

CASE 3873: Application of R. G.
McPHERON FOR SALT WATER DISPOSAL,
LEA COUNTY, NEW MEXICO.

Case Number

3873

Application
Transcripts.

Small Exhibits

ETC.

GOVERNOR
DAVID F. CARGO
CHAIRMAN

State of New Mexico
Oil Conservation Commission



LAND COMMISSIONER
GUYTON B. HAYS
MEMBER

P. O. BOX 2088
SANTA FE

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

October 14, 1968

Mr. R. G. McPheron
New Mexico Bank & Trust Co., Bldg.
Post Office Box 176
Hobbs, New Mexico

Re: Case No. 3873
Order No. R-3519
Applicant:
R. G. McPheron

Dear Sir:

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

Very truly yours,

A handwritten signature in cursive script, appearing to read "A. L. Porter, Jr.".

A. L. PORTER, JR.
Secretary-Director

ALP/lr

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. 3873
Order No. R-3519

APPLICATION OF R. G. McPHERON
FOR SALT WATER DISPOSAL, LEA
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

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

NOW, on this 14th day of October, 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, R. G. McPheron, is the owner and
operator of the S. P. Johnson Well No. 1, located 1650 feet from
the South line and 990 feet from the West line of Section 5,
Township 18 South, Range 39 East, NMPM, South Carter-San Andres
Pool, Lea County, New Mexico.

(3) That the applicant proposes to utilize said well to
dispose of produced salt water into the Lower San Andres forma-
tion, with injection into the open-hole interval from approxi-
mately 5300 feet to 5854 feet.

(4) That the injection should be accomplished through
2 1/2-inch plastic or cement lined tubing installed in a packer
set at approximately 5300 feet.

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CASE No. 3873
Order No. R-3519

(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, R. G. McPheron, is hereby authorized to utilize his S. P. Johnson Well No. 1, located 1650 feet from the South line and 990 feet from the West line of Section 5, Township 18 South, Range 39 East, NMPM, South Carter-San Andres Pool, Lea County, New Mexico, to dispose of produced salt water into the Lower San Andres formation, injection to be accomplished through 2 1/2-inch plastic or cement lined tubing installed in a packer set at approximately 5300 feet, with injection into the open-hole interval from approximately 5300 feet to 5854 feet.


(2) That the applicant shall submit monthly reports of his 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.

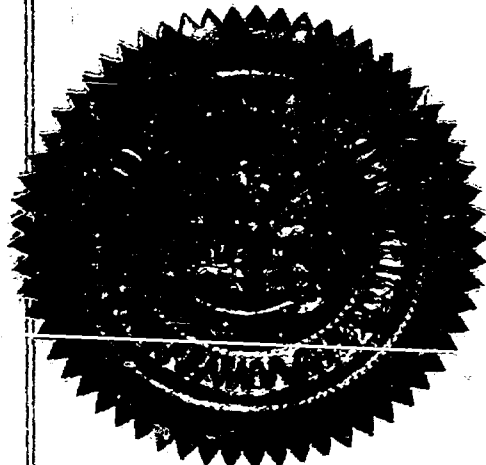
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


DAVID F. CARGO, Chairman


GUYTON B. HAYS, Member


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



esr/

3873.

Recd 10-9-68

Rec. 10-10-68

Grant. R. G. McPherson permission
to convert his. S. P. Johnson #1,
990/W, 1650/S, Leinen sec. 8-185-396. So.
Carter - S. A. Pool to an S. W. D. well.
Injection well into S. A. open
holes from 5300-5854' under
a formation packer, 2 1/2 tubing.

Trust. McP.

Docket No. 29-68

DOCKET: EXAMINER HEARING - WEDNESDAY - OCTOBER 9, 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 3872: Application of Union Oil Company of California for a dual completion and salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to ~~completely~~ complete its Federal "A" Well No. 1 located in Unit P of Section 12, Township 15 South, Range 34 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Morton-Wolfcamp Pool and the disposal of produced salt water through the intermediate casing-production casing annulus into the San Andres and such other formations as may occur in the open-hole interval from approximately 4620 to 7350 feet.
- CASE 3873: Application of R. G. McPheron for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation in the open-hole interval from approximately 5250 feet to 5854 feet in his S. P. Johnson Well No. 1 located 990 feet from the West line and 1650 feet from the South line of Section 5, Township 18 South, Range 39 East, South Carter-San Andres Pool, Lea County, New Mexico.
- CASE 3874: Application of Gulf Oil Company - U. S. for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle production from the Paddock and Blinbry Oil Pools in the well-bore of its C. L. Hardy Well No. 2 located in Unit N of Section 20, Township 21 South, Range 37 East, Lea County, New Mexico, with the provision that no more than one single allowable will be produced from said well.
- CASE 3875: Application of Pan American Petroleum Corporation for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill a well in exception to the Fowler-Ellenburger Rules at an unorthodox location 910 feet from the North line and 1980 feet from the West line of Section 15, Township 24 South, Range 37 East, Lea County, New Mexico.

- CASE 3876: Application of Newmont Oil Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Young (Queen) Unit Area comprising 1320 acres, more or less, of federal and state lands in Township 18 South, Range 32 East, Young (Queen) Pool, Lea County, New Mexico.
- CASE 3877: Application of Newmont Oil Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in its Young (Queen) Unit Area by the injection of water into the Queen formation through 17 wells located in Sections 9, 16, 17, 19, 20, 21, and 29, Township 18 South, Range 32 East, Young (Queen) Pool, Lea County, New Mexico.
- CASE 3878: Application of General American Oil Company of Texas for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Premier sand through two injection wells located in Unit M of Section 8, and Unit G of Section 17, Township 16 South, Range 30 East, West Henshaw-Grayburg Pool, Eddy County, New Mexico.
- CASE 3879: Application of Walter Duncan Oil Properties for an unorthodox oil well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill a well at an unorthodox oil well location 1000 feet from the North line and 1242 feet from the East line of Section 36, Township 32 North, Range 18 West, San Juan County, New Mexico. Said well would be projected to the Dakota formation.
- CASE 3880: Application of Anne Burnett Windfohr, dba Windfohr Oil Company, for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Abo formation in the perforated interval from approximately 6970 feet to 7028 feet in the Windfohr Oil Company Jackson "B" Well No. 23 located in Unit J of Section 24, Township 17 South, Range 30 East, Jackson-Abo Pool, Eddy County, New Mexico.
- CASE 3881: Application of J. M. Huber Corporation for the creation of a new oil pool and for special pool rules, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Devonian oil pool for its Lone Star Federal Well No. 1 located in the NE/4 NE/4 of Section 20, Township 8 South, Range 36 East, Roosevelt County, New Mexico, and for the promulgation of special rules therefor including a provision for 80-acre proration units.

- CASE 3882: Application of Solar Oil Company for a special gas-oil ratio limitation, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 506 of the Commission Rules and Regulations to provide for a limiting gas-oil ratio of 6,000 cubic feet of gas per barrel of oil in the Teague Blinebry Pool, Lea County, New Mexico.
- CASE 3883: Application of Solar Oil Company for a special gas-oil ratio limitation, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 506 of the Commission Rules and Regulations to provide for a limiting gas-oil ratio of 6,000 cubic feet of gas per barrel of oil in the Imperial Tubb-Drinkard Pool, Lea County, New Mexico.
- CASE 3884: Application of Marathon Oil Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Miller Ranch Unit Area comprising 5,276 acres, more or less, of State, Federal and Fee lands in Townships 21 and 22 South, Range 25 East, Eddy County, New Mexico.
- CASE 3885: Application of Sinclair Oil & Gas Company for a waterflood expansion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its Turner "B" Grayburg-Jackson Waterflood Project, Grayburg-Jackson Pool, by the conversion to water injection of 12 additional injection wells located in Sections 20, 29, and 30, Township 17 South, Range 31 East, Eddy County, New Mexico.
- CASE 3886: Application of Sinclair Oil & Gas Company for the amendment of a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks amendment of its Guadalupe Ridge Unit Agreement, unitizing certain lands in Eddy County, New Mexico, and approved by Order No. R-3471, to conform to certain requirements of the Director of the United States Geological Survey. In the absence of objection, the case will be submitted and an order issued upon the basis of the application and exhibits attached thereto.
- CASE 3887: Application of Kersey & Company for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Premier sand of the Grayburg formation through two wells to be located in Units E and K of Section 12, Township 18 South, Range 28 East, Artesia Pool, Eddy County, New Mexico. Applicant further proposes to produce oil from the Upper Grayburg through parallel strings of tubing, if said zones are productive in the subject wells.

- CASE 3888: Application of Amerada Petroleum Corporation for a dual completion, salt water disposal and tubing exception, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its State E "B" Well No. 1 located in Unit E of Section 27, Township 10 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the North Echols-Devonian Pool and the disposal of produced salt water through the tubing-casing annulus into the San Andres formation through perforations in said casing from approximately 5220 feet to 5250 feet. Applicant also seeks an exception to the tubing requirements of Commission Rule 107 in that said tubing would be set more than 250 feet above the upper most Devonian perforation.
- CASE 3889: Application of BTA Oil Producers for the creation of a new pool and special pool rules, Lea and Roosevelt Counties, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new pool for the production of oil from the Bough C zone of the Pennsylvanian formation for its well located in Section 5, Township 9 South, Range 36 East, Lea County, New Mexico, and for the promulgation of special rules therefor including a provision for 160-acre proration units and for the assignment of an 80-acre allowable factor of 4.77.
- CASE 3890: Application of Pan American Petroleum Corporation for special pool rules and a non-standard gas proration unit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the Empire-Pennsylvanian Gas Pool, Eddy County, New Mexico, including a provision for 320-acre spacing units with wells to be located in either the northwest quarter or the southeast quarter of the section. Applicant further seeks approval of a 280-acre non-standard gas proration unit comprising the SE/4, S/2 SW/4, and the NW/4 SW/4 of Section 30, Township 17 South, Range 28 East, Empire-Pennsylvanian Gas Pool, to be dedicated to its State V Com Well No. 1 located 990 feet from the South and East lines of said Section 30.

dearnley-meier-reporting service, inc.

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

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



BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

October 9, 1968

EXAMINER HEARING

IN THE MATTER OF:)

Application of R. G. McPheron for salt)
water disposal, Lea County, New Mexico.) Case 3873
)

BEFORE: Elvis Utz, Examiner

TRANSCRIPT OF HEARING

MR. UTZ: Case 3873.

MR. HATCH: Case 3873, application of R. G. McPheron
for salt water disposal, Lea County, New Mexico.

(Witness sworn)

MR. UTZ: Mr. McPheron, you are representing yourself
in this case, is that correct?

MR. MCPHERON: That's correct.

R. G. MCPHERON,

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

MR. MCPHERON: I made application on September the 9th
for an executive approval to make a salt water disposal well
out of my S. P. Johnson Number 1 located in Section 5, 18, 39,
Lea County, New Mexico. Insofar as I can ascertain from the
Rules and Regulations set out by the Oil and Gas Conservation
Commission, I think I have submitted sufficient evidence for
grant of the request.

Subsequent to the time I made the request, however,
I have looked into the matter a little further and found that
Great Western has one well, ~~their McQueen~~ No. 2 which was drilled
to a depth of 5276 which is 45 feet below where I recommended
setting my packer at 5250. So in respect to that, I want to
lower the packer to 5300 which would be below any producing
depth in that pool.

As you have in your record now, I have waivers from all producers in the field, the Carter and San Andres field. There's only four, and they have all signed waivers. As a matter of fact, I signed the waivers to put it into a producing formation with Great Western in the McQueen No. 1 some time ago. I guess they decided not to go ahead with it.

I just don't know of anything, any particular reason why that water can't be put in that lower San Andres formation. There's no doubt in my mind and all evidence shows it will take all the water in the world.

I intend to use the well, not only for water that might be produced on that lease, but from other leases which I produced in other pools in the area, and I'd allow my off-setting operators or anybody that wants to use the well for waste water disposal. I don't intend to go into the business of making any money on it or anything like that, but it's a matter of convenience for all the operators in there.

There's been a number of wells drilled in that area out there at various depths which indicate it definitely proves, in my opinion, that there's not any oil out there below the porous upper San Andres which the oil is producing from. Shell has drilled a well in Section 32, 17, 39, to a total depth

of 14,044 feet; pretty well substantiates that there's not any production down to that depth. Nichols, Blackwell Nichols drilled a direct north offset to this well that I propose to make a disposal well of to a total depth of 6628, plugged and abandoned, no production in the San Andres or anything else.

There's a direct offset to the west. It's a dry, up in the upper San Andres which is producing in the Carter-San Andres to the east. There's a diagonal offset, two locations away, diagonally, to the northwest in the San Andres, plugged and abandoned. So it's just one heck of a nice place to put waste water.

The No. 1 Johnson well was drilled deeper to 5854, as I recall, and the lower part of it is drillstem tested. I think I have the drillstem test here someplace, and it didn't have anything in it. I'm sure it will take all the water in the world without pressure. A drillstem test was made from 5670 to 5854. After it was open five minutes, a little below there, it was closed for thirty minutes, reopened, had a few bubbles there and died in three minutes. It had a final close-in pressure of 120 pounds after sixty minutes which indicates that there is a little less than nothing there but a vacuum on the end.

By making this a disposal well there, it's going to allow all the wells that are now producing water in that area,

and not only in the Carter-San Andres, but the basic San Andres and probably some in the northern part of the Hobbs pool; people who are not making too much water would rather truck than tie onto the various disposal systems there, and it will prolong the production of a lot of marginal wells that would otherwise be abandoned, or plugged and abandoned, which would result in a loss of revenue to the State, of course.

That's about all I have to say about it. If you have any questions on it, I'd be glad to answer them if I'm capable. It just looks to me like you have all the evidence. I should have gone into the fact, I guess, and I picked out the lower packer point, and the log which you have will substantiate that there is a packer point of 5300, and if you want to know what the top of the San Andres is there, why, as I noticed you asked of the other deal before, it's at 4950, the total depth is still in the San Andres, the lower part of it. I don't know where the exact bottom of it would be, but there's not any production below that 5300 anywhere out in that country. That's all out there in that San Simon anticline. There's been more money out there lost than there was made.

That's all I have to say about it. That's all I want permission to do.

EXAMINATION

BY MR. UTZ:

Q That's what you're here for?

A That's right.

Q The bottom of the casing is at 5142, which is a seven-inch oil string, is that correct?

A Right, sir.

Q And that's open hole from there on down?

A Right, sir, and the only reason I picked that 5250, to start with, Mr. Utz, is the fact that Great Western had asked me -- I don't know whether they got porous permission or not, I don't recall -- to inject into the present porous part of the producing San Andres, which I didn't care -- didn't make any difference to me. But this well that's drilled deeper than that 5250 that I had first recommended is over a half, between a half and three-quarters of a mile from there, and if the packer will be below and no doubt in my mind that what it is will seep, and it won't bother anything there and it is just -- well it's just something I'd like to get done, get behind me, so -- you know, quail season is coming up pretty quick. I don't want to be fooling around out there at the damn -- at that place.

MR. UTZ: I think that's about as good a reason as I've ever heard. You've had good luck with these formation packers?

A Well, I have never had a failure as I can recall in the San Andres with a formation packer, if you pick a packer point. Now, you could pick a packer point and, naturally, you could pick one where you have fractures, but I'm not worrying about setting a packer there. It will hold. I'll bet money on it.

Q You don't intend to use any pressure anyway?

A Oh, I don't even -- all I'll pump out of there would be something to pump out of tanks into the well, you know, which comes to mean you might get up to seventy-five pounds of something.

MR. UTZ: Does anyone have any questions of the witness? You may be excused.

MR. MCPHERON: Thank you, sir. I'd just like to know about when I could get some permission on it one way or another, a decision.

MR. UTZ: It would be about a week.

MR. MCPHERON: That ought to be soon enough. Thank you, sir.

MR. UTZ: That won't interfere with the quail season, will it?

MR. MCPHERON: No, I'll go ahead with some other things and I'll get back to it. Thank you very much, it's been a pleasure to come out here.

I N D E X

WITNESS	PAGE
R. G. McPHERON	2
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STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

I, CHARLOTTE J. MACIAS, Court Reporter 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.

Charlott Macias
COURT REPORTER

I do hereby certify that the foregoing is a complete record of the proceedings in the Executive Hearing of Case No. 3923, heard by me on 10-2-1968.

New Mexico Oil Conservation Commission

WES: EXPRESS 3-4315
EXPRESS 3-5701

NEW MEXICO BANK & TRUST CO. BLDG.
ROOM 218
BOX 178

R. G. MCPHERON
HOBBS, NEW MEXICO

September 9, 1968

Box 3873

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

Dear Sir:

I desire to make formal application for the completion of a salt water disposal well on my S. P. Johnson No. 1 located in the Carter San Andres Pool, Lea County, New Mexico.

I have obtained a lease from the mineral owners under this lease for the purpose of disposing of brines produced from wells considered productive of oil and gas. Their consent to this lease represents their notification of my intention to perform this project.

You will find attached form C108; plat showing the location of the proposed disposal well, other producing operators and lease owners within the required area; a copy of the Gamma Ray Neutron log; a diagrammatic sketch of the proposed injection well; and a copy of waiver signed by each of the producing operators within two miles of the proposed well.

Since the Lower San Andres formation, into which I intend to inject water, is non-productive in the entire area and can have no possible effect upon the Upper San Andres, which is the only producing formation in the area, and since none of the offsetting operators nor the mineral owners or the surface owner have any objection to this operation, I would appreciate your early consideration in this matter without the necessity of a hearing.

Sincerely yours,

R. G. McPherson

R. G. MCPHERON

Attachments - in triplicate
RGM/jw

DOCKET MAILED

Date 9-26-68

NEW MEXICO OIL CONSERVATION COMMISSION
APPLICATION TO DISPOSE OF SALT WATER BY INJECTION INTO A POROUS FORMATION *Case 3873*

OPERATOR R. G. McPheron		ADDRESS Box 176, Hobbs, New Mexico 88240	
LEASE NAME S. P. Johnson	WELL NO. 1	FIELD Carter San Andres	COUNTY Lea
LOCATION UNIT LETTER L : WELL IS LOCATED 990' FEET FROM THE West LINE AND 1650' FEET FROM THE South LINE, SECTION 5 TOWNSHIP 18-S RANGE 39-E NMPM.			
CASING AND TUBING DATA			
NAME OF STRING	SIZE	SETTING DEPTH	SACKS CEMENT
SURFACE CASING	9-5/8"	335'	225
INTERMEDIATE	None		
LONG STRING	7"	5142'	100 sax on bottom 150 sax on top of 650'
TUBING	2-7/8 O.D.	5854	Sweet, AT-100-5-7/8 x 50" pkr. set @5250', tbg. @5854'
NAME OF PROPOSED INJECTION FORMATION San Andres		TOP OF FORMATION 5250'	BOTTOM OF FORMATION 5854'
IS INJECTION THROUGH TUBING, CASING, OR ANNULUS? Tubing		PERFORATIONS OR OPEN HOLE? Open Hole	PROPOSED INTERVAL(S) OF INJECTION 5250'-5854'
IS THIS A NEW WELL DRILLED FOR DISPOSAL? No	IF ANSWER IS NO, FOR WHAT PURPOSE WAS WELL ORIGINALLY DRILLED? Well was deepened 5245-5854' to test the lower San Andres & P&A w/7" left in hole.		HAS WELL EVER BEEN PERFORATED IN ANY ZONE OTHER THAN THE PROPOSED INJECTION ZONE? Open Hole 5142-5854
LIST ALL SUCH PERFORATED INTERVALS AND SACKS OF CEMENT USED TO SEAL OFF OR SQUEEZE EACH			
DEPTH OF BOTTOM OF DEEPEST FRESH WATER ZONE IN THIS AREA Appr. 190'		DEPTH OF BOTTOM OF NEXT HIGHER OIL OR GAS ZONE IN THIS AREA 5235'	
DEPTH OF TOP OF NEXT LOWER OIL OR GAS ZONE IN THIS AREA None			
ANTICIPATED DAILY INJECTION VOLUME (BBLS.) 0	MINIMUM 0	MAXIMUM 1000	OPEN OR CLOSED TYPE SYSTEM Open
ANSWER YES OR NO WHETHER THE FOLLOWING WATERS ARE MINERALIZED TO SUCH A DEGREE AS TO BE UNFIT FOR DOMESTIC, STOCK, IRRIGATION, OR OTHER GENERAL USE -		IS INJECTION TO BE BY GRAVITY OR PRESSURE? Gravity	APPROX. PRESSURE (PSI) 0-25 psi
NAME AND ADDRESS OF SURFACE OWNER (OR LESSEE, IF STATE OR FEDERAL LAND) S. P. Johnson, Roswell, New Mexico		WATER TO BE DISPOSED OF NATURAL WATER IN DISPOSAL ZONE	
LIST NAMES AND ADDRESSES OF ALL OPERATORS WITHIN ONE-HALF (1/2) MILE OF THIS INJECTION WELL Great Western Drilling Company, Midland, Texas		ARE WATER ANALYSES ATTACHED? Yes	
DA&S Oil Well Service, Hobbs, New Mexico			
Trainer Corp., Hobbs, New Mexico			
HAVE COPIES OF THIS APPLICATION BEEN SENT TO EACH OF THE FOLLOWING? Lease obtained		EACH OPERATOR WITHIN ONE-HALF MILE OF THIS WELL Waiver attached	THE NEW MEXICO STATE ENGINEER
ARE THE FOLLOWING ITEMS ATTACHED TO THIS APPLICATION (SEE RULE 701-B) Yes		ELECTRICAL LOG Yes	DIAGRAMMATIC SKETCH OF WELL Yes

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

R. G. McPheron
(Signature)

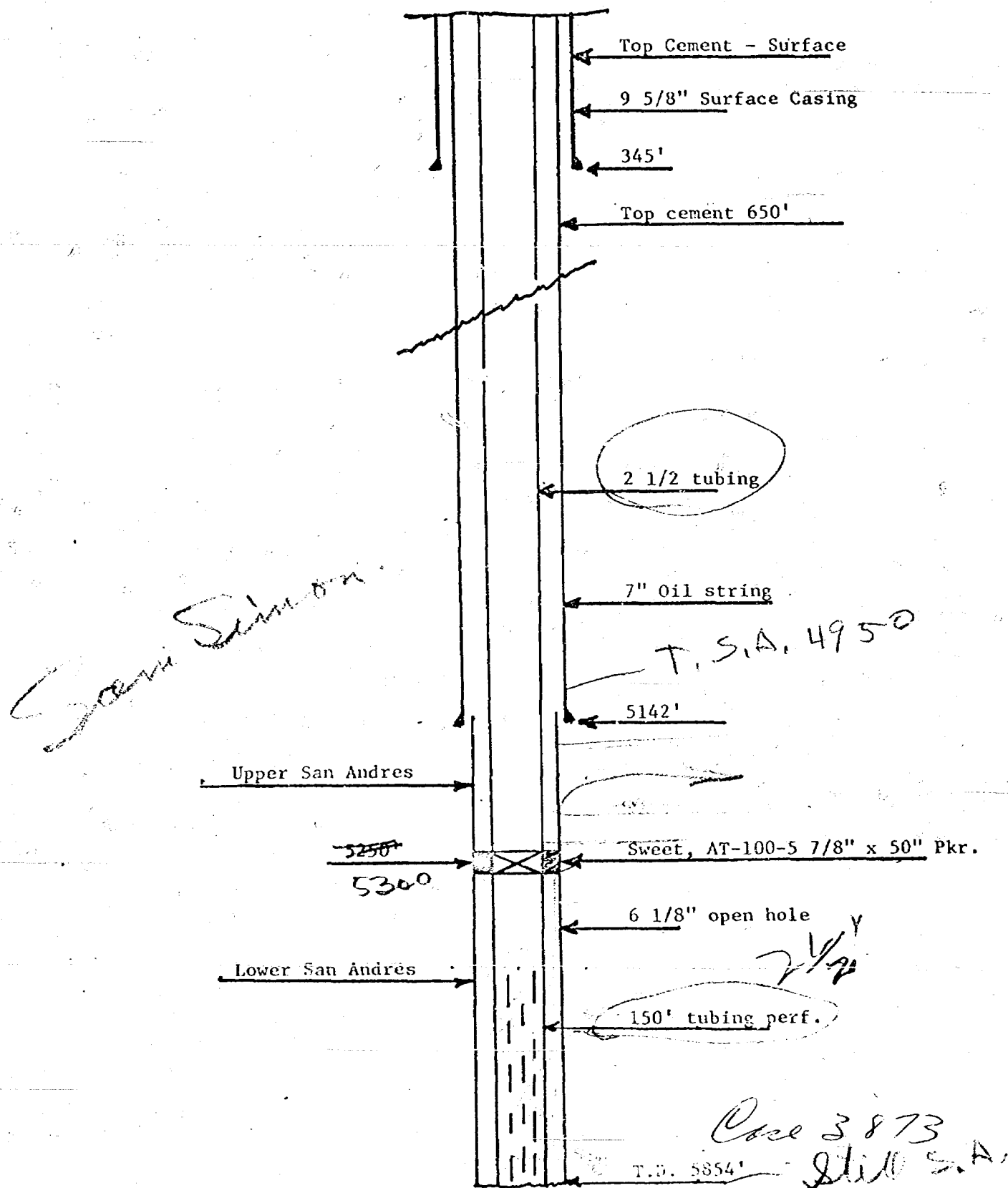
Operator
(Title)

September 4, 1968
(Date)

NOTE: Should waivers from the State Engineer, the surface owner, and all operators within one-half mile of the proposed injection well, not 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. SEE RULE 701.

R. G. McPHERON
S. P. Johnson No. 1

Proposal
Water Injection Well



R. G. McPherson
P. O. Box 176
Hobbs, New Mexico 88240

Subject: Waiver to Complete Well as
Salt Water Disposal Unit
Lease: S. P. Johnson
Field: South Carter (San Andres)
County: Lea County, New Mexico

Gentlemen:

We have been advised of R. G. McPherson's intention to
complete the No. 1 S. P. Johnson to a salt water disposal well.

As an offset operator, this project meets with our approval,
and we hereby waive any objection to the project as proposed.

Yours very truly,

DAV S. Oilwell Servicing Inc
By: Brian Alvares

Title: PRESIDENT

Offset Operator: _____

Page 3873

R. G. McPherson
P. O. Box 176
Hobbs, New Mexico 88240

Subject: Waiver to Complete Well as
Salt Water Disposal Unit
Lease: S. P. Johnson
Field: South Carter (San Andres)
County: Lea County, New Mexico

Gentlemen:

We have been advised of R. G. McPherson's intention to complete the No. 1 S. P. Johnson to a salt water disposal well.

As an offset operator, this project meets with our approval, and we hereby waive any objection to the project as proposed.

Yours very truly,

By: W. W. Inman

Title: _____

Offset Operator: _____

9-5-68

Case 3873

R. G. McPheron
P. O. Box 176
Hobbs, New Mexico 88240

Subject: Waiver to Complete Well as
Salt Water Disposal Unit
Lease: S. P. Johnson
Field: South Carter (San Andres)
County: Lea County, New Mexico

Gentlemen:

We have been advised of R. G. McPheron's intention to complete the No. 1 S. P. Johnson to a salt water disposal well.

As an offset operator, this project meets with our approval, and we hereby waive any objection to the project as proposed.

Yours very truly,

By: J. I. Houghton

Title: General Manager

Offset Operator: GREAT WESTERN DRILLING COMPANY

DRAFT

GMH/esr

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. 3873

Order No. R-3519

APPLICATION OF R. G. McPHERON
FOR SALT WATER DISPOSAL, LEA
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

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

NOW, on this _____ day of October, 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, R. G. McPheron,
is the owner and operator of the S. P. Johnson Well No. 1,
1650 feet from the South line and 990 feet from the West line
located ~~in the~~ of Section 5, Township 18 South, Range
39 East, NMPM, South Carter-San Andres Pool, Lea County,
New Mexico.

(3) That the applicant proposes to utilize said well to
dispose of produced salt water into the ^{lower} San Andres formation,
with injection into the open-hole interval from approximately
5300
5250 feet to 5854 feet.

(4) That the injection should be accomplished through
2 1/2 -inch ~~plastic lined~~ tubing installed in a packer set at

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approximately 5300 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 casing, 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, R. G. McPherson

is hereby authorized to utilize his S. P. Johnson Well No. 1
1650 feet from the South line and 990 feet from the West line
located ~~XXXXXX~~ of Section 5, Township 18 South, Range

39 East, NPM; South Carter-San Andres Pool, Lea

County, New Mexico, to dispose of produced salt water into the

Lower San Andres formation *plastic-lined* injection to be accomplished through
2 1/2-inch tubing installed in a packer set at approximately
5300 feet, with injection into the open-hole interval
from approximately 5300 feet to 5854 feet;
~~5250~~

~~PROVIDED HOWEVER, that the tubing shall be plastic-lined;
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 casing, tubing, or packer.~~

(2) That the applicant shall submit monthly reports of his
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.