth, Texas  
Humble Oil & Refining Company, Box 2347, Hobbs, New Mexico  
Stuart Hunt, Trustee, 1507 Mercantile Nat'l. Bank Bldg., Dallas, Texas  
Magnolia Petroleum Company, Box 2406, Hobbs, New Mexico (Jerry Young)  
Ohio Oil Company, The, Box 2107, Hobbs, New Mexico  
Nolen & Byrom, Box 326, Hobbs, New Mexico  
Pan American Petroleum Corporation, Box 899, Roswell, New Mexico  
Pan American Petroleum Corporation, Box 68, Hobbs, N. M. (Tom Hayes)  
Neville G. Penrose, Inc., 1815 Fair Bldg., Fort Worth, Texas  
Phillips Petroleum Company, Box 2105, Hobbs, New Mexico  
Shell Oil Company, Box 845, Roswell, New Mexico  
Sinclair Oil & Gas Company, 520 E. Broadway, Hobbs, New Mexico  
Sinclair Oil & Gas Company, Box 521, Tulsa, Oklahoma (F. H. Rhees)  
Sinclair Oil & Gas Company, Box 1470, Midland, Texas (R. E. Powers)  
Sinclair Oil & Gas Company, Box 1470, Midland, Tex. (H.F. Defenbaugh)  
Skelly Oil Company, Box 38, Hobbs, New Mexico  
Standard Oil Company of Texas, Box 698, Monahans, Texas  
Sun Oil Company, Box 1861, Midland, Texas  
Sunray Mid-Continent Oil Co., 11th Floor Wilco Bldg., Midland, Texas  
The Superior Oil Company, Box 510, Midland, Texas  
The Texas Company, Box 352, Midland, Texas  
Tidewater Oil Company, Box 547, Hobbs, New Mexico  
Southern Petroleum Exploration, Inc., Box 176, Eunice, New Mexico  
Southern Petroleum Exploration, Inc., Box 1017, Roswell, N. M. (J. B. Headley)



10/20/58

**AGREEMENT**

AN AGREEMENT made this 30 day of September, A. D. 1978, between  
**RICE ENGINEERING & OPERATING, INC.**, a corporation, as Operator under  
 Articles of Agreement for the Sanico-Mammut-Mammut Salt Water Disposal  
 System, as one party, hereinafter called **RICE**, and **AMARADA PETROLEUM CORPORA-**  
**TION**, a corporation, as the other party, hereinafter called **AMARADA**,  
**WITNESSETH:**

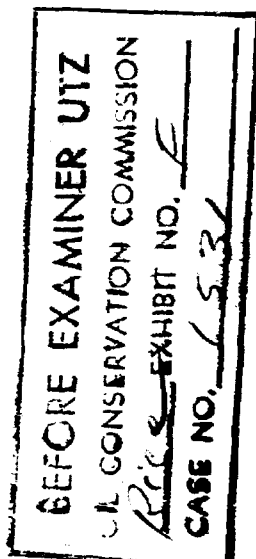
**WITNESSETH**, Amarada is the owner of a well located 130 feet from the  
 West line and 990 feet from the South line of Section Five (5), Township 10  
 South, of Range 37 East, N.M.P.M., Lea County, New Mexico, known as  
 Amarada Adkins No. 2, and Rice desires to acquire same, if satisfactory  
 for its purposes as Operator of the Sanico-Mammut-Mammut Salt Water  
 Disposal System.

**NOW, THEREFORE**, it is mutually agreed between the parties hereto  
 as follows:

1. Rice is to enter into possession of such well, and perforate the casing  
 at the San Andres formation, and thereupon test same for the purpose of  
 utilizing same well as a salt water disposal well, and if it is thereupon  
 determined by Rice to be an efficient well for such purpose, then Amarada  
 shall bill Rice for the sum of \$50,000.00, and Rice agrees to pay such sum  
 to Amarada, and Amarada will thereupon and simultaneously therewith, execute  
 the necessary instruments of conveyance to Rice as Trustee for the parties  
 to the Articles of Agreement.

2. In the event that, after testing such well, Rice determines that  
 it will not efficiently serve the purposes for which the well is to be  
 acquired, Rice will:

- (a) Abandon the well, and Amarada will bill Rice for the sum of  
 \$5,000.00, and Rice shall thereupon pay same to Amarada, or
- (b) Square cement the casing perforations in accordance with  
 standard cementing procedures as prescribed by Amarada, and  
 thereupon this Agreement shall be terminated, and the parties  
 hereto released and discharged from the mutual covenants and  
 obligations herein contained.



3. All operations to be conducted by Rice, both in testing the well and in its possible use thereafter as a salt water disposal well shall be at Rice's sole cost, risk and expense. Rice will indemnify Amerada and hold Amerada harmless from any claim or cause of action for any surface or subsurface damage or for injury to any person based upon or arising out of the conduct of such operations by Rice.

WITNESS our hands and seals this 30 day of September, A. D. 1958.

RICE ENGINEERING & OPERATING, INC.

ATTEST:

Donald R. Maher  
Secretary

By Ivan M. Rice  
President

AMERADA PETROLEUM CORPORATION

ATTEST:

Assistant Secretary

By Vice President

STATE OF KANSAS

COUNTY OF BARTON

} ss

On this 30 day of September, A. D. 1958, before me appeared

Ivan M. Rice, to me personally known, who being by me duly sworn did say that he is the President of RICE ENGINEERING & OPERATING, INC., and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said President acknowledged said instrument to be the free act and deed of said corporation.

WITNESS my hand and official seal the day and year first above written.

My commission expires:

June 18, 1960

Notary Public

STATE OF OKLAHOMA

COUNTY OF TULSA

} ss

On this 30 day of September, A. D. 1958, before me appeared

Vice President, to me personally known, who being by me duly sworn, did say that he is the Vice President of AMERADA PETROLEUM CORPORATION, and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said President acknowledged said instrument to be the free act and deed of said corporation.

WITNESS my hand and official seal the day and year first above written.

My commission expires:

Notary Public