

CASE 2002: Application of RICE Engineer-
ing for an order authorizing a salt water
disposal well (Skelly State "D" Well #3).

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Case No.

2002

Application, Transcript,
Small Exhibits, Etc.

BEFORE THE
OIL CONSERVATION COMMISSION
in the
STATE CORPORATION COMMISSION
HEARING ROOM, BASEMENT
CAPITOL BUILDING
Santa Fe, New Mexico
9:00 A. M.
July 8, 1960

EXAMINER HEARING

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 produced salt
water through its Skelly State "D" Well No. 3, lo-
cated 2310 feet from the South line and 660 feet
from the East line of Section 1, Township 20 South,
Range 36 East, Lea County, New Mexico, with injec-
tion to be in the lower San Andres formation with
the injection interval from 4,450 feet to 4,950
feet.

Case 2002

BEFORE:

Elvis A. Utz, Examiner

TRANSCRIPT OF HEARING

MR. UTZ: Case 2002.

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

MR. KELLAHIN: My name is Jason Kellahin, Kellahin and
Fox, Santa Fe, New Mexico, representing the Applicant. We will
have one witness, Mr. Abbott.

(Witness sworn.)

W. G. ABBOTT

called as a witness, having been first duly sworn on oath, testi-
fied as follows:



DIRECT EXAMINATION

BY MR. KELLAHIN:

Q State your name, please?

A My name is W. G. Abbott.

Q By whom are you employed and in what position?

A I am a Division Manager of Rice Engineering and Operating, Inc., of Hobbs, New Mexico.

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

A Yes, sir.

MR. KELLAHIN: Are the witness' qualifications acceptable?

MR. UTZ: Yes, sir, they are.

Q (BY MR. KELLAHIN) Mr. Abbott, are you familiar with the application which is filed in Case 2002?

A Yes, sir.

Q Would you state briefly what is proposed?

A We propose to re-complete a Skelly State "D" No. 3 Well, it's an oil well in the Monument Oil Pool at the present time, which we propose to re-complete as a salt water disposal well.

Q Referring you to what has been marked as Exhibit No. A, as Exhibit A, would you discuss that Exhibit, please?

A Yes, sir. Exhibit A is a well plat showing the location of the wells in this immediate area of this proposed salt water disposal well. On this Exhibit A is a circle drawn in a half mile



radius around the Skelly State "D" No. 3 well and also on this Exhibit A there is a trace of a cross section, a line traced in red.

Q Is that further shown by another Exhibit to be presented?

A Yes, sir, that will be brought up later.

Q Now, referring to what has been marked as Exhibit B, would you discuss the proposed completion to be made in this well?

A Exhibit B is a diagram sketch of the casing program used in the Skelly "D" No. 3 well. The thirteen and three-eighths casing is set at 324 feet and the nine and five-eighths casing is set at 2786, and the five and a half inch casing is set at 7,25. We propose to set a bridge plug in the five and a half inch casing at 5,050 feet. In the open PA zone for disposal, which is in the lower San Andres formation, the interval of 4,450 feet to 4,950 feet.

Q Now, are you familiar with the cementing program on this well?

A Yes, sir.

Q Would you state what that is?

A O. K. The thirteen and three-eighths casing was set with 420 sacks and that cement was circulated and the nine and five-eighths was set at 1500 sacks of cement and the five and a half inch casing was set with--

MR. UTZ: What was the top of the cement on the nine and five-eighths?

A Let's see if they recorded that. Nine and five-eighths was circulated with 1500 sacks of cement. The five and a half inch



DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6651

ALBUQUERQUE, NEW MEXICO

casing was set with 175 sacks and the top of the cement was 5390.

Then, Skelly originally made a Monument Paddock completion on this well, so before they did that, they perforated the casing to 5-1/2 inch at 5383. with two holes and cemented the casing through those perforations with 385 sacks, that brought the top of that cement with that 385 sacks was at 3125, so we feel that the five and a half inch casing is cemented pretty well and will make a good salt water disposal well.

Q I understand the cement would extend above the zone which you propose to perforate?

A Yes, sir.

Q Now, what formation will you perforate in?

A In the San Andres and the lower part of the San Andres formation.

Q What bodies of water do you propose to inject into this well, Mr. Abbott?

A We propose--the maximum would be 12,000 barrels a day.

Q What is the source of the water?

A The water is coming from the produced wells in that area, the Monument Pay, the Monument Paddock and Blinbry.

Q What is your opinion of the lower zone of the San Andres, will it take that volume of water?

A Yes, sir.

Q Is that injection by gravity or under pressure?

A Gravity injection.



Q How do you propose to complete this as an injection well?

A Well, we will run a 4-1/2 inch high drill tubing string inside and that 4-1/2 inch tubing string will be plastic lined and then the annular space between the tubing string and that annular space is filled with sweet oil or naptha or kerosene to protect the outside of the tubing string and, also, the inside of the casing string.

Q In your opinion, will that type of completion be adequate protection in the fresh water zone, or any producing horizons which may be encountered in this well?

A Yes, sir, it will.

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

A Exhibit C is a cross section which is also shown in red, the trace shown in red on Exhibit A. It shows the subject C completion depths of the wells on that cross section and it points out our disposal, proposed disposal well, the interval will be well below the oil pay in this area, in the San Andres.

Q There is some Blinebry production below that interval, is there not?

A Yes, sir, there is some Blinebry and also some Paddock completions below that.

Q In your opinion, is there effective separation between those zones which would protect them against any water encroachment from your well?



A Yes, sir.

Q What is the nature of that separation?

A Well, it's mostly formation there, but the Paddock below our proposed formations approximately 400 feet below the bottom of our perforations and the San Andres above it is approximately 600 feet above it.

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

A Exhibit D is a list of these wells in our half-mile radius of the proposed salt water disposal well. Now, on Exhibit D is shown the well operator and the well numbers, completion interval and completion zone, and any remarks that we could find in the files.

Q Now, according to that Exhibit, there is production from the San Andres, or at least completions within the San Andres interval, within a half-mile radius of the injection well, is there not?

A Yes, sir, right on top of this Monument structure there is some well producing from the San Andres, although most of the wells have been plugged back to the Grayburg. You notice on Exhibit D the Amerada State H No. 1 is San Andres, and the Skelly "D" No. 1 is a Grayburg-San Andres completion.

Q Now, are those wells completed in the same interval into which you propose to inject water?

A They are quite above where we propose to dispose the



water.

Q Would the injection of water at the zone interval which you propose to use, have any adverse effect on the wells completed in the San Andres?

A No, I don't think it will have no effect on it.

Q Were Exhibits A, B, C and D prepared by you or under your direct supervision?

A Yes, sir.

MR. KELLAHIN: I would like to offer Exhibits A through D.

MR. UTZ: Without objection, Exhibits A, B, C and D will be accepted into the record.

(Whereupon, Applicant's Exhibits A, B, C and D were received in evidence.)

MR. KELLAHIN: Those are all the questions I have, Mr. Utz.

Q (BY MR. UTZ) Mr. Abbott, I believe you said that the top of the cement after the squeeze job was at 5383, was 3126 on the 5-1/2 inch?

A (BY THE WITNESS) Yes, sir, I believe that is right.

Q And, the nine and five-eighths shoes were at 2786?

A Yes.

Q That leaves a 340 foot area which is not protected by cement. Do you know what operator offsets that section?

A That is probably Yates, 7 Rivers, and part of the Queen.



Q Is that productive in this area?

A It's productive of gas, yes, sir.

Q However, you have a 4-1/2 inch string of high drill, a sweet oil between the 5-1/2 inch annulus and high drill?

A Yes, sir.

Q Do you think that will adequately protect this zone that is not protected by cement?

A We feel that is a good completion. We used this annular blanket, which floats on the water level, and we put a pressure gauge on the tubing casing annulus so we will have a record at all times what the pressure is on that annular space, and if any leaks develop we notice them immediately. We think that is a good method of completing our wells.

Q I think you possibly said, I don't recall offhand, when was this well completed?

A This well was completed on July 19, 1949.

Q So the 5-1/2 inch casing is about eleven years old?

A Yes. We propose on our work over to test the casing with 2,000 pounds after we set the bridge plug and before we do any perforating.

Q All right. And, your injection zone is at what interval, now, 4950?

A Yes.

Q 4950?

A Yes.



Q So the hydrostatic head pressure at that point would be approximately 2,000 pounds?

A Yes.

Q And, do you feel that 2,000 pounds is enough test?

A Yes, we believe we will never have any pressure zones that great on the casing.

Q You will have the injection zone, won't you?

A Yes, we will. This 2,000 pounds will be applied at the surface, which will give us 4,000 pounds at the bottom of the pipe.

Q Do you test with the hole full of water?

A Yes, sir.

MR. UTZ: Any other questions of the witness?

Q (BY MR. PAYNE) Mr. Abbott, is this well presently producing?

A Yes, sir, it's presently producing from the Monument-Abo pay.

Q Do you know approximately how many barrels it's producing?

A No, I don't. Skelly said it was uneconomical to operate. I think it's down to two or three barrels a day, something like that.

Q There is an adjacent Monument-Abo well which might be able to produce whatever oil is left in this zone?

A I don't know about that. This Monument-Abo pay is a very poor pay. It's the only well that was completed in this area, to my knowledge, and none of the Abo completions have ever paid out.



Q Is it uneconomical to produce the well because it makes considerable amounts of water?

A It isn't making any water, it's a flowing well. I think it's fairly high ratio and low bottom hole pressure, not very much there.

Q I see. Now, are you relying on something like the bridge plug to protect the Blinbry and Paddock formations?

A Yes, sir, we plan to set this bridge plug and then dump a couple of sacks of cement on top of it.

Q (BY MR. UTZ) How much pressure do you think that will hold?

A Well, all we will be putting in the well.

Q (BY MR. PAYNE) Do you know how much production the Amerada State H well is making from the San Andres?

A The Amerada State H, which one?

Q The Amerada State H No. 1.

A No, sir. I believe it's a top-allowable well.

Q I take it from your testimony you feel that the San Andres has separate zones which have no communication between them.

A Well, I would say that I think there is communication, but I feel there has been so much oil and gas and water taken out of the reservoir that one is disposing back in the base of it. I don't think there will be any interference or cause any damage to the reservoir.

Q Might actually improve it?



A Yes, it could.

Q And, this pressure test you are going to take, you are going to do that prior to perforation?

A Yes, sir.

MR. PAYNE: That is all, thank you.

MR. UTZ: Any other questions?

MR. PORTER: I have one question and it doesn't have any bearing on the case. How much water are you disposing of right now through, in your entire EME system?

A (BY THE WITNESS) It varies from day to day, but it will be 32,000 to 35,000 barrels a day.

MR. PORTER: Thanks.

MR. UTZ: What was the amount of water you were going to inject?

The WITNESS: 12,000 pounds.

MR. UTZ: Per day?

The WITNESS: Yes, sir.

MR. UTZ: The witness may be excused. Are there any other statements to be made in this case? If there are none, the case will be taken under advisement.



I N D E X

WITNESSES:

PAGE

W. G. ABBOTT
Direct Examination by Mr. Kellahin

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E X H I B I T S

<u>Number</u>	<u>Exhibit</u>	<u>Marked for Identification</u>	<u>Offered</u>	<u>Received</u>
Appl 4	A,B,C,D		7	7



STATE OF NEW MEXICO)
COUNTY OF BERNALILLO) ss

I, LEWELLYN NELSON, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing was reported by me in Stenotype, and that the same was reduced to typewritten transcript under my personal supervision and contains a true and correct record of said proceedings, to the best of my knowledge, skill and ability.

DATED this 13th day of July, 1960, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

Lewellyn Nelson
NOTARY PUBLIC

My Commission Expires:

June 14, 1964

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 2002, heard by me on July 6, 1960.
[Signature], Examiner
New Mexico Oil Conservation Commission

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



NEW MEXICO OIL CONSERVATION COMMISSION

Examiner hearing - Elvis A. UtzSanta Fe, NEW MEXICO

Corporation Commission Hearing Room

REGISTERHEARING DATE July 6, 1960 TIME: 9 a.m.

NAME:	REPRESENTING:	LOCATION:
L.W. Latow, Jr.	(Rev) American Oil Corp	Farmington, N.M.
James H. Erbe	Socony Mobil Oil Co, Inc	Albuquerque, N.M.
J.C. Gordon, Jr.	Socony Mobil	Honolulu, H.K.
W.G. Abbott	RICE Eng. & Op Inc	Hobbs, N.M.
Jason K. Hahn		Santa Fe
L.H. Hanning	El Paso Natural Gas	El Paso
Henry H. Nelson	El Paso Natural Gas	El Paso
Jean M. Campbell	Campbell & Russell	Roswell, N.M.
Gaude Nealey	Waco Oil Corp	Midland, Texas
Shull, Binner	John R. Yarrington	Farmington, N.M.
H.H. Kinslow	A 21111	
L.J. Savage	Gulf	Roswell, New Mex
J.B. Gibson	Gulf	Roswell, New Mex.
Frank W. (Bud) Moran	Gulf	" " "
Bill Kestly	"	" " "
A.L. Porter, Jr.	P.C.C.	Santa Fe, N.M.

GOVERNOR
JOHN BURROUGHS
CHAIRMAN

State of New Mexico
Oil Conservation Commission

LAND COMMISSIONER
MURRAY E. MORGAN
MEMBER



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

P. O. BOX 871
SANTA FE

July 15, 1960

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

Re: Case No. 2002
Order No. R-1717
Applicant:
Rice Engineering & Operating

Dear Sir:

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

Very truly yours,

A. L. PORTER, Jr.,
Secretary-Director

ir/

Carbon copy of order also sent to:

Hobbs OCC ✓
Artesia OCC
Aztec OCC

Other

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

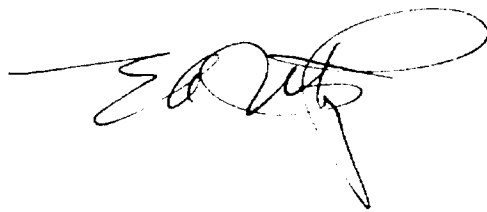
Date 7-7-60

CASE 2002

Hearing Date 7-6-60

My recommendations for an order in the above numbered cases are as follows:

1. Grant Rice Engineering's request for conversion of the Skelly St. "D" #3, 660/E, 2310/S, 1-20-36, Monument Oil Pool to an SWD well.
2. Injection to be in the Lower San Andreas between the 4450 and 4850 interval.
3. A bridge Plug is to be set @ 5050 ft. with enough cement above the plug to hold a minimum of 5000# hydrostatic pressure.
4. 4 1/2" hy dnt tubing - well be set @ approx 4450 and the 5 1/2 x 4 1/2 annulus shall be filled with sweet oil.
5. The casing shall tested with 2000# surface pressure with the hole full of water.



Staff Member

Case 2002

HAIR RICE Engineering & Operating, Inc.

1960 JUN 13 AM 9:18
Post Office Box 1142 Telephone EXpress 3-9174
HOBBS, NEW MEXICO

June 13, 1960

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 Skelly Oil Company State "D" No. 3 Well, Monument Field, Lea County, New Mexico.

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

- A. That said well located 660 feet from the east line and 2310 feet from the south line of Section 1, Township 20 South, Range 36 East, N.M.P.M., was drilled and completed July 19, 1949, by Skelly Oil Company and is producing from the Monument Abo Pool. (See Exhibit "A").
- B. That said well by agreement between Rice Engineering & Operating, Inc., and Skelly Oil Company shall be utilized by the Eunice-Monument-Eumont Salt Water Disposal System as a disposal well.
- C. That said well has 13-3/8 inch O.D. casing set at 324 feet, 9-5/8 inch O.D. casing set at 2786 feet, and 5-1/2 inch O.D. casing set at 7625 feet. (See Exhibit "B").

Exhibit
7/1/60
6-22-60
J

Case 2002

N.M.O.C.C.
June 13, 1960
Page 2

- D. That said well casing shall be pressure tested with 2000 psi before casing is perforated.
- E. That said well shall be completed as a disposal well in the lower San Andres zone by setting a bridge plug in 5-1/2 inch casing at 5050 feet and perforating casing in the interval from 4450 to 4950 feet.
- F. That the salt water to be injected is produced in the Monument area from the Monument, Monument Paddock, and Monument Blinebry Pools.
- G. 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 Skelly State "D" No. 3 Well. It is further requested that this hearing be set in the month of July, 1960.

Respectfully submitted,

RICE ENGINEERING & OPERATING, INC.

By

W. G. Abbott

W. G. Abbott
Division Manager

WGA/ai

Attachments:
Exhibit "A"
Exhibit "B"

13-3/8" C.I. x
324'

9-5/8" C.I. x 275'

5-1/2" C.I. x
7625'

WELL 129 FL 27

Gun a Ray
512

Resistivity

Bridge
Plug

DWN	June 13-60	EXHIBIT "B"	SCALE
D.B.		WELLY "37" C.I. NO. 3	NOTE
		APPLICATION FOR HEARING	DWG NO.
		Rice Engineering & Operating, Inc.	-110
		Hobbs, New Mexico	

No. 18-60

DOCKET: EXAMINER HEARING JULY 6, 1960

Oil Conservation Commission - 9 a.m., State Corporation Commission Hearing Room, Basement, Capitol Building, Santa Fe, New Mexico.

The following cases will be heard before Elvis A. Utz, Examiner, or Oliver E. Payne, Attorney, as alternate Examiner:

CASE 2002:

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 Skelly State "D" Well No. 3, located 2310 feet from the South line and 660 feet from the East line of Section 1, Township 20 South, Range 36 East, Lea County, New Mexico, with injection to be in the lower San Andres formation with the injection interval from 4,450 feet to 4,950 feet.

CASE 2003:

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 Warren Well No. 1-A (PM) located in Unit K, Section 25, Township 28 North, Range 9 West, San Juan County, New Mexico, in such a manner as to permit the production of gas from the South Blanco-Pictured Cliffs Pool and the production of gas from the Blanco Mesaverde Pool through the casing-tubing annulus and 2 inch tubing respectively.

CASE 2004:

Application of La Plata Gathering System, Inc., for the establishment of a 345.59 acre non-standard gas proration unit in the Blanco Mesaverde Gas Pool, Rio Arriba County, New Mexico, and for an unorthodox gas well location. Applicant, in the above-styled cause, seeks the establishment of a 345.59 acre non-standard gas proration unit in the Blanco Mesaverde Gas Pool, consisting of all of partial Sections 30 and 31, Township 32 North, Range 5 West, Rio Arriba County, New Mexico. Applicant proposes to dedicate said unit to a well to be drilled on an unorthodox location 990 feet from the North line and 713 feet from the East line of said Section 31.

CASE 2005:

Application of Argo Oil Corporation for an order force-pooling the interests in a 160-acre non-standard gas proration unit in the Jalmat Gas Pool. Applicant, in the above-styled cause, seeks an order force-pooling all mineral interests within the vertical limits of the Jalmat Gas Pool in a 160-acre non-standard gas proration unit consisting of the E/2 NE/4 of Section 21 and the W/2 NW/4 of Section 22, both in Township 25 South, Range 37 East, Lea County, New Mexico.

- CASE 2006: Application of Pan American Petroleum Corporation for an extension of the no-flare exception granted by Order No. R-1451. Applicant, in the above-styled cause, seeks an extension of the one-year exception to the no-flare provision of the rules for the Otero Gallup Oil Pool, Rio Arriba County, New Mexico, for its Jicarilla 35 Well No. 1, which exception was granted by Order R-1451.
- CASE 2007: Application of Otto Reynolds and John R. Yarbrough for the promulgation of special rules governing gas wells drilled in the Bloomfield-Farmington Oil Pool. Applicant, in the above-styled cause, seeks an order promulgating special rules governing, among other things, the definition, spacing and location of gas wells in the Bloomfield-Farmington Oil Pool, San Juan County, New Mexico. Applicant further seeks approval of unorthodox gas well locations for three wells in said pool.
- CASE 2008: Application of Gulf Oil Corporation 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 Lea-State "CR" (NCT-A) Well No. 3, located 3300 feet from the South line and 1980 feet from the West line of Section 2, Township 16 South, Range 32 East, Lea County, New Mexico, with injection to be in the lower Wolf-camp formation in the interval from 9,911 feet to 10,200 feet.
- CASE 2009: Application of Gulf Oil Corporation for a 200-acre non-standard gas proration unit and for an order force-pooling the interests therein. Applicant, in the above-styled cause, seeks the establishment of a 200-acre non-standard gas proration unit in the Blinebry Gas Pool, consisting of the SW/4 and the SW/4 SE/4 of Section 23, Township 22 South, Range 37 East, Lea County, New Mexico, to be dedicated to the O. I. Boyd Well No. 3, located 1980 feet from the South and West lines of said Section 23. Applicant further seeks an order force-pooling the interests of those in said non-standard gas proration unit who have gas rights within the vertical limits of the Blinebry Gas Pool, including the following named persons or parties who have not consented to the pooling agreement:
- W. B. Trammel; Mrs. Carrie Gidwitz; Harry L. Jones and Isabel Jones; Heirs, Devisees and Personal Representatives of William T. Pitt, Deceased; Peter M. Smith; Adam F. Arnold; Cranfill Fowler; George W. Clark; Charles W. Hastings; John E. McConnell, Jr.; Lionel L. Shatford; Ernest O. Knapp, J. Paul Knapp, Gertrude K. Schrecengost, Mildred K. Stoneburner,

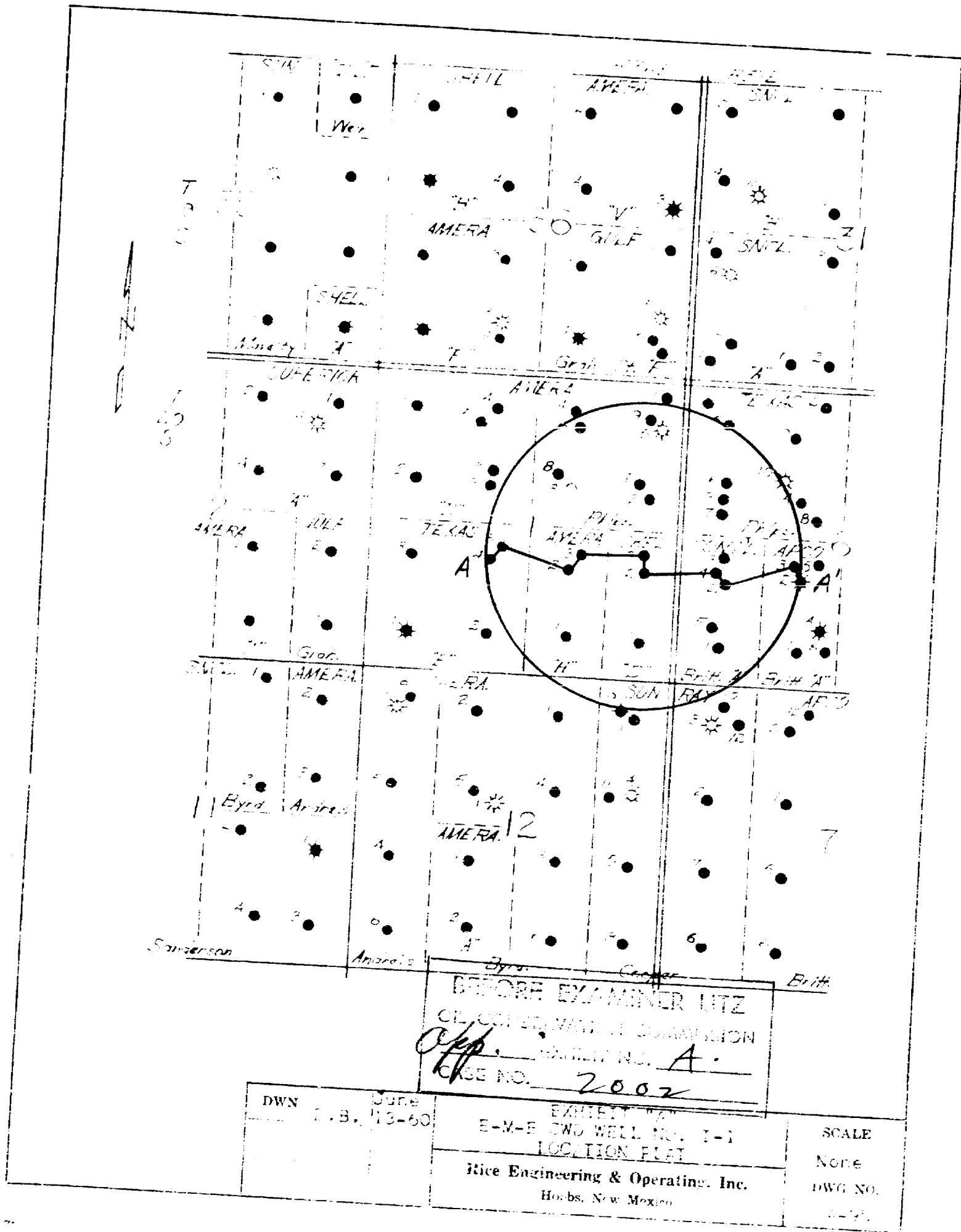
Evelyn Neel. and Maude S. Knapp, Jointly; Robert R. McKee; and all other persons or parties owning oil and gas interests in the SW/4 and SW/4 SE/4 of Section 23, Township 22 South, Range 37 East, Lea County, New Mexico.

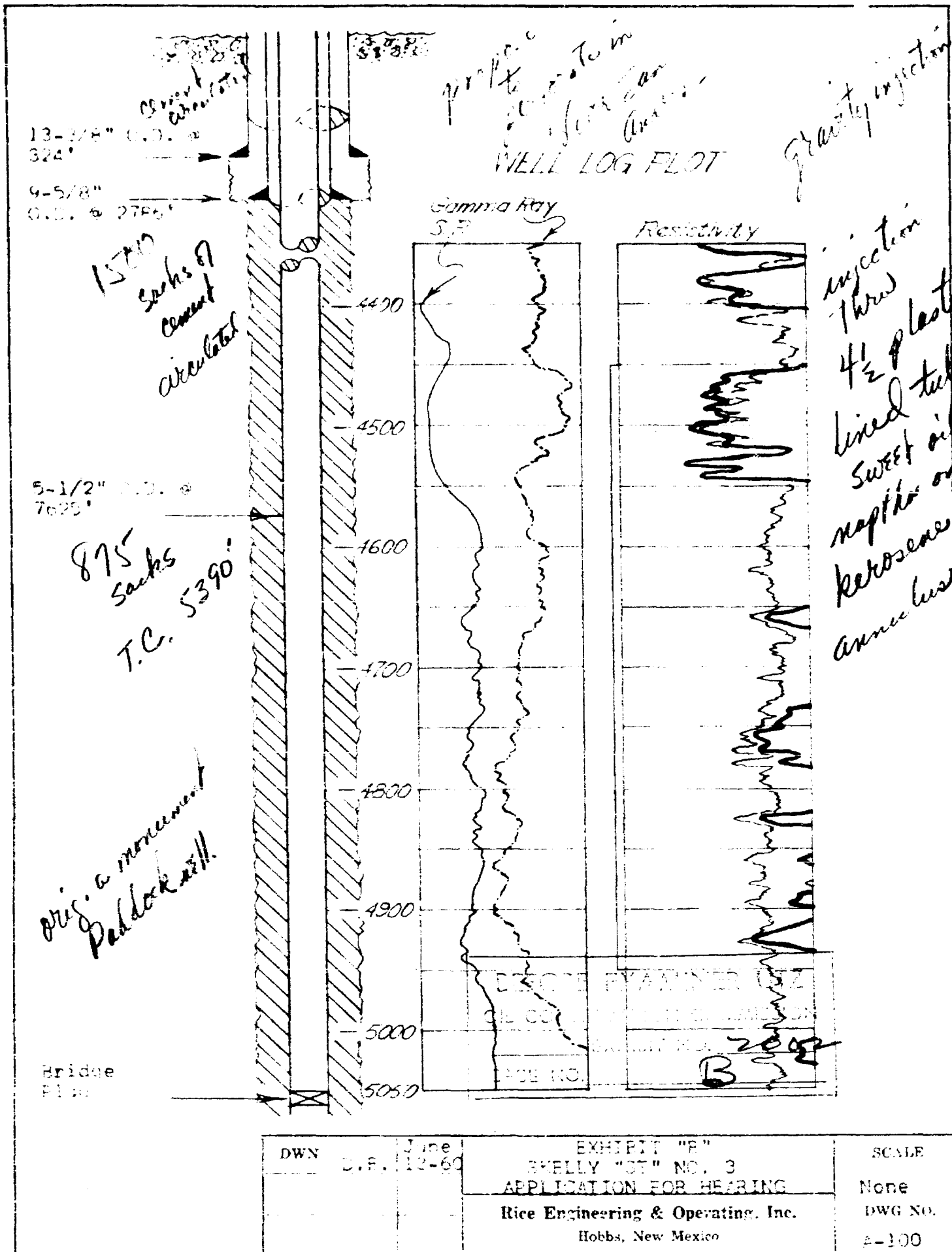
CASE 2010: Application of Sinclair Oil & Gas Company for permission to commingle production from two separate leases. Applicant, in the above-styled cause, seeks an order authorizing it to commingle the Empire-Abo Pool production from its M. Yates "B" Lease consisting of the S/2, NE/4, S/2 NW/4 and the NE/4 NW/4, with such production from a portion of its State Eddy 32 lease consisting of the NW/4 NW/4 of Section 34 and the SE/4 NW/4 of Section 32, all in Township 17 South, Range 28 East, Eddy County, New Mexico, after separately metering the production from one lease only.

CASE 2011 Application of Socony Mobil Oil Company for a "slim-hole" oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its E. O. Carson Well No. 22, located 1880 feet from the South line and 660 feet from the West line of Section 28, Township 21 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Paddock Pool and the production of oil from the Wantz-Abo Pool using parallel strings of 2 7/8 inch tubing cemented in a common well-bore.

CASE 2012:

Application of Max Pray for the creation of a new oil pool for Devonian production and for the promulgation of special rules and regulations for said pool. Applicant, in the above-styled cause, seeks an order creating a new oil pool for Devonian production consisting of the W/2 of Section 27, E/2 of Section 28, NE/4 of Section 33 and the NW/4 of Section 34, Township 12 South, Range 57 East, Lea County, New Mexico. Applicant further seeks the promulgation of special rules and regulations governing said pool including a provision for temporary 80-acre oil proration units





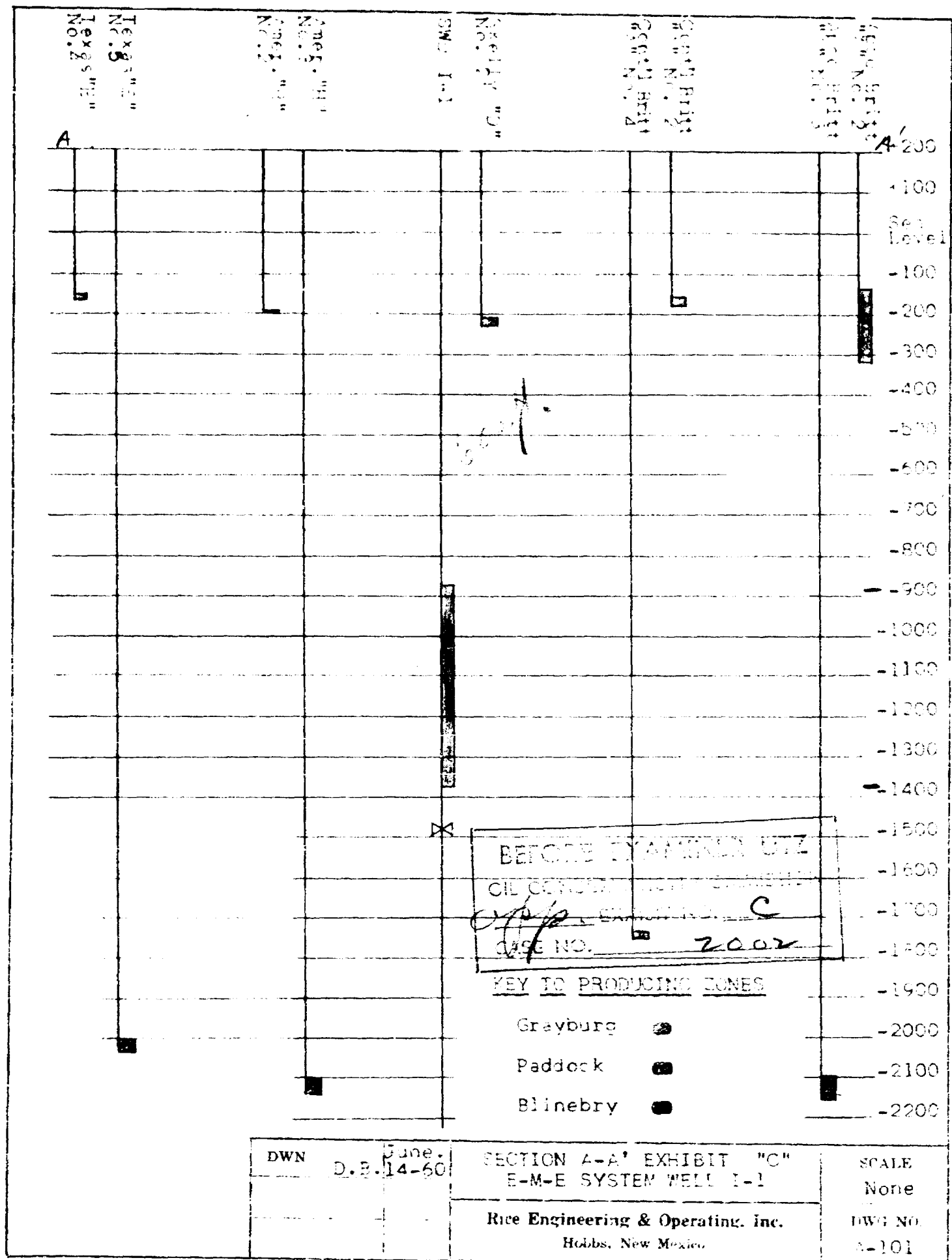


EXHIBIT "D"

WELLS WITHIN ½ MILE OF SWD WELL I-1

E-M-E SWD SYSTEM

OPERATOR	LEASE	WELL NO.	COMPLETION INTERVAL ELEVATION	COMPLETION ZONE	REMARKS
Amerada	J. R. Phillips	1	-154 to -174	Grayburg	TD-314, PBTD-222
		2	-154 to -174	Grayburg	TD-312, PBTD-202
		3	+557 to +318	Queen	TD-312, PBTD-318
		4	-156 to -183	Grayburg	TD-316, PBTD-192
		5	-6023 to -6283	Simpson	TD-6366, PBTD-6298
		6	-1539 to -1620	Paddeck	TD-1620
		7	-1587 to -1609	Paddeck	TD-6636, PBTD-1622
		8	-180 to -190	Grayburg	TD-2178, PBTD-196
		9	-1582 to -1612	Paddeck	TD-2132, PBTD-1662
Amerada	State "H"	1	-214 to -295	S.A.	TD-306, PBTD-295
		2	-193 to -196	Grayburg	TD-316, PBTD-237
		3	-2101 to -2140	Blaineby	TD-2152
Anderson- Prichard	Britt "A"	2	-153 to -334	Gray.-S.A.	TD-334
		3	-2094 to -2149	Blaineby	TD-2155
Continental	Britt "A"	1	-193 to -213	Grayburg	TD-324, PBTD-215
		2	-157 to -177	Grayburg	TD-322, PBTD-183
		3	-2101 to -2134	Blaineby	TD-2196, PBTD-2139
		4	-1632 to -1644	Paddeck	TD-1706, PBTD-1647
		5	-2083 to -2140	Blaineby	TD-2157, PBTD-2156
Skelly	State "D"	1	-208 to -321	Gray.-S.A.	TD-321
		2	-207½ to -225½	Grayburg	TD-317, PBTD-233
Sunray Mid-Cont.	Cooper	9			TD-7065, P & A
Texaco	State "E"	4	-162 to -164	Grayburg	TD-312, PBTD-201
		5	-2092 to -2122	Blaineby	TD-3690, PBTD-2127
Texaco	Phillips	1	-163 to -171	Grayburg	TD-333, PBTD-172
		3	-131 to -137	Grayburg	TD-320, PBTD-144
		5	-2077 to -2137	Blaineby	TD-2192, PBTD-2151
		6	-1629 to -1649	Glorietta	TD-4148, PBTD-1674
		7	-2079 to -2136	Blaineby	TD-2151

BEFORE EXAMINER UTZ	
OIL CONSERVATION COMMISSION	
<i>Cop</i>	<i>D</i>
<i>2002</i>	

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. 2002
Order No. R-1717

APPLICATION OF RICE ENGINEERING
& OPERATING, INC., FOR AN ORDER
AUTHORIZING A SALT WATER DISPOSAL
WELL IN SECTION 1 OF TOWNSHIP 20
SOUTH, RANGE 36 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 July 6, 1960, 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 15th day of July, 1960, 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 seeks an order authorizing the disposal of produced salt water into the lower San Andres formation through the Skelly Oil Company State "D" Well No. 3, located in the NE/4 SE/4 of Section 1, Township 20 South, Range 36 East, NMPM, Lea County, New Mexico, with the proposed injection interval from 4450 feet to 4950 feet.

(3) That the production from the subject well has declined to approximately 2 barrels of oil per day from the Monument-Abo Pool which amount renders further production uneconomical.

(4) That a bridge plug should be set at 5050 feet and cemented to withstand a minimum pressure of 5000 pounds.

(5) That 4-1/2 inch hydril tubing should be set at 4450 feet and the casing-tubing annulus filled with sweet oil, naptha or kerosene.

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CASE No. 2002
Order No. R-1717

(6) That the applicant's proposed salt water disposal program will not jeopardize the production of oil, gas, or fresh water in the area, provided that the casing is tested with 2000 pounds surface pressure prior to utilization of the well for salt water disposal purposes.

IT IS THEREFORE ORDERED:

(1) That the applicant be and the same is hereby authorized to dispose of produced salt water into the lower San Andres formation through the Skelly Oil Company State "D" Well No. 3, located in the NE/4 SE/4 of Section 1, Township 20 South, Range 36 East, NMPM, Lea County, New Mexico, with the injection interval from 4450 feet to 4950 feet.

PROVIDED HOWEVER, That a bridge plug shall be set at 5050 feet and cemented to withstand a minimum pressure of 5000 pounds.

PROVIDED FURTHER, That 4-1/2 inch hydril tubing shall be set at 4450 feet and the casing-tubing annulus filled with sweet oil, naptha or kerosene.

PROVIDED FURTHER, That the casing shall be tested with 2000 pounds surface pressure with the hole full of water prior to utilization of the well for salt water disposal purposes.

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

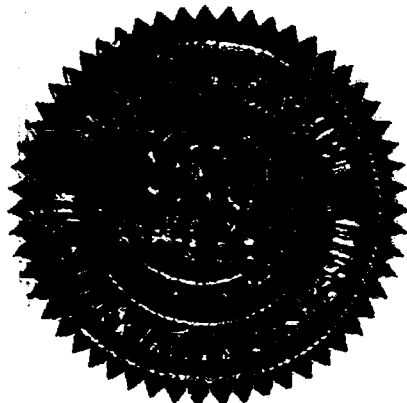
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JOHN BURROUGHS, Chairman


MURRAY E. MORGAN, Member


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



esr/