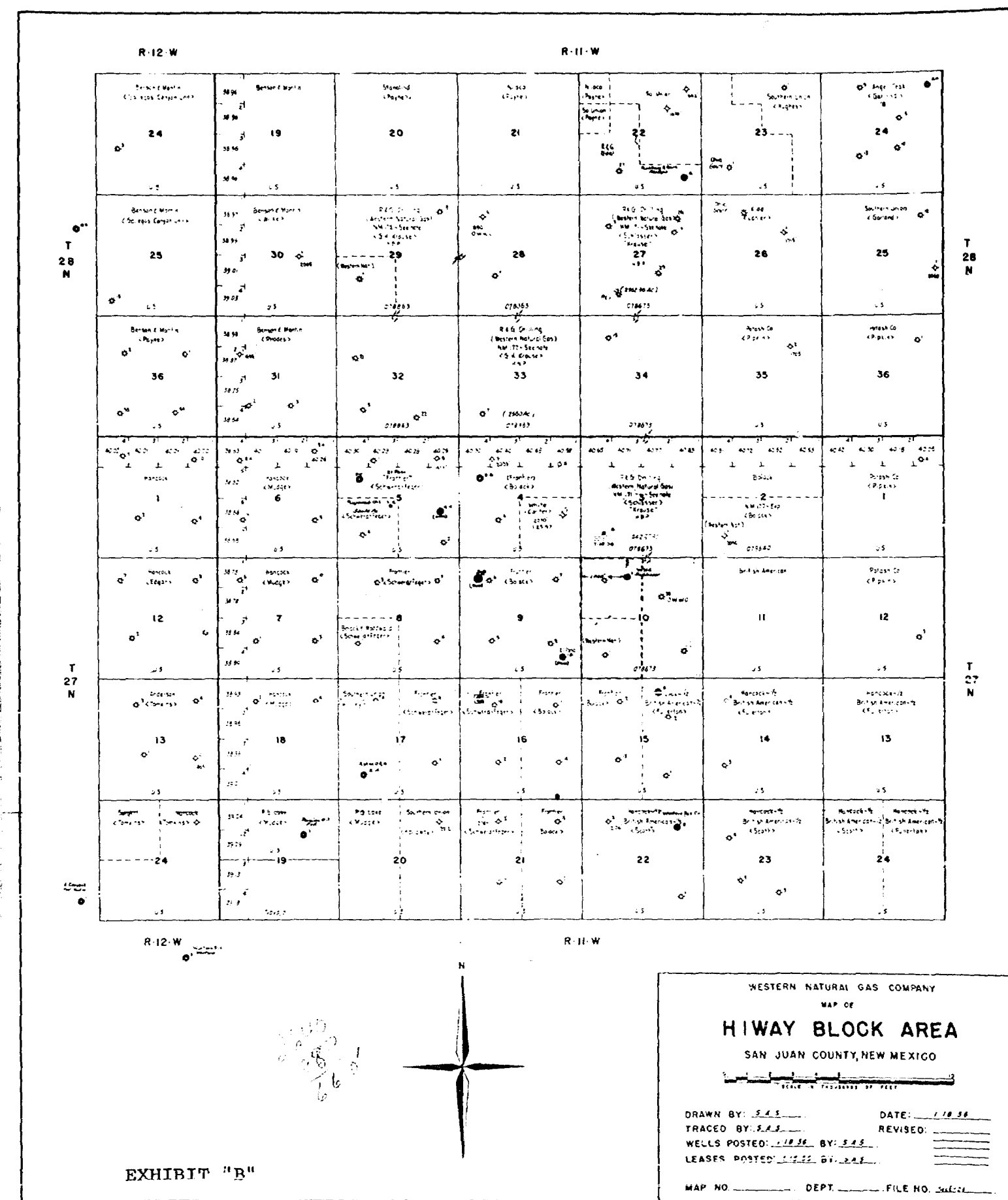


CASE 1846: Application of RICE ENGR.
to recomplete Lowe Oberholtzer Well
#2 as a SALT WATER DISPOSAL WELL.



Case No.

1846

Application, Transcript,
Small Exhibits, Etc.

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

IN THE MATTER OF:

CASE 1846 : Application of Rice Engineering and Operating,
Inc. for an order authorizing a salt water dis-
posal well.

TRANSCRIPT OF HEARING

JANUARY 6, 1960

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
JANUARY 6, 1960

IN THE MATTER OF:

CASE 1846 Application of Rice Engineering and Operating, Inc. for an order authorizing a salt water disposal well. Applicant, in the above-styled cause, seeks an order authorizing it to recomplete the Lowe Oberholtzer Well No. 2 as a salt water disposal well. Said well is located 1980 feet from the North and East lines of Section 8, Township 12 South, Range 38 East, Gladiola Pool, Lea County, New Mexico. Applicant proposes to inject the produced salt water in the Devonian formation in the interval from 12,223 feet to 12,500 feet.

BEFORE:

Daniel S. Nutter, Examiner.

T R A N S C R I P T O F P R O C E E D I N G S

MR. NUTTER: Take next Case 1846.

MR. PAYNE: Case 1846. Application of Rice Engineering and Operating, Inc. for an order authorizing a salt water disposal well.

MR. KELLAHIN: Jason Kellahin, Kellahin & Fox, Santa Fe, representing the applicant. We have one witness, Mr. Abbott.

(Witness sworn)

WILLIAM G. ABBOTT,

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

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



follows:

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Would you state your name, please?

A My name is W. G. Abbott.

Q By whom are you employed and in what position, Mr. Abbott?

A I am division manager of Rice Engineering and Operating, Inc. in Hobbs, New Mexico.

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

A Yes, sir.

MR. KELLAHIN: Are the witness' qualifications acceptable?

MR. NUTTER: Yes, sir. Proceed.

Q (By Mr. Kellahin) Mr. Abbott, are you familiar with the application in Case 1846?

A Yes, sir.

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

A We propose to go back into the Lowe Oberholtzer No. 2 Well, which is a dry hole, located 1980 feet from the North line and 1980 feet from the East line of Section 8, Township 12 South, Range 38 East, Lea County, New Mexico. It is located in the Gladiola Pool. We propose to make a salt water disposal well of

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



this Devonian dry hole, and it will be known as the Gladiola SWD Well G8.

Q Before we go into the Exhibits, will you discuss briefly the history of the well?

A Yes. This well was originally completed as a dry hole by Ralph Lowe, a dry hole in the Devonian Pool, that is January 26, 1958. The well was then plugged back to 9593, and recompleted through perforations from 9498 to 9508 February 11, 1958 as a producing well in the Pennsylvanian zone. The well was evidently of poor quality, and they temporarily abandoned it in this Pennsylvanian zone on June 21st, 1958. The well now has been sold to the Gladiola salt water disposal system for this proposed disposal well.

(Thereupon, Applicant's Exhibit A was marked for identification.)

Q Now, referring to what has been marked as Exhibit A, will you state what is shown on that Exhibit?

A Exhibit A is a map of the Gladiola Pool, and marked in red there is a trace of a cross section AA Prime, which we will discuss later. The subject well is the extreme east well of this trace. It is marked G8. There is a green circle around that well half a mile radius showing the wells within a half mile of the proposed disposal well.

Q Now, Rice Engineering and Operating, Inc. has another salt water disposal well in the area, does it not?

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

A Yes, sir, in the extreme -- I mean due west of the G8 on the west side of Gladiola Pool there is another disposal well.

Q Now, is it disposing of salt water in the same zone it is to be used in the instant case?

A Yes, disposing salt water in the Devonian pay --

(Thereupon, Applicant's Exhibit B was marked for identification.)

Q Referring to what has been marked Exhibit B, will you discuss that?

A Exhibit B shows the casing program; the thirteen and three-eighths set at 365 feet with the cement circulated; the eight and five-eighths, set at 4480, and the cement circulated, and the five and a half inch casing set at 12,034 feet. We used 500 sacks of cement on that. We propose to run this after we squeeze off the perforations from 9498 to 9508. We propose to drill out, and drill out to about 12,500 feet, and run this four and a half inch OD liner which we will set at 12,223 feet. And we propose to dispose of the water from 12,223 to 12,500 feet.

Q Do you consider the casing and cementing program on this well adequate to protect any fresh water zones or any producing horizons encountered in this well?

A Yes, sir. The fresh water is usually encountered -- it's spotty throughout the Gladiola Pool, but where the fresh water is present, it is usually found from 50 to a hundred feet.

Q In disposing of salt water in the well, will it be



disposed of through the liner?

A Yes, it will go through the liner. We propose to -- initially to dispose of the water directly down the five and a half inch casing and through the liner, and we will run a caliper survey before we dispose of any water, and then we are coming back within six months and run another caliper survey to see if there is any corrosion on the five and a half inch casing. If there is corrosion present, and we do expect it, then we will run a tubing string.

Q Are the fluids that will be disposed of corrosive?

A Yes, sir, the Devonian waters are pretty corrosive.

Q What is the source of water that will be disposed of in this well?

A It will be produced water from the Devonian wells that are tied into the salt water disposal system.

Q Will there be any water from the Wolfcamp Pool?

A I believe there are two wells that are going to be disposed of from the Wolfcamp formation.

Q Now, what volumes of water would you anticipate would be disposed of in this well?

A We expect to have approximately 15,000 barrels a day going in the well.

Q On the basis of your experience in this area, in your opinion, will the well take that volume of water?

A Well, it will be pretty close to that volume. On the SWD F-7, we have tested that at 660 barrels an hour by gravity.

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



PHONE CH 3-6691

DEARNLEY-MEIER REPORTING SERVICE, Inc.
ALBUQUERQUE, NEW MEXICO

(Thereupon, Applicant's Exhibit C was marked for identification.)

Q Now, referring to what has been marked as Exhibit C, will you discuss that Exhibit?

A Exhibit C is this cross-section that's marked as AA Prime and is also the trace as shown on Exhibit A. It is a cross-section showing the wells extending from the Continental Wallace Well south to the SWD F-7. And then east, the proposed well SWD F-8, shows the top of the Devonian and also the interval that is opened in the Devonian. In the case of SWD F-7, it shows the injection interval, and in SWD F-8 it shows the proposed injection interval in that well.

Q Now, do you have a list of the wells within half a mile radius of the disposal well and the completion interval in those wells?

A Yes, sir. That's listed as Exhibit D. It shows the operator and the lease well number, completion interval, completion zone, and the top of the Devonian.

Q Have you obtained permission of the land owner for use of this well for salt water disposal?

A Yes, sir. We've obtained two acre lease surface leases surrounding this well from Mr. and Mrs. B. C. Jones.

Q Is that marked as Exhibit No. E?

A It isn't marked, but that will be Exhibit E.

(Thereupon, Applicant's Exhibits D, E and F were marked for identification.)



DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

Q Now, referring to what has been marked as Exhibit No. F, will you state what that shows?

A Exhibit F is the list of the operators that are in the Gladiola salt water disposal system. I might call your attention -- the last one on the list there is Lou Storm. Actually, he is an engineer for Jack Marcum, and he just got on this mailing list. He isn't considered an operator, he just works for Jack Marcum.

Q Now, do you have anything to add to your testimony, Mr. Abbott?

A I don't have anything.

Q Were Exhibits A through F inclusive prepared by you or under your direction and supervision?

A Yes, sir.

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

MR. NUTTER: Applicant's Exhibits A through F will be entered in evidence.

(Whereupon, Applicant's Exhibits A through F were received in evidence.)

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

MR. NUTTER: Does anyone have any questions of Mr. Abbott?

MR. PAYNE: Yes, sir.

CROSS EXAMINATION



DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

BY MR. PAYNE:

Q Mr. Abbott, do you propose to dispose of this water by gravity in this particular well?

A Yes, sir, we do.

Q Now, you say it will be approximately 15,000 barrels a day?

A Yes, sir.

Q So I take it from that these wells are making a great deal of water?

A The water -- produced water in the Gladiola Pool is increasing, yes.

Q Now, this is a water drive pool, is it not?

A Yes, sir.

Q Is there a possibility that you might enhance the recovery from the Devonian by adding to the natural water drive?

A That may be the case, but we feel that the aquifer of the Devonian is so large that this wouldn't bring the pressure up any.

Q You don't have to answer this next question if you don't want to, but just as a matter of information, is there a possibility that the producing rate of the wells in this pool is too high, which is causing premature water encroachment?

A Well, I don't have any ideas on the subject. I have noticed that the water does not seem to follow any set pattern. It's producing generally throughout the whole field. Structurally,



it doesn't look like it is following the structure.

MR. PAYNE: I see. Thank you.

QUESTIONS BY MR. NUTTER:

Q Mr. Abbott, was that well originally completed or previously completed in that interval from 9498 to 9508, is that Pennsylvanian or Wolfcamp?

A I believe they called it Pennsylvanian.

Q Did the well ever produce from the Wolfcamp, do you know?

A No, I don't believe so, and it had just produced a little while in that Pennsylvanian zone.

Q Now, has Mr. Lowe already plugged and abandoned the well?

A Yes, sir, he has temporarily abandoned it. It made an initial pump potential of 160 barrels of oil and 125 barrels of water.

Q Do you know what the cumulative production from the interval was?

A I think it is less than 5,000 barrels, if I am right.

Q Do you feel that you are going to be injecting water low enough here that you wouldn't cause any damage to the Devonian production?

A No, sir.

Q And may, in fact, augment the production by helping the natural water drive?

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6671

ALBUQUERQUE, NEW MEXICO



DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6091

ALBUQUERQUE, NEW MEXICO

A We've tested the bottom hole pressure of the SWD F-7 and the zones we were injecting water. The bottom hole pressure was higher than the producing zone, but it was lower than the initial bottom hole pressure of the reservoir so that there is communication, but it is still -- it seems to be pretty slow communication between this zone and the producing zone.

Q Now, did Rice have a hearing to get authority for this SWD F-7?

A Yes, sir.

Q Do you remember the case number or order number?

A No, I sure don't.

MR. NUTTER: Does anyone have any further questions of Mr. Abbott? Does anyone have anything further? He may be excused.

(Witness excused)

MR. NUTTER: Does anyone have anything further they wish to offer in Case No. 1946? Take the case under advisement and take Case No. 1847.



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 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 15th day of January 1960 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 correct record of the proceedings in the Examiner's hearing of Case No. 1-6 heard by me on 1-6, 1960.

William, Examiner
 New Mexico Oil Conservation Commission

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

January 19, 1960

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

Dear Mr. Kellahin:

On behalf of your clients, Rice Engineering, and Continental Oil Company we enclose two copies of Order No. R-1582 in Case 1846, Order No. R-1574 in Case 1847, and Order No. R-1576 in Case 1836 and Order R-1581 in Case 1837. These orders were issued by the Oil Conservation Commission on January 18, 1960.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ir/

Enclosures

C
O
P
Y

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. 1846
Order No. R-1582

APPLICATION OF RICE ENGINEERING
AND OPERATING, INC. FOR A SALT
WATER DISPOSAL WELL IN SECTION
8, TOWNSHIP 12 SOUTH, RANGE 38
EAST, GLADIOLA POOL, LEA COUNTY,
NEW MEXICO

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on January 6, 1960, at Santa Fe, New Mexico, before Daniel S. Nutter, 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 18th day of January, 1960, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Nutter, 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 is the operator of the Lowe Oberholtzer Well No. 2, located 1980 feet from the North line and 1980 feet from the East line of Section 8, Township 12 South, Range 38 East, NMPM, Gladiola Pool, Lea County, New Mexico.
- (3) That the said Lowe Oberholtzer Well No. 2 was originally completed to a total depth of 12,500 feet but was later plugged back to 9593 feet and was subsequently temporarily abandoned.
- (4) That the applicant proposes to recomplete said Lowe Oberholtzer Well No. 2 in such a manner as to permit the injection of salt water through casing into the lower Devonian formation with the proposed injection zone from 12,223 feet to 12,500 feet.

-2-

Case No. 1846
Order No. R-1582

(5) That the proposed injection zone in the Devonian formation is well below the producing zone of said Devonian formation, and the proposed salt water disposal program will not jeopardize the production of oil, gas, or fresh water in the area.

(6) That the applicant proposes that the above-described Lowe Oberholtzer Well No. 2 be known as the Gladiola SWD Well No. G-8.

IT IS THEREFORE ORDERED:

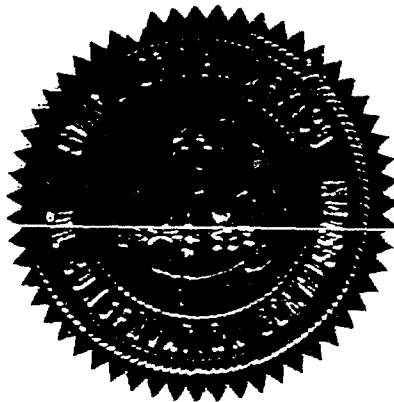
(1) That the applicant be and the same is hereby authorized to utilize the Lowe Oberholtzer Well No. 2, located 1980 feet from the North line and 1980 feet from the East line of Section 8, Township 12 South, Range 38 East, NMPM, Gladiola Pool, Lea County, New Mexico, for the purpose of disposing of produced salt water into the lower Devonian formation in the interval from 12,223 feet to 12,500 feet, by injecting said water through 5 $\frac{1}{4}$ -inch casing to 12,034 feet, thence through 4 $\frac{1}{4}$ -inch liner to 12,223 feet.

(2) That applicant shall conduct tests to determine the presence of corrosion, and shall inject through tubing rather than through casing should such tests reveal the occurrence of severe corrosion.

(3) 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.

(4) That the above-described Lowe Oberholtzer Well No. 2 shall from this time forward be known as the Gladiola SWD Well No. G-8.

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



vem/

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

Elev. 3873' (Dr)
3862' (GL)

BEFORE EXAMINED BY THE
OIL & GAS COMMISSION
Case 1946

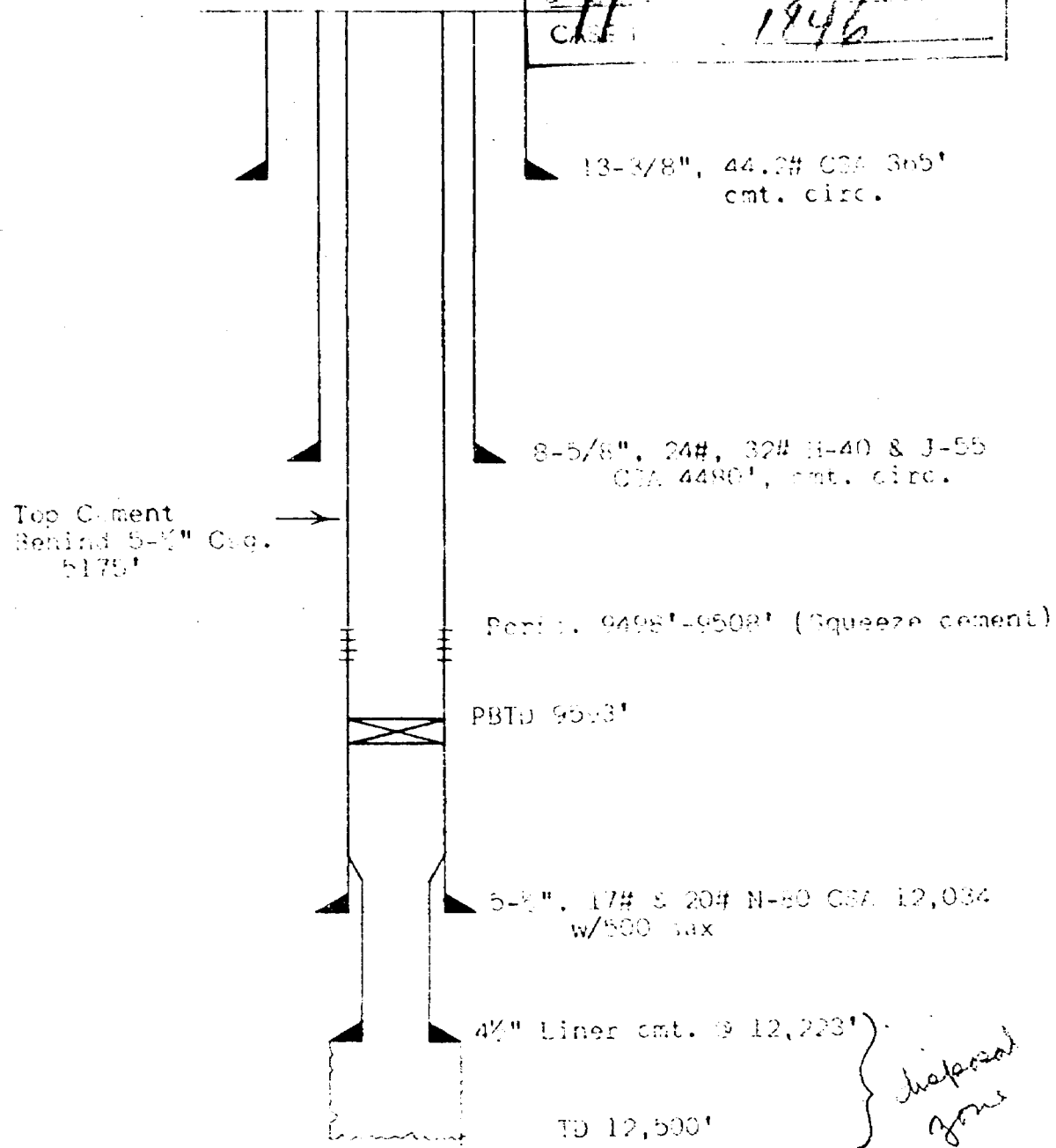


EXHIBIT "B"

DWN	D.B.	Dec. 11/54	RICE ENGINEERING & OPERATING, INC. GLADIOLA SWD WELL NO. G-8 PROPOSED RECOMPLETION	SCALE NONE
			Rice Engineering & Operating, Inc. Hobbs, New Mexico	DWG NO. A-77

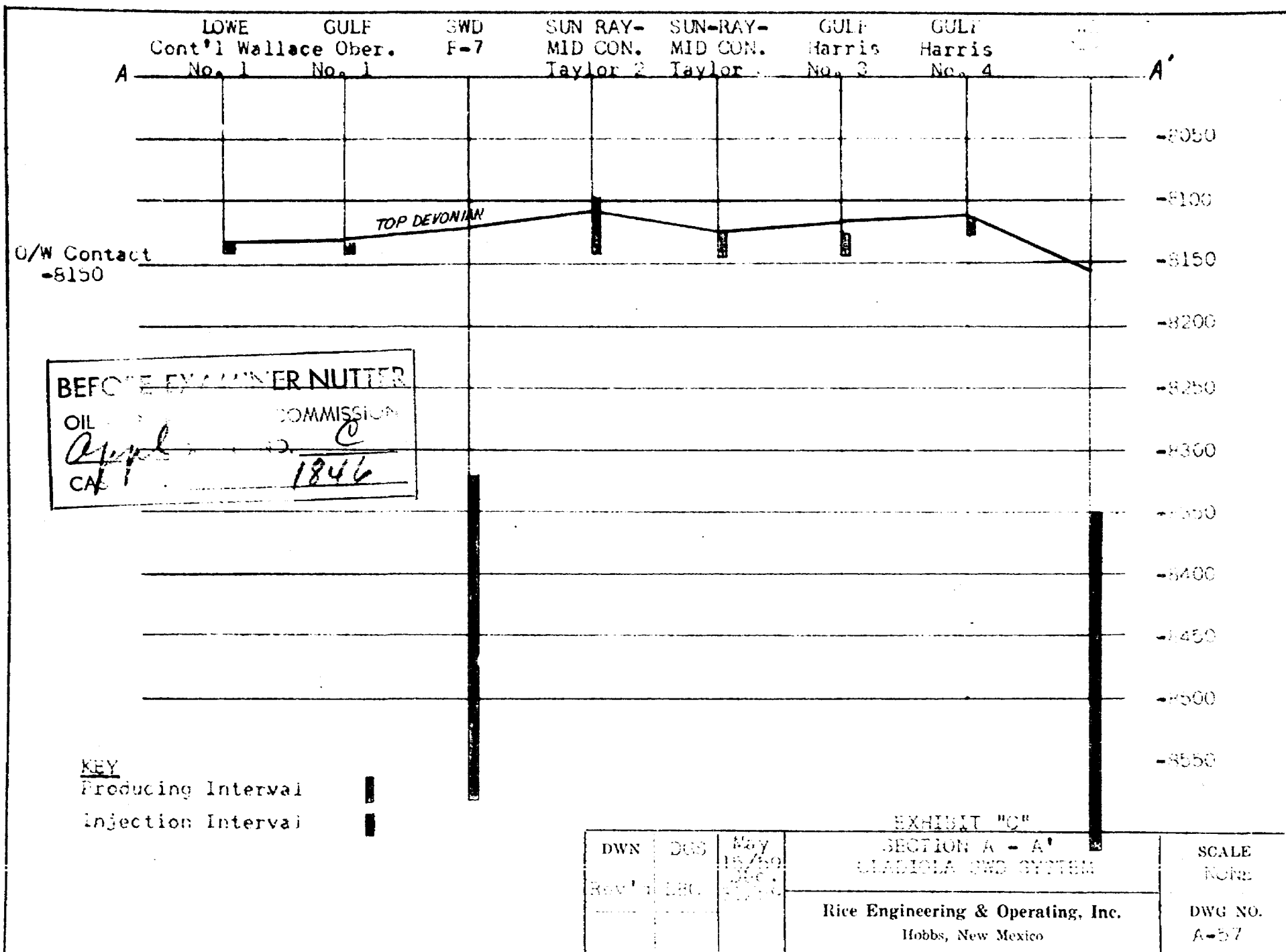


EXHIBIT "D"
Wells Within 1/2 Mile of SWP G-8
GLADEOLA SWD SYSTEM

1846 ^P

<u>Owner</u>	<u>Lease</u>	<u>Well No.</u>	<u>Completion Interval Elevation</u>	<u>Completion Zone</u>	<u>Remarks</u>
Gulf Oil Corp.	Harris	1	-8121 to -8144	Devonian	Top Dev. -8110
" " "	Harris	2	-8139 to -8159	Devonian	Top Dev. - 8135
" " "	Harris	3	-8128 to -8144	Devonian	Top Dev. -8116
" " "	Harris	4	-8115 to -8128	Devonian	Top Dev. -8112
Lowe	Oberholtzer	1	-8102 to -8122	Devonian	Top Dev. -8098
"	Aster-Adams	2	-8115 to -8153	Devonian	Top Dev. -8125
Sinclair Oil & Gas Co.	H. C. Kendrick	1	-8096 to -8109	Devonian	Top Dev. -8095
Sunray Mid-Continent Oil Co.	Hall	1	-8122 to -8132	Devonian	Top Dev. -8117
" "	Hall	2	-8140 to -8143	Devonian	Top Dev. -8141

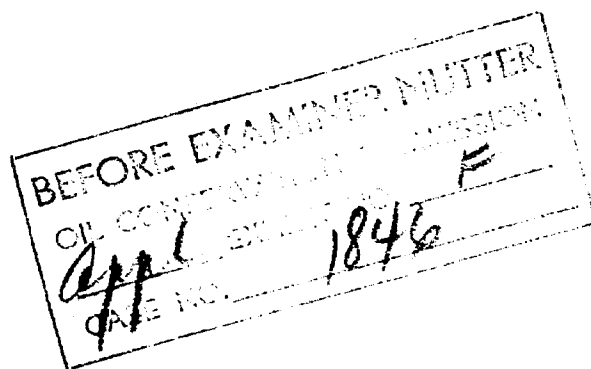
Wells on A-A' Cross Section

Gulf Oil Corp.	Oberholtzer	1	-8135 to -8143	Devonian	Top Dev. -8132
Gladiola SWD	Well F-7	2	-8322 to -8582	Devonian	Top Dev. -8121
Lowe	Cont'l Wallace	1	-8135 to 8144	Devonian	Top Dev. -8135
Sunray Mid-Continent Oil Co.	Taylor	2	-8099 to -8142	Devonian	Top Dev. -8107
" "	"	4	-8125 to -8145	Devonian	Top Dev. -8126
Lowe	Oberholtzer	2	-8162 to -8184	Devonian	Top Dev. -8157
			-5626 to -5636	Pennsylvanian	Temp. Abd. (SWD G-8)

GLADIOLA SALT WATER DISPOSAL SYSTEM

MAILING LIST

Cities Service Production Company, P. O. Box 97, Hobbs, N.M.
Cosden Petroleum Corporation, Box 1311, Big Spring, Texas
Gulf Oil Corporation, Box 2167, Hobbs, N.M.
Lowe Petroleum Company, P. O. Box 832, Midland, Texas
Jack Markham, 4th Floor Great Plains Life Building, Lubbock, Texas
McAlester Fuel Company, Box 608, Lovington, N.M. (R. L. Smith)
Ohio Oil Company, The, P. O. Box 2107, Hobbs, N.M.
Shell Oil Company, P. O. Box 845, Roswell, N.M.
Signal Oil & Gas Company, 509 West Texas, Midland, Texas. (J.V. Pollock)
Sinclair Oil & Gas Company, 520 East Broadway, Hobbs, N.M.
Sunray Mid-Continent Oil Company, Box 128, Hobbs, N.M. (R. E. Statton)
Lou Storm, 209 Turner Drive, Hobbs, N.M.



1/4/60

EXHIBIT "F"

DOCKET: EXAMINER HEARING JANUARY 6, 1960OIL CONSERVATION COMMISSION - 9 a.m., Mabry Hall, State Capitol, Santa Fe, New Mexico

The following cases will be heard before Daniel S. Nutter, Examiner, or A. L. Porter, Jr., Secretary-Director.

- CASE 1835: Application of Continental Oil Company for two non-standard gas proration units. Applicant, in the above-styled cause, seeks an order establishing two non-standard gas proration units in the Eumont Gas Pool, one consisting of the N/2 of Section 3, the other consisting of the S/2 of said Section 3, Township 20 South, Range 36 East, Lea County, New Mexico. Applicant proposes to dedicate the units respectively to its Reed A-3 Well No. 2, located 1980 feet from the North line and 660 feet from the East line of said Section 3 and to its Reed A-3 Well No. 3, located 1980 feet from the South line and 660 feet from the East line of said Section 3. Applicant further proposes the cancellation of an existing Eumont gas proration unit comprising the E/2 of said Section 3 and presently dedicated to the said Reed A-3 Well No. 3.
- CASE 1836: Application of Continental Oil Company for approval of an automatic custody transfer system. Applicant, in the above-styled cause, seeks an order authorizing it to install an automatic custody transfer system to handle the Arrowhead Pool production from all wells on its State J-2 lease consisting of the N/2 and the SE/4 of Section 2, Township 22 South, Range 36 East, Lea County, New Mexico.
- CASE 1837: Application of Continental Oil Company for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Baish "A" Well No. 27, located in the NE/4 SE/4 of Section 21, Township 17 South, Range 32 East, Lea County, New Mexico, in such a manner as to permit the production of oil from an undesignated Abo pool and the production of oil from an undesignated Wolfcamp pool through parallel strings of tubing.
- CASE 1838: Application of El Paso Natural Gas Company for a gas-gas dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Huerfano Unit Well No. 111 (GD), located in Unit F, Section 20, Township 26 North, Range 9 West, San Juan County, New Mexico, in such a manner as to permit the production of gas from an undesignated Gallup pool and the production of gas from an undesignated Dakota pool through parallel strings of tubing.
- CASE 1839: Application of Franklin, Aston & Fair, Inc., for permission to commingle the production from three separate leases. Applicant, in the above-styled cause, seeks permission to commingle the Empire-Abo Pool production from three separate State leases, one in Section 6, Township 18 South, Range 28 East, and the other two in Section 31, Township 17 South, Range 28 East, Eddy County, New Mexico.
- CASE 1840: Application of Pan American Petroleum Corporation for a non-standard gas unit. Applicant, in the above-styled cause, seeks an order establishing a 264-acre non-standard gas unit in the Blanco-Pictured Cliffs Pool consisting of the N/2 of Section 6, Township 29 North, Range 9 West, San Juan County, New Mexico, to be dedicated to the Hotchkiss Gas Unit Well No. 1, located 1650 feet from the North and East lines of said Section 6.

- CASE 1841: Application of Sinclair Oil & Gas Company for the creation of a new pool in the Potash-Oil Area and for the promulgation of special rules and regulations pertaining thereto. Applicant, in the above-styled cause, seeks an order creating a new pool for Yates production in the Potash-Oil Area as defined by Order R-111-A, said pool to comprise the SE/4 NW/4 of Section 16, Township 20 South, Range 33 East, Lea County, New Mexico, and such other acreage as may reasonably be proven productive from the same common source of supply. Applicant further seeks the promulgation of special rules and regulations for said pool as follows:
- A. Cable Tool Casing Program.
- Same as Order R-1078 for Teas Pool.
- B. Rotary Tool Casing Program.
- Surface casing set at 600 feet and cement circulated. No salt protection string. Production casing to be set through pay from 3146 feet to 3232 feet (approximately) with cement circulated to at least 50 feet into surface casing.
- CASE 1842: Application of Skelly Oil Company for permission to commingle the production from two separate pools. Applicant, in the above-styled cause, seeks permission to commingle the production from the Langlie-Mattix Pool and the Drinkard Pool from all wells on its Baker "A" lease comprising the NW/4 of Section 26, Township 22 South, Range 37 East, Lea County, New Mexico.
- CASE 1843: Application of Roy H. Smith Drilling Company for permission to commingle the production from two separate pools. Applicant, in the above-styled cause, seeks permission to commingle the production from the Maljamar-Yates Pool and the Pearsall Pool from all wells on its Walker "A" lease, comprising the S/2 NE/4 of Section 5, Township 18 South, Range 32 East, Lea County, New Mexico.
- CASE 1844: Application of Texaco Inc. for permission to commingle the production from two separate pools and for permission to install an automatic custody transfer system. Applicant, in the above-styled cause, seeks an order authorizing it to commingle the production from the Justis-Ellenburger and Justis-McKee Pools from all wells on its C. E. Penny lease consisting of the NW/4 of Section 19, Township 25 South, Range 38 East, Lea County, New Mexico, and for permission to install an automatic custody transfer system to handle said commingled production.
- CASE 1845: Application of Western Natural Gas Company for an oil-gas dual completion and for an unorthodox gas well location. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Bonnie Schlosser Federal Well No. 1, located 790 feet from the North line and 1980 feet from the West line of Section 10, 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 pool and the production of gas from an undesignated Dakota pool through parallel strings of tubing. Applicant further seeks an unorthodox Dakota gas well location for the said Bonnie Schlosser Federal Well No. 1.

CASE 1846:

Application of Rice Engineering and Operating, Inc. for an order authorizing a salt water disposal well. Applicant, in the above-styled cause, seeks an order authorizing it to recompleate the Lowe Oberholtzer Well No. 2 as a salt water disposal well. Said well is located 1980 feet from the North and East lines of Section 8, Township 12 South, Range 38 East, Gladiola Pool, Lea County, New Mexico. Applicant proposes to inject the produced salt water in the Devonian formation in the interval from 12,223 feet to 12,500 feet.

CASE 1847:

Application of Rice Engineering and 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 Hobbs SWD Well No. F-29 to be located 1880 feet from the North line and 1742 feet from the West line of Section 29, Township 18 South, Range 38 East, Hobbs, Pool, Lea County, New Mexico. Applicant proposes to inject the produced salt water into the San Andres formation in the interval from 4700 feet to 5000 feet.

CASE 1848:

Application of El Paso Natural Gas Company for an exception to Paragraph 3 of Order R-1065. Applicant, in the above-styled cause, seeks an extension of time to make up the accrued underproduction of the Jones 4-A Well (a pressure build-up test well), located in Unit B, Section 13, Township 28 North, Range 8 West, Blanco-Mesaverde Pool, San Juan County, New Mexico.

CASE 1849:

Application of Western Natural Gas Company for an exception to the over-production shut-in provisions of Order R-520, as amended by Order No. R-967, for 3 wells in the Jalmat Gas Pool. Applicant, in the above-styled cause, seeks an order permitting the following-described gas wells in the Jalmat Gas Pool, Lea County, New Mexico, to compensate for their overproduced status without being completely shut-in in order to prevent possible waste.

Wells Federal No. 1 Well, SW/4 NE/4 of Section 6,
T-26-S, R-37-E.

Guthrie No. 1 Well, SW/4 SE/4 of Section 34,
T-23-S, R-36-E.

State McDonald A-15 Well No. 1, NW/4 SW/4 of Section 15,
T-22-S, R-36-E.

RICE Engineering & Operating, Inc.

Post Office Box 1142

Telephone EXpress 1-9174

HOBBS, NEW MEXICO

December 14, 1959

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

Gentlemen:

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

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 recomplete the Lowe Oberholtzer No. 2 Well as a salt water disposal well. The subject well is located on the Lowe Oberholtzer Lease in Section 8, Township 12 South, Range 38 East, Gladiola Pool, Lea County, New Mexico. The proposed disposal well will be known as Rice Engineering & Operating, Inc., Gladiola SWD Well G-8.

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

- A. That said well is located 1980 feet from the North line and 1980 feet from the East line of Section 8, Township 12 South, Range 38 East, N.M.P.M. (See Exhibit A)
- B. That said well was drilled and completed as a dry hole January 26, 1958 in the Gladiola Devonian Pool by Ralph Lowe.
- C. That said well was plugged back to 9593 feet and recompleted through perforations from 9498 feet to 9508 feet on February 11, 1958 with an Initial Pumping Potential of 160 Barrels of Oil and 125 Barrels of Salt Water per day.
- D. That said well was temporarily abandoned by Ralph Lowe June 21, 1958.

December 14, 1959

- E. That said well by agreement between Rice Engineering & Operating, Inc. and Ralph Lowe shall be utilized by the Gladiola Salt Water Disposal System as a disposal well.
- F. That said well has 13-3/8 inch OD casing set at 365 feet, 8-5/8 inch OD casing set at 4480 feet, and 5-1/2 inch OD casing set at 12,034 feet. (See Exhibit "B").
- G. That said well will be completed as a disposal well in the lower Devonian by (1) squeeze cementing present casing perforations; (2) drilling to new total depth of 12,500 feet; (3) setting 4-1/2 inch OD liner at 12,223 feet; (4) disposing in the open hole interval from 12,223 to 12,500 feet.
- H. That the salt water to be injected is produced from the Gladiola Devonian and Wolfcamp pools.
- I. 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 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 Lowe Oberholtzer No. 2 Well.

Respectfully submitted,

RICE ENGINEERING & OPERATING, INC.

by W. G. Abbott
W. G. Abbott
Division Manager

DGS/10

Attachments:
Exhibit "A"
Exhibit "B"