CASE 3763: Application of PAN AMERICAN FOR SALT WATER DISPOSAL, SAN JUAN COUNTY, NEW MEXICO.

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Application Transcripts. Small Exhibits



IN REPLY REFER TO:



UNITED STATES DEPARTMENT OF THE INTERIOR GEOLOGICAL SURVEY .

> Drawer 1857 Roswell, New Mexico 88201

> > May 14, 1968

······ (2)

Pan American Petroleum Corporation Security Life Building Denver, Colorado 80202

Attention: Mr. R. B. Giles

Gentlemen:

Your application of April 19, to the New Mexico Oil Conservation Commission requests approval to inject salt water into the Dakota formation on Navajo tribal lease I-89-Ind-58.

Either or both well No. 28 in the SW&SE% sec. 18 and well No. 24 in the NW1SE1 sec. 19, T. 29 N., R. 16 W., N.M.P.M., will be con-verted to water injection. The method of injection as described by your appliestion is acceptable to this office.

Please notify our Farmington District office when the system is complete, so that a field inspection can be made.

Sincerely yours,

Garl & Graywork. for JOHN A. ANDERSON Regional Oil and Gas Signa isor

cc: Farmington NMOCC, Santa Fe 🗸

#### BEFORE THE OIL CONSERVATION CORDISSION OF THE STATE OF NEW MERICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION OF NEW MEXICO FOR THE PURPOSE OF CONSIDERING:

> CASE No. 3763 Order No. R-3419

APPLICATION OF PAN AMERICAN PETROLEUM CORPORATION FOR SALT WATER DISPOSAL, SAN JUAN 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  $29^{++-}$  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, Pa. American Petrolses Corporation, is the owner and operator of the USG Section 16 boll No. 28, located in Unit O of Section 18, and the USG Section 19 Mell No. 24, located in Unit J of Section 19, both in Township 29 North, Range 15 West, NMPM, Hogback-Dakota Pool, San Juan County, New Mexico.

(3) That the applicant proposes to utilize said wells to dispose of water produced only from the Dakota formation in the subject pool and to dispose of said water back into the Dakota formation, with injection into the intervals as follows:

> The open-hold interval from approximately 712 feet to 715 feet in the USG Section 18 Well No. 28;

-2-CASE No. 3763 Order No. R-3419

> The open-hole interval from approximately 757 feet to 762 feet in the USG Section 19 Well No. 24.

(4) That the injection should be accomplished through:

2 3/8-inch internally plastic-coated tubing installed in packers set just above the 4 1/2inch casing shoe in each of the subject wells;

that the casing-tubing annulus of each of the subject wells should be filled with an inert fluid; and that a pressure gauge should be attached to the annulus of each of the subject wells 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, Pan American Petroleum Corporation, is hereby authorized to utilize the following-described wells in Township 29 North, Range 16 West, NMPM, Hogback-Dakota Pool, San Juan County, New Mexico, to dispose of produced water (from Dakota formation only) into the Dakota formation:

> USG Section 18 Well No. 28, located in Unit 0 of Section 18 - injection to be eccomplished through 2 3/8-inch tubing installed in a packer set just above the 4 1/2-inch casing shoe, with injection into the open-hole interval from approximately 712 fact to 715 feet;

> USG Section 19 Well No. 24, located in Unit J of Section 19 - injection to be accomplished through 2 3/3-inch tubing installed in a packer set just above the 4 1/2-inch casing shoe, with injection into the open-hole interval from approximately /57 feet to 752 feet;

PROVIDED HOWEVER, that the tubing of each of the subject wells shall be internally-plastic coated; that the casing-tubing annulus of each of the subject wells shall be filled with an inert fluid; -3-CASE No. 3763 Order No. R-3419

and that a pressure gauge shall be attached to the annulus of each of the subject wells 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



DAVID F. CARGO, Chairman

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

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DAVID	۳.	CARGO
CHA	N P	MAN

## State of New Mexico Bil Conservation Commission



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

LAND COMMISSIONER GUYTON 8. HAYS MEMBER

May 29, 1968

Re: Case No. 3763 Order No. R-3419

Pan American Petroleum Corp.

Mr. Lewis C. Ross Pan American Petroleum Corporation Security Life Building Denver, Colorado 80202

Applicant:

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 drder also sent to:

Hobbs OCC X

Artesia OCC\_\_\_\_

Artec OCC ×

Other State Engineer Office

(ace 3763 Heard 5-16-68 Rec. 5-17-68. Sumt Pan Cem. permision to connect Shier. H.S.S.A. \$5 \$-13' # 28 Venit O sec. (F and their 28. J. 'A' # 24 mit & section 19 back in 29N-16W. Waghack-Kakola O it Poot to Su D-wells The Disposal water will be only produced Rakeota water + the despood zone will be into the Ratkota zone in open hole from 712' 5 715' in the # 28 and from 25.7' 5 762 in the # 24. Respond will be then Huting and under packenset just above the 44 packer shoe. This. If

Docket No. 15-68

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 Gause, 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 Mexido.

#### -2- Examiner Hearing - May 16, 1968

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 17South, 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. FORM 497 5-65

# PAN AMERICAN PETROLEUM CORPORATION

SECURITY LIFE BUILDING DENVER, COLORADO 80202

April 19, 1968

Bet for Hearing

File: AMR-1256-986,511

Re: Application to Dispose of Salt Water Into The Dakota Formation Through Pan American's USG Section 18 Well No. 28 and/or USG Section 19 Well No. 24, Hogback Dakota Field, San Juan County, New Mexico

Case 3163 1 183 22 EN 1 41

Mr. A. L. Porter, Jr. (3) New Mexico Oil Conservation Commission P. 0. Box 2088 Santa Fe, New Mexico 87501

#### Dear Sir:

Pan American Petroleum Corporation hereby makes Application under the provisions of Rule 701 for approval to dispose of salt water produced from the Hogback Dakota pool into the Dakota formation at its USG Section 18 Well No. 28 and/or USG Section 19 Well No. 24, each located in Township 29 North, Range 16 West, San Juan County, New Mexico. Disposal into either or both wells will be through 2-3/8" tubing below a packer set inside the casing to minimize pressure on the existing 4-1/2" production string in these proposed disposal wells. In connection with this Application, attached are the following exhibits:

- 1. Three copies of NMOCC Form C-108 entitled "Application to Dispose of Salt Water by Injection Into a Porous Formation." A copy of this form is also being sent to the U, S. Geological Survey as representative of the Navajo Tribe of Indians, the surface owner. There are no offset operators to the USG Sections 18 and 19 lease, leasehold owned and operated by Pan American; however, there are other lessees within a two (2) mile radius of the proposed disposal wells, as shown on the attached map, who are being notified of our proposed disposal plans by copy of this Application.
- 2. A localized map of the area showing in detail the wells in the immediate area and the location of USG Section 18 Well No. 28 in the SE/4 of Section 18 and the location of USG Section 19 Well No. 24 in the SE/4 of Section 19.
- 3. A copy of the Radioactivity Log on each proposed disposal well.
- 4. A schematic diagram showing particulars of the casing program in each well and the proposed tubing and packer details. Testing during completion operations in each well revealed:

DOCKET MALLED Date Stelle 8

Mr. A. L. Porter, Jr. April 19, 1968 Page 2

#### USG Section 18 Well No. 28

After cementing 4-1/2" casing, the well was drilled into the Dakota pay sand to 715 feet and allowed to flow for test. Well subsequently flowed 107 barrels of water in 50 hours with no show of oil. Well was temporarily abandoned November 14, 1967, for possible future use as water disposal well.

#### USG Section 19 Well No. 24

After cementing 4-1/2" casing, the well was drilled into the Dakota pay sand to 762 feet and allowed to flow for test. Well subsequently flowed 197 barrels of water with a trace of oil. Well was acidized October 7, 1967, with 250 gallons 7-1/2% HCL. Subsequent testing recovered 236 barrels of water with no oil. Well was temporarily abandoned October 11, 1967, for possible future use as a water disposal well.

5. A copy of a water analysis obtained from USG Section 19 Well No. 11, which is a "typical" analysis of Dakota produced water, which water is unfit for domestic, stock, irrigation or other general use.

Prior to an intensive development drilling program to raise Dakota oil productivity last year, it was felt the Dakota operated under an extremely active water drive. While we still feel the Dakota is operating under an active natural water drive, recent increased withdrawals lend credence that disposal of produced Dakota water into a Dakota well(s) that exhibited no commercial oil shows will assist in maintaining oil producing rates from the Dakota pool.

NMOCC Order No. R-2438, issued February 27, 1963, granted Pan American permission to dispose of produced Hogback Pennsylvanian salt water into a non-productive zone of the Chinle formation in its USG Section 19 Well No. 17, located in the SE/4 of Section 19, T29N-R16W. Recent indications are that while the Chinle formation will accept 350 BWPD of Pennsylvanian water with periodic acid treatments, an additional disposal source will be needed to handle the 1100 BWPD of Dakota produced water. It is the purpose of this Application, therefore, to secure your administrative approval for the use of the Dakota in USG Section 18 Well No. 28 and/or USG Section 19 Well No. 24 as an additional disposal zone for the produced water from the Hogback Dakota pool, if you are satisfied with the completeness of this Application and receive no objections within 15 days from the below listed notified parties. In the event you believe this Application should only be considered for approval after a public hearing, please set the matter for hearing on the next scheduled docket.

Yours very truly,

2BHiles

Attachments

Mr. A. L. Porter, Jr. April 19, 1968 Page 3

Carbon Copies to:

Mr. E. C. Arnold New Mexico Oil Conservation Commission 1000 Rio Brazos Road Aztec, New Mexico

U. S. Geological Survey P. O. Box 965 Farmington, New Mexico

U. S. Geological Survey Drawer 1857 Roswell, New Mexico

Walter Duncan Security Life Building Denver, Colorado 80202

Aztec Oil and Gas Company First National Bank Building Dallas, Texas

C. C. Kennedy 1249 Chaco Avenue Farmington, New Mexico

W. C. Imbt 210 West 38th Street Farmington, New Mexico

## ATWOOD & MALONE LAWYERS

JEFF D ATWOOD (1883-1960) CHARLES F. MALONE RUSSELL D. MANN PAUL A. COOTER BOB F. TURNER ROBERT A. JOHNSON JOHN W. BASSETT ROBERT E. SABIN

P. O. ORAWER 700 TELEPHONE 505 822-8221 -SECURITY NATIONAL BANK BUILDING ROSWELL, NEW MEXICO 88201

May 8, 1968

Mr. A. L. Porter, Jr. Secretary-Director Oil Conservation Commission P. O. Box 2088 Santa Fe, New Mexico 87501

Re: May 16, 1968 Docket - Cases Nos. 3763 and 3764

Dear Mr. Porter:

We enclose herewith for filing in the captioned cases our

Entry of Appearance for Pan American Petroleum Corporation. The

actual presentation will be made by Louis C. Ross, one of Pan Ameri-.....

can Petroleum Corporation's Denver attorneys.

Very truly yours,

ATWOOD & MALONE

By: Ventorece

\*69 HAY 9 AU 8 31

PC:bc Encls.

#### BEFORE THE OIL CONSERVATION COMMISSION

## STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF PAN AMERICAN PETROLEUM CORPORA-TION FOR SALT WATER DISPOSAL, SAN JUAN COUNTY, NEW MEXICO.

Case No. 3763

1 当我长人

#### ENTRY OF APPEARANCE

The undersigned attorneys, duly licensed to practice law in the State of New Mexico, hereby enters their appearance in this cause as

New Mexico counsel for Pan American Petroleum Corporation.

DATED at Roswell, New Mexico, this 8th day of May, 1968.

ATWOOD & MALONE

V cu Вy

P. O. Drawer 700 Roswell, New Mexico



MR. UTZ: Hearing will come to order, please. Case 3763.

MR. HATCH: Case 3763, Application of Pan American Petroleum Corporation for salt water disposal, San Juan County, New Mexico.

MR. ROSS: Louis C. Ross appearing for Pan American Petroleum Corporation Denver Division. I believe that Atwood & Malone have entered their appearance in this case, is that correct?

MR. UTZ: That's correct.

MR. ROSS: This application is under Rule 701 for approval to inject water into the Dakota Formation which is the formation from which the water is produced in our present wells No. 28 and 24 in the Hogback Dakota Pool. We've already submitted our application with certain data required by Rule 701 and it's almost a prima facie case, but we want to supplement it with additional exhibits here today. Among those exhibits is a map showing a two-mile radius and I would like to state for the record at this time that all the people that would be interested within this radius have been notified. We have one witness and I would like to have him sworn.

#### (Witness sworn)

MR. UT2: Let me call for other appearances at this time. There are none.

## FRANK H. HOLLINGSWORTH

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

#### DIRECT EXAMINATION

BY MR. ROSS:

Q State your name.

A My name is Frank Hollingsworth.

Q What is your occupation?

A I am a Petroleum Engineer Senior Grade with Pan American Petroleum Corporation, Denver Colorado. I work as a Reservoir Engineer.

Q How familiar are you with this Hogback Pool?

A I have worked in the Farmington area for nine years and have been -- done work in the Hogback Dakota Field for approximately eleven years.

Q Have you ever appeared before this Commission before?

A Yes, sir.

Q When was the last time?

A It was in August of 1967.

MR. ROSS: I would like to ask if the witness's qualifications are satisfactory?

MR. UTZ: Yes, sir, they are.

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

MR. ROSS: Now we have four exhibits and I would like to introduce them all at one time and we will take them up one at a time from the top.

Q Now, the first exhibit is a vicinity map and I would like to ask the witness what is the significance of this particular exhibit?

A This is a map of the northwest area of New Mexico, San Juan County primarily, it shows the location of the Hogback Dakota Field in relation to the town of Farmington and to the Four Corners Monument. It also shows other Dakota oil producing fields in the area. I would like to point out that the shallow Dakota at this area west of the San Juan Basin is a significant oil producer.

MR, ROSS: We introduce Exhibit 1.

MR. UTZ: I don't think we could hardly argue with you about that, could we?

Q Our Exhibit 2 is a field structure map and I would like to introduce Exhibit 2 and ask the witness to discuss the history and the current status of the field from this map.

A The Hogback Dakota Field was discovered in 1923

by the Midwest Corporation and development was done in 1923 through 1925 with the drilling of seven producers and four dry holes. It remained in that status until approximately the mid 50's when Pan American Petroleum Corporation drilled some additional wells in the field, drilling three producers and two dry holes at that time. In 1966 field production had declined to a low of 66 barrels a day so in early 1967 we worked over three wells by stimulating them with sand oil fracture treatments, two of which were highly successful in increasing production and one a partial success. Then in August of 1967 I appeared before Mr. Utz for field rules which would permit the drilling of infield wells, in other words, more than one well per 40-acre tract, which was approved. After that we drilled six wells, three which were oil producers, three that were dry holes or noncommercial and we presently have an active well that we are recovering load oil on. As a result of these workovers and this infield drilling program we have got production from the field from sixty-six barrels a day to 372 barrels a day, but as a result of this increased production we have also increased water production considerable, from about 150 barrels of water a day to a little over 1,100 barrels of water per day, and we have been utilizing an approved injection well which is called

the USG Section 19 Well No. 17 which is located in the northeast guarter of the southeast guarter of Section 19 Township 29 North, Range 16 West. This is an injection into a casing, casing annulus to Chimlee Formation. This was approved by order R-2438 in 1963. In the early part of this year we were injecting both a mixture of Pennsylvanian produced water and the Dakota produced water into the Chimlee

Formation here. The Pennsylvanian well which is No. 13 which is located in the southwest of the northeast of Section 19 was the only Pennsylvanian producer we had. This has declined to about half a barrel a day so we have now shut it in so no more Pennsylvanian water is now being produced and we are only injecting Dakota Formation water; due to this -formerly we were injecting about 350 barrels of water a day into this disposal well, presently injecting a little over 900 barrels of water per day and we're having trouble with the well pressuring up, in other words, where we formerly disposed at pressures of about 350 to 390 PSI this has climbed to five and 600 PSI and we occasionally have to give the well acid treatment to get it back down and it's currently running about 500 PSI. We are a little bit concerned that this well will continue to take the volume of water we are now injecting here into it so we are requesting a

supplemental disposal system which will be the Dakota Formation into two of our originally drilled dry holes. These are USG Section 18 No. 28 which is in the southwest guarter of the southeast quarter of Section 18 and into USG Section 19 No. 24 which is in the northwest guarter of the southeast quarter of Section 19. These, as I mentioned, were dry holes in our recent drilling program. Both of the wells were structurally low as you can see, in their particular fault blocks; as you can see from the contour map. I want to point out the water to be injected or disposed of here will be only Dakota Formation water, in other words, it will be returning the same water that comes from the formation. There will be no other waters in this system. Now, we are primarily requesting this as a supplemental method of disposal. We do not want to cancel our existing order on Well No. 17 because we may find we need both.

MR. UTZ: Where is 17 located?

A The northeast quarter of the southeast quarter of Section 19. It's got a little arrow there.

MR. ROSS: It's outside the structure.

MR. UTZ: Oh, yes.

A Now, returning this Dakota water to the Dakota Formation may assist in maintaining field production at

present rates but we don't really know. We have had no evidence that our active water drive is not maintaining this at the current time, but we have only been at these higher rates for about four months now, so this is not really being considered as a repressuring operation.

Q You do have water problems though, now, is that correct?

A Well, no, we're disposing of all the water from Section 19.

Q Substantially what you are worried about.

A We won't be able to get rid of all of it.

MR. UTZ: What was your water production again?

A It's about 1,100 barrels of water a day and we are injecting about 900 of this. The two wells up there in Section 18 actually aren't in the system yet. They are going to temporary tanks.

Q I would like to move on to our Exhibit 3 and introduce it and this exhibit is a schematic plat showing -well, I'll just ask the witness to explain the plat to us, please.

A This is a schematic of the well and how they are completed. These wells were drilled to the top of the Dakota where a long casing string was set on top and they

were completed in an open hole manner as shown. Well No. 24 has five feet of open hole below the four and a half inch casing. We tested the well, it initially flowed 197 barrels of water with a trace of oil. We gave it an acid treatment of 250 gallons of seven and a half per cent acid and then it flowed 236 barrels of water with no shows, we lost our trace completely. It was temporarily abandoned October 11, 1967. Well No. 28, was drilled in a similar manner with the open hole section being approximately 3 feet below the four and a half inch casing. The well flowed 107 barrels of water 50 hours with no shows whatsoever. It was temporarily abandoned on November 14, 1967. The wells had good flow capacity even with the relatively minor amount of open hole that we had here so we think they will take plenty of water but we won't know until we actually get into operation.

I particularly want to point out that both the seven inch surface casing string and the four and a half inch long string casing were cemented to the surface and this is not based on any logs or temperature survey, this was actual visual evidence of the cement circulating during the cementing operation so all shallow horizons are well protected. We will also run a Baker Model P Packer and set it close to the casing seat and sting into this with two and three eighths

tubing which will be our disposal string. The casing annulus will be loaded with fresh water, with some inhibitor and we will periodically observe the casing pressure to insure that that tubing and packer are not leaking.

Q You would say that the present condition of these wells are good for the purpose that you intend to use them for?

A Yes, though I may find that I might have to fracture them to get them to take more fluid since they haven't had really any strong stimulation to date.

Q I would like to move on to the condition of the water, our Exhibit 4 which I now introduce is a water analysis, typical water analysis of the waters in this field and I would like to ask the witness if the water produced with the oil from this field, is it usable for any known purpose?

A No, this water is not too bad in comparison with most oil field waters. It is unfit for human consumption or livestock or continued irrigation. In reference to Exhibit 4 these are water analyses from three different wells and as you can see they are all very comparable with the total solids running 2770 up to about 3289 parts per million. In other words, we don't believe there is any

difference anywhere across the field in the type of water to be produced.

MR. ROSS: I believe that concludes our Direct. I would like to introduce these four exhibits if they are acceptable to the Commission.

MR. HATCH: I have marked four. There are some other exhibits on this pack that I have here.

A Exhibit 4 is actually three water analyses. If you want to mark them 4,5, and 6 that will be fine.

MR. ROSS: We just grouped them together because they all pertained to the same subject.

MR. Utz; That would probably be better to mark them 4,5, and 6 for our purpose.

MR. ROSS: We will introduce them as 4,5,6 and 7.

## CROSS EXAMINATION

BY MR. UTZ:

Q Injection into your present No. 17 well is in what formation?

A Chimlee.

MR. ROSS: That's under Order R-2438 if you want to make a notation of it, R-2438.

A February 21, 1963.

MR. ROSS: No, it's February 27, 1963.

Q That is the only injection well you have at this time?

A Right.

MR. UTZ: Are there other questions of the witness?

## CROSS EXAMINATION

BY MR. ARNOLD:

Q Mr. Hollingsworth, this Dakota water is considerably better water than the Pennsylvanian?

A Yes, Pennsylvanian water runs about a hundred thousand parts per million whereas I say this runs twenty-seven hundred to thirty-two hundred.

Q Also it's higher chloride, isn't it?

A Right, but since we shut in Well No. 13 and have no plans to produce it in the near future we won't have any problem with the Pennsylvanian water anymore.

Q I think you stated that at no time in the future will you be disposing of Pennsylvanian water in this formation?

A Well, not in the Dakota Formation, I'll assure you of this, in other words, if we work over 13 and get it back to commercial production we would probably segregate

it and have it go into Well 17 where it was approved for disposal before, in other words, this is one thing I want to point out is that we are only going to be returning Dakota water to the Dakota Formation and --

MR. ROSS: It is substantially the same type of water?

A It is the same type of water. One other request that we want to make here is that since I have some question as to whether the two wells 24 and 28 will take all the water we would like to have -- be able to request futume additional wells in the Dakota Formation by administrative order; in other words, Well No. 29 over here which is in the northeast quarter of the northeast quarter of Section 19 is a potential disposal well too though we are not completely through testing the well, we are considering the running of a down-hole submersible pump on the well when we get electricity into the field.

MR. UTZ: No. 19?

A No. 29. Wells No. 19 there in the southeast of the northwest quarter is also a potential disposal well though we may do additional stimulation and testing of it yet.

MR. ROSS: In other words, what you are saying

is you don't want to be tied down to these two particular wells in case things don't work exactly the way you think they should develop.

A Right, we want to be able to apply to get administrative approval on additional wells in the future.

MR. ROSS: Or change wells or make a sensible judgment about how to handle your project, right?

A Yes.

MR. UTZ: Administrative approval that you are requesting here would pertain only to this pool, correct?

A Right.

Q (By Mr. Utz) In this particular case.

A It would be similar situation, in other words, it would be onlystrictly restricted to Dakota Formation water, no other waters.

MR. ROSS: What I think the Applicant wants, my company, is a certain degree of floxibility to make decisions and to operate this pool as the events develop.

MR. UTZ: You mean for additional wells, disposal wells or substitutes?

A Well, both additional or substitutes.

MR. ROSS: There are two potential wells that they are still working on, isn't that right?

A Right.

MR. ROSS: That could be better injection well's. A We may need them, but we aren't completely satisfied they can't be made into commercial oil producers yet.

MR. UTZ: Are there other questions? Witness may be excused. Statements?

MR. ROSS: I believe that's all. We have kicked around the desire for an administrative order. I would like to emphasize that this is only formation water going back into the formation from which it came, that it's substantially the same type of water from the analyses that we have made. We are in bad shape on No. 17 the present well pressure is up and we need an -- and indirectly we think this might benefit the reservoir but we can't say, for sure.

MR. UTZ: Any other statements? Case will be taken under advisement.

STATE OF NEW MEXICO ) ) ss 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 24th day of May, 1968.

Lay morary PUBLIC

My Commission Expires: November 19, 1971

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+ Form C+108 Revised 1-1-65

## NEW MEXICO OIL CONSERVATION COMMISSION

## APPLICATION TO DISPOSE OF SALT WATER BY INJECTION INTO A POROUS FORMATION

OPERATOR				ADDRESS				
Pan American Petrol	eum Corpora	tion		Security	y Life H	Building,	Denve	r, Colorado 80:
LEASE NAME		WELL NO		FIELO				COUNTY
USG Section 18			28		ack Dake	ota		San Juan
	0		265		c,	w+h		1995 FEET PRO
UNIT LETTER	; w	ELL IS LOCATED_	205	FEET PR	OM THE	<u>Jutn</u>	INE AND	1995 PEET PRO
East LINE, SECTION	18 то	WHSHIP 29 NC	orth a	ANGE 16 Wes	St NMP	м		
				TUBING DAT	Α			
NAME OF STRING	SIZE	SETTING DEF	тн	SACKS CEMEN		OP OF CEME	NT	TOP DETERMINED B
	7"	60'		50		Surface		Circulated
None								
LONG STRING	4-1/2"	712'		135		Surface		Circulated
TUSING			NAME	, MODEL AND DE	PTH OF TUBI	NG PACKER	<u>_</u>	
	2-3/8"	Approx. 6	550	Baker	Model "I	ott		
HAME OF PROPOSED INJECTION FORM	ATION			TOP OF FORM			ł	FORMATION
Dakota	COR ANNULUES			PEN HOLET PR	712'		1	Total Depth
Tubing	NU OR ANNULUSI	1	oen Hol	1		12' - 715	*	
IS THIS A NEW WELL DRILLED FOR DISPOSALT	17 ANSWER IS	NO, FOR WHAT P					/	EVER BEEN PERFORATED Er than the proposed ip
No		Oil Prod	lucer				TION ZON	<sup>c?</sup> NO
LIST ALL SUCH PERFORATED INTERVA	LS AND SACKS OF C	EMENT USED TO S	EAL OFF OF	SQUEEZE EACH			4	
DEPTH OF PT TOM OF DEEPEST FRESH S ZONE IN THIS AREA		DEPTH OF BOTT OIL OR GAS ZON	OM OF NEXT	HIGHER		DEPTH OF TO	P OF NEXT	LOWER 4
None known to be in	area		known	ARLA.				possible Cutle
ANTICIPATED DAILY MINIMUM INJECTION VOLUME I (BBLS.)	I MAXIMUM		CLOSED TY	PE SYSTEM	15 INJECTIO PRESSURE?	N TO BE BY GRA	VITY OR	APPHOX. PRESSURE (PSI
ANSWER YES OR NO WHETHER THE PO	1200		Clos	ed		Pressure	1	300
ERALIZED TO SUCH A DEGREE AS TO STOCK, IRRIGATION, OR OTHER GENER	BE UNFIT FOR DOMES		Ve Ve		SAL ZONE	ame		
NAME AND ADDRESS OF SURFACE OWN	ER (OR LESSEE, IF	STATE OR FEDERA			. <u> </u>	1116	1	yes
Navajo Tribe								
LIST NAMES AND ADDRESSES OF ALL	OPERATORS WITHIN	ONE-HALF (+) MI	LE OF THIS	INJECTION WEL	L			
No one, other tha	n Pan Ameri	Can						
						- <u> </u>		
		•						
								-
HAVE COPIES OF THIS APPLICATION I SENT TO EACH OF THE FOLLOWINGT	EEN I SURFACE OW	YFR .	<u></u>	EACH OPERAT	OR WITHIN ON	E-HALF MILI	THE NEW	MEXICO STATE ENGINEER
	1	Geologica:	L Surve	· · ·	yes		1	yes
ARE THE FOLLOWING ITEMS ATTACHE THIS APPLICATION (SEE RULE 701-B	) 1	^ Yes		Radio	.oc activity	/ Log	1	VATIC SKETCH OF WELL
(I hereby c	ertify that the in	formation abov	e is true				ledge and	belief.
KB Jile	s Er	Ajente e	1) 1/ 12/4	Jacop,	Licher	and all in	- 4	-1-1-63
(Signature)			1	(Tide)	T			(Date)
NOTE: Should waivers from 1 not accompany this a	pplication, the	New Mexico (	Oil Cons	ervation Com	mission w	ill hold the	applicat	ion for a period of 15
from the dats of rece ceived by the Santa I							÷ ·	-

if the applicant so requests. SEE RULE 701,

Care 3763

·								n Ci-103 Ised 1-1-65
			EW MEXICO OIL					
	APPLICA	TION TO DISP	OSE OF SALT WA	TER BY INJEC	CTION INTO	D A POROUS	SFORM	AATION
PERATOR				ADDRESS				
Pan Americ	can Petrole	um Corporat	tion	Securit	y Life B	uilding, !	Denve	r, Colorado 8020
CASE NAME	·		WELL NO.	FIELD		· · ·		COUNTY
USG Section	on 19		24	Hog	back Dak	ota		San Juan
	UNIT LETTER	Ji w	CLL 13 LOCATED	2310	ROM THE	outh	E AND	1650 PEET PROM
East	INE, SECTION	19 то	WASHIP 29 North	RANGE 16 W	est NMPA	«		
			·	AND TUBING DA	TA			
NAME OF	TRING	ŚIZR	SETTING DEPTH	SACKS CEME	NT T	OP OF CEMEN	т —	TOP DETERMINED BY
AFALL CABING		7 <sup>11</sup>	57'	35		Surface		Circulated
TERMEDIATE								
None	· · · · · · · · · · · · · · · · · · ·	in						
ONG STRING		4-1/2"	757'	125		Surface		Circulated
UBING		2-3/8"	Approx. 700	Baker Model AND	-	G PACKER	·	<u></u>
AME OF PROPOSE	D INJECTION FORMA		hpprox. 700	TOP OF FOR			BOTTOM	OF FORMATION
Dakota				ł	757'	1.	Total	Depth 762'
INJECTION THRO	UGH TUBING, CASIN	G OR ANNULUS?	PERFORATIONS	S OR OPEN HOLET P	ROPOSED INTER	VALIOT DE TRUECT	TION	
Tubing			Open H	1	1. A.	757-762	2	
THIS A NEW WE	LL DRILLED FOR	1	INO, FOR WHAT PURPOS	SE WAS WELL ORIGIN	ALLY DAILLED	1	HAS WEL ZONE OTI TION ZON	L EVER BEEN PERFORATED IN HER THAN THE PROPOSED INJE
IST ALL SUCH PE	REGRATED INTERVAL	LS AND BACKS OF C	EMENT USED TO SEAL C	OFF OR SQUEEZE EAC	й	······		
Non	e							
ALSH WATER ZON	of DESPEST E IN THIS AREA TO DE IN A	rea	DEPTH OF BOTTOM OF OIL OR GAS ZONE IN	NEXT HIGHER THIS AREA KNOWN		DEPTH OF TOP	OF NEXT	STATES Possible Cutler 4900'
NTICIPATED DAIL		MAXIMUM	1	EO TYPE SYSTEM	IS INJECTION PRESSURE?	TO BE BY GRAVI	ITY OR	APROX. PRESSURE (PSI)
1813.)	100	1200	Close	a		ressure		300
NEWER YES OR NO	WHETHER THE FOL	LOWING WATERS AP	TE MIN- WATER	TO BE DISPOSED OF	ATURAL WA	TER IN DISPO-	ARE WAT	ER ANALYSES ATTACHED?
			,	yes	i sa	me		yes
		ER (OR LESSEE, IF :	STATE OR FEDERAL LAN	10}				
Navajo			ONE-HALF ( ) MILE OF					·
IST NAMES AND A		OPERATORS HITRIN	ONE-NALF (\$1 MILE OF	THIS INSECTION WE	"			
×		······	·····					
No one.	other than	Pan Ameria	can					
				<u></u>				
·····								
AND CODIES OF		EEN I SURFACE OW			TOD WITHIN ON			MEXICO STATE ENGINEER
ENT TO EACH OF	HIS APPLICATION BITHE FOLLOWING?				TOR WITHIN ON			
RE THE FOLLOW !!	S ITEMS ATTACHED	TO PLAT OF ARE	S. Geological	ELECTRICAL	yes Log		DIAGRAM	VES MATIC SKETCH OF WELL
HIS APPLICATION	(SEE RULE 701-B)	i i	ves	l Radi	oactivit	1		
	T & States	j					day and	Ves
~; ]	C Leteoy C	finity mat the m	formation above is	Vi Complet	e to the best	or my knowle		
	12/241	les C	ngeneer	of trup	Auto	and the		4-19-63
			~ 1		~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~			
$\mathbf{T}$	(Signature)		<i>A</i>	(Title)				(Date)

noi accompany this application, the New Mexico Oil Conservation Commission will hold the application for a period of 15 days from the date of receipt by the Commission's Santa Fe office. If at the end of the 15-day waiting period no protest has been received by the Santa Fe office, the application will be processed. If a protest is received, the application will be set for hearing, if the applicant so requests skill RULE 701.

Jane 3763



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## FORM 6616-12 . 1

#### ST NOLIND OIL AND GAS COME INY RESEARCH DEPARTMENT

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WATER ANALYSIS

Lease USG "A	" k-Dakota	Well No. 11		Lub No. T-	13,027
Field Hogbac	k-Dakota	County San Ju	an	State. New	Mexico
Quarter or Survey		Bik	G/H 19	т <b>2</b> 9	<u>к 16</u>
Exper Location				Sample Series N	toHG-15
Producing Stratum DanOta	akota	ייין דייי דייי איז איז איז איז איז איז איז איז איז	ے۔ 1944ء - مرکز میں	_ Post Deral.	700
Strating Yielding Sample,	akota	From From	۰		
Condition of Well	11 head				
Sample Collected From	II nead	Meth	iol Used	later dump	
	Holland				
Transmittal Letter by., Le. Q.	Speer, Jr.		3-28-57	- Iak_B-2070	-535.11

Radicle	Per Ceat by Analysis	(a) P. P. M.	(h)	(a) X (b)	Per Cent Reacting Value	Calculated Compound	P. P. M.
Na		19351	.0435	43.27	47.91	Na;SO4	1101
Ca	.85	28	.0492	1.40	1.55	NaCl	
Mg	.18	6	.0522	.49	54	Na <sub>2</sub> CO <sub>4</sub>	69
Fe				i		NaHCOi	1545
		1				CaSO	
		1		1		CaCh	
SO.	23.93	787	.0208	16.37	18.12	CaCO <sub>1</sub>	70
<b>C</b> 1	7.75	255	.0282	7.19	7.96	Ca(HCO <sub>2</sub> ),	
CO,	2.92	96	.0333	3.20	3.54	MgSO.	
HCO,	34.12	1122	.0164	18.40	20.38	MgCl.	
HaS						MgCO.	21
		1				Mg(hCO <sub>i</sub> ),	
		1					
Total solids as a	summation of rad	icles				3289	P.F .4.
Total solids by a	evaporation and ig	nition of residue at le	ow red heat			2692	P.P.M.
Sample as receiv	ved: Resistivity:	eleus/M'M 1.50	4.t ??*	F .H Value	8.6 Sp	cific Gravity 60°/50	°F. 1.003

#### PROPERTIES OF REACTION IN PER CENT

PRIMARY SALINITY: SO, $+$ Cl = with equal value Na (K)	<u> </u>
SECONDARY SALINITY: If SO, 4 Class greater than Na (K).	
Then SO <sub>6</sub> + Cl <sup>-=</sup>	43.66 %
SECONDARY ALKALINITY: Excess $C_{4} \neq Mg$ over $SO_{4} \neq Cl =$ with equal value of $CO_{4} \neq$	
Chloride salinity: $C_1 + (SO_1 + C_2) =$	
SUIPHATE SALINITY SO, $\Rightarrow$ (SC) $\pm$ C) $\Rightarrow$ X 100% $\Rightarrow$ 69.48	

NOTE: Multiply Parts per Million by .0583 to obtain Grains per Gallon.

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REMARKS:

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E. V. Hewitt C. L. Kelley

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L. O. Speer, Jr.

A. F. Frederickson (2)

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BEFORE EXAMINER UTZ
CIL CONTERVATION COMMISSION
EXHIBIT NO. 4
CASE NO.

Any Jamer & Elevition 4-10-57

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PAŃ	AMERICAN	PETROLEUM	CORPORATION
	RE	SEARCH CENTE	R
	W	ATER ANALYSIS	

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FORM 68 2-66

FRINTED IN U.S.A. F	AN ADICA	RESEARCH CENTER WATER ANALYSIS	υλευλλημο	18		
LOCATION SAMPLED: Division]	Denver	District	South	<b>Å</b> 500	Farmin	rton
Original American		Well No 15	Laxon	USG Sectio	<u>, 19</u>	
Operator (Plant)Pan American State (Province) New Mexico		County (Barish) Sop	Juan	UDAT DOCUM		
Twp. 29N Rog. 16W S	oc 19	Ourseer (Ind.)	Other	(Maridian)		
1wp Kug 5		Quarter (LSd.)	Omer	(Mildent		Id Wall ( X )
Field name Hogback			ample used for	r datailed and	Lucos	ia wen (x)
Field name <u>Hogback</u> Sample collected from <u>Well Nell</u>	aù	Nample collected by	I. C.	Holt i	Dute 8-	7-67
Interval sampled to		Interval para Dakota		•••••••••••••••••••••••••••••••••••••••		
Recovery L. O.	Speer.	Jr. Data trans		File E	-178-535.1	7
Technical Service request authorized by		Date thans		<u>ico</u>		1
reclandar bervice request authorized by	· · ·	T <sub>4</sub>	chnical Servic	e Number:	3098	
					· · · · · · · · · · · · · · · · · · ·	
ORGANIC CONSTITUENTS in m Bottom Middle top M	ng/1 ບບ	co	NVENTIONAL	MAJOR ION	ANALYSIS	
Benzene			Major	% of Total	Reaction	% of Total
Toluene			lons	Major	Value	Reaction
Phenols			mg/11	lons	meq/12	Value
HC Gases		o Sodium Na+		30.82		49.01
		$\frac{2}{6}$ Calcium Ca++	10_	30	50	• <u>5h</u> • 45
		Magnesium Mg++	5_	15	.41	
		Potassium K+				
DESCRIPTION OF SAMPLE		Chloride C1-		the second s		6.52
		Bicarbonate HCO,-	1,100		18.04	19.63
Condition as received		Z Sulfare SO1	900_		18.72	20.37
Color		Carbonate CO3	96_	<u>    2.8</u> 6		3.48
Odor		TOTAL	<u>3,358</u>			
Suspended solids				•	0	
Bottom sediment			oration		2,850	mg/1
Oil content			valent (Dunla	p)	2,134	mg/1
QUALITY OF SAMPLE		Resistivity				
		pH <u>8.7</u> Sp	ecific gravity_	1.073_at.		°F
Chloride BOTTOM MIDDLE	TOP	Ryznar stability inde	x (2pHs-pH)	)at _		°F
ion mg/1:						•
Comments on quality		• •	HER IONS AN	ID DISSOLVE	D SOLIDS	
	•	CATIONS mg/1	ANIONS	mg/1	OTHERS	mg/1
		Lithium Li+	Bromide Br	- · ·	Iron Fe	<u></u>
			Iodide 1-	<u> </u>	Boron B	<u></u>
	<u> </u>		~ <u>,                                    </u>	<u>-</u>	Silica SiO:	<b>.</b>
				<del></del>		
			_ `		•••••••	
				·		
Data previously reported on Form 66 7-62	under the hea	diag PPM pat actually in m	illionant net lit	er Bu Jolinitin		1 len ar
<sup>2</sup> meq/1 means milligram equivalents per lite	eneer nie nea er.	ound recent was actually in m	inigians per in	er. by definitio	$m_{s} ppm = mg/$	i jspi gr.
·						
REMARKS AND CONCLUSIONS:						<u> </u>

cc: M. S. Kraemer, W. R. Franey Date received <u>8-18-67</u> Field sample no. <u>HG-186</u> <u>H. T. Hunter</u> <u>Lab. no. <u>T-18652</u> <u>P. H. Garrison</u> <u>Analyst</u> *Games & Filicity* <u>Date8-</u> <u>I. O. Speer, Jr.</u> J. P. Barrett</u> Date 8-25-57 (Water charts on back) ι. - . . . . . ÷ • . .

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BEFORE EXAMINER UTZ CIL ECHLERNATION CURAMISSION CASE NO. 1

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