

CASE 2117: Application of RICE ENGR.
For a salt water disposal well in
San Andres formation, Monument Pool.

Case 2117

Case No.

2117

Application, Transcript,
Small Exhibits, Etc.

Case 2117

RICE Engineering & Operating, Inc.

Post Office Box 1142

Telephone EXpress 3-9174

1960 OCT 17 AM 3 22

HOBBS, NEW MEXICO

October 14, 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) 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 Amerada Petroleum Corporation's Sarah Phillips Lease in Section 33, Township 19 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 K-33.

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

- A. That said well is to be located 1485 feet from the South line and 1485 feet from the West line of Section 33, Township 19 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 4500 feet, with total depth of 5000 feet. (See Exhibit "B").
- D. That said well by agreement between Rice Engineering & Operating, Inc., and Amerada Petroleum Corporation shall be utilized by the

*Doyle
Mailed
10-19-60*

N.M.O.C.C.
October 14, 1960
Page 2

Eunice-Monument-Eumont 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.

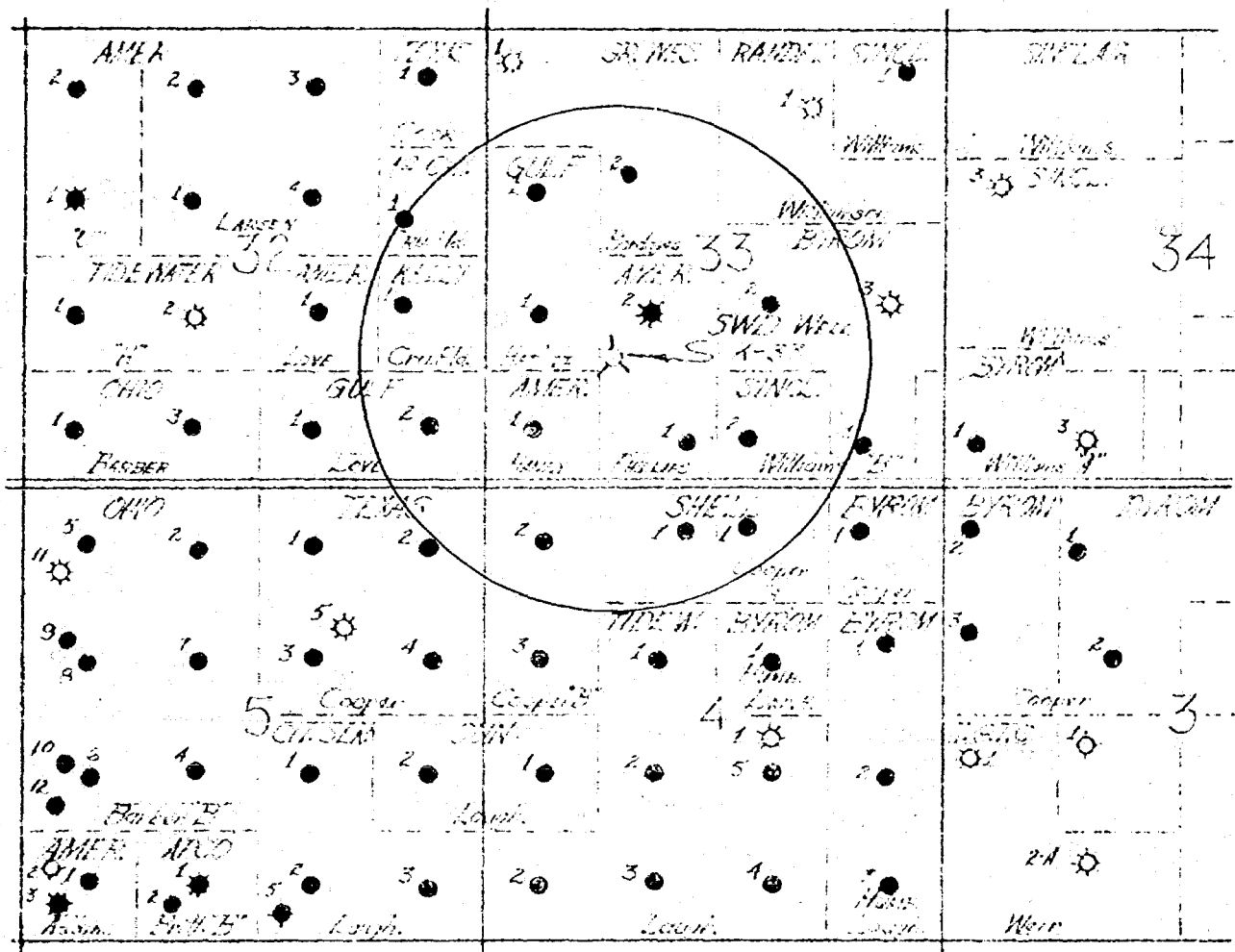
Therefore, Rice Engineering & Operating, Inc., requests that the New Mexico Oil Conservation Commission set a date for this application to be heard, and after said hearing to grant this permit to dispose of salt water in the Rice Engineering & Operating, Inc., E-M-E SWD Well K-33.

Respectfully submitted,

RICE ENGINEERING & OPERATING, INC.

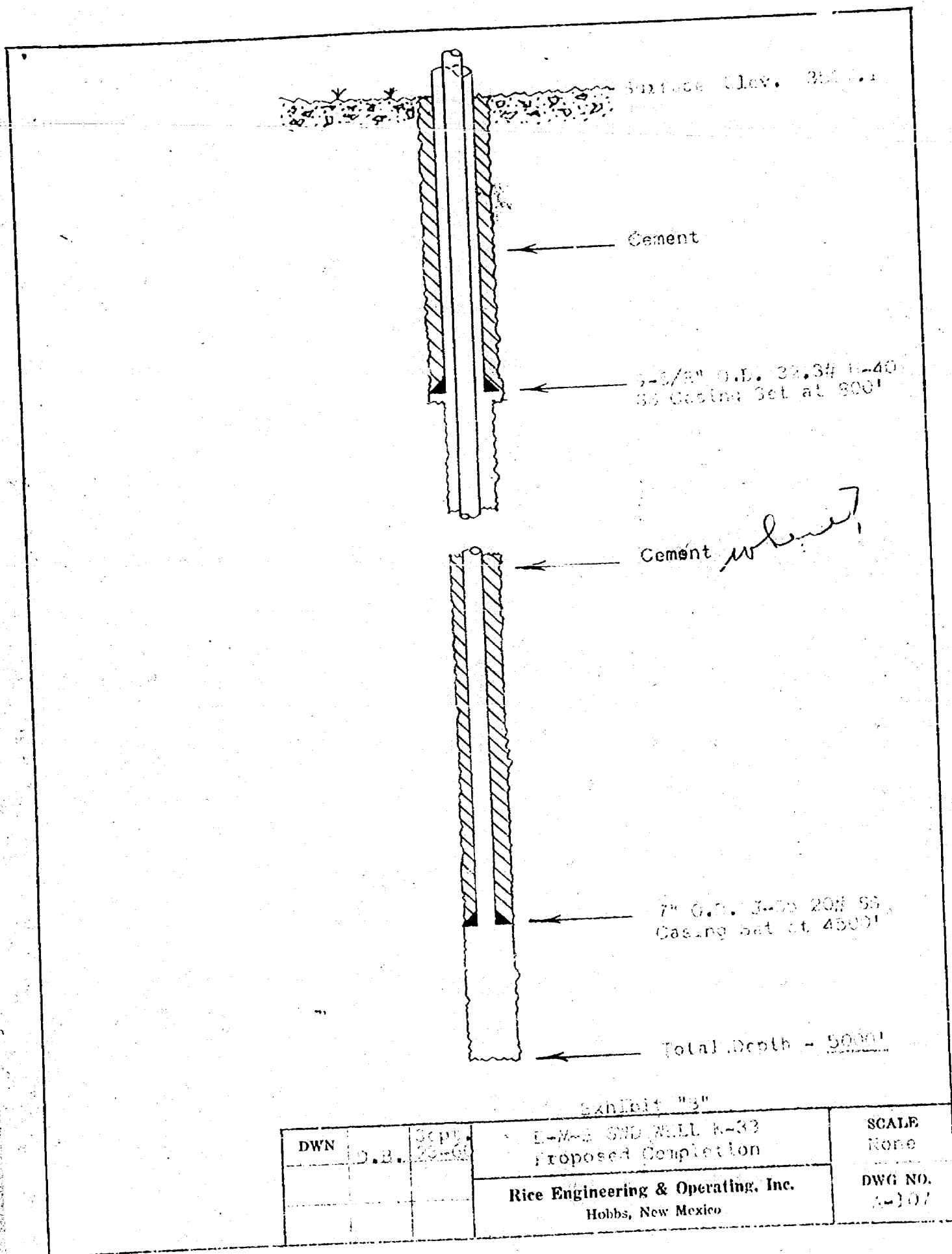
By W. G. Abbott
W. G. Abbott
Division Manager

LBC/ai
Attachments: Exhibit "A"
Exhibit "B"



"X" IN "A"

DWN	0.5	0.01	E-1-1 S.D. MILL 1-55 Location Plot	SCALE None
			Rice Engineering & Operating, Inc. Hobbs, New Mexico	DWG NO. A-108



Elvis
No. 32-60

AGENDA: PUBLIC HEARING, WEDNESDAY, NOVEMBER 2, 1960

Oil Conservation Commission - 2nd Floor, Library Hall, State Capitol, Santa Fe, New Mexico

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

CASE 2111: Application of Gulf Oil Corporation for a waterflood project. Applicant, in the above-styled cause, seeks permission to institute a waterflood project in the Lumont and South Eunice Pools by the injection of water into the Queen formation through six wells located in Sections 27 and 34, Township 21 South, Range 36 East, Lea County, New Mexico.

CASE 2112: Application of Potash Company of America for an extension of the Potash-oil area as set forth in Order No. R-111-A. Applicant, in the above-styled cause, seeks an extension of the potash-oil area to include the following acreage:

Section 14: S/2 NW/4, SW/4, W/2 SE/4, NE/4 SE/4, SW/4 NE/4
Section 15: E/2 SE/4
Section 22: NE/4 NE/4
Section 23: NW/4

all in Township 20 South, Range 29 East, Eddy County, New Mexico.

CASE 2113: Application of Shell Oil Company for an amendment of Order No. R-1101-A. Applicant, in the above-styled cause, seeks an amendment of Order No. R-1101-A, to include its Linam Lease in the commingling authorization granted in said order. Said Linam Lease consists of the NW/4 NE/4 and NE/4 NW/4 of Section 3, Township 20 South, Range 35 East, Pearl-Queen Pool, Lea County, New Mexico.

CASE 2114: Application of Western Natural Gas Company for a 320-acre non-standard gas proration unit and for an unorthodox gas well location. Applicant, in the above-styled cause, seeks an order establishing a 320-acre non-standard gas proration unit in the Jalmat Gas Pool consisting of the E/2 of Section 24, Township 22 South, Range 36 East, Lea County, New Mexico. Applicant further proposes to dedicate said unit to a well located on an unorthodox location at a point 330 feet from the North line and 330 feet from the East line of said Section 24.

CASE 2115: Application of James G. Brown & Associates for permission to commingle the production from two separate leases. Applicant, in the above-styled cause, seeks an order permitting it to commingle the Saunders-Permo Pennsylvanian Pool production from the following portions of the following State leases:

L-3334, NW/4 SE/4 of Section 9
L-7353, SE/4 SE/4 of Section 9

Township 14 South, Range 33 East, Lea County, New Mexico.

CASE 2116: Application of Westates Petroleum Company for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Carlson L 26, Well No. 7, located in unit J, Section 26, Township 25 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of oil from an undersignated Paddock Pool and the production of oil from the Justis-Blinbry Pool through parallel strings of 2 3/8-inch tubing.

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-2-

CASE 2117: Application of Rice Engineering & Operating, Inc., for a salt water disposal well at an unorthodox location. Applicant, in the above-styled cause, seeks an order approving the disposal of produced salt water into the San Andres formation, Monument Pool, Lea County, New Mexico, through a well to be drilled 1485 feet from the South and West lines of Section 33, Township 19 South, Range 37 East.

Recommendation for Case 2117

11-3-60

Heard 11-2-60

1. Grant Rice's request for an SWD well located 1485/5+W line 7 sec. 33-195-37E to be known as the operation EME-SWD-#K33. ✓
2. 9 ⁵/₈ O.D. to be set @ 800 & circulated. 7" set at 4500'; cement circulated above 800' into 9 ⁵/₈.
3. 5 ¹/₂ inch plastic lined tubing to be set at 4500' with sweet oil in the annulus of the 5 ¹/₂ x 7".

Thurston, W. L.

GOVERNOR
JOHN BURROUGHS
CHAIRMAN

State of New Mexico
Oil Conservation Commission

LAND COMMISSIONER
MURRAY E. MORGAN
MEMBER



P. O. BOX 871
SANTA FE

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

November 9, 1960

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

Re: Case No. 2117

Order No. R-1819

Applicant:

Rice Engineering & Operating Inc.

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 X
Artesia OCC
Aztec OCC

Other

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. 2117
Order No. R-1819

APPLICATION OF RICE ENGINEERING
& OPERATING, INC. FOR AN ORDER
AUTHORIZING A SALT WATER DISPOSAL
WELL AT AN UNORTHODOX LOCATION
IN SECTION 33, TOWNSHIP 19 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 November 2, 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 9th day of November, 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 San Andres formation through a well to be located at an unorthodox location 1485 feet from the South line and 1485 feet from the West line of Section 33, Township 19 South, Range 37 East, NMPM, Monument Pool, Lea County, New Mexico, with the proposed injection interval from 4500 feet to 5000 feet.

(3) That 5 1/2-inch internally plastic-coated tubing should be installed within 7-inch casing set at 4500 feet and the casing-tubing annulus filled with sweet oil, naptha or kerosene.

(4) That inasmuch as the applicant's proposed salt water disposal program will not jeopardize the production of oil, gas or fresh water in the area, approval of the subject application will neither cause waste nor impair correlative rights.

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CASE No. 2117
Order No. R-1819

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 of the Monument Pool through a well to be drilled at an unorthodox location, 1485 feet from the South line and 1485 feet from the West line of Section 33, Township 19 South, Range 37 East, NMPM, Lea County, New Mexico, which unorthodox location is hereby approved, with the injection interval from 4500 feet to 5000 feet.

PROVIDED HOWEVER, That 5 1/2-inch internally plastic-coated tubing shall be installed within 7-inch casing set at 4500 feet and the casing-tubing annulus filled with sweet oil, naptha or kerosens.

(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.

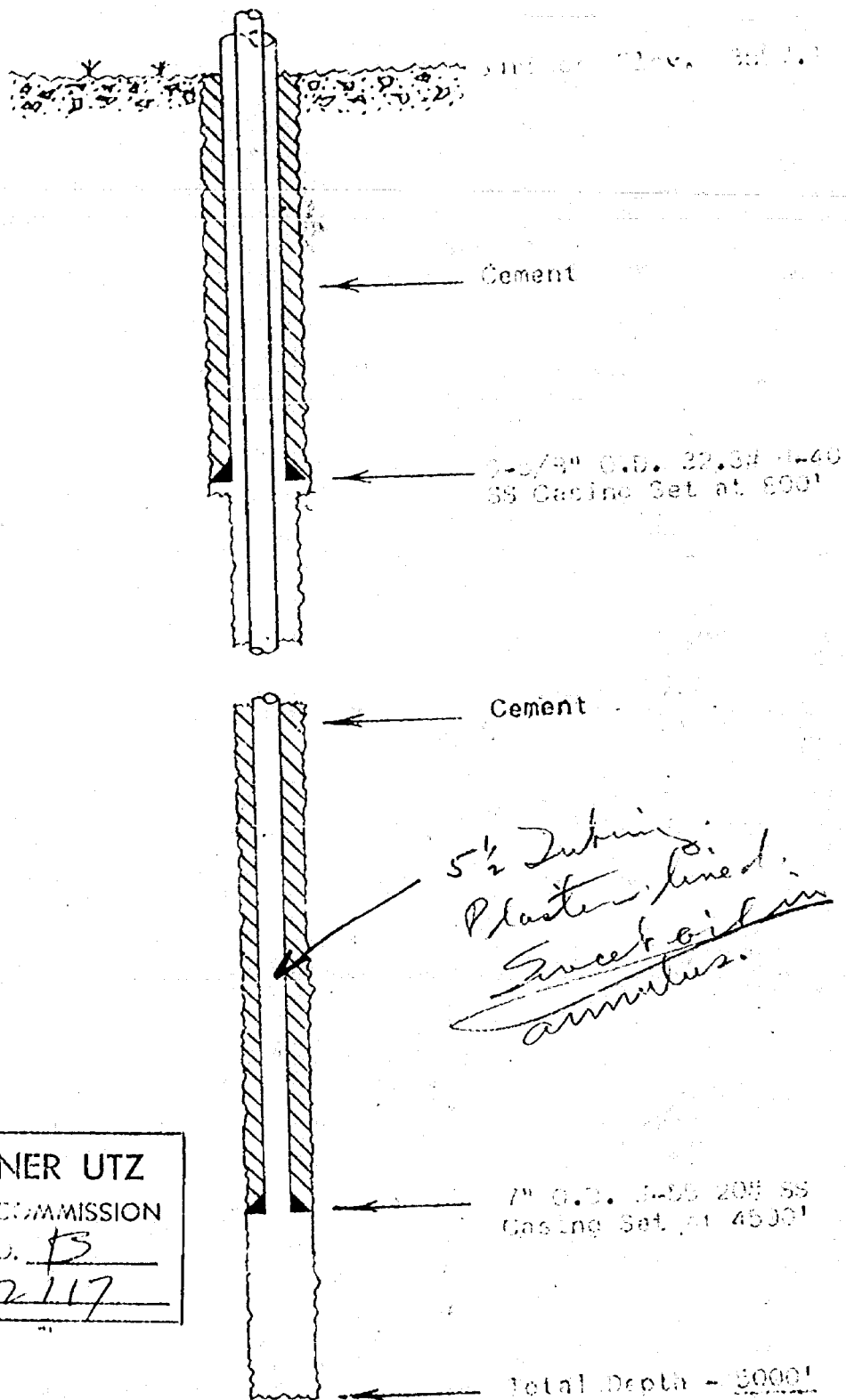
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


John Burroughs
JOHN BURROUGHS, Chairman

Murray E. Morgan
MURRAY E. MORGAN, Member

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

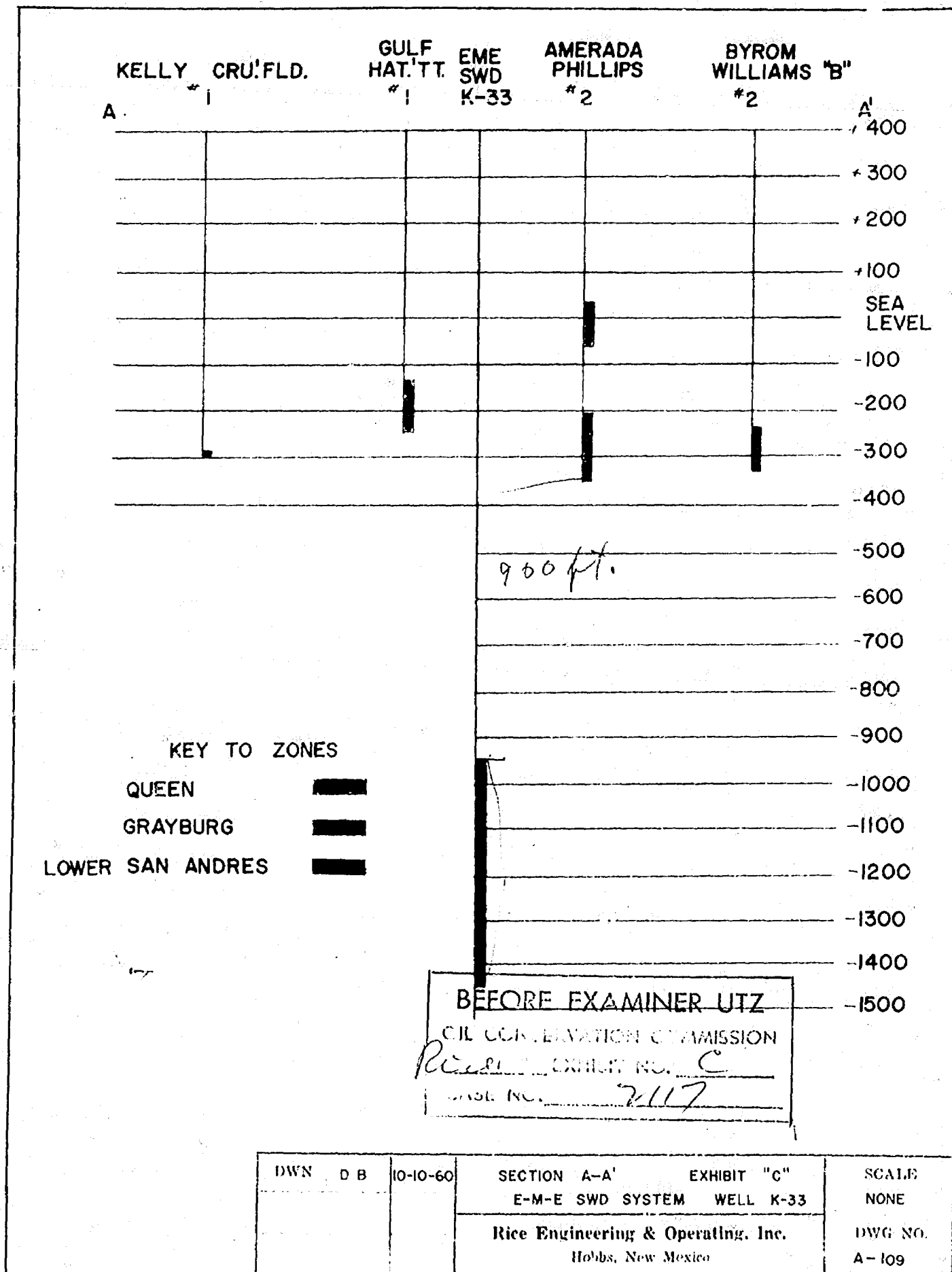
esr/



BEFORE EXAMINER UTZ
 CONSERVATION COMMISSION
 Rice EXHIBIT NO. 13
2117

Exhibit "A"

DWN	2-2-61	Sept. 22-61	1-10-61 GWD Well K-33 Proposed Completion	SCALE None
			Rice Engineering & Operating, Inc. Hobbs, New Mexico	DWG NO. A-107



AGENDA: EDDY COUNTY HEARING, WEDNESDAY, NOVEMBER 2, 1960

Oil Conservation Commission - 2nd Floor, Library Hall, State Capitol, Santa Fe, New Mexico

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

- CASE 2111: Application of Gulf Oil Corporation for a waterflood project. Applicant, in the above-styled cause, seeks permission to institute a waterflood project in the Lumont and South Eunice Pools by the induction of water into the Queen formation through six wells located in Sections 27 and 34, Township 21 South, Range 36 East, Lea County, New Mexico.
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- Section 14: S/2 NW/4, SW/4, W/2 SE/4, NE/4 SE/4, SW/4 NE/4
Section 15: E/2 SE/4
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Section 23: NW/4
- all in Township 20 South, Range 29 East, Eddy County, New Mexico.
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- CASE 2114: Application of Western Natural Gas Company for a 320-acre non-standard gas proration unit and for an unorthodox gas well location. Applicant, in the above-styled cause, seeks an order establishing a 320-acre non-standard gas proration unit in the Jalmat Gas Pool consisting of the E/2 of Section 24, Township 22 South, Range 36 East, Lea County, New Mexico. Applicant further proposes to dedicate said unit to a well located on an unorthodox location at a point 330 feet from the North line and 330 feet from the East line of said Section 24.
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- L-8334, NW/4 SE/4 of Section 9
L-7353, SE/4 SE/4 of Section 9
- Township 14 South, Range 33 East, Lea County, New Mexico.
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DOCKET NO. 32-60

-2-

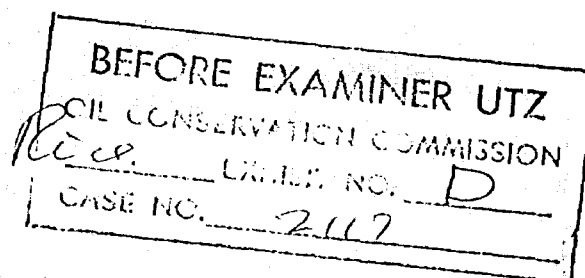
CASE 2117: Application of Rice Engineering & Operating, Inc., for a salt water disposal well at an unorthodox location. Applicant, in the above-styled cause, seeks an order approving the disposal of produced salt water into the San Andres formation, Monument Pool, Lea County, New Mexico, through a well to be drilled 1485 feet from the South and West lines of Section 33, Township 19 South, Range 37 East.

EXHIBIT "D"

Wells Within 1/2 Mile of SWD K-33

E-M-E SWD SYSTEM

OPERATOR	LEASE	WELL NO.	COMPLETION INTERVAL ELEVATION	COMPLETION ZONE	REMARKS
Amerada	Haney	1	-201 to -352	Grayburg	
Amerada	Phillips	1	-202 to -353	Grayburg	
Amerada	Phillips	2	+ 39 to - 67 -203 to -353	Queen Grayburg	Dual Completion w/packer @ -164
Byrom	Williams "B"	2	-234 to -331	Grayburg	
Gulf	Hatchett	1	-137 to -244	Grayburg	T.D. -327 P.B.T.D. -244 T.A. 1-20-59
Gulf	Hatchett	2	-239 to -334	Grayburg	
Gulf	Love	2	-192 to -331	Grayburg	
Great Western	Bordages	2	-161 to -356	Grayburg	
J. M. Kelly	Crutchfield	1	-296 to -299	Grayburg	T.D. -377 P.B.T.D. 362
Shell	Cooper "A"	1	- 75 to -340	Grayburg	
Shell	Cooper "B"	1	- 91 to -335	Grayburg	
Shell	Cooper "B"	2	- 78 to -262	Grayburg	T.D. -339 P.B.T.D. -262
Sinclair	Williams	2	-279 to -347	Grayburg	



DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6671

ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
November 2, 1960
Examiner Hearing
Case No. 2117

IN THE MATTER OF:)

)
Application of Rice Engineering &)
Operating, Inc., for a salt water disposal)
well at an unorthodox location. Applicant,)
in the above-styled cause, seeks an order)
approving the disposal of produced salt)
water into the San Andres formation,)
Monument Pool, Lea County, New Mexico,)
through a well to be drilled 1485 feet)
from the South and West lines of Section)
33, Township 19 South, Range 37 East.)

BEFORE:

Elvis A. Utz, Examiner

TRANSCRIPT OF HEARING

MR. UTZ: Case 2117.

MR. MORRIS: Case 2117, application of Rice Engineering
and Operating, Inc., for a salt water disposal well at an unortho-
dox location.

MR. KELLAHIN: Jason Kellahin of Kellahin & Fox, Santa
Fe, representing the Applicant. We have one witness, Mr. W. G.
Abbott.

(Witness sworn.)

MR. KELLAHIN: Shall we mark the Exhibits first?

MR. UTZ: Yes, why don't we. Other appearances?



MR. KELLAHIN: This is A, this is B, C and D.

W. G. ABBOTT

called as a witness, having been previously duly sworn, testified as 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?

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

Q You have previously testified before this Commission as an engineer, have you not, Mr. Abbott?

A Yes.

MR. KELLAHIN: Are the witness's qualifications acceptable?

MR. UTZ: Yes, sir.

Q (By Mr. Kellahin) Mr. Abbott, are you familiar with the application 2117?

A Yes, sir.

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

A We propose to drill a salt water disposal well on the Amerada-Phillips lease. This well will be known as our SWD K-33. We propose to drill it 1485 feet from the south and west lines of



Section 33, Township 19 South, Range 37 East. This well will be drilled to the lower San Andres formation.

Q Now, referring to what has been marked as Exhibit No. A, would you discuss the information on that Exhibit?

A Exhibit A shows a plat of the area and the proposed SWD well K-33. Also, there is a red circle drawn around the K-33 well, half-mile radius, and also there is a trace drawn on this map of a cross-section A-A'.

Q Now, the disposal well will be located on a lease held by Amerada, is that correct?

A Yes.

Q Do you have Amerada's concurrence in this application?

A Yes. We have a letter authorizing us to locate the well on their lease.

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

A Exhibit B is a diagrammatic sketch of the proposed well. We propose to set 9 5/8-inch surface pipe at 800 feet and circulate the cement and then set 7-inch casing at 4500 feet. We will complete the well, open hole, from 4500 feet down to 5000 feet. We haven't shown it on this Exhibit, but we do propose to run a 5 1/2-inch tubing string in this well, also.

Q Will there be any protection between the tubing string and the casing?

A Yes. The tubing string will be a plastic-lined tubing

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CN 3-6691

ALBUQUERQUE, NEW MEXICO



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PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

string and, also, in the annular space between the 5 1/2-inch and the 7-inch, we will load that annular space with sweet oil, or kerosene or gasoline.

Q In your opinion, will that type of completion adequately protect any fresh water zones, or any producing zones that may be encountered in the well bore?

A Yes, sir, it will. The sweet oil protects the inside of the casing and, also, the outside of the tubing string, and then the inside of the tubing string will be plastic-lined, so that it should be -- should protect the fresh water.

Q Now, referring to what has been marked as Exhibit C, is that the cross-section shown on Exhibit A?

A Yes, this is the cross-section A-A' as drawn on Exhibit A. It runs from west to east. Shown on it are the completions of the following wells: The Kelly-Crutchfield well, the Gulf-Hatchett, our proposed SWD K-33, the Amerada-Sheriff-Phillips No. 2, and the Byron Williams B No. 2.

Q Now, there is a distinct zone of separation between the producing wells and the disposal zone, is there?

A Yes. There is approximately 600 feet of separation there.

Q In your opinion, would there be any communication of disposed water with the producing horizon involved in this area?

A No, I don't believe there would.

Q Now, referring to what has been marked as Exhibit D,



would you discuss the information shown on that Exhibit?

A Exhibit D shows the completion interval, Sub-C, for all the wells in this half-mile radius of the K-33 well.

Q Are any of these wells San Andres wells?

A It's pretty hard to say. There may be some San Andres zones open in the deeper wells. The Amerada-Haney No. 1 and the Amerada-Sheriff-Phillips No. 1, and, maybe, the Sheriff-Phillips No. 2 -- there is no distinct break there between the Grayberg and the San Andres, and it is hard to say if those -- any of them are in the San Andres.

Q Well, there would still be a considerable area of separation between those completions and the proposed completion with your salt water well, is there?

A Yes, sir.

Q Is the San Andres productive of water in this area?

A Yes, sir.

Q Then the production, if any, would be from the upper zone. Would that be affected, then, by the disposal of the salt water?

A No, sir.

Q What is the source of water that you propose to dispose?

A The water that we will dispose in this well is produced in the Monument pay and the Monument Paddock and Blinbry, and it is water that is flowing through our EME-SWD system.

Q What volumes of water do you anticipate disposing of in



this particular well?

A Oh, approximately 15,000 barrels a day.

Q In your opinion, will the San Andres formation, completed as you proposed to make this completion, take that volume of water?

A Yes, sir, it will take that volume by gravity.

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

A Yes, sir.

MR. KELLAHIN: At this time, I would like to offer in evidence Exhibits A, B, C and D.

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

MR. KELLAHIN: That is all the questions I have.

MR. UTZ: Are there questions of the witness? The witness may be excused.

Are there statements in this case? The case will be taken under advisement.



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

PHONE CH 3-6691

STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

I, LAWRENCE HOLMES, JR., Certified Shorthand Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission at Santa Fe, New Mexico, is a true and correct record to the best of my knowledge, skill and ability.

IN WITNESS WHEREOF, I have affixed my hand this 22nd day of November, 1960.

Lawrence Holmes, Jr.
CERTIFIED SHORTHAND REPORTER

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 2117 heard by me on 11-2-1960.
Thomas G. [Signature] Examiner
New Mexico Oil Conservation Commission



I N D E X

WITNESS

PAGE

W. G. ABBOTT
Direct Examination by Mr. Kellahin

2

E X H I B I T S

NUMBER

MARKED

OFFERED

RECEIVED

Applicant's Exhibits
A, B, C and D

2

6

6

DEARNLEY-MEIER REPORTING SERVICE, Inc.

ALBUQUERQUE, NEW MEXICO

PHONE CH 3-6691



DRAFT

RSM/esr
November 3

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. 2117

Order No. R-1819

APPLICATION OF RICE ENGINEERING
& OPERATING, INC. FOR AN ORDER
AUTHORIZING A SALT WATER DISPOSAL
WELL AT AN UNORTHODOX LOCATION
IN SECTION 33, TOWNSHIP 19 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
November 2, 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 _____ day of November, 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 San Andres formation
through a well to be located at an unorthodox location 1485 feet
from the South line and 1485 feet from the West line of Section
33, Township 19 South, Range 37 East, NMPM, ^{Monument Pool,} Lea County, New
Mexico, with the proposed injection interval from 4500 feet to
5000 feet.

(3) That 5 1/2-inch internally plastic-coated tubing should
be installed within 7-inch casing set at 4500 feet and the casing-
tubing annulus filled with sweet oil, ^{naphtha} or kerosene.

(4) That inasmuch as the applicant's proposed salt water
disposal program will not jeopardize the production of oil, gas

or fresh water in the area, approval of the subject application will neither cause waste nor impair correlative rights.

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 ^{of the Monument Pool} through a well to be drilled at an unorthodox location, 1485 feet from the South line and 1485 feet from the West line of Section 33, Township 19 South, Range 37 East, NMPM, Lea County, New Mexico, which unorthodox location is hereby approved, with the injection interval from 4500 feet to 5000 feet.

PROVIDED HOWEVER, That 5 1/2-inch internally plastic-coated tubing shall be installed within 7-inch casing set at 4500 feet and the casing-tubing annulus filled with sweet oil ^{rather} or kerosene.

(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.