

CASE 3700. Application of UNION
OIL COMPANY OF CALIFORNIA FOR
SALT WATER DISPOSAL, LEA COUNTY.

Case Number

3760

Application

Transcripts.

Small Exhibits

ETC.

LAW OFFICES OF
JOHN F. RUSSELL
412 HINKLE BUILDING
P. O. DRAWER 640
ROSWELL, NEW MEXICO 88201

TELEPHONE 622-4641
AREA CODE 505

August 28, 1968

Mr. A. L. Porter, Jr.
Secretary-Director
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico

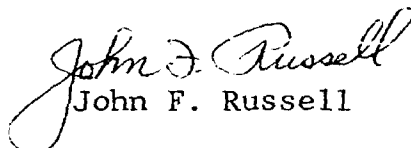
Re: Order No. R-3413 entered in Case No. 3760.

Dear Mr. Porter:

The above referenced Order authorized Union Oil Company of California to dispose of salt water from the South Vacuum-Devonian Pool into the Devonian formation through the John Trigg Lea Federal "J" Well No. 2, located in Unit P of Section 14, Township 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico.

Subsequent tests conducted on this well by Union Oil Company of California revealed that it would not take the minimum amount of water as specified in the agreement with Mr. Trigg and Union has abandoned its intent to dispose of salt water through that well.

Very truly yours,


John F. Russell

JFR:d
cc: Mr. Wayne Gill

53 Aug 29 1968

Union Oil Company of California

500 N. Marienfeld, Midland, Texas 79701
Telephone (915) MU 2-9731



Midland District

August 13, 1968

Mr. Elvis A. Utz, Examiner
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico

Dear Mr. Utz:

Case 3760, May 16, 1968:
Application of Union Oil Company of
California for Salt Water Disposal,
Lea County, New Mexico

Reference is made to Case No. 3760 whereas Union Oil Company of California made application to dispose of salt water into the Devonian formation in its John H. Trigg-Lea Federal "J" Well No. 2, located in Unit P of Section 14, T-18-S, R-35-E, Reeves Devonian Pool, Lea County, New Mexico. The hearing was held on May 16, 1968, and permission was granted to utilize the well for salt water disposal.

We wish to inform the New Mexico Oil Commission that injectivity tests conducted on the above named well subsequent to Commission approval show the well to be uneconomical for disposal use because of high injection pressures. The well will therefore be returned to John H. Trigg Company for abandonment.

Very truly yours,

A handwritten signature in cursive script, appearing to read "G. W. Coombes".
G. W. Coombes
District Operations Superintendent

GWC:JRH/bMc

100 AUG 15 PM 2 1

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. 3760
Order No. R-3413

APPLICATION OF UNION OIL COMPANY
OF CALIFORNIA FOR SALT WATER DIS-
POSAL, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on May 16, 1968,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 20th day of May, 1968, the Commission, a
quorum being present, having considered the testimony, the record,
and the recommendations of the Examiner, 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, Union Oil Company of California,
is the owner and operator of the John Trigg Lea Federal J Well
No. 2, located in Unit P of Section 14, Township 18 South, Range
35 East, NMPM, Reeves-Devonian Pool, Lea County, New Mexico.

(3) That the applicant proposes to utilize said well to
dispose of water produced in the South Vacuum-Devonian Pool
into the Devonian formation, with injection into the perforated
and open-hole interval from approximately 12,081 feet to 12,178
feet.

(4) That the injection should be accomplished through
3-inch internally plastic-coated tubing installed in a packer
set below 11,200 feet; that the casing-tubing annulus should
be filled with an inert fluid; and that a pressure gauge

-2-

CASE No. 3760
Order No. R-3413

should be attached to the annulus or the annulus left open at the surface in order to determine leakage in the tubing or packer.

(5) That approval of the subject application will prevent the drilling of unnecessary wells and otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

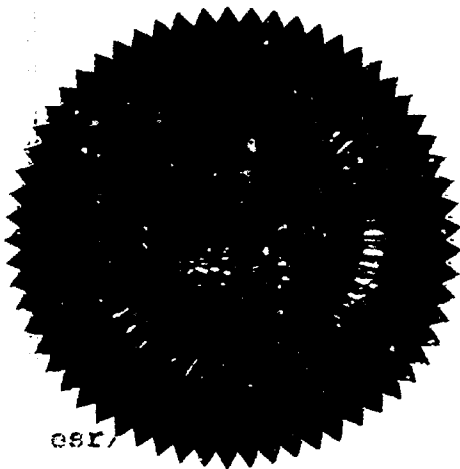
(1) That the applicant, Union Oil Company of California, is hereby authorized to utilize its John Trigg Lea Federal J Well No. 2, located in Unit F of Section 14, Township 18 South, Range 35 East, NMPM, Reeves-Devonian Pool, Lea County, New Mexico, to dispose of water produced in the South Vacuum-Devonian Pool into the Devonian formation, injection to be accomplished through 3-inch tubing installed in a packer below 11,200 feet, with injection into the perforated and open-hole interval from approximately 12,081 feet to 12,178 feet;

PROVIDED HOWEVER, that the tubing shall be internally plastic-coated; that the casing-tubing annulus shall be filled with an inert fluid; and that a pressure gauge shall be attached to the annulus or the annulus left open at the surface in order to determine leakage in the tubing or packer.

(2) That the applicant shall submit monthly reports of its disposal operations in accordance with Rules 704 and 1120 of the Commission Rules and Regulations.

(3) 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

DAVID F. CARGO, Chairman

GUYTON S. HARRIS, Member

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

GOVERNOR
DAVID F. CARGO
CHAIRMAN

State of New Mexico
Oil Conservation Commission



LAND COMMISSIONER
GUYTON B. HAYS
MEMBER

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

P. O. BOX 2088
SANTA FE

May 20, 1968

Mr. John Russell
Attorney at Law
Post Office Drawer 640
Roswell, New Mexico 88201

Re: Case No. 3760
Order No. R-3413
Applicant:
Union Oil Company of California

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

ALP/ir

Carbon copy of order also sent to:

Hobbs OCC X

Artesia OCC

Aztec OCC

Other State Engineer Office

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. 3533
Order No. R-3203

APPLICATION OF UNION OIL COMPANY
OF CALIFORNIA FOR SALT WATER DIS-
POSAL, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on March 8, 1967,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 14th day of March, 1967, the Commission, a
quorum being present, having considered the testimony, the record,
and the recommendations of the Examiner, 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, Union Oil Company of California, is
the owner and operator of the Continental Nix Well No. 24-1, located
330 feet from the North line and 660 feet from the West line of
Section 24, Township 18 South, Range 35 East, NMPM, Reeves-Devonian
Pool, Lea County, New Mexico.

(3) That the applicant proposes to utilize said well to
dispose of produced salt water into the Devonian formation, with
injection through perforations from approximately 12,126 feet
to 12,190 feet.

(4) That the injection should be accomplished through 3 1/2-
inch internally plastic-coated tubing installed in a packer set
below 11,380 feet; that the casing-tubing annulus should be
filled with an inert fluid; and that a pressure gauge should be
attached to the annulus or the annulus left open at the surface
in order to determine leakage in the tubing or packer.

(5) That approval of the subject application will prevent the drilling of unnecessary wells and otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Union Oil Company of California, is hereby authorized to utilize its Continental Nix Well No. 24-1, located 330 feet from the North line and 660 feet from the West line of Section 24, Township 18 South, Range 35 East, NMPM, Reeves-Devonian Pool, Lea County, New Mexico, to dispose of produced salt water into the Devonian formation, injection to be accomplished through 3 1/2-inch tubing installed in a packer below 11,380 feet, with injection into the perforated interval from approximately 12,126 feet to 12,190 feet;

PROVIDED HOWEVER, that the tubing shall be internally plastic-coated; that the casing-tubing annulus shall be filled with an inert fluid; and that a pressure gauge shall be attached to the annulus or the annulus left open at the surface in order to determine leakage in the tubing or packer.

(2) That the applicant shall submit monthly reports of its disposal operations in accordance with Rules 704 and 1120 of the Commission Rules and Regulations.

(3) 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

DAVID F. CARGO, Chairman

GUYTON B. HAYS, Member

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

S E A L

esr/

Case 3760

Heard 5-16-68

Rec. 5-16-68

Grant Union of Dep. permission
to convert their Federal Land
2-14 well, 660 S & G 14-185-35E to
a S.W.D well. Reener Dev. Pool.
A packer shall be set at approx.
11,200'. Direction shall be thru
3" internally plaster coated
tubing. The 7"x3" annulus
shall be filled with a corrosion
inhibited fluid and a pressure
gauge installed at its surface or
the annulus left open to
detect any leakage.

Thud. H.

DOCKET: EXAMINER HEARING - THURSDAY - MAY 16, 1968

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Elvis A. Utz, Examiner, or Daniel S. Nutter, Alternate Examiner:

- CASE 3760: Application of Union Oil Company of California for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of water produced in the South Vacuum-Devonian Pool into the Devonian formation in the interval from 12,000 feet to 12,180 feet in its John Trigg Lea Federal J Well No. 2 located in Unit P of Section 14, Township 18 South, Range 35 East, Reeves-Devonian Pool, Lea County, New Mexico.
- CASE 3761: Application of Harlan Production Company for an unorthodox oil well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill its Etz-State Well No. 15 at an unorthodox location 1650 feet from the North line and 1325 feet from the West line of Section 16, Township 17 South, Range 30 East, Grayburg-Jackson Pool, Eddy County, New Mexico.
- CASE 3762: Application of Shannick Oil Company for authority to operate an oil treating plant, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to install a combination chemical and hot-water wash oil treating plant, said plant to be located approximately four miles West of Crossroads, New Mexico, and to purchase, transport, treat, and sell oil, condensate, and sediment oil in connection with the operation of said plant.
- CASE 3763: Application of Pan American Petroleum Corporation for salt water disposal, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Dakota formation in the interval from 712 feet to 715 feet in its USG Section 18 Well No. 28, located in Unit C of Section 18, and/or in the interval from 757 feet to 762 feet in its USG Section 19 Well No. 24 located in Unit C of Section 19, both in Township 29 North, Range 16 West, Hogback-Dakota Pool, San Juan County, New Mexico.

- CASE 3764: Application of Pan American Petroleum Corporation for lease commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Dakota oil production from its Navajo Tribal USG Section 19 (A) and its Navajo Tribal USG Section 18 (B) leases in Sections 18 and 19 of Township 29 North, Range 16 West, Hogback-Dakota Oil Pool, San Juan County, New Mexico, allocating the production to each lease on the basis of periodic well tests even though there is a difference in over-riding royalty interests between Sections 18 and 19.
- CASE 3765: Application of D. J. Simmons for an unorthodox gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of his General Petroleum-Rock Island Well No. 2 at a point 1850 feet from the North line and 810 feet from the West line of Section 24, Township 29 North, Range 9 West, Blanco-Mesaverde Pool, San Juan County, New Mexico, in exception to the pool rules which require locations to be in either the Northeast or Southwest of the Section.
- CASE 3766: Application of Tamarack Petroleum Company, Inc., for an amendment to Order No. R-3396, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-3396, which authorized a waterflood project in its South Pearl Queen Unit Area, Pearl Queen Pool, Lea County, New Mexico, to delete the water injection wells previously authorized in Unit B of Section 3, Units G and L of Section 4, Unit I of Section 5, and Unit C of Section 10, and to authorize for water injection its Saunders Federal Well No. 7 in Unit P of Section 5 and its Saunders Federal Well No. 3 in Unit D of Section 10, all in Township 20 South, Range 35 East.
- CASE 3767: Application of Mobil Oil Corporation for lease commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Grayburg-San Andres production from its Bridges State Wells Nos. 8 and 53 located in Units J and H, respectively, of Section 23, with Grayburg-Jackson production from its Bridges State Lease comprising the W/2 of Section 24, all in Township 17 South, Range 34 East, Vacuum Grayburg-San Andres Pool, Lea County, New Mexico, allocating the production on the basis of periodic well tests, even though there is a

-3- Examiner Hearing - May 16, 1968

Docket No. 15-68

difference in over-riding royalty interest between Sections 23 and 24.

CASE 3768: Application of Mobil Oil Corporation for a triple completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the triple completion (conventional) of its Bridges State Well No. 126 located in Unit J of Section 11, Township 17 South, Range 34 East, Lea County, New Mexico, in such a manner as to produce oil from the Abo, Upper Pennsylvanian, and Morrow formations, Vacuum Field, through parallel strings of tubing.

LAW OFFICES OF
JOHN F. RUSSELL
SOUTHERN SECURITY NATIONAL BANK BUILDING
P. O. DRAWER 640
ROSWELL, NEW MEXICO 88201

412 Hinkle Bldg.

TELEPHONE 622-4641
AREA CODE 505

Apr 3760

April 26, 1968

New Mexico Oil Conservation
Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

68 APR 29 AM 9 0.

Gentlemen:

Pursuant to my telephone conversation of April 24 with
Mr. Dan Nutter, I transmit herewith an application of Union
Oil Company of California for disposing of produced water.

It is my understanding that this case is being advertised
for May 16 and the exhibits referred to in the application are
not ready at this time, but will be forwarded to you prior to
the hearing date.

Very truly yours,

John F. Russell
John F. Russell

JFR:l
Enclosure in triplicate

DOCKET IN

Date 5/2/68

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF)
UNION OIL COMPANY OF CALIFORNIA FOR)
AN ORDER AUTHORIZING THE DISPOSAL OF)
SALT WATER INTO THE DEVONIAN FORMATION)
BY INJECTION INTO THE JOHN TRIGG FEDERAL) No. 2760
NO. 2-14 WELL LOCATED IN UNIT "P" OF)
SECTION 14, TOWNSHIP 18 SOUTH, RANGE 35)
EAST, N.M.P.M., LEA COUNTY, NEW MEXICO.)
_____)

APPLICATION

60 APR 29 AM 8 08

COMES NOW Union Oil Company of California, by its
attorney, John F. Russell, and states:

1. Applicant proposes to commence the disposal of
produced salt water into the Devonian formation through the
John Trigg Lea Federal No. 2-14 well located 710 feet from
the South line and 660 feet from the East line of Section 14,
Township 18 South, Range 35 East, N.M.P.M., Lea County, New
Mexico.
2. The water being disposed of is not suitable for
domestic or agricultural purposes and the disposal of said
water, as proposed, will not impair production of oil, gas, or
fresh water from the reservoir, nor will it impair correlative
rights.
3. Applicant attaches hereto as Exhibit 1 a plat
showing the location of the proposed injection well and all

wells within two miles from said proposed injection well and the names of the lessees.

4. Applicant will provide available logs of the well at the time of hearing.

5. Applicant attaches hereto as Exhibit 2 a diagramatic sketch showing the manner of completing the proposed injection well.

WHEREFORE, Applicant requests that the Commission set this matter down for hearing before its Examiner, publish notice as required by law and, after hearing, issue its order authorizing the disposal of salt water as aforesaid.

Respectfully submitted,

UNION OIL COMPANY OF CALIFORNIA

By: John F. Russell
John F. Russell
P. O. Drawer 640
Roswell, New Mexico 88201

Applicant's Attorney

DATED: April 26, 1968



1120 S. JAMES BLDG. • P. O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO

TRANSCRIPT OF HEARING

NEW MEXICO OIL CONSERVATION COMMISSION

Examiner Hearing

Santa Fe, NEW MEXICO

Hearing Date May 16, 1968 TIME: 9 A.M.

NAME	REPRESENTING	LOCATION
John E. Russell	Union Oil Co.	Soswell
Jimmie Kasper	Union Oil Co.	Midland
Bart Giles	Pan American Pet. Corp	Denver
Louis C. Ross	Pan American Petroleum Corp.	Denver
Frank Hallenbeck	Pan American Petroleum Corp.	Denver
Jason Kellah	Kellah & Son	Santa Fe
A E PINSON, JR.	TAMARACK PET. CO.	MIDLAND, TEX.
W. H. ...	W. H. ...	PART VI ...
C. C. ...	OCC	after

MR. UTZ: Is there a representative from Mobil here? If there is anyone here that's interested in Case 3767 or 3768 we have been told they are going to be dismissed. We haven't had any word further than that. Hearing will come to order, please. First case on the docket will be 3760.

MR. HATCH: Case 3760. Application of Union Oil Company of California for salt water disposal, Lea County, New Mexico.

MR. RUSSELL: John F. Russell, Roswell, New Mexico appearing on behalf of the Applicant. I have one witness and ask that he be sworn.

MR. UTZ: Are there other appearances?

(Witness sworn)

(Whereupon, Applicant's Exhibits 1 through 4 marked for identification)

JIMMIE HUGHES

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

DIRECT EXAMINATION

BY MR. RUSSELL:

Q Please state your name, address, and by whom you are employed.

A Jimmie Hughes, 619 West Texas Avenue, Midland, Texas, Union Oil Company of California.

Q In what capacity are you employed by them?

A Production Engineer.

Q Have you previously qualified to testify before the Commission?

A No, sir.

Q Will you give a brief resume of your educational and professional background?

A I graduated from Oklahoma University in 1959, went to work for Union and I've been with them ever since doing production and drilling work.

Q Whereabouts?

A In Louisiana and Oklahoma, New Mexico and Texas.

Q And you have worked in the area covered by this application?

A Yes.

Q What degree did you receive?

A Bachelor Petroleum Engineering.

MR. RUSSELL: Are the witness's qualifications satisfactory?

MR. UTZ: They are.

Q Mr. Hughes, are you familiar with the application

in Case No. 37607

A Yes, sir.

Q What is it you seek to accomplish by this application?

A Disposal of salt water produced from the South Vacuum Field and the Reeves Devonian Formation through the John Trigg Federal Lea J No. 2-14 Well.

Q Did you previously receive permission from the Commission to dispose of salt water from your South Vacuum Field?

A Yes, we have a previous disposal well or a well we are now using in Section 24, the Continental Nix No. 1-24 Well, which is a Devonian completion.

Q Has that been successful?

A Yes, it has.

Q Will it take all of the water which you need to dispose of?

A No, our produced water is increasing in the South Vacuum Field and we need an additional well to insure us to be able to dispose of all this water underground.

Q Then this particular Trigg well will be really an extension of your disposal system for the South Vacuum, is that correct?

A That's true.

Q Now, I'll refer you to what has been marked
as --

MR. UTZ: Where was the other well?

A It was in Section 24 of --

MR. UTZ: Is that the section just south?

A Southeast, yes, sir.

MR. UTZ: What was the number of the well?

A It's the 1-24. It's right up in the northwest
corner.

MR. UTZ: The one colored in brown?

A Brown, yes.

MR. UTZ: Go ahead.

Q (By Mr. Russell) Referring you to what
has been marked as Applicant's Exhibit No. 1, will you
explain to the Examiner what that represents?

A This is a plat showing our proposed well in the
center with all the Devonian and all the well completions
within a two-mile radius, the red being the Devonian
completions, the yellow being the Penn producers and the
green being plugged and abandoned wells and the brown, of
course, is our only Devonian disposal well in this vicinity.

Q Now, going to what has been marked as Exhibit

No. 2, will you explain what that reflects?

A This is production history of the Reeves Devonian Field and oil produced in barrels of oil per month and also water production in barrels per month.

Q Now, there is one well presently producing from the Devonian formation from this field, is there not?

A Yes.

Q Which well is that?

A That's the Continental well in the southwest corner of Section 13.

Q And you have a letter which you are going to submit and they have no objection to granting of this application?

A Yes.

Q Now, going to what has been marked as Exhibit No. 3, will you explain what that represents?

A This is a diagrammatic sketch of the well bore itself, the John Trigg Federal Lea 2-14 Well, we propose to convert to salt water disposal, showing the perforations that are open in the Devonian, 12,081 to 12,091 are open, perfs at 12,128 to 12,138 are open. A seven-inch casing is set or cemented at 12,163 and we have an open hole section from there to 12,178 and we also have some Pennsylvanian

perforations that are open, unproductive in this well, from 11,070 to 11,096. We propose to run three-inch plastic-coated tubing with a packer set below 11,200 feet. The top of our cement by temperature log was at 8,400 feet in this well.

Q And in your opinion, will this method of completion prevent any of the fluid from getting into the perforations in the Penn Formation?

A Yes, sir, we will leave the annulus open at the surface and if we ever have a packer leak or a tubing leak, this will be detected immediately.

Q Now, is this well being acquired from Mr. Trigg for use for this purpose?

A Yes, it is.

Q Did you obtain a copy of the log from Mr. Trigg?

A Yes, I have a copy here of the gamma ray neutron log on this well.

Q But at this time that is the only copy you have?

A This is the only copy I have at this time. We can get additional copies made.

MR. RUSSELL: Mr. Examiner, what I would like to do is let him go ahead with that and then as soon as he

gets back, furnish you three copies of that log if that's satisfactory.

MR. UTZ: That will be fine.

MR. RUSSELL: Do you want me to have this marked as an Exhibit?

MR. UTZ: I believe you should, yes.

(Whereupon, Applicant's
Exhibit 5 marked for
identification)

Q All right. Handing you what has been marked Applicant's Exhibit No. 5, will you briefly give a resume of what it reflects as it would affect this hearing?

A You mean insofar as it compares to our Nix Well or what the well --

Q Well, are there any perforations, packers, or anything reflected on that well which you have not testified to?

A There is three packers in this well, a permanent type packer that we propose to just leave in the well and inject through these packers.

Q Where is it located?

A We have a packer at 12,060, one at 12,105, and one at 12,151.

Q Those are the three packers?

A Those are the three packers.

Q Are they going to be removed?

A Not unless we have to remove them for mechanical operations on the well.

MR. UTZ: Where are those packers, inside the seven-inch?

A They are inside the seven-inch. They are full opening three and a half inch ID opening, just a permanent type packer that will have to be drilled and removed, they are not retrievable.

MR. UTZ: But you are going to pull the tubing?

A Yes, the tubing has been pulled.

MR. UTZ: So you'll have a three and a half inch hole in each of these packers to inject through?

A Yes.

Q (By Mr. Russell) I hand you what has been marked Applicant's Exhibit No. 4 and ask you to identify it.

A This is a letter from Continental Oil Company in Hobbs, New Mexico from the people that operate their one well and the one Devonian producer in the Reeves Field, in Section 13. This letter is to the effect that they have no objection to us disposing of water in the Devonian Formation

in this field. Would you like me to read --

Q Read the letter, if you will.

A "This confirms telephone conversation of this date stating that Continental Oil Company does not object to the conversion of the Trigg Federal Lea J Well No. 2-14 660 feet from the south and east lines of Section 14, Township 18 South, Range 35 East, to salt water disposal in the Devonian Formation," and it's signed by Mr. Guy Jamison, who is the District Engineer in Hobbs, New Mexico.

Q Now, is there anything further in your proposed operations or shown on the exhibits that you haven't brought out that you want to comment on?

A Of course. this tubing casing annulus will be filled with a corrosion inhibited fluid and the tubing, the three and a half inch OD tubing will be plastic-coated internally.

MR. RUSSELL: At this time I would like to offer into evidence Applicant's Exhibits 1 through 5 with permission to remove 5 to furnish additional copies.

MR. UTZ: Let's run through those, I may be short here. No. 1 is the plat.

MR. RUSSELL: Correct.

MR. UTZ: No. 2 is the graph showing the oil

and water production.

MR. RUSSELL: Correct.

MR. UTZ: No. 3 is your diagrammatic. No. 4 is the letter.

MR. RUSSELL: No. 4 is the letter. And No. 5 is the well log.

MR. UTZ: Without objection, Exhibits 1 through 5 will be entered into the record in this case.

(Whereupon, Applicant's Exhibits 1 through 5 were offered and admitted in evidence)

MR. RUSSELL: I have no further questions of this witness.

CROSS EXAMINATION

BY MR. UTZ:

Q What kind of well is this Continental well? Is it a pretty good well yet?

A Yes, it's taking 8,000 barrels a day. It's considered a fairly good disposal well. We had hopes that it would take 10,000 barrels a day when we acquired it and converted it, but it's not doing quite that good. but it still is a real good disposal well.

Q You are speaking of the Trigg well?

A No, the Nix well, the Continental well. The Nix

well from the logs and the production history looks to be as good a well as the Nix. We don't know, of course, until such time as we get in with our tubing string and run a test on it.

Q Well, I had reference to the one that you have marked in red, which is the Continental producer in the Devonian.

A Oh, that well, yes. It's the only remaining well. It's making less than 1,000 barrels of oil per month and no water. It's a real unusual Devonian producer in this area in that it doesn't make any water from the Devonian. It's completed right in the top of the Devonian formation.

Q So in your opinion, this well is producing higher than will be your injection?

A That's true.

Q Which undoubtedly accounts for Continental's contentment with your injection well.

A Yes, and we acquired the one disposal well up there that we have now from Continental, which they had this producing well at that time, this was about one year ago.

Q Actually, the water production in this pool is going down, however, the ratio is increasing, is that a correct observation, from your Exhibit No. 2?

A That's true, yes. This is the only Devonian production from this field and we have only the one remaining well.

Q How old is the casing in the Trigg well?

A It's eight years old.

Q It was new casing at the time it was drilled?

A Yes, sir.

Q And this well is just depleted?

A It's just depleted, yes, sir. They were still making a little oil from it when they had to shut it down because of the water production. They didn't have a disposal facility with just the one well.

Q How much oil was it making?

A I think between -- oh, I'm not sure, somewhere around ten barrels a day, I think.

Q Was this a triple completion at one time?

A Well, they actually had three sets of perforations or three sets of producing intervals in the Devonian but I think they were just plugging back to get away from the water.

Q That accounts for the packers?

A Yes, sir.

Q I don't know whether you stated or not, but your

exhibit shows it will be three-inch plastic-coated tubing.

A That's right.

Q Incidentally, what is the analysis of the water in the field? Do you have any dope as to the chloride content?

A No, sir, I don't have any with me. I could furnish some. It's real low chloride for the Devonian water. It's somewhere around fifteen to twenty thousand parts per million, but I don't have an analysis.

Q It definitely isn't potable water?

A No, it isn't. It contains a lot of sulphur and --

Q And other things besides chloride?

A Yes, that's right.

MR. UTZ: Other questions of the witness?

Witness may be excused.

(Witness excused)

MR. UTZ: Statements? Case will be taken under advisement.

STATE OF NEW MEXICO)
)
 COUNTY OF BERNALILLO):

I, KAY EMBREE, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me; and that the same is a true and correct record of the said proceedings, to the best of my knowledge, skill and ability.

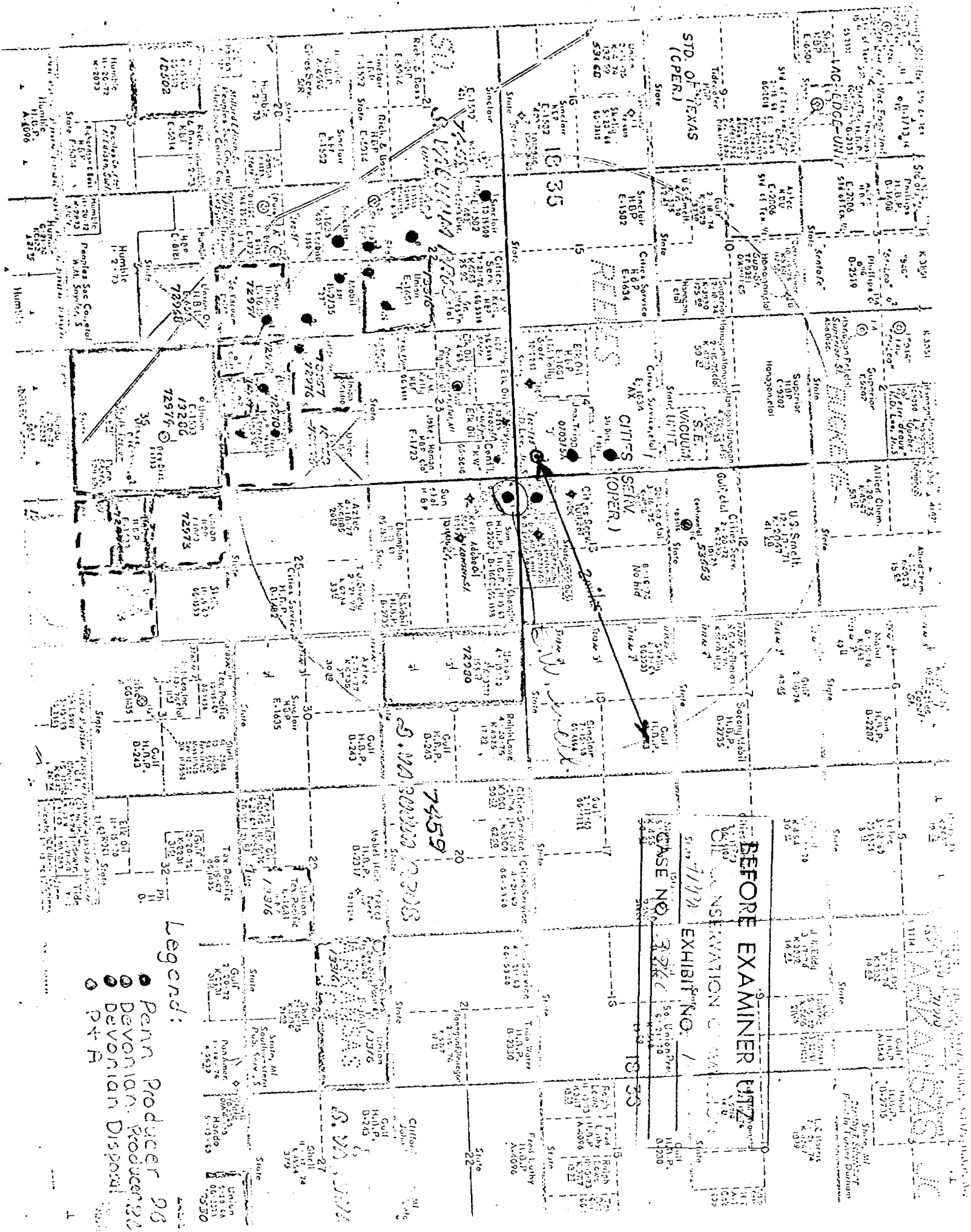
Witness my Hand and Seal this 17th day of May, 1968.

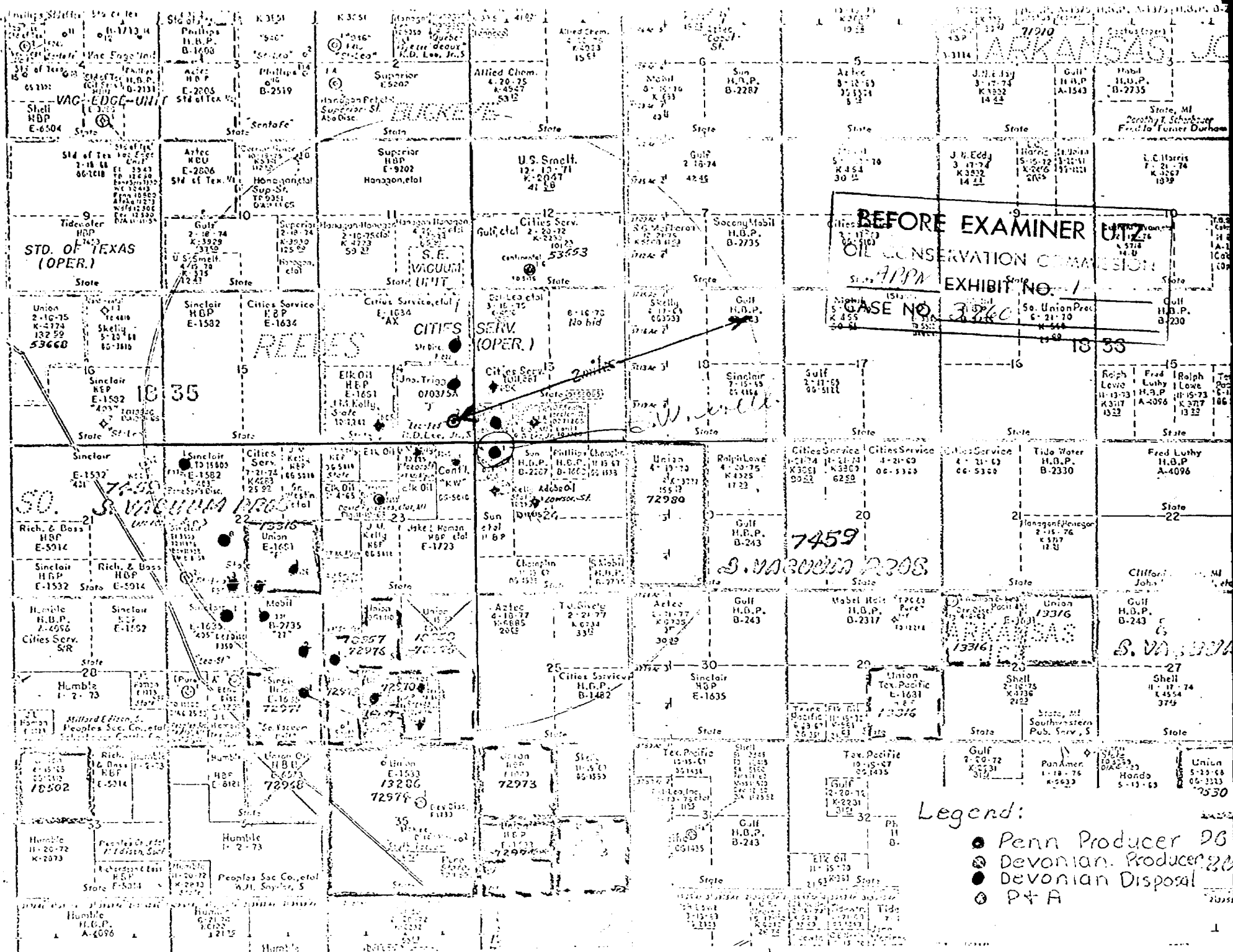
Kay Embree
 NOTARY PUBLIC

My Commission Expires:

November 19, 1971.

I do hereby certify that the foregoing is a complete record of the proceedings in the New Mexico hearing of Case No. 3760, heard by me on May 16, 1968.
Therese A. [Signature], Executive
 New Mexico Oil Conservation Commission





Legend:

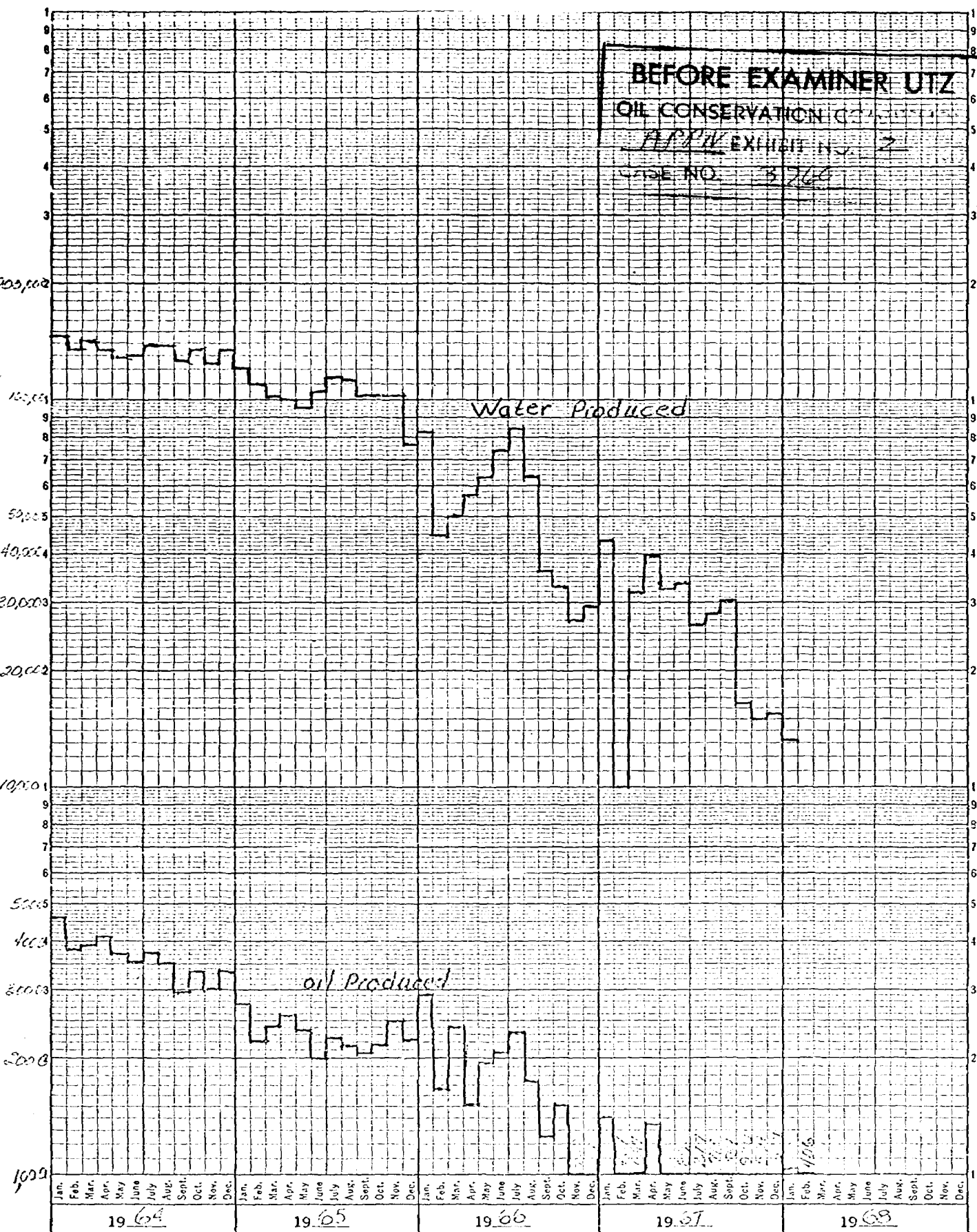
- Penn Producer 20
- Devonian Producer 20
- Devonian Disposal
- P & A

Reeves (Devonian) Field
Lea County New Mexico

5 YEARS BY MONTHS
X 3 LOG CYCLES
KEUFFEL & ESSER CO. PRODUCTION

46 6693

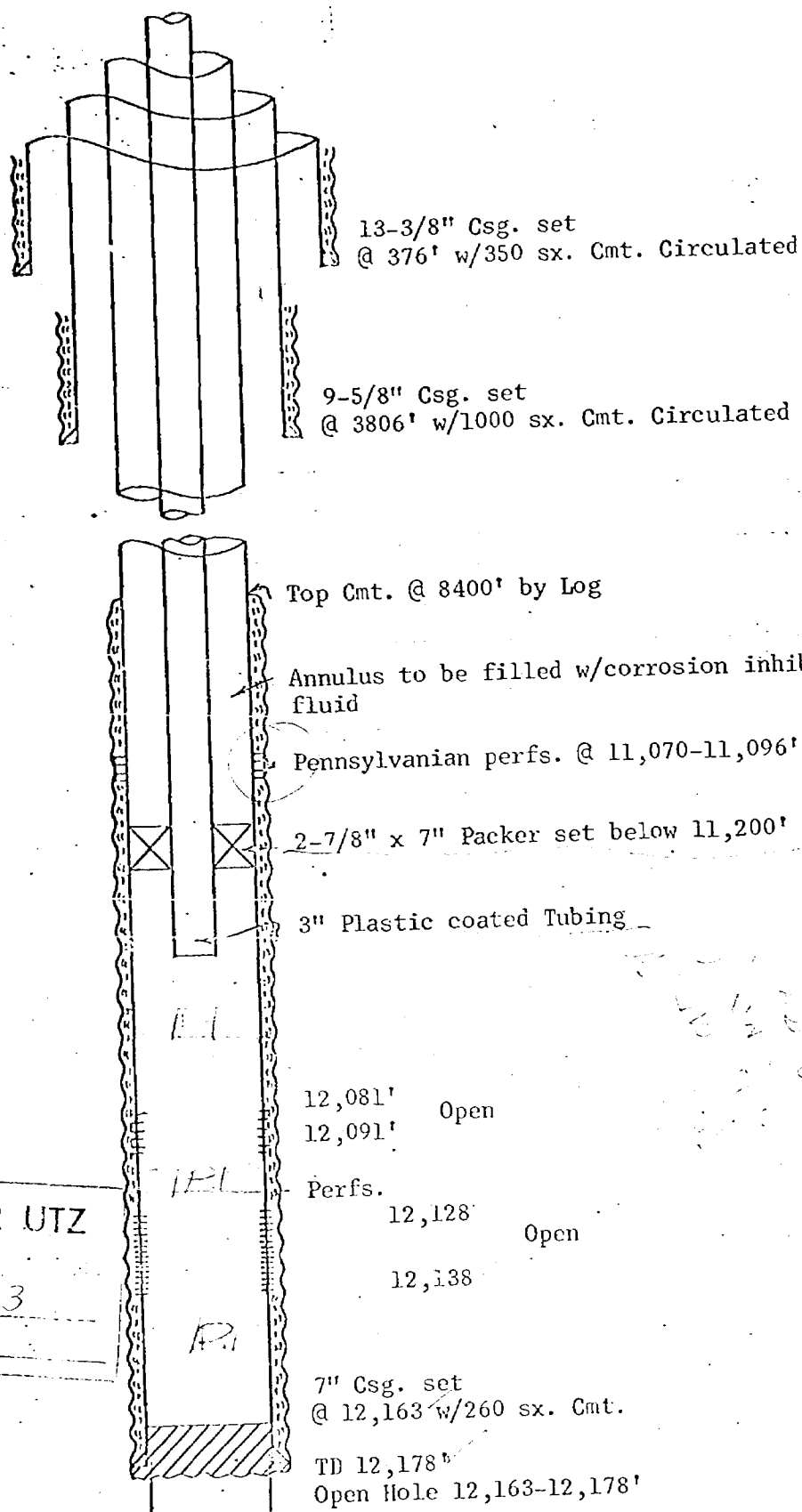
Rate - Bbls. Per Month



UNIT
NO. 1-13

DIAGRAMATIC SKETCH
PROPOSED COMPLETION FOR SWD SERVICE
UNION OIL COMPANY OF CALIFORNIA

FEDERAL LEA J 2-14 WELL
REEVES DEVONIAN POOL
SEC. 14, T18S, R35E, LEA COUNTY, NEW MEXICO



BEFORE EXAMINER UTZ
OIL CONSERVATION DIVISION
APPN EXHIBIT NO. 3
CASE NO. 3740

EXHIBIT 3

BEFORE EXAMINER UTZ
OIL CONSERVATION
APPX EXHIBIT NO. 4
CASE NO. 3760



CONTINENTAL OIL COMPANY

P. O. Box 460

HOBBS, NEW MEXICO 88240

PRODUCTION DEPARTMENT
HOBBS DIVISION
L. P. THOMPSON
Division Manager
G. C. JAMIESON
Assistant Division Manager

May 10, 1968

1001 NORTH TURNER
TELEPHONE 393-4141

Mr. Jim Hughes
Union Oil Company
P. O. Box 671
Midland, Texas 79701

Dear Mr. Hughes:

This confirms the telephone conversation of this date stating that Continental Oil Company does not object to the conversion of the Trigg Federal Lea "J" Well No. 2-14, 660 feet from the south and east lines of Section 14, T-18S, R-35E, to salt water disposal in the Devonian formation.

Yours very truly,

GCJ-CL

16th

Jack R. [unclear]

11/1/1

DOCKET MAILED

R 3203 Co 3533 appd Union S&D
To Hec Fld.

Date

Union Oil Co of Calif.
diag prod wti So. Vac Fld into

Dro form interval ^{merge} 12,000 - 12,180

John Trigg #2-14 Lea Fld

~~710~~ 710' SL 660' EL

14-185-35E Lea