

CASE 2809: HEARING CALLED BY THE
OCC FOR THE REVISION OF RULE 701-B
701-C AND 701-E

CASE No.

0809

Application,
TRANSCRIPTS,
SMALL Exhibits
ETC.

NEW MEXICO OIL CONSERVATION COMMISSION
EXHIBIT "A"
CASE NO. 2809

RULE 701. INJECTION OF FLUIDS INTO RESERVOIRS

A. No change

B. Method of Making Application

Application for original authority for the injection of gas, liquefied petroleum gas, air, water, or any other medium into any formation for any reason, including salt water disposal, or for the expansion of any such injection project by the completion or conversion of additional wells shall include the following:

1. No change
2. No change
3. A diagrammatic sketch of the proposed injection well(s) showing all casing strings, including diameters and setting depths, quantities used and tops of cement, perforated or open hole intervals, tubing strings, including diameters and setting depths, and type and location of packer, if used.
4. No change
5. Evidence that a copy of the application, complete with all attachments, has been sent to the State Engineer Office, Box 1079, Santa Fe.

C. Salt Water Disposal Wells

1st paragraph: no change

2nd paragraph:

To obtain such administrative approval, operator shall submit in triplicate Commission form entitled, "Application to Dispose of Salt Water by Injection into a Porous Formation Not Productive of Oil or Gas," said application to be filed in accordance with Rule 701-B above. Copies of the application shall also be sent to all offset operators and the surface owner of the land upon which the well is located.

3rd and 4th paragraphs: no change

D. No change

E. Water Flood Projects

1. no change
2. no change
3. no change
4. no change
5. 1st and 2nd paragraphs: no change

3rd paragraph:

To obtain such administrative approval, operator shall submit in triplicate an application in accordance with Rule 701-B above. The application shall also state the Order number which originally authorized the water flood project, and shall set forth all the facts pertinent to the need for conversion of additional wells to water injection. It shall also be accompanied by Commission Form C-116, showing production tests of the affected well or wells both before and after stimulation by water flood. A copy of the application shall also be sent to each operator offsetting the proposed injection well.

4th paragraph: no change

No. 14-63

DOCKET: REGULAR HEARING - WEDNESDAY - MAY 15, 1963

OIL CONSERVATION COMMISSION - 9 A.M., ELKS CLUB, 260 NORTH RICHARDSON
AVENUE, ROSWELL, NEW MEXICO

- ALLOWABLE: (1) Consideration of the oil allowable for June, 1963.
- (2) Consideration of the allowable production of gas for June, 1963, from ten prorated pools in Lea and Eddy Counties, New Mexico, and also presentation of purchasers' nominations for said pools for the six-month period beginning July 1, 1963; consideration of the allowable production of gas from nine prorated pools in San Juan, Rio Arriba and Sandoval Counties, New Mexico for June, 1963.
- CASE 2802: Application of J. R. Cone for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Cone Jalmat Yates Pool Unit Area comprising 1,760 acres of State land in Township 22 South, Range 35 East, Lea County, New Mexico.
- CASE 2803: Application of J. R. Cone for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Yates formation, Jalmat Pool, through 4 wells located in Units J, L and N of Section 13, and Unit D of Section 24, Township 22 South, Range 35 East, Lea County, New Mexico.
- CASE 2804: Application of John W. Gates for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order force pooling all mineral interests in the White City-Pennsylvanian Gas Pool underlying all of Section 29, Township 24 South, Range 26 East, Eddy County, New Mexico.
- CASE 2805: Application of Newmont Oil Company for an amendment of Order No. R-2178-B. Applicant, in the above-styled cause, seeks an amendment of Order No. R-2178-B, which order established an administrative procedure for expansion by stages of the Loco Hills Sand Unit Waterflood Project, Eddy County, New Mexico. Said amendment is necessitated by unexpected delay in commencing initial injection in the unit area.
- CASE 2806: Application of Sun Oil Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause,

seeks an order force pooling all mineral interests in the Oil-Center Blinebry Pool underlying the W/2 SW/4 of Section 3, Township 21 South, Range 36 East, Lea County, New Mexico.

CASE 2807: In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider a revision of Rule 1301 of the Commission Rules and Regulations to include Grant, Sierra, Hidalgo, and Luna Counties in Oil Conservation Commission District No. 2, headquarters Artesia, New Mexico.

CASE 2808: In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider a revision of Rule 112 of the Commission Rules and Regulations to permit the administrative approval by the Secretary-Director of the Commission of triple completions (conventional).

CASE 2809: In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider a revision of Rule 701-B, 701-C, and 701-E of the Commission Rules and Regulations insofar as said rules relate to the method of making application for hearings or administrative approval for injection or disposal wells.

CASE 2810: In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider the revision of Rule 401 of the Commission Rules and Regulations to require open flow potential tests of natural gas wells upon completion and after workovers only rather than annually as now required.

CASE 2811: In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider the revision of Rule 402 of the Commission Rules and Regulations to require shut-in pressures of natural gas wells annually only rather than semi-annually as now required.

CASE 2812: Southeastern New Mexico nomenclature case calling for an order for the creation, contraction, abolishment, and extension of certain pools in Chaves, Eddy, Lea, and Roosevelt Counties, New Mexico.

(a) Create a new gas pool for Strawn production, designated as the Antelope Sink-Strawn Gas Pool, and described as:

TOWNSHIP 18 SOUTH, RANGE 23 EAST, NMPM
Section 30: All

- (b) Create a new oil pool for Abo production, designated as the Midway-Abo Pool, and described as:

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM

Section 9: S/2
Section 16: NW/4
Section 17: NE/4

- (c) Create a new oil pool for San Andres production, designated as the Penasco-San Andres Pool, and described as:

TOWNSHIP 18 SOUTH, RANGE 25 EAST, NMPM

Section 25: NW/4

- (d) Contract the Robinson (Grayburg-San Andres) Pool in Eddy and Lea Counties, New Mexico, by deletion of the following-described acreage in Eddy County:

TOWNSHIP 16 SOUTH, RANGE 31 EAST, NMPM

Section 25: S/2 and S/2 NE/4
Section 35: All
Section 36: All

TOWNSHIP 17 SOUTH, RANGE 31 EAST, NMPM

Section 1: S/2 and E/2 NW/4
Section 2: All
Section 11: E/2 and N/2 NW/4

- (e) Abolish the North Robinson-Queen-Grayburg-San Andres Pool in Eddy County, described as:

TOWNSHIP 16 SOUTH, RANGE 31 EAST, NMPM

Section 24: NE/4

- (f) Extend the Grayburg-Jackson Pool to include:

TOWNSHIP 16 SOUTH, RANGE 31 EAST, NMPM

Section 24: W/2 SE/4 and SW/4 NE/4
Section 25: S/2 and NE/4
Section 35: All
Section 36: All

TOWNSHIP 17 SOUTH, RANGE 31 EAST, NMPM

Section 1: N/2 and E/2 SE/4
Section 2: All
Section 11: All

- (g) Extend the Artesia Pool to include:
TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM
Section 24: SE/4
- (h) Extend the Corral Canyon-Delaware Pool to include:
TOWNSHIP 25 SOUTH, RANGE 30 EAST, NMPM
Section 17: W/2 SW/4
Section 20: NW/4 NW/4
- (i) Extend the Henshaw-Wolfcamp Pool to include:
TOWNSHIP 16 SOUTH, RANGE 30 EAST, NMPM
Section 23: SE/4
- (j) Extend the High Lonesome Pool to include:
TOWNSHIP 16 SOUTH, RANGE 29 EAST, NMPM
Section 20: E/2 E/2
- (k) Extend the Inbe-Pennsylvanian Pool to include:
TOWNSHIP 11 SOUTH, RANGE 34 EAST, NMPM
Section 18: W/2 NE/4 and NW/4
- (l) Extend the North Justis-Blaine Pool to include:
TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM
Section 2: S/2 NE/4 and SE/4
- (m) Extend the North Justis-Devonian Pool to include:
TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM
Section 2: SW/4
- (n) Extend the North Justis-Tubb Drinkard Pool to include:
TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM
Section 2: SW/4
- (o) Extend the Pearl-Queen Pool to include:
TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM
Section 36: SE/4
TOWNSHIP 20 SOUTH, RANGE 34 EAST, NMPM
Section 1: N/2 NE/4

- (p) Extend the Sawyer-San Andres Gas Pool to include:

TOWNSHIP 9 SOUTH, RANGE 38 EAST, NMPM
Section 31: SE/4

- (q) Extend the Vacuum-Devonian Pool to include:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM
Section 35: NE/4
Section 36: NW/4

- (r) Extend the Vacuum-Glorieta Pool to include:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM
Section 36: SW/4

- (s) Extend the Wantz-Abo Pool to include:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
Section 26: SW/4
Section 35: W/2

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 2: All

- (t) Extend the West Henshaw-Grayburg Pool to include:

TOWNSHIP 15 SOUTH, RANGE 30 EAST, NMPM
Section 33: S/2 SE/4
Section 34: SW/4 SW/4

- (u) Extend the Diablo-San Andres Pool to include:

TOWNSHIP 10 SOUTH, RANGE 27 EAST, NMPM
Section 21: NE/4 NE/4
Section 22: NW/4 NW/4

- (v) Extend the Windmill-San Andres Pool to include:

TOWNSHIP 15 SOUTH, RANGE 28 EAST, NMPM
Section 10: W/2 SW/4
Section 15: NW/4 NW/4

- (w) Extend the West Allison-Pennsylvanian Pool to include:

TOWNSHIP 8 SOUTH, RANGE 35 EAST, NMPM
Section 36: NE/4

- (x) Extend the Milnesand-San Andres Pool to include:
TOWNSHIP 8 SOUTH, RANGE 34 EAST, NMPM
Section 1: S/2 SE/4
Section 12: NE/4
Section 24: SW/4

TOWNSHIP 8 SOUTH, RANGE 35 EAST, NMPM
Section 5: N/2 SE/4

- (y) Extend the South Prairie-Pennsylvanian Pool to include:
TOWNSHIP 8 SOUTH, RANGE 36 EAST, NMPM
Section 15: SE/4

CASE 2813:

Northwestern New Mexico nomenclature case calling for an order extending certain existing pools in Rio Arriba, San Juan, and Sandoval Counties, New Mexico.

- (a) Extend the Aztec-Pictured Cliffs Pool to include:
TOWNSHIP 30 NORTH, RANGE 10 WEST, NMPM
Section 14: SW/4
Section 23: N/2
Section 24: NW/4

- (b) Extend the Blanco-Pictured Cliffs Pool to include:
TOWNSHIP 30 NORTH, RANGE 9 WEST, NMPM
Section 20: S/2

- (c) Extend the South Blanco-Pictured Cliffs Pool to include:
TOWNSHIP 25 NORTH, RANGE 2 WEST, NMPM
Section 2: All
Section 3: E/2
Section 11: All
Section 12: W/2

TOWNSHIP 27 NORTH, RANGE 5 WEST, NMPM
Section 34: SW/4

- (d) Extend the Blanco-Mesaverde Pool to include:
TOWNSHIP 32 NORTH, RANGE 5 WEST, NMPM
Partial Section 18: All
Partial Section 19: All

- (e) Extend the Puerto Chiquito-Gallup Oil Pool to include:

TOWNSHIP 27 NORTH, RANGE 1 EAST, NMPM
Section 20: SE/4 SW/4

- (f) Extend the Verde-Gallup Oil Pool to include:

TOWNSHIP 31 NORTH, RANGE 15 WEST, NMPM
Section 10: SE/4 SW/4

iqg/

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

CASE No. 2809
Order No. R-2490

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION ON ITS OWN MOTION TO
CONSIDER A REVISION OF RULE 701-B
701-C, AND 701-E OF THE COMMISSION
RULES AND REGULATIONS.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on May 15, 1963, at Roswell, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 28th day of May, 1963, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, 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 there is need for certain changes in Rule 701 of the Commission Rules and Regulations as the same relates to the method of filing applications and the data which should accompany said applications for hearings and for administrative approval by the Secretary-Director of the Commission for the approval of wells to be used for pressure maintenance or secondary recovery fluid injection, or for salt water disposal.

(3) That approval of the proposed rule changes will enable the Oil Conservation Commission to more efficiently administer the laws of the State of New Mexico as they relate to conservation of oil and gas.

IT IS THEREFORE ORDERED:

(1) That Rule 701-B of the Commission Rules and Regulations be and the same is hereby amended to read in its entirety as follows:

B. Method of Making Application

Application for original authority for the injection of gas, liqueried petroleum gas, air, water, or any other medium into any formation for any reason, including salt water disposal, or for the expansion of any such injection project by the completion or conversion of additional well(s) shall include the following:

1. A plat showing the location of the proposed injection well(s) and the location of all other wells within a radius of two miles from said proposed injection well(s) and the formation from which said wells are producing or have produced. The plat shall also indicate the lessees, if any there be, within said two-mile radius.
2. The log of the proposed injection well(s) if same is available.
3. A diagrammatic sketch of the proposed injection well(s) showing all casing strings, including diameters and setting depths, quantities used and tops of cement, perforated or open hole intervals, tubing strings, including diameters and setting depths, and the type and location of packers, if any.
4. Other pertinent information including the name and depth of the zone or formation into which injection will be made, the kind of fluid to be injected, the anticipated volumes to be injected, and the source of said injection fluid.
5. Evidence that a copy of the application, complete with all attachments, has been sent to the State Engineer Office, Box 1079, Santa Fe.

(2) That Rule 701-C of the Commission Rules and Regulations be and the same is hereby amended to read in its entirety as follows:

C. Salt Water Disposal Wells

The Secretary-Director of the Oil Conservation Commission shall have authority to grant an exception to the requirements of Rule 701-A for water disposal wells only, without notice and hearing, when the waters to be disposed of are mineralized to such a degree as to be unfit for domestic, stock, irrigation, or other general use, and when said waters are to be disposed of into a formation older than Triassic (Lea County only) which is non-productive of oil or gas within a radius of two miles from the proposed injection well, providing that any water occurring naturally within said disposal formation is mineralized to such a

degree as to be unfit for domestic, stock, irrigation, and/or other general use.

To obtain such administrative approval, operator shall submit in triplicate Commission form entitled, "Application to Dispose of Salt Water by Injection Into a Porous Formation Not Productive of Oil or Gas," said application to be filed in accordance with Rule 701-B above. Copies of the application shall also be sent to all offset operators and to the surface owner of the land upon which the well is located.

If no objection is received within 15 days from the date of receipt of the application, and the Secretary-Director is satisfied that all of the above requirements have been complied with, and that the well is to be cased and cemented in such a manner that there will be no danger to oil, gas, or fresh water reservoirs, an administrative order approving the disposal may be issued. In the event that the application is not granted administratively, it shall be set for public hearing, if the operator so requests.

The Commission may dispense with the 15-day waiting period if waivers of objection are received from all offset operators, the surface owner, and the State Engineer.

(3) That Section 5 of Rule 701-E, Water Flood Projects, be and the same is hereby amended to read in its entirety as follows:

5. Water flood projects shall be expanded and additional wells placed on injection only upon authority from the Commission after notice and hearing or by administrative procedure in accordance with the following:

In order for a well in a water flood project to be eligible for administrative approval for conversion to water injection, it must be established to the satisfaction of the Secretary-Director of the Commission that the proposed water injection well has experienced a substantial response to water injection or is directly offset by a producing well which has experienced such response, and that the proposed injection well is located on a water injection pattern which will result in a thorough and efficient sweep of oil by the water flood.

To obtain such administrative approval, operator shall submit in triplicate an application in accordance with Rule 701-B above. The application shall also state the order number which originally authorized the water flood project, and shall set forth all the facts pertinent to the need for conversion of additional wells to water injection. It shall also be accompanied by Commission

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CASE No. 2809
Order No. R-2490

Form C-116, showing production tests of the affected well(s) both before and after stimulation by water flood. A copy of the application shall also be sent to each operator offsetting the proposed injection well.

The Secretary-Director may, if in his opinion there is need for conversion of the additional wells to water injection, authorize such conversion without notice and hearing, provided that no offset operator or the State Engineer objects to the proposed conversion within fifteen (15) days. The Secretary-Director may grant immediate approval of the proposed conversion upon receipt of waivers of objection from all operators offsetting the proposed injection well and from the State Engineer.

(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



Jack M. Campbell

JACK M. CAMPBELL, Chairman

E. S. Walker

E. S. WALKER, Member

A. L. Porter, Jr.

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

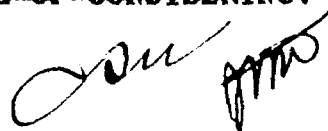
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DRAFT

DSN/esr
May 21, 1963

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~~



CPSE No. 2809

Order No. R- 2490

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION ON ITS OWN MOTION TO
CONSIDER A REVISION OF RULE 701-B,
701-C, and 701-E OF THE COMMISSION
RULES AND REGULATIONS.

ORDER OF THE COMMISSION

BY THE COMMISSION:

Roswell,

This cause came on for hearing at 9 o'clock a.m. on
May 15, 1963, at ~~Santa Fe~~ New Mexico, before the Oil Conser-
vation Commission of New Mexico, hereinafter referred to as the
"Commission."

NOW, on this _____ day of May, 1963, the Commission,
a quorum being present, having considered the testimony presented
and the exhibits received at said hearing, 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 there is need for certain changes in Rule 701 of
the Commission Rules and Regulations as the same relates to the
the
method of filing applications and data which should accompany
said applications for hearings and for administrative approval
by the Secretary-Director of the Commission for the approval of
wells to be used for pressure maintenance or secondary recovery
fluid injection, or for salt water disposal.

(3) That approval of the proposed rule changes will enable
the Oil Conservation Commission to more efficiently administer
the laws of the State of New Mexico as they relate to conservation
of oil and gas.

IT IS THEREFORE ORDERED:

(1) That Rule 701-B of the Commission Rules and Regulations be and the same is hereby amended to read in its entirety as follows:

B. Method of Making Application

Application for original authority for the injection of gas, liquefied petroleum gas, air, water, or any other medium into any formation for any reason, including salt water disposal, or for the expansion of any such injection project by the completion or conversion of additional well(s) shall include the following:

1. A plat showing the location of the proposed injection ~~well or~~ well(s) and the location of all other wells within a radius of two miles from said proposed injection ~~well or~~ well(s) and the formation from which said wells are producing or have produced. The plat shall also indicate the lessees, if any there be, within said two-mile radius.
2. The log of the proposed injection ~~well or~~ well(s) if same is available.
3. A diagrammatic sketch of the proposed injection well(s) showing all casing strings, including diameters and setting depths, quantities used and tops of cement, perforated or open hole intervals, tubing strings, including diameters and setting depths, and ^{the} type and location of packers, if ~~any~~ ^{used}.
4. Other pertinent information including the name and depth of the zone or formation into which injection will be made, the kind of fluid to be injected, the anticipated ~~amounts~~ ^{volumes} to be injected, and the source of said injection fluid.
5. Evidence that a copy of the application, complete with all attachments, has been sent to the State Engineer Office, Box 1079, Santa Fe.

(2) That Rule 701-C of the Commission Rules and Regulations be and the same is hereby amended to read in its entirety as follows:

C. Salt Water Disposal Wells

The Secretary-Director of the Oil Conservation Commission shall have authority to grant an exception to the requirements of Rule 701-A for water disposal wells only, without notice and hearing, when the waters to be disposed of are mineralized to such a degree as to be unfit for domestic, stock, irrigation, ~~and/or~~ other general use, and when said waters are to be disposed of ~~into~~ ^{older} a formation ~~of greater~~ than Triassic ~~age~~ (Lea County only) which is non-productive of oil ~~and/or~~ gas within a radius of two miles from the proposed injection well, providing that any water occurring naturally within said disposal formation is mineralized to such a degree as to be unfit for domestic, stock, irrigation, and/or other general use.

To obtain such administrative approval, operator shall submit in triplicate Commission form entitled, "Application to Dispose of Salt Water by Injection Into a Porous Formation Not Productive of Oil or Gas," said application to be filed in accordance with Rule 701-B above. Copies of the application shall also be sent to all offset operators and ^{to} the surface owner of the land upon which the well is located.

If no objection is received within 15 days from the date of receipt of the application, and the Secretary-Director is satisfied that all of the above requirements have been complied with, and that the well is to be cased and cemented in such a manner that there will be no danger to oil, gas, or fresh water reservoirs, an administrative order approving the disposal may be issued. In the event that the application is not granted administratively, it shall be set for public hearing, if the operator so requests.

The Commission may dispense with the 15-day waiting period if waivers of objection are received from all offset operators, ~~and the surface owner, and no objection is made by the State Engineer, Office.~~ ^{and}

(3) That Section 5 of Rule 701-E, Water Flood Projects, be and the same is hereby amended to read in its entirety as follows:

5. Water flood projects shall be expanded and additional wells placed on injection only upon authority from the Commission after notice and hearing or by administrative procedure in accordance with the following:

In order for a well in a water flood project to be eligible for administrative approval for conversion to water injection, it must be established to the satisfaction of the Secretary-Director of the Commission that the proposed water injection well has experienced a substantial response to water injection or is directly offset by a producing well which has experienced such response, and that the proposed injection well is located on a water injection pattern which will result in a thorough and efficient sweep of oil by the water flood.

To obtain such administrative approval, operator shall submit in triplicate an application in accordance with Rule 701-B above. The application shall also state the order number which originally authorized the water flood project, and shall set forth all the facts pertinent to the need for conversion of additional wells to water injection. It shall also be accompanied by Commission Form C-116, showing (production) tests of the affected well(s) ~~well or wells~~ both before and after stimulation by water flood. A copy of the application shall also be sent to each operator offsetting the proposed injection well.

The Secretary-Director may, if in his opinion there is need for conversion of ^{the} additional wells to water injection, authorize such conversion without notice and hearing, provided that no offset operator ~~nor~~ or the State Engineer objects to the proposed conversion within fifteen (15) days. The Secretary-Director

may grant immediate approval of the proposed conversion upon receipt of waivers of objection from all operators offsetting the proposed injection well and from the State Engineer.

(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year herein-above designated.

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182

SANTA FE, N. M.
PHONE 283-3971

ALBUQUERQUE, N. M.
PHONE 243-6691

BEFORE THE
OIL CONSERVATION COMMISSION
Roswell, New Mexico
May 15, 1963

IN THE MATTER OF:

The hearing called by the Oil Conserva-
tion Commission on its own motion to
consider a revision of Rule 701-B,
701-C, and 701-E of the Commission Rules
and Regulations insofar as said rules
relate to the method of making applica-
tion for hearings or administrative
approval for injection or disposal wells.

Case 2809

BEFORE: Honorable Jack M. Campbell
Mr. A. L. "Pete" Porter
Mr. E. S. "Johnny" Walker

TRANSCRIPT OF HEARING

MR. PORTER: We will take up Case 2809.

MR. DURRETT: In the matter of the hearing called by
the Oil Conservation Commission on its own motion to consider a
revision of Rule 701-B, 701-C, and 701-E of the Commission Rules
and Regulations insofar as said rules relate to the method of
making application for hearings or administrative approval for
injection or disposal wells.

If the Commission please, J. M. Durrett, Junior, appearing
again for the Commission and for its staff. Mr., Daniel S. Nutter,
Chief Engineer for the Commission, has previously been sworn and
will testify in this case.



MR. PORTER: The record will show that Mr. Nutter has been sworn.

DANIEL S. NUTTER

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

DIRECT EXAMINATION

BY MR. DURRETT:

Q Mr. Nutter, once again, let's go through some of the background for this proposed rule change and briefly go through the rule as proposed.

A Yes, sir. Rule 701 at the present time is not clear as to the data that should be submitted for administrative approval, in particular on injection wells. It is the purpose of this proposed rule change today to clarify those rules and to make it possible for the operator to better understand what material is necessary to be submitted with the application for administrative approval.

Q Do you feel that there is anything in this proposed rule that you would like to specifically comment on, or are they all just, in general, clarification of the previous rules?

A I would like to comment on a couple of items here. Rule 701 pertains to the injection of any medium into any reservoir for any reason. Paragraph A states that the injection

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of gas, liquefied petroleum gas, air, water or any other medium is not permitted except after notice and hearing or as otherwise provided in Rule 701.

701-B prescribes the method, at the present time prescribes the method for making application for hearing. We propose that this Rule 701-B be reworded to provide for a method of making application for original authority that would be for a hearing to authorize an injection project initially or administrative approval to expand such a project.

So the following things are required at the present time by the Rule, 1, a plat of the area; 2, a log of the proposed injection well; 3, a description of the proposed injection well's casing program; and 4, other pertinent information.

We would not propose to change 1 and 2, that's the plat and the log requirement. However, 3, rather than a description of the well's casing program we suggest that it be worded as follows: That "A diagrammatic sketch of the proposed injection wells showing all casing strings, including diameters and setting depths, quantity used and tops of cement, perforated or open hole intervals, tubing strings, including diameters, and setting depths and type and location of packers if used.

This information is necessary in the administration of this rule and we frequently have to send an application back to the operator



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and ask him to submit this information before we can give approval to it. So we think that the rule should specifically define what materials will be necessary.

Four, we propose no change that other pertinent information be submitted with the application, including the name or depth of the zone or formation at which the injection will be made, the kind of fluid injected, the anticipated volumes to be injected and the source of the injection fluid. We suggest that stay the same.

We would add Section 5 to this rule and make the provision that among the things that are submitted would be evidence that a copy of the application, complete with all attachments, has been sent to the State Engineer's Office, Box 1079, Santa Fe. This would be relative to an application for hearing, as I stated before, or administrative approval.

The other parts of Rule 701 for administrative approval require that this material be sent to the State Engineer anyway. The State Engineer's Office is always interested in the material that's submitted, and in the case which is coming up for hearing as well, so it will expedite things to provide them with this information prior to the hearing.

Going on into 701-C, which is for salt water disposal wells, we have only made the necessary changes in there to make it comply



with Rule 701-B, so that the application for administrative approval would be the materials which are required in 701-B as proposed.

Going on into 701-B, there's no change, that's the definition of pressure maintenance projects. Then when we get into 701-E, there's no change at all until you get into the portion relating to making an application for the expansion of a water-flood project. The only changes that are made there relate back to the materials which are required under our proposed Rule 701-B, which will be submitted for administrative approval, and the change in 701-E would relate back to that, and require that that material be submitted with the application for administrative approval.

Q Do I understand you correctly, Mr. Nutter, that the adoption of your proposed rule as amended here will not cut down the number of hearings but it will clarify the documents that need to be submitted?

A That's the purpose of it.

Q And is it your opinion that adoption of this rule will enable the Commission to better administer the laws of this State?

A Yes.

Q Was Exhibit A prepared by you or under your direct supervision?

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A Yes, sir.

MR. DURRETT: If the Commission please, I move the introduction of Exhibit A at this time, and that concludes my examination of Mr. Nutter in this case.

MR. PORTER: Without objection, the exhibit will be admitted to the record.

(Whereupon, Commission's Exhibit A was introduced and admitted in evidence.)

MR. PORTER: Anyone have a question concerning the testimony on the change in Rule 701? No question, the witness may be excused.

(Witness excused.)

MR. PORTER: Does anyone have any statements to make in connection with this case? The Commission will take the case under advisement.

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STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

I, ADA DEARNLEY, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission at Roswell, 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 and notarial seal this 5th day of June, 1963.


Notary Public-Court Reporter

My commission expires:
June 19, 1963.

