

Case No.

1751

Application, Transcript,
Small Exhibits, Etc.

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. 1751
Order No. R-1483

APPLICATION OF RICE ENGINEERING &
OPERATING, INC., FOR AN ORDER
AUTHORIZING A SALT WATER DISPOSAL
WELL IN SECTION 9, 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 September 2, 1959, 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 14th day of September, 1959, 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 E-M-E SWD Well No. M-9 to be completed at an unorthodox location 100 feet from the south line and 250 feet from the west line of Section 9, Township 20 South, Range 37 East, NMPN, Lea County, New Mexico, with the proposed injection zone from 4300 feet to 4900 feet.
- (3) That the applicant proposes to complete the said disposal well as follows: 9-5/8 inch OD casing set at 800 feet with cement circulated to the surface, 7-inch OD casing set at 4300 feet and cemented to the base of the 9-5/8 inch casing, and 5 1/2 inch plastic coated casing hung at 4300 feet as an injection string, the annulus between the 7 inch and the 5-1/2 inch casing to be filled with "sweet" oil as a protective measure.

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Case No. 1751
Order No. R-1483

(4) That the applicant's proposed salt water disposal program will not jeopardize the production of oil, gas, or fresh water in the area and is consonant with sound conservation practices.

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 E-M-E SWD Well No. M-9 to be completed at an unorthodox location 100 feet from the South line and 250 feet from the West line of Section 9, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico, with the injection zone from 4300 feet to 4900 feet.

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

(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

John Burroughs
JOHN BURROUGHS, Chairman

Murray E. Morgan
MURRAY E. MORGAN, Member

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



lcr/

OIL CONSERVATION COMMISSION

P. O. BOX 871
SANTA FE, NEW MEXICO

September 15, 1959

Mr. Jason Kellahin
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-1483 issued by
the Oil Conservation Commission on September 14, 1959
in Case No. 1751.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ir/

Enclosures

*Copy to
Hobbs*

C
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BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

IN THE MATTER OF:

Case No. 1751

TRANSCRIPT OF PROCEEDINGS

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

September 2, 1959

I N D E XWITNESSDIRECTCROSS

W. G. Abbott

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BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
September 2, 1959

IN THE MATTER OF:

Application of Rice Engineering and Operating, Inc., for a salt water disposal well. Applicant, in the above-styled cause, seeks an order authorizing it to complete a salt water disposal well in the San Andres formation at a point 100 feet from the South line and 250 feet from the West line of Section 9, 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 4300 feet to 4900 feet.

CASE NO.
1751

BEFORE:

Elvis A. Utz, Examiner.

TRANSCRIPT OF PROCEEDINGS

MR. UTZ: The next case on the docket will be Case No. 1751.

MR. PAYNE: Case 1751. Application of Rice Engineering and Operating, Inc., for a salt water disposal well. Applicant, in the above-styled cause, seeks an order authorizing it to complete a salt water disposal well in the San Andres formation at a point 100 feet from the South line and 250 feet from the West line of Section 9, 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 4300 feet to 4900

feet.

MR. KELLAHIN: Jason Kellahin, Kellahin and Fox, representing the applicant. We will have one witness, Mr. Abbott.

(Witness Sworn.)

MR. UTZ: Are there other appearances in this case? If not, you may proceed.

W. G. ABBOTT

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

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Will you state your name please sir?

A My name is W. G. Abbott. I'm Division Manager for Rice Engineering and Operating Incorporated in Hobbs, New Mexico.

Q Have you testified before this Commission before as an expert and your qualifications been accepted?

A Yes.

Q Are witness qualifications acceptable?

MR. UTZ: Yes.

Q Mr. Abbott, are you familiar with the application in Case 1751?

A Yes.

Q Will you state briefly what is proposed in this application?

A As outlined in our application, we would like to secure a

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permit under Rule 701 and also an exception to Rule 104 to drill and complete a salt water disposal well in the Skelly Oil Company's Van Etten lease in Section 9, Township 20 South, Range 37 East, Lea County, New Mexico.

Q Have you prepared a plat of the area involved showing the wells within a half mile radius of the proposed salt water disposal well?

A Yes, Our Exhibit "A" shows this.

Q Are there any San Andres wells within half a mile radius of this well?

A No sir, there are not. Most of them are Grayburg with a few Queen dual completions, in the gas zone of the Queen and then one straight Queen gas well.

Q Now, have you prepared a plat showing the proposed completion of the salt water disposal well?

A Yes, this is our Exhibit "B". This shows the casing program that we plan on this well with the total depth marked forty nine hundred feet.

Q Now is that proposal adequate in your opinion to protect any fresh water zones?

A Yes, it is. We plan to use eight hundred feet of nine and five-eighths inch casing and we plan to circulate the cement on that nine and five-eighths, and then the long string, or injection string will be seven inch set at forty-three hundred feet. And this is considerably below the original water oil

in the area.

Q Are there any fresh water zones encountered in this area that you know of?

A Yes, the surface well drill through some fresh water right at the surface.

Q But this completion will protect against any contamination in your opinion?

A Yes.

Q Do you have any data on completions of the wells within the half mile radius of the proposed well?

A Yes, we have a cross section; it's our Exhibit "C". This cross section is also shown on Exhibit "A" as the Trace "AA" Prime and it runs from west to east through the proposed location of this S.W.B.M. 9. On this Exhibit you can see the disposal zone in blue and it's roughly four hundred feet below the lowest oil completion in that half mile radius.

Q What kind of separation do you have between the two zones, Mr. Abbott?

A Well, we have -- This disposal zone will be in the San Andres and all the wells in that area are producing from the Grayburg.

Q And there is no danger of communication between the two zones in your opinion?

A No sir, not at this depth.

Q Now, have you made a tabulation of the completion in -

formation on the wells within the area?

A Yes, we have tabulated on our Exhibit "D" all the wells in this half mile radius of the disposal well.

Q And that does not indicate that any of the wells are completed in the San Andres formation does it?

A No, sir.

Q Are there any wells other than Queen or Grayburg wells shown?

A No sir, not in this half mile radius.

Q Now, on this property where will this well be located?

A This is located on the Skelly Van Etten lease. We have a letter from Mr. Dunlevy, the Superintendent of Skelly, and it's our Exhibit "E" where he gives us the approval to locate the well on that lease.

Q What about the surface ownership, Mr. Abbott?

A Surface ownership, we have a surface lease from the surface owner, a Mr. Buchanan who lives in California. Here is Exhibit "E".

Q Now what companies will be participating in this salt water disposal system?

A Well, the companies that will be in this are members of the Eunice Monument Eumont Salt Water Disposal System and our Exhibit "F" shows a list of those companies with their mailing address.

Q What volumes of water do you propose to dispose of in

this well?

A We hope to put a maximum of fifteen thousand barrels per day in this well by gravity.

Q In your opinion will the disposal zone take that much water?

A Yes, it should. Actually we won't probably, wouldn't operate the well for some time at the highest capacity in that we design our system so that we will have a little recess, and if and when the water does increase, we hope to take care of fifteen thousand barrels a day.

Q Do you anticipate any corrosion problem in the operation of this well?

A Yes, the water is salty and will contain some hydrogen sulphide so we will have some corrosion and we plan to protect our well by running an injection string of five and a half inch fourteen pound casing inside the seven inch casing, and this five and a half inch string will be lined with a plastic lining, and the outside is protected by loading the annular space between the seven inch and five and a half inch with a sweet oil and maintaining a blanket over the entire five and a half inch injection string.

Q Have you used that same system in other disposal wells?

A Yes, and it works very well.

Q Have you anything further to add, Mr. Abbott?

A No, sir.

Q At this time we would like to offer in evidence Exhibits

"A" through, it is "E" or --

A "F".

Q -- "F" inclusive.

MR. UTZ: Without objection, Exhibits "A" through "F" will be entered into the record.

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

CROSS EXAMINATION

BY MR. UTZ:

Q Mr. Abbott, can you say where the closest San Andres well is?

A No, sir, there possibly could be some San Andres wells north and west of this location, probably within one or two miles. You get up on the structure of the Monument Pay and some of the wells may be high enough that they would be producing in the San Andres although quite a few wells in this area have been plugged back from the San Andres to the Grayburg.

Q At any rate you feel that your injection zone here is below the water oil contact for the San Andres in this area?

A Yes.

Q With regard to your surface casing, your nine and five-eighths, that would be set at eight hundred feet?

A Yes.

Q What formation will that pass through?

A Well, that will pass through the recent formation, caliche, and then into the Ogallala, and then into the redbeds, and it will

be cemented some place in the redbed.

Q Does that protect all fresh waters in this area?

A Yes.

Q Your seven inch, how much cement are you going to have behind that?

A We will use sufficient cement to return the cement to the base of the surface casing. We plan to use --

Q You actually come past of the surface casing?

A Yes, it will come up. We plan to use three hundred sacks of sulphate resistant Portland cement mixed with three hundred cubic feet of Possolan and four percent ~~gel~~, and then we will follow that with four hundred fifty sacks of neat cement which will be around the casing shoe.

Q Now, between your five and a half inch and seven inch, well, more correct, will the five and a half inch just be hung in the seven inch?

A Yes, it will be hung in the seven inch and it will be down to the casing point of the seven inch.

Q It will be hung at forty-three hundred then?

A Yes.

Q I believe you said you wanted an exception to Rule 104 for an unorthodox location?

Q Yes, this well is located one hundred feet from the south line and two hundred feet from the west line of Section 9.

Q That's one hundred feet from the south?

A Yes

Q And two hundred --

A Two hundred fifty from the west.

Q Two hundred fifty. Are there any other questions of the witness?

MR. SELINGER: George W. Selinger for Skelly Oil Company. We have looked over the procedure outlined by the witness and we feel that the procedure therein outlined is wholly adequate to adequately protect both oil and fresh water horizons, and, therefore, we concur in the application and urge its approval.

MR. UTZ: Any other statements to be made? If not, the witness may be excused. The case will be taken under advisement.

C E R T I F I C A T E

STATE OF NEW MEXICO)
) SS
 COUNTY OF BERNALILLO)

I, J. A. TRUJILLO, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Proceedings before the New Mexico Oil Conservation Commission was reported by me in stenotype and reduced to typewritten transcript by me and/or under my personal supervision, 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, the 12th day of September, 1959, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

Joseph A. Trujillo
 NOTARY PUBLIC

My Commission Expires:

October 5, 1960

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 1251, heard by me on Sept. 2, 1959.
Wm. A. [Signature], Examiner
 New Mexico Oil Conservation Commission

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Date 9-2-59

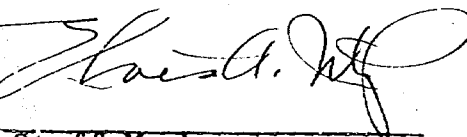
CASE NO. 1751

HEARING DATE 9-2-59

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

Grant Rice Engineering request as follows:

1. $9\frac{5}{8}$ O.D. ^{32.3#} casing set @ 800' cement circulated to surface.
2. 7" O.D. 20# casing set @ 4300' cemented into $9\frac{5}{8}$ set @ 800'.
3. 5"-14# plastic coated casing hung & 4300' feet as an injection string.
4. ~~sweet oil~~ The 5" x 5½ annulus is to be filled with sweet oil as a precaution against corrosion. ~~The~~
5. The 5" injection casing string shall be installed in such a manner so as to insure that the annulus remain full of sweet oil.



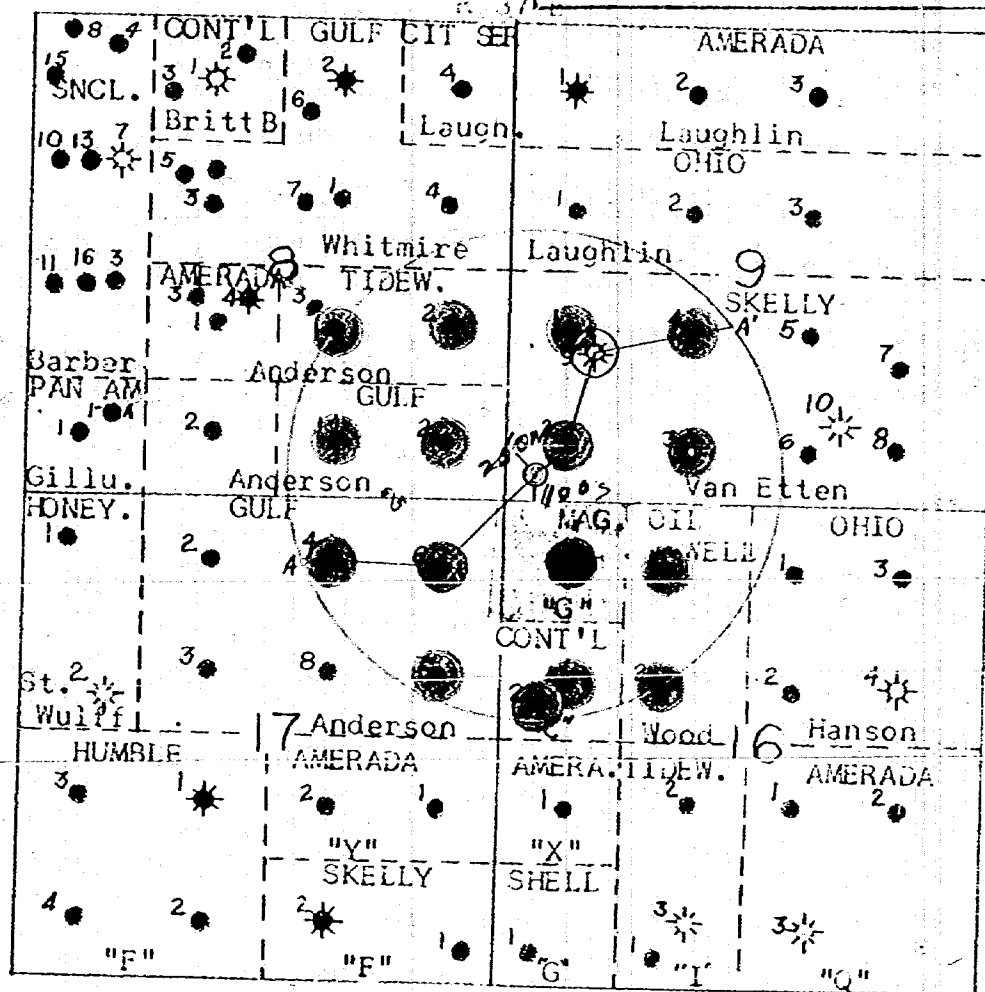
Staff Member

BEFORE EXAMINER UTZ

OIL CONSERVATION COMMISSION

Case NO. 175

EXHIBIT NO. A



KEY TO PRODUCING ZONES

Grayburg

Grayburg-Queen (Dual)

Queen

Abandoned Well



BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
CASE NO. _____

BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
EXHIBIT NO. _____
CASE NO. _____

"EXHIBIT A"

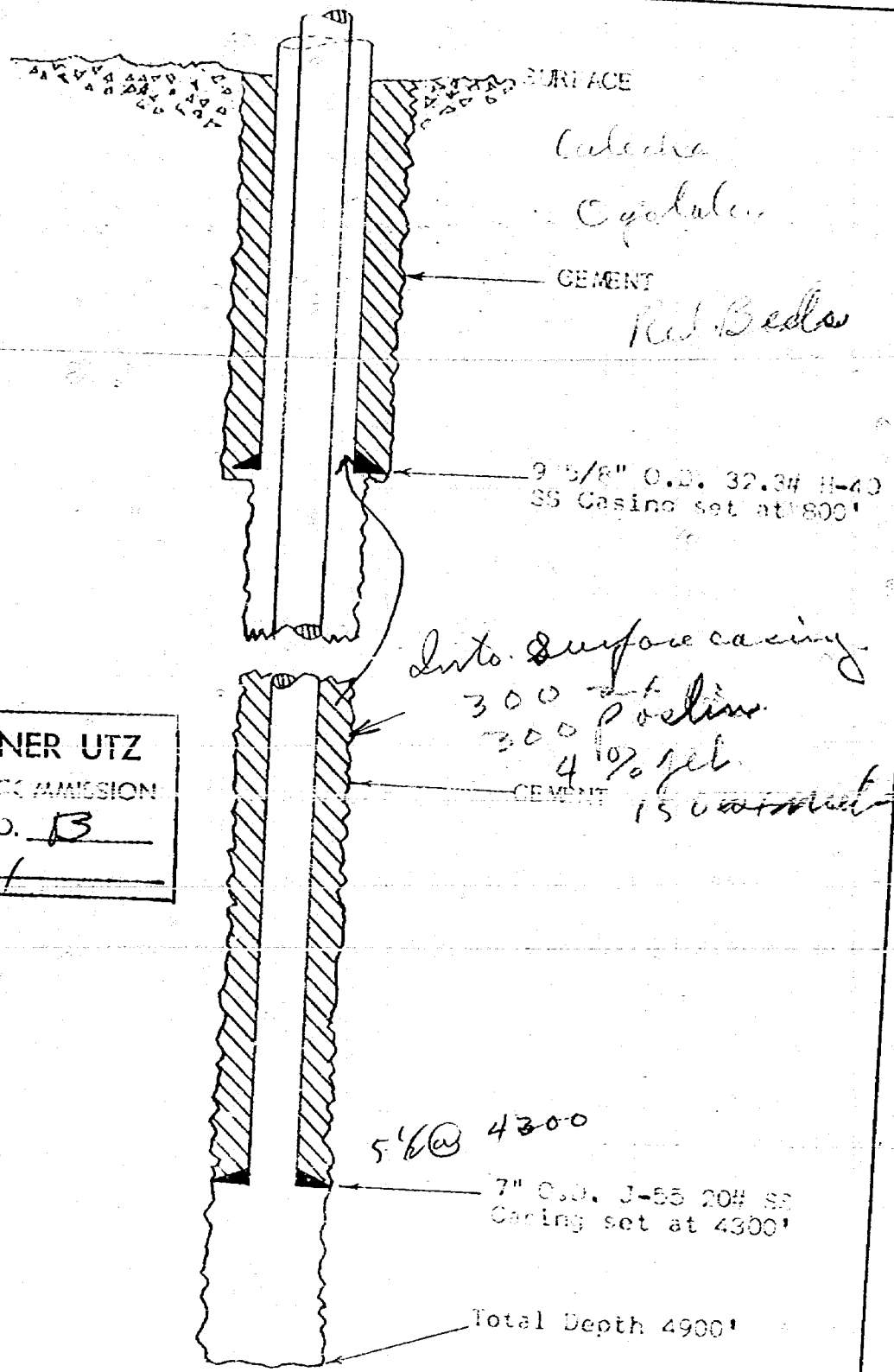
E-M-E SWD WELL # M-9
LOCATION MAP

Rice Engineering & Operating, Inc.
Hobbs, New Mexico

SCALE
1" = 2000'

DWG NO.
A-37

BEFORE EXAMINER UTZ
 OIL CONSERVATION COMMISSION
Rice, EXHIBIT NO. 13
 CASE NO. 1751



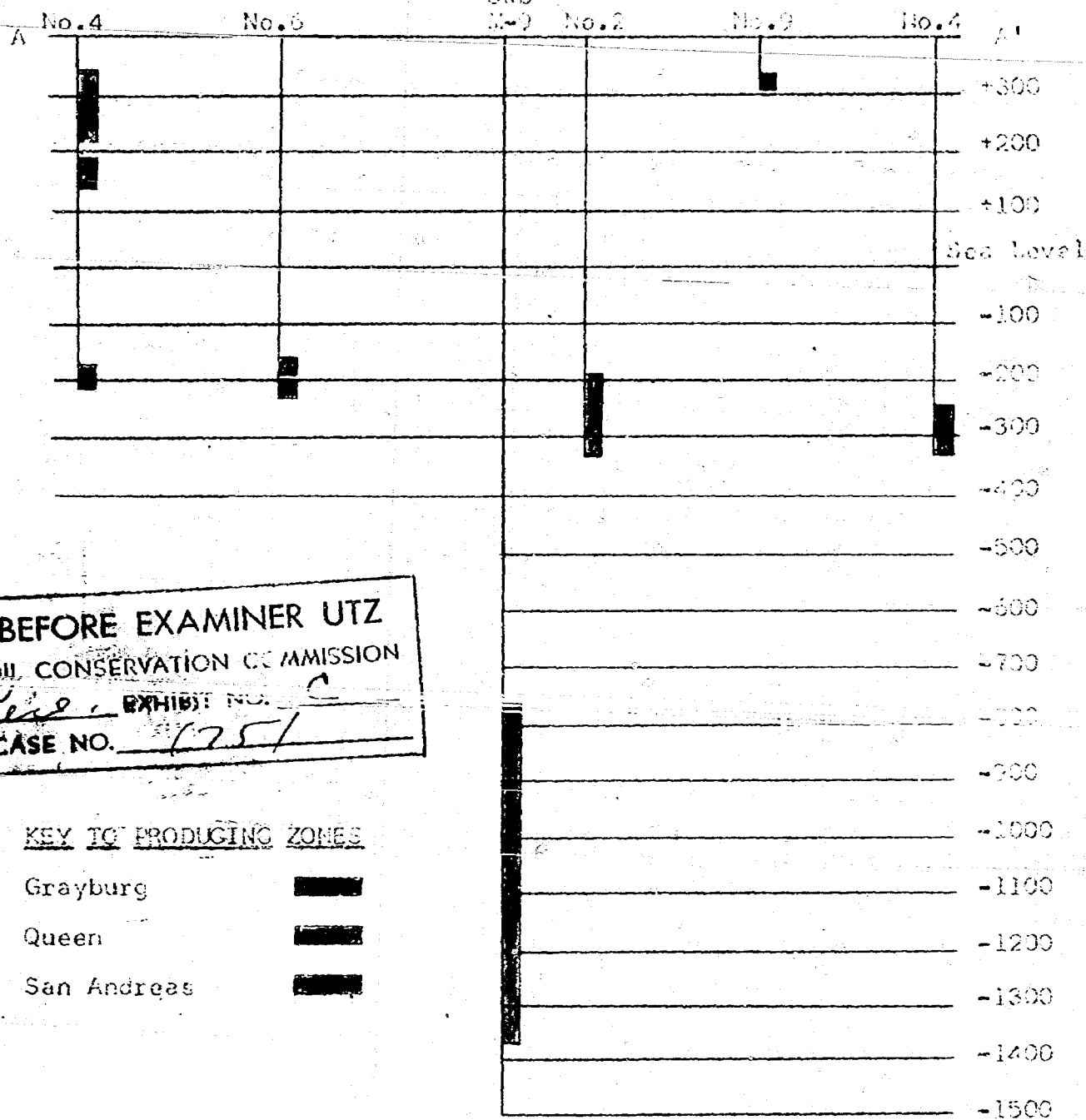
"EXHIBIT B"

DWN	DS	JULY 31-59	E-M-E WELLS NO. M-9 Proposed Completion	SCALE None
				DWG NO. A-70
			Rice Engineering & Operating, Inc. Hobbs, New Mexico	

Gulf Anderson

EME
SND
M-9

Skelly Van Eiten



BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
EXHIBIT NO. C
CASE NO. 1751

DWN	30	3-00	Section A-A' Exhibit "C"	SCALE
			B-A-E and System Well M-9	None
			Rice Engineering & Operating, Inc.	DWG NO.
			Hobbs, New Mexico	A-71

EXHIBIT "D"

Wells Within 1/2 Mile of SWD M-9

E-M-E SWD SYSTEM

Operator	Lease	Well No.	Completion Interval Elevation	Completion Zone	Remarks
Tidewater	Anderson	1	-155 to -175	Grayburg	TD-229, PBTD -175
		2	-154 to -175	Grayburg	TD-220, PBTD -175
Skelly	Van Etten	1	-260 to -328	Grayburg	
		2	-198 to -328	Grayburg	
		3	-242 to -320	Grayburg	
		4	-242 to -328	Grayburg	
		9	+330 to +310	Queen	P&A
Magnolia	State "G"	1	-196 to -210 +244 to +178	Grayburg Queen	Dual
Oil Well	Wood	1	-139 to -211	Grayburg	TD-336, PBTD -211
		2	+234 to +142	Queen	TD-287, PBTD +51
Continental	State "C"	1	-140 to -347	Grayburg	
		2	-205 to -296	Grayburg	
Gulf	Anderson	1	-193 to -213 +362 to +252	Grayburg Queen	Dual Completion
		2	-196 to -216	Grayburg	TD-321, PBTD -230
		4	-175 to -205 +255 to +143	Grayburg Queen	Dual Completion
		6	-168 to -214	Grayburg	TD-320, PBTD -237
		7	-170 to -192	Grayburg	TD-324, PBTD -237

DGS/sac
8/26/59

BEFORE EXAMINER UTZ	
OIL CONSERVATION COMMISSION	
EXHIBIT NO.	D
CASE NO.	1751



SKELLY OIL COMPANY

Box 38
Hobbs, New Mexico

March 28, 1959

Re: E-M-E SWD System

Rice Engineering & Operating, Inc.
Box 1142
Hobbs, New Mexico

Attention: Mr. R. I. Routh

Gentlemen:

As requested in your letter of March 26, 1959, approval is hereby granted to locate a salt water disposal well 250' from the west line and 100' from the south line of Section 9, T20S, R37E, Lea County, New Mexico.

If we can be of further assistance in this matter, please advise.

Yours very truly,

J. N. Dunlavey

JND/JDR

RECEIVED

MAR 31 1959
RICE ENGINEERING & OPERATING, INC.
HOBBS, N. M.

EUNICE - MONUMENT - EUMONT

MAILING LIST

Amerada Petroleum Corporation, Drawer D., Monument, N. M.
Anderson-Prichard Oil Corporation, Box 196, Midland, Tex.
Atlantic Refining Company, The, Box 1038, Denver City, Texas
Aztec Oil & Gas Company, Box 847, Hobbs, N. M.
Cities Service Oil Company, Box 97, Hobbs, N. M.
Continental Oil Company, Box 427, Hobbs, N. M.
Getty Oil Company, Box 547, Hobbs, N. M.
Gulf Oil Corporation, Box 2167, Hobbs, N. M. (C. M. Bumpass)
Gulf Oil Corporation, Box 669, Roswell, N. M. (M. I. Taylor)
Gulf Oil Corp., P. O. Drawer 1290, Ft. Worth 1, Tex. (E. Hosford)
Hudson & Hudson, Inc., 1810 Electric Bldg., Fort Worth, Tex.
Humble Oil & Refining Company, Box 2347, Hobbs, N. M.
Magnolia Petroleum Company, Box 2406, Hobbs, N. M. (G. S. Young, Jr.)
Ohio Oil Company, The, Box 2107, Hobbs, N. M.
Pan American Petroleum Corporation, Box 268, Lubbock, Tex.
Pan American Petroleum Corporation, Box 68, Hobbs, N. M. (J. W. Brown)
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, N. M.
Sinclair Oil & Gas Company, Box 521, Tulsa, Okla. (F. H. Rhees)
Sinclair Oil & Gas Company, Box 1470, Midland, Tex. (R. E. Powers)
Sinclair Oil & Gas Company, Box 1470, Midland, Tex. (H. F. Defenbaugh)
Skelly Oil Company, Box 38, Hobbs, N. M.
Skelly Oil Company, Box 1650, Tulsa, Okla. (Ira Myers)
Standard Oil Company of Texas, Box 698, Monahans, Texas
Standard Oil Company of Texas, Box 1249, Houston, Tex. (H.W. Matthews)
Sun Oil Company, Box 1861, Midland, Texas
Sunray Mid-Continent Oil Co., 11th Floor Wilco Bldg., Midland, Tex.
Sunray Mid-Continent Oil Co., Box 128, Hobbs, N. M. (R. E. Statton)
The Superior Oil Company, Box 510, Midland, Texas
Texaco, Inc., Box 352, Midland, Texas
Tidewater Oil Company, Box 547, Hobbs, N. M.
Southern Petroleum Exploration, Inc., Box 515, Hobbs, N. M.
Southern Pet. Expl., Inc., Box 1017, Roswell, N. M. (J. B. Headley)
Two States Oil Company, 528 Wilson Bldg., Dallas, Texas
W. K. Byrom, 817 N. Turner, Box 326, Hobbs, N. M.
R. B. Honeyman, Jr. %James V. Short, 308 Rainbos Dr., Hobbs, N. M.
Pearson-Sibert Oil Co. of Texas, 201 West Bldg., Midland, Texas
B. H. Nolen, 817 N. Turner, Box 326, Hobbs, N. M.

BEFORE EXAMINER UTZ

OIL CONSERVATION COMMISSION

Pace EXHIBIT NO. *F*

CASE NO. *1751*

8/31/59

EXHIBIT "F"

No. 31-59

DOCKET: EXAMINER HEARING SEPTEMBER 2, 1959

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

The following cases will be heard before Elvis A. Utz, Examiner, or
A. L. Porter, Jr., Secretary-Director.

- CASE 1750: Application of Aztec Oil & Gas Company for permission to commingle the production from two separate leases. Applicant, in the above-styled cause, seeks an order authorizing it to commingle the production from the Robinson Pool from two separate leases, a State lease and a Federal lease, in Township 16 South, Range 32 East, Lea County, New Mexico, after separately metering the production from each lease.
- CASE 1751: Application of Rice Engineering and Operating, Inc., for a salt water disposal well. Applicant, in the above-styled cause, seeks an order authorizing it to complete a salt water disposal well in the San Andres formation at a point 100 feet from the South line and 250 feet from the West line of Section 9, 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 4300 feet to 4900 feet.
- CASE 1752: Application of Skelly Oil Company for an oil-oil dual completion and for permission to commingle the production from several separate pools. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Hobbs "A" Well No. 6, located 1650 feet from the North line and 330 feet from the West line of Section 30, Township 25 South, Range 38 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Justis-Blinbry Pool and the production of oil from an undesignated Tubb oil pool. Applicant further seeks permission to commingle the production of similar grade crudes from the pools underlying its Hobbs "A" lease comprising the NW/4 of said Section 30.
- CASE 1753: Application of Joseph I. O'Neill, Jr., for an oil-oil dual completion and for permission to commingle the production from two separate pools. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Federal "E" Well No. 3, located 1980 feet from the North line and 660 feet from the East line of Section 1, Township 19 South, Range 30 East, Eddy County, New Mexico, and for permission to commingle the production from the two zones of the said dually completed well.
- CASE 1754: Application of Skelly Oil Company for permission to commingle the production from two separate oil pools. Applicant, in the above-styled cause, seeks an order authorizing it to commingle the production from the Langlie-Mattix Pool and from an undesignated Blinbry oil pool from all wells on its R. R. Sims lease comprising the W/2 SW/4 and NE/4 SW/4 of Section 3, Township 23 South, Range 37 East, Lea County, New Mexico.

RICE Engineering & Operating, Inc.

MAIN OFFICE 600

Telephone EXpress 3-9174

HOBBS, NEW MEXICO

AUG 3 1959

August 3, 1959

1st. Exam. hearing
in Sept.

Case 1757

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

Re: Rule 701 - Permit for injection
of Water (Salt Water Disposal)
Rule 104 - Unorthodox Location

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 and an exception to Rule 104 to drill and complete a salt water disposal well on the Skelly Oil Company's Van Etten Lease in Section 9, Township 20 South, Range 37 East, Monument Pool, Lea County, New Mexico. The proposed disposal well will be known as Rice Engineering & Operating, Inc. E-M-E SWD Well M-9.

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

- A. That said well is to be located 100 feet from the South line and 250 feet from the West line of Section 9, Township 20 South, Range 37 East, N.M.P.M. (See Exhibit "A")
- B. That said well will be drilled through the porous zone of the San Andres Formation.
- C. That said well will have 9 5/8" O.D. H-40 SS Casing set at approximately 800 feet and cement circulated. Injection casing will be 7" O.D. J-55 SS set at approximately 4300 feet, with total depth of 4900 feet. (See Exhibit "B")

Revised
Mailed
8-19-59
JH

N. M. Oil Conservation Commission

August 3, 1959

- D. That said well by agreement between Rice Engineering & Operating, Inc. and Skelly Oil Company shall be utilized by the Eunice-Monument-Eumorit Salt Water Disposal System as a disposal well.
- E. That the salt water to be injected is produced in the Monument Field.
- F. That the volume of salt water to be disposed shall be approximately 15,000 barrels per day.

Therefore, Rice Engineering & Operating, Inc. requests that 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 Rice Engineering & Operating, Inc. E-M-E SWD Well M-9.

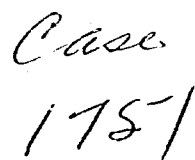
Respectfully submitted,

RICE ENGINEERING & OPERATING, INC.

By W. G. Abbott
W. G. Abbott
Division Manager

DGS/eh

Attachments: Exhibit "A"
Exhibit "B"

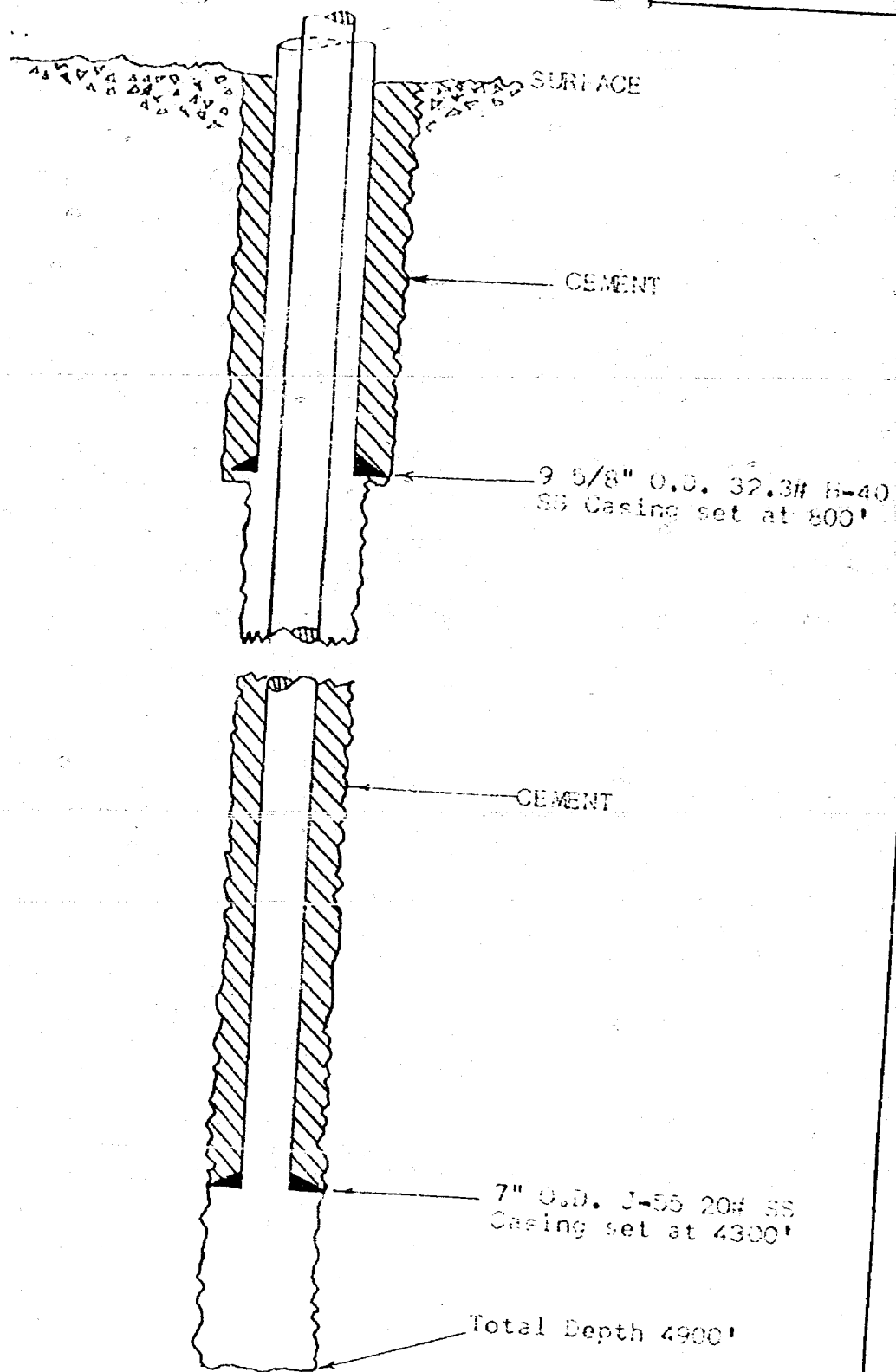


"EXHIBIT A"
E-M-E SWD WELL # M-9
LOCATION PLAT

Rice Engineering & Operating, Inc.
Hobbs, New Mexico

SCALE
1" = 2000'

DWG NO.
A-37



"EXHIBIT E"

DWN	DS	July 31-59	E-M-B SWD WELL NO. M-9 Proposed Completion	SCALE None
				DWG NO. A-70
			Rice Engineering & Operating, Inc. Hobbs, New Mexico	