CASE 3909: Appli. of CHAMPLIN PETROLEUM CO. FOR SALT WATER DISPOSAL, ROOSEVELT COUNTY.

Case Number

3909

Application

Transcripts.

Small Exhibits

ETC.

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

October 23, 1968

EXAMINER HEARING

IN THE MATTER OF:

Application of Champlin Petroleum Company for salt water disposal, Roosevelt County, New Mexico.

Case NO. 3909

BEFORE: Daniel Nutter, Examiner

TRANSCRIPT OF HEARING

Champlin Petroleum Company as District Engineer in the West Texas District operating out of Midland, Texas.

Q Have you previously testified as an expert witness before the New Mexico Oil Conservation Commission?

A No, I have not.

Q Then, will you please, briefly, outline your education and background and your experience as a Petroleum Engineer?

A I was graduated from Texas A & M University in 1955 with B.S. Degree in Petroleum Engineering. Then employed by Renwar Oil Corporation in Corpus Christi, Texas. In 1957 employed by Champlin Petroleum Company as a Petroleum Engineer working out of the Sinton office. Since that time I have worked with Champlin in several areas and as I stated, am at the present time working as District Engineer in the Midland office.

Q Mr. Examiner, we move to have the witness accepted as an expert witness.

MR. NUTTER: The witness is qualified.

Q (By Mr. Bogle) Are you acquainted with the application of Champlin Petroleum Company in Case 3909?

A Yes, I am.

Q And will you, please, briefly state the purpose of

that application?

A The purpose of the application is to obtain permission from the Commission to inject produced salt water from the San Andres Formation Chaveroo Pool into Champlin's Lauck Federal Number 12 and Champlin's State 32733 Number 5. The injected interval will be the San Andres Formation.

Q Will you please refer to what has been marked as Champlin's Exhibit Number 1 and describe that exhibit?

A Exhibit Number 1 is a plat showing essentially all wells in the Chaveroo Pool. Outlined in red is our Lauck Federal Lease and the Number 12 Well which will be the injection well is indicated with a red triangle.

Q Does that Exhibit show all wells within a two-mile radius of the proposed Lauck injection well?

A Yes, it does.

Q And in what Formation are those wells completed?

A As far as I know they are all completed in the San Andres Formation.

Q Do you have any other comments about that Exhibit?

A No, I do not.

Q All right. Will you then please refer to what has been marked as Champlin's Exhibit Number 2 and explain that.

A Exhibit Number 2 is a plat of the same area, the

same fields. Outlined in red on this particular plat, is Champlin's State 32733 Lease on which is located the Number 5 Well which will be used for injection purposes on this lease.

Q And here, again, does that Exhibit Number 2 show all wells within a two-mile radius of the proposed State Lease injection well?

A Yes, it does.

Q And are all those wells completed in the San Andres Formation?

A That is correct, they are.

Q Will you please then refer to what has been marked as Champlin's Exhibit Number 3 and explain that?

A Champlin's Exhibit Number 3 is a diagrammatic sketch of the proposed injection well on the Lauck Federal Lease, the Number 12 Well. This particular sketch shows 8 and 5/8th surface casing set at 370 feet which was cemented back to the surface. It also shows 4 and 1/2 production casing set at 4,440 feet which was cemented with 325 sacks of cement and cement top calculated to be at 3940. It also shows the perforated interval in the San Andres Formation, that being 4202 to 4404. We show in addition to that the proposed completion with 2 and 3/8ths EUE tubing set on a tension packer at approximately 4180 feet. In addition to that, we

show a pressure gauge that will be mounted on the annulur space there to indicate any pressure, should it occur. Also we will have inhibited fluid in the annulus.

Q At the present time, what is the status of the Lauck Federal Well Number 12 which is the subject of Exhibit Number 3?

A The Lauck Number 12 is currently a marginal producing well, producing approximately 5 barrels of oil a day and 3 barrels of water.

Q This Exhibit then shows how you plan to complete the well; that is by setting the tension packer as shown and with the corrosion inhibited fluid behind the tubing --

A That is correct.

Q -- and placing the gauge on the annulur space?

A That's right.

Q Will you please next refer to what has been marked as Champlin's Exhibit Number 4 and explain that Exhibit?

A Exhibit Number 4 is similar diagrammatic sketch showing the proposed completion of the State 32733 Well Number 5. 8 and 5/8ths casing is shown here set at 366 feet with cement being circulated back to the surface. 4 and 1/2 production casing was set at 4480 feet cemented with 325 sacks of cement; calculated cement top in this particular well, is

3980 feet. It also shows the San Andres interval into which water will be injected, perforated at 4303 to 4425. 2 and 3/8ths tubing will be set in this particular well on a tension packer at 4208. Inhibited fluid will also be placed in the annular space in this well with a gauge on the casing to monitor any pressure that might occur.

Q What is the present status of that well?

A The Number 5 Well is also a marginal oil producer, currently producing some 3 barrels of oil per day and approximately 1 barrel of water.

Q I think you mentioned previously, that the source of the water would be produced water from the San Andres Formation, is that correct --

A That is correct.

Q -- and will that be from other Champlin Leases in the area?

A Yes, that is their anticipation.

Q In approximately what volumes do you expect to inject salt water into these two wells?

A We anticipate initially, a volume of some 600 barrels per day into each well. Initially, we anticipate the fluid to go in on a vacuum and we do plan to limit the pressure to a maximum of 2,000 pounds.

Q Has an analysis been made of that water?

A Yes, it has. The analysis indicates that the water is of high saline quanities, the chloride contents range 160 to 170 thousand parts per million.

Q As such, is that water suitable for any domestic uses?

A No, it is not.

Q Will you please refer to what has been marked as Champlin's Exhibit Number 5 and explain that?

A Exhibit Number 5 is a radioactivity log of the Lauck Federal Number 12 and on it is marked -- is shown the San Andres perforated interval, 4202 to 4404. In addition to that the top of the San Andres interval is marked at 3541; geological top.

Q Next, will you please refer to what has been marked as Champlin's Exhibit Number 6 and explain that Exhibit?

A Exhibit Number 6 is a sonic gamma ray log of the State 32733, Number 5. On it also is marked the San Andres perforated interval, 4303 to 4425 and also the top of the San Andres in this particular well at 3560.

Q Approximately, when were these two proposed injection wells completed?

A The wells were completed in late '65, I believe.

Q So they are approximately some three years old,

each of them?

A That's correct.

Q Is the water that's to be injected and which comes from the San Andres Formation, being treated --

A Yes.

Q -- as the source of production?

A That is correct. We are currently treating at the source of production with a corrosion inhibitor, however, the corrosion problem is not severe and we do not plan, at the present time, to plastic-coat our tubing because of this.

Q What is the anticipated life of this field?

A We anticipate a remaining life of approximately 5 to 6 years.

Q In your opinion, do you expect any corrosion problems within that period?

A No, we do not.

Q State whether or not, in your opinion, the manner in which these wells are proposed to be completed, will adequately protect any fresh water sands in the area.

A Yes. In my opinion, the proposed completion technique will protect any fresh water sand in the area.

Q In addition to Champlin's purpose of disposing of produced water in order to comply with the no-pit orders,

which as I understand become effective on January 1st, of 1969, is there any other purpose in Champlin's injection of this water into the San Andres Formation?

A Yes. Even though we did file our application as a salt water disposal project, we do believe that there is a definite possibility that response will be seen and that ultimate recovery of oil will be increased as a result of injecting into the San Andres Formation in this particular location.

Q In that connection, have the particular wells in question, the wells that are to be converted into injection wells, are they so located as to reap any benefit of water injection?

A Yes, they are. We have each well strategically located such that response from the injection can be seen by the surrounding wells.

Q Are there, within your knowledge, any other water-flood projects in the San Andres Formation in the general vicinity?

A Yes. I know of one particular case, the Flying M San Andres Field south of -- I don't recall the exact distance -- it's south, several miles of the San Andres; that is a successful waterflood project.

Q How about within the Chaveroo-San Andres Pool itself; do you know of any there?

A I know of two wells which are currently being injected, one of which is Skelly Oil Company's Number 11-P Well in Section 33, Township 7 South, Range 33 East and also Sunray has an injection well in Section 10 of Township 8 South, Range 33 East, that's their Number 5 New Mexico Federal, I believe.

Q Will you please state whether or not, in your opinion, the injection of water into these two wells pursuant to this application, will tend to avoid a premature abandonment of the Field?

A Yes, I believe it will.

Q Can you state whether or not in your opinion, there will be any waste caused by the injection of water pursuant to this application?

A Would you repeat the question?

Q Please state whether or not, in your opinion,any waste would be caused by the injection of water pursuant to this application?

A Waste will not be caused.

Q Please also state whether or not, in your opinion, any damage or any adverse effect on the correlative rights of

other operators in the Field would be occasioned by the injection of water?

A In my opinion, correlative rights will not be violated.

Q Referring back to Exhibits 1 and 2, will you please state in the record, the exact location of the two proposed injection wells?

A Yes. In Exhibit 1 the Lauck Federal Number 12 is located 1980 feet from the South and East line, Section 29, Township 7 South, Range 33 East, Roosevelt County, New Mexico, and in Exhibit 2 the State 32733 Number 5 is located 1980 feet from the South and East line of Section 32, Township 7 South, Range 33 East, Roosevelt County, New Mexico.

Q When these two wells were initially completed, was any casing used?

A Yes, it was.

Q And when the wells were to be recompleted to convert them to injection wells, will the tubing be pulled in order to set the packer?

A That is correct, the tubing will be pulled and inspected and, of course, any tubing that shows any signs of corrosion, will be taken out of the well and replaced with new tubing.

Q The tubing was originally pressure-tested?

A That is correct.

Q Do you have anything else to add on this application?

A No, I do not.

MR. BOGLE: That's all, sir.

MR. NUTTER: Does anyone have any questions of Mr. Carter?

CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. Carter, referring first to Exhibit Number 1, could you tell me which leases this injection well here, will be handling the water from?

A Yes, sir. We have Champlin leases located in Section 1, I believe it is; it's a Signal State Lease, Section 1 of -- it is 8 South, 33 East; The Signal State and there's the Levy State Lease which is a one-well lease in this particular case in Section 6; Champlin's State 6 Lease in Section 5, are four wells there, the State 5 and 5A Lease and in Section 4 we have a two-well State 4 Lease. In addition, of course, on the State 32 Lease itself, there's the Hondo State Lease which is a three-well State Lease in Section 32, Township 7 South, 33 East and also we will gather water from the Farrell Federal Lease in Section 30 and also the Lauck Federal Lease

in Section 29.

Q Now, what will be the configuration of your gathering system and which Leases will produce into which injection well?

A We plan to have a central gathering system, gathering water from all of these Leases to a point on the State 32 Lease where we plan to install our system and from there, both to the Lauck Federal Number 12 and the State 32 Number 5 will be injected.

Q I see. So all Leases will be injected into both wells?

A That's correct.

Q What is your current rate of water production on all your Leases?

A Total water production is approximately 1200 barrels a day.

Q So, that figures out to that 600 barrels per day,each well that we are talking about?

A Yes, sir, that's correct.

Q Does this water production seem to come from one particular area more than others?

A Yes, sir. We find that the largest volume of water is being produced in the southwest portion of our Lease of

the Field, the Signal State and the State 6 Lease.

Q I see. I don't know if you mentioned it or not what your average rate of oil production is per day.

A For all of our Leases?

Q For all your Leases.

A Our average production for all Leases is approximately 670 barrels a day.

Q And that's from how many wells, Mr. Carter?

A Fifty-Seven wells.

Q So it's a little over ten barrels a day per well?

A Yes, sir, that's correct.

Q Now, in this portion of the Field is there any evidence of any active water-drive or would this be a solution gas-drive?

A No, sir, there's no evidence of an active water-drive. We are experiencing pressure decline pretty rapidly in our part of the Field and we are down to some 300 pounds bottom hole pressure.

Q So you definitely think this could be classified as a waterflood project or pilot waterflood project for each of these Leases then and that the production in the wells around these are offsetting these injection wells, may be enhanced?

A Yes, sir, that is correct.

Q Have you experienced any problem with corrosion out here, to date?

A No, sir, we have not experienced any problem due to corrosion, not bad problems. We have had a rod break or two, but our corrosion inhibition program has corrected that.

Q Have you been using that from the beginning?

A Yes, sir.

Q I see. And it's kept corrosion under control then --

A Yes, sir.

Q -- from the beginning?

MR. NUTTER: Are there any other questions of Mr. Carter? He may be excused. Do you have anything further, Mr. Bogle?

MR. BOGLE: No further questions, Mr. Examiner. I do just want to make a little statement that while we did file this as a salt water disposal application, we do look upon it hopefully as a pilot waterflood project and if the Commission sees fit to grant it in that manner, that, of course, we believe would be the preferable way to handle it. I don't know about the technicalities of having given notice on the basis of a water disposal offhand.

MR. NUTTER: We'll decide that. I think it would more properly be classified as a waterflood disposal project.

MR. BOGLE: I think now,perhaps, that it would, yes, sir. Secondly, we do request, because of the absence of any corrosion problems in the short remaining life of the Field, that due to the expense involved with coating tubing, that the application be granted without the requirement of coating tubing. Thank you, very much.

MR. NUTTER: Yes, sir. Does anyone have anything they wish to offer in Case 3909? We'll take the case under advisement.

I N D E X

E X H I B I T S

EXHIBIT	MARKED	OFFERED AND ADMITTED
Champlin's Exhibits 1 through 6	2	

STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

I, GLENDA BURKS, 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.

Glenda Burks
COURT REPORTER

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 3909, heard by me on 10/23, 1968.

Examiner
New Mexico Oil Conservation Commission

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. 3909
Order No. R-3550

APPLICATION OF CHAMPLIN PETROLEUM
COMPANY FOR SALT WATER DISPOSAL,
ROOSEVELT COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on October 23, 1968, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 4th day of November, 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, Champlin Petroleum Company, is the owner and operator of the Champlin Lauck-Federal Well No. 12, located in Unit J of Section 29, and the Champlin State 32-7-33 Well No. 5, located in Unit J of Section 32, both in Township 7 South, Range 33 East, NMPM, Chaveroo-San Andres Pool, Roosevelt County, New Mexico.

(3) That the applicant proposes to utilize said wells to dispose of produced salt water into the San Andres formation, with injection into the intervals as follows:

The perforated interval from approximately 4202 feet to 4404 feet in the Champlin Lauck-Federal Well No. 12; and

The perforated interval from approximately 4303 feet to 4425 feet in the Champlin State 32-7-33 Well No. 5.

(4) That, in the alternative, applicant seeks permission to institute two waterflood projects in the Chaveroo-San Andres Pool by the injection of water into the San Andres formation as described above.

(5) That the subject wells should be classified as water-flood project injection wells.

(6) That the wells in the project areas are in an advanced state of depletion.

(7) That the proposed waterflood projects should result in the recovery of otherwise unrecoverable oil, thereby preventing waste.

(8) That the subject application should be approved and the projects should be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

IT IS THEREFORE ORDERED:

(1) That the applicant, Champlin Petroleum Company, is hereby authorized to institute the following waterflood projects in the Chaveroo-San Andres Pool by the injection of water into the San Andres formation through the following-described wells in Township 7 South, Range 33 East, NMPM, Roosevelt County, New Mexico:

Champlin Chaveroo Lauck Waterflood Project

Injection well:

Champlin Lauck-Federal Well No. 12, located in Unit J of Section 29

Champlin Chaveroo State 32 Waterflood Project

Injection well:

Champlin State 32-7-33 Well No. 5, located in Unit J of Section 32

(2) That the subject waterflood projects shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

(3) That monthly progress reports of the waterflood projects herein authorized shall be submitted to the Commission in accordance with Rules 704 and 1120 of the Commission Rules and Regulations.

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

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

DAVID F. CARGO, Chairman

GUYTON B. HAYS, Member

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

esr/

OIL CONSERVATION COMMISSION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

November 4, 1968

Mr. Bill Bogle
Champlin Petroleum Company
Post Office Box 9365
Fort Worth, Texas 76107

Dear Sir:

Enclosed herewith is Commission Order No. R-3550, entered in Case No. 3909, approving the Champlin Chaveroo-Lauck Waterflood Project and the Chaveroo State 32 Waterflood Project.

Initial injection is to be through the one water injection well authorized for each project. Each well shall be equipped with tubing set approximately 25 feet above the uppermost perforation and the casing-tubing annulus loaded with an inhibited fluid and equipped with a pressure gauge to facilitate detection of leakage in the casing, tubing, or packer. Water is to be treated to prevent corrosion prior to injection.

As to allowable, our calculations indicate that when the authorized injection well for the Lauck Project has been placed on active injection, the maximum allowable which this project will be eligible to receive under the provisions of Rule 701-E-3 is 378 barrels per day when the Southeast New Mexico normal unit allowable is 42 barrels per day or less, and the maximum for the State 32 Project is 294 barrels per day.

Please report any error in these calculated maximum allowables immediately, both to the Santa Fe office of the Commission and the appropriate district proration office.

In order that the allowable assigned to the projects may be kept current, and in order that the operator may fully benefit from the allowable provisions of Rule 701, it behooves him to promptly notify both of the aforementioned Commission offices by letter of any change

OIL CONSERVATION COMMISSION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Mr. Bill Bogle
Champlin Petroleum Company
Post Office Box 9365
Fort Worth, Texas 76107

in the status of wells in the project areas, i.e., when active injection commences, when additional injection or producing wells are drilled, when additional wells are acquired through purchase or unitization, when wells have received a response to water injection, etc.

Your cooperation in keeping the Commission so informed as to the status of the project and the wells therein will be appreciated.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/DSN/ir

cc: Oil Conservation Commission
Hobbs, New Mexico

U. S. Geological Survey
Post Office Box 1838
Hobbs, New Mexico

Mr. D. E. Gray
State Engineer Office
Santa Fe, New Mexico

ROUGH DRAFT FOR WATERFLOOD

Mr. Bill Bogle
Champlin Petroleum Company
Post Office Box 9365
Fort Worth, Texas 76107

Dear Sir:

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Initial injection ~~into each project~~ is to be through the one ~~and~~ water injection well authorized for each project. Each well shall be equipped with tubing set approximately 25 feet above the uppermost perforation and the casing-tubing annulus loaded with an inhibited fluid and equipped with a pressure gauge to facilitate detection of leakage in the casing, tubing or packer. Water is to be treated ~~for this purpose~~ to prevent corrosion prior to injection.

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Please report any error in these calculated maximum allowables immediately, both to the Santa Fe office of the Commission and the appropriate district proration office.

In order that the allowable assigned to the projects may be kept current, and in order that the operator may fully benefit from the allowable provisions of Rule 701, it behooves him to promptly notify both of the aforementioned Commission offices by letter of any change in the status of wells in the project areas, i.e., when active injection commences, when additional injection or producing wells are drilled, when additional wells are acquired through purchase or unitization, when wells have received a response to water injection, etc.

Your cooperation in keeping the Commission so informed as to the status of the project and the wells therein will be appreciated.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

cc: OCC: Hobbs x
' Artesia
Aztec
USGS Hobbs
~~Mr. Frank Irby~~, State Engineer Office, Santa Fe, New Mexico
Mr. D. E. Gray
~~Mr. James B. Alley, Jr. Mitchell and Mitchell, Attorneys at Law~~
~~Post Office Box 1932~~
~~Santa Fe, New Mexico~~

CHAMPLIN PETROLEUM COMPANY
Lauck-Federal Well No. 12
1980' FSL&EL's, Sec. 29
T-7-S, R-33-E
Roosevelt County, New Mexico
Proposed Salt Water Disposal Well

T 8 S

T 7 S

R 32 E

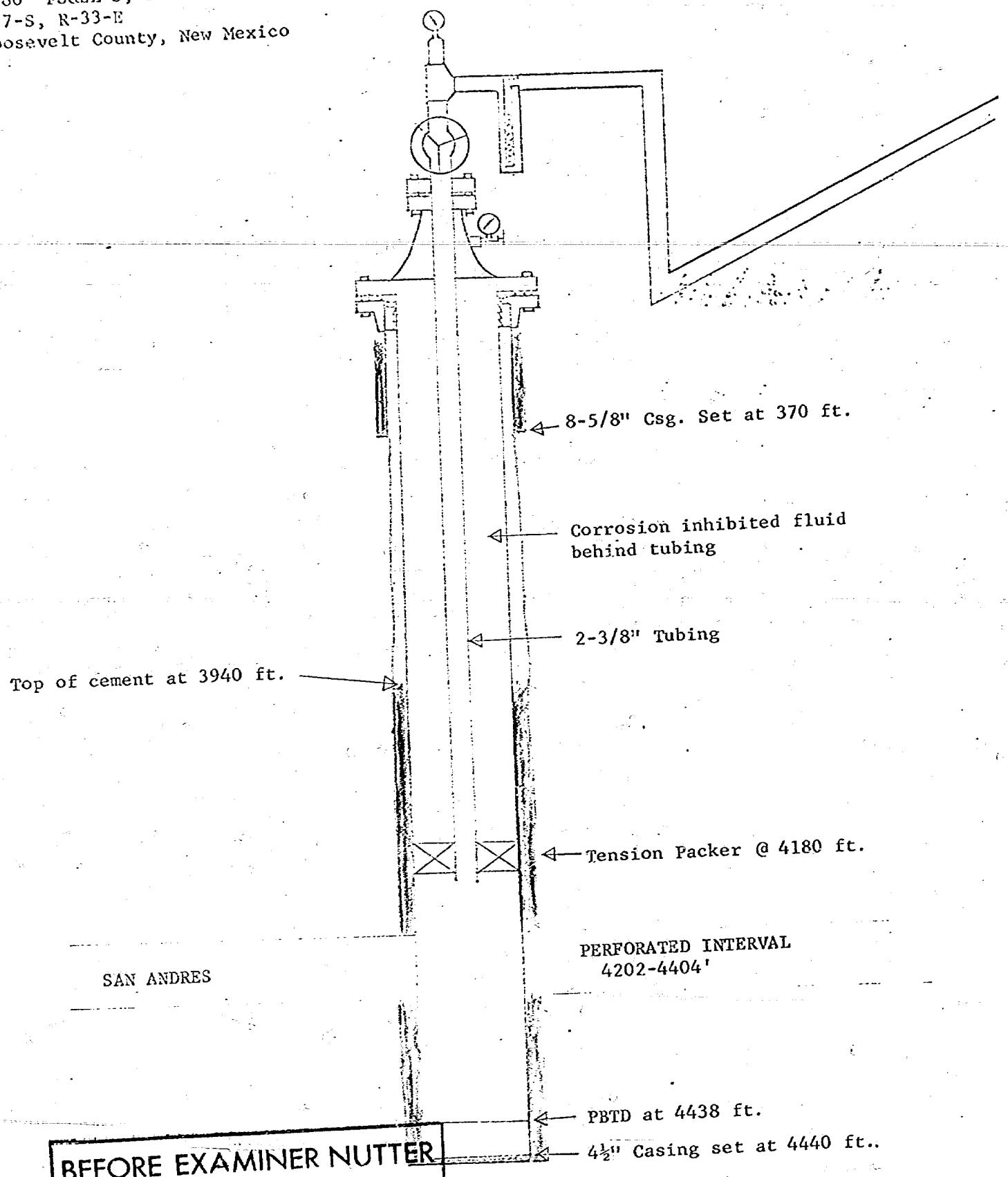
R 33 E

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
CASE NO. 3900 EXHIBIT NO. 1

CHAMPLIN PETROLEUM COMPANY
State 32-7-33 Well No. 5
1980' FSᵪEL's, Sec. 32
T-7-S, R-33-E
Roosevelt County, New Mexico
Proposed Salt Water Disposal Well

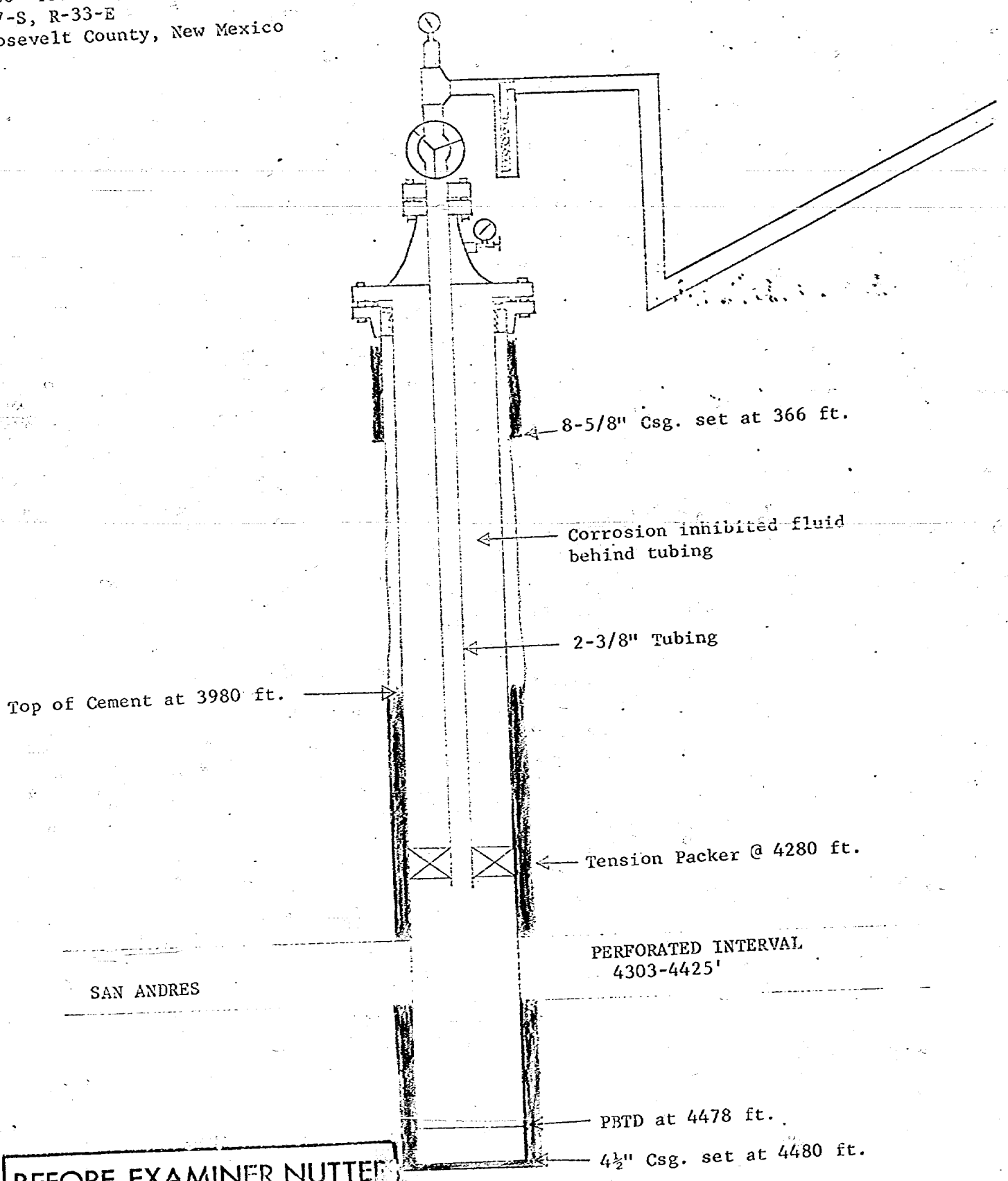
BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
CASE NO. 4572
EXHIBIT NO. 2

CHAMPLIN PETROLEUM COMPANY
Lauck-Federal Well No. 12
1980' FS&EL'S, Sec. 29
T-7-S, R-33-E
Roosevelt County, New Mexico



BEFORE EXAMINER NUTTER
OIL CONSERVATION [illegible] ION
APP. EXHIBIT NO. 3
CASE NO. 3909

CHAMPLIN PETROLEUM COMPANY
State 32-7-33 Well No. 5
1980' FS&EL's, Sec. 32
T-7-S, R-33-E
Roosevelt County, New Mexico



BEFORE EXAMINER NUTTER
OIL CONSERVATION C[illegible]N
APP. EXHIBIT NO. 4
CASE NO. 3909

DRAFT

GMH/esr
10-30-68

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. 3909

Order No. R-3550

APPLICATION OF CHAMPLIN PETROLEUM COMPANY FOR SALT WATER DISPOSAL, ROOSEVELT COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

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NOW, on this _____ day of November, 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, Champlin Petroleum Company, is the owner and operator of the Champlin Lauck-Federal Well No. 12, located in Unit J of Section 29, and the Champlin State 32-7-33 Well No. 5, located in Unit J of Section 32, both in Township 7 South, Range 33 East, NMPM, Chaveroo-San Andres Pool, Roosevelt County, New Mexico.

(3) That the applicant proposes to utilize said wells to dispose of produced salt water into the San Andres formation, with injection into the intervals as follows:

The perforated interval from approximately 4202 feet to 4404 feet in the Champlin Lauck-

Well No. 12; and

The perforated interval from approximately 4303 feet to 4425 feet in the Champlin State 32-7-33 Well No. 5.

(4) That, in the alternative, applicant seeks permission to institute two waterflood projects in the Chaveroo-San Andres Pool by the injection of water into the San Andres formation as described above.

(5) That the subject wells should be classified as water-flood project injection wells.

(6) That the wells in the project areas are in an advanced state of depletion, ~~and should properly be classified as "stripper" wells~~.

(7) That the proposed waterflood projects should result in the recovery of otherwise unrecoverable oil, thereby preventing waste.

(8) That the subject application should be approved ~~for waterflood project injection wells~~ and the projects should be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

IT IS THEREFORE ORDERED:

(1) That the applicant, Champlin Petroleum Company, is hereby authorized to institute the following waterflood projects in the Chaveroo-San Andres Pool by the injection of water into the San Andres formation through the following-described wells in Township 7 South, Range 33 East, NMPM, Roosevelt County, New Mexico:

Champlin Chaveroo Lauck Waterflood Project

Injection well:

Champlin Lauck-Federal Well No. 2, located in Unit J of Section 29

Champlin Chaveroo State 32- Waterflood Project

Injection well:

Champlin State 32-7-33 Well No. 5, located in Unit J of

(2) That the subject waterflood projects shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

(3) That monthly progress reports of the waterflood projects herein authorized shall be submitted to the Commission in accordance with Rules 704 and 1120 of the Commission Rules and Regulations.

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

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

STEPHEN A. MITCHELL
JOHN A. MITCHELL
JAMES B. ALLEY, JR.

MITCHELL AND MITCHELL
ATTORNEYS AT LAW
123 WEST PALACE AVENUE
POST OFFICE BOX 1932
SANTA FE, NEW MEXICO 87501
TELEPHONE 982-3624

IN TAOS, NEW MEXICO:
NORTH PUEBLO ROAD
POST OFFICE BOX 486
TELEPHONE 758-4213

September 27, 1968

Case 3909

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

Re: Application of Champlin Petroleum Company

Dear Mr. Porter:

Shortly, Champlin Petroleum Company of Fort Worth, Texas will be filing an application with the Oil Conservation Commission. When it is filed, you may enter our formal appearance on behalf of Champlin Petroleum Company.

Appearing at the hearing on the application on behalf of Champlin Petroleum Company will be its General Attorney, Bill F. Bogle. Mr. Bogle is a member of the Bar of the State of Texas and possesses a personal and professional character of the first order.

Very truly yours,

James B. Alley, Jr.

68 SEP 30 AM 8 32

DOCKET MAILED

Date 10-1-68

AC - 817

PE 8-7391
Fort Worth.

CHAMPLIN
PETROLEUM COMPANY

October 1, 1968

Case 3909

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

Attention A. L. Porter, Jr.

Re: Request for Hearing
Chaveroo-San Andres Pool
Chaves & Roosevelt Counties

To comply with Order R-3221 which prohibits the use of surface disposal pits after January 1, 1969, Champlin hereby requests a hearing by Trial Examiner to consider our application to dispose of produced water from our operations in the subject field back into the producing formation.

Champlin seeks to do this by converting two producing wells to salt water disposal wells. These wells are our Lauck-Federal No. 12, located 1980' from the south and east lines of Section 29, T7N, R33W, and our State 32-7-33 No. 5, located 1980' from the south and east lines of Section 32, T7N, R33W. The tubing string in both wells would be set on a packer with treated water in the annulus, and based on current production, the volume of water to be disposed of in each well would be between 300 (minimum) and 1200 (maximum) barrels per day at an injection pressure not to exceed 2200 psig.

At the time of the hearing, we plan to present a diagramatic sketch and an electric log on each well. Attached to this letter, however, is an Area Plat on which the two proposed SWD wells are encircled. If any additional information is required at this time, please contact me.

Sincerely,

CHAMPLIN PETROLEUM COMPANY

Pete Hoffman

PH:cd

DOCKET MAILED

Date