

CASE 4103: Application of NEW
MEXICO SALT WATER DISPOSAL CO.,
INC. FOR SALT WATER DISPOSAL.

480
30
450

Case Number.

4103

Application

Transcripts.

Small Exhibits

ETC.

MR. HATCH: Case 4103, application of New Mexico Salt Water Disposal Company, Inc. for salt water disposal, Lea County, New Mexico.

MR. KELLAHIN: If the Commission please, Jason Kellahin, Kellahin & Fox, Santa Fe, appearing for the applicant, I have one witness I would like to have sworn.

(Thereupon, Applicant's Exhibits 1 and 2 were marked identification.)

EDDIE DAVID

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

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q State your name, please?

A Eddie David.

Q Mr. David, what business are you engaged in?

A I am a consulting petroleum geologist.

Q Where are you located?

A Roswell, New Mexico.

Q Have you testified before the Oil Conservation Commission?

A No, sir, I have not.

Q For the benefit of the Commission would you briefly outline your education and experience as a petroleum geologist?

A I graduated from Texas Technological College in 1956 with a B.S. degree in petroleum geology. I have been doing that for the past 13 years. The first 10 years, I was a geologist with Texaco, working Southeast New Mexico and west Texas, and for the past 3 years I have been an independent consulting geologist in Roswell, New Mexico.

Q In connection with your work as a consulting geologist, have you actively worked in Southeastern New Mexico?

A Yes, sir.

Q And particularly in Lea County, New Mexico?

A Yes, sir.

Q Have you made an investigation of the Quail-Queen area in regard to the disposal of salt water?

A Yes, I have.

Q And you are familiar with the Quail-Queen field?

A That's correct.

MR. KELLAHIN: Are the witness's qualifications acceptable?

MR. PORTER: Yes, they are.

Q Mr. David, are you familiar with the application of New Mexico Salt Water Disposal Company in Case 4103?

A Yes, sir.

Q Briefly, what is proposed in this application?

A New Mexico Salt Water Disposal Company would like to dispose of water in the dry hole in Section 13 of 19-34, which is the Charles B Read No. 2 Atlantic Richfield.

Q Has that well ever produced?

A No, sir.

Q It was drilled as a dry hole, is that correct?

A Yes, sir.

Q Referring to what has been marked as Applicant's Exhibit No. 1, would you identify that Exhibit?

A Exhibit No. 1 is a structure map of the Quail-Queen area. It is contoured on top of the Queen formation, with a contour interval of 50 feet, and the Quail field is outlined in green, and there is also a cross section

A, which is shown in red, traced in red.

Q Where is the location of the Charles B. Read Atlantic Richfield Well No. 2?

Q It is in the southwest of the Southwest of Section 13, Township 19 South, Range 34 East.

Q Would that be the southernmost well on the cross section?

A That's correct.

Q How does that well relate to the remainder of the producing area of the Quail-Queen pool structurally?

A Structurally, it is the lowest well in the field and is contoured on the Queen. It is 37 feet low to the nearest well, and it is the lowest well in the field.

Q Do you know whether there is any other well in the area completed for salt water disposal?

A Yes, the Atlantic well in the northwest of the Northeast of Section 13 is a water disposal well.

Q That is only other one you know of in this area?

A That's correct.

Q Referring to what has been marked as Exhibit

2, would you identify that Exhibit?

A That is a cross section A, which contains four wells that run roughly in a north-south direction from the discovery Well A-1, which was the Atlantic State BG, south to A-4, which is the subject well under discussion, the proposed salt water disposal well.

Q What does this reflect in connection with the structural position of your disposal well?

A It shows that the proposed disposal well is structurally the lowest well in the field.

Q You testified a moment ago that this well was drilled as a dry hole. Do you know how it was tested?

A Yes, as shown on the cross section, it was selectively perforated, selectively treated in both the Queen and the Penrose, and then it was swabbed over selected intervals. There were four different swab tests, and on these various swab tests, for example, it would swab some formation water, and then swab dry with no significant shows of oil or gas in either the Queen or Penrose.

Q When was that well drilled?

A It was drilled in October of 1968.

Q Are you familiar with the casing and cementing program in this well?

A Yes, sir. The surface casing is a little below 400 feet, and it was circulated to surface with 150 sacks.

Q The cement was circulated, then?

A Right.

Q Now, the production string or the casing, what was the cementing on it?

A The cementing on it brought the cement back to approximately 4,500 feet, which would be approximately 300 feet above the highest perforations in the well.

Q Now, what size casing is this?

A I believe it is 5 1/2. I am not too sure.

Q Do you have any information on the perforated interval in this well?

A Yes, sir.

Q Would you read that into the record?

A The intervals perforated are as follows, with two shots per foot; 4,823, 4,824, 4,825, 4,826, 4,831,

4,832, 4,840, 4,801, 4,930, 4,952, 4,953, 4,093, 5,094,
5,091 1/2, 5,092 1/2, 5,145 and 5,146.

Q Would these substantially cover the Queen formation, or what formation would they cover?

A That would cover both the Queen and Penrose.

Q It also includes the Penrose. What is the producing formation in the Quail-Queen pool?

A The principal producing horizon is the Penrose. However, on cross section A, the Well A-3, the Charles B. Read No. 1 Atlantic Richfield did complete in the upper Queen. It is one of the few wells that did, but would be a secondary reservoir.

Q How do you propose to re-complete this Read Atlantic Well No. 2 for water disposal?

A Well, actually, I'm not too familiar with that.

Q Do you know whether you will run internally coated tubing?

A Yes, plastic coated.

Q Will you set the tubing in a packer above the perforations?

A I assume they will.

Q Do you know whether they will fill the casing

tubing annulus with sweet oil?

A There again, I am assuming they will. I am not definite on that.

Q I will call another witness for that part of it. Do you know what volume of water is proposed to be disposed in this well?

A Hopefully, up to 1,000 barrels per day.

Q What would be the source of this water?

A The water will be from the Quail-Queen field itself, and also from the Scharb-Bone Springs Pool, which is located Northeast.

Q And the Quail-Queen, do you know what volume of water it presently makes?

A Oh, I could estimate. I would estimate approximately 150 to 200 barrels a day.

Q In your opinion, will this well take up to 1000 barrels of water a day?

A Under pressure.

Q Do you have any idea as to what pressure you might encounter?

A Possibly 700, 800 pounds pressure.

Q That would be surface pressure?

A Yes.

Q In your opinion, would the injection of water in the Read Atlantic Richfield Well No. 2, located as it is in relation to the Quail-Queen pool, have any adverse effect on the production on that pool?

A No, sir.

Q Would it have any adverse effect on the rights of any offsetting operator?

A No, sir.

Q Would it cause damage to any producing formation, in your opinion?

A No, sir.

Q In your opinion, do you feel that it could be completed satisfactorily for the disposal of salt water as is being proposed here?

A That's correct.

Q Were Exhibits 1 and 2 prepared by you or under your supervision?

A Yes, the structural map was originally prepared by Bill LeMay, and I checked it and checked out the points on there, and the cross section A was prepared by me exclusively.

MR. KELLAHIN: At this time, I would like to offer as evidence Exhibits 1 and 2.

MR. PORTER: If there is no objection, Exhibits 1 and 2 will be admitted in evidence.

(Thereupon, Applicant's Exhibits 1 and 2 were admitted in evidence.)

Does anyone have any question of the witness?

Mr. Nutter, do you have a question of this witness?

MR. NUTTER: I don't believe so of this witness.

MR. PORTER: The witness may be excuse.

MR. KELLAHIN: I could like to call Mr. Charles Lovelace.

CHARLES LOVELACE

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

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Would you state your name?

A Charles Lovelace.

Q Have you testified before the oil Conservation Commission previously?

A Yes.

MR. KELLAHIN: Are the witness's qualifications acceptable?

MR. PORTER: Yes.

Q What connection do you have with the Applicant in this case?

A I am with the New Mexico Salt Water Disposal Company at the present time.

Q Do you hold an interest in this company?

A Yes.

Q Are you familiar with the application that is before the Commission at this time?

A Yes.

Q In that connection, Mr. Lovelace, how does the company propose to complete this well for salt water disposal?

A We will run 2 3/8 upset tubing, plastic coated, with a packer to probably 50 feet above the highest perforation in the interval testified, and fill the annulus with crude oil, with a proper gauge to determine whether the packer were to leak into the annulus or through the oil string.

Q You will have a pressure gauge at the surface?

A Yes.

Q On tubing casing annulus. Now, what volume of water do you propose to inject into this well?

A We are estimating at the present moment, there will probably be an ultimate 1,000 barrels a day, produced from the Quail-Queen, and from some of the edge wells in the Bone Springs. Mr. Read's Hooper Standard well over on the east flank is making about 50 barrels a day, and I believe his field man told me that most of those Queen wells are making variously from 50 barrels or less.

I think ultimately the determinate will be how many wells are ultimately completed, but we are guessing a maximum need of 1,000 barrels a day.

Q Do you anticipate that well will take that volume of water?

A Yes, sir, I think it will be necessary to inject the water - it will take about 60 barrels a day under vacuum under test.

Q You have tested the well?

A Yes.

Q And it will take about 60 barrels under vacuum?

A Right.

Q What pressure would you anticipate?

A I am guessing a safe upper limit about 750 pounds per square inch at the tubing head.

MR. KELLAHIN: That's all I have on direct examination.

CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. Lovelace, I wonder if you would go into a little more detail than the previous witness on the actual physical situation of this well. What would the setting depth of that surface pipe be?

A I believe that the C-105 or whatever the form is, the completion shows 400 feet with 150 sacks, and I am informed by the field superintendent they circulated cement on the surface pipe.

Q Then what size is the long string?

A I believe it is 4 1/2 inch.

Q Do you know how many sacks that was cemented with?

A 150. And he told me that the cement came up to 4,500 feet below the surface.

Q Do you have the casing point on the long string, Mr. Lovelace?

A Yes, we have it.

Q Mr. David, I believe, has it. Do you have that C-105 or 103, whatever that was that was filed with the Commission?

Mr. Nutter, the 8 5/8 was set at 421 feet.

Q That is 8 5/8 inch pipe?

A Yes, 24 pound. And the 24 inch, 9 1/2 pound, and 10 1/2 pound is set at 5,220 feet.

Q 5,220?

A Yes. That is the Kelly Bushing.

Q That was cemented with --

A 350 sacks.

Q And then it is estimated that the top comes to 4,500?

A Yes, I talked to Mr. Don Lowe, the Superintendent on the well. In fact, I was out there during lunch hour, and he told me that -- he did not have the record with him. They run a temperature survey on all their wells, but it is his recollection that it was about 4,500 feet, about 300 or 400 above the upper perforation, he told me.

Q And you propose to inject down 2 3/8 inch plastic coated tubing set in a packer at about 50 feet above the uppermost perforation?

A Yes, I believe that would be the most reasonable plan, because I think we may have to go to around 700 pounds pressure ultimately.

Q Now, Mr. David mentioned that Atlantic Richfield had received authority to use the well in the northwest quarter of the Northwest quarter of Section 13 as a disposal well. Do you know whether they are utilizing that well in that manner?

A We have to assume that they have authority, or else they are testing. We were at the well head, and there was every indication they were putting water in the formation, and this was confirmed by Mr. Lowe in the field, presumably on the basis of conversation with the field people out there.

Q I believe the Commission did authorize the use of a well in this area for Atlantic Richfield, so I presume that is the one, and it is taking water?

A Yes, it is.

Q And you don't know of any detrimental effect that the injection of water into that well might be having

on any other wells in the pool?

A Mr. Nutter, not to my knowledge. And I would doubt at this early date that there would be any indication, because I believe most of those wells are fairly new wells. They have been completed within the last six months.

Q Do you anticipate any compatibility water problem from the Scharb-Bone Springs, if they are injected into the Queen formation here?

A This could be possible, of course. Frankly, whether it would be or not --

Q If any problem exists or does occur, then water would be treated to satisfactorily disposed of it in the Queen?

A Yes. As a matter of fact, we have also acquired that Getty dry hole, I believe it is, in the north half of Section 12, which was drilled to the Bone Springs. And I would anticipate, if this well failed to continue to take water, that we would make application to try to re-enter that hole, if down the line we got into difficulty.

MR. NUTTER: That is all.

MR. PORTER: Any further question? You may be excused.

Does anyone else have anything to offer in Case 4103? The Commission will take the case under advisement, and take up Case 4105.

I N D E XWITNESSES:PAGE

EDDIE DAVID

Direct Examination by Mr. Kellahin

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CHARLES LOVELACE

Direct Examination by Mr. Kellahin

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Cross Examination by Mr. Nutter

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ADMITTED INTO

EXHIBITSMARKEDEVIDENCEApplicant's Exhibits
1 and 2

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STATE OF NEW MEXICO)
) ss.
COUNTY OF BERNALILLO)

I, SAMUEL MORTELLETTE, 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 tht the same is a true and
correct record of the said proceedings, to the best of
my knowledge, skill and ability.





OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

P. O. BOX 2088 - SANTA FE

87801

April 22, 1969

GOVERNOR
DAVID F. CARGO
CHAIRMAN

LAND COMMISSIONER
ALEX J. ARMJO
MEMBER

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

Mr. Jason Kellahin
Kellahin & Fox
Attorneys at Law
Post Office Box 1769
Santa Fe, New Mexico

Re: Case No. 4103
Order No. R-3733
Applicant:
New Mexico Salt Water Disposal

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

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. 4103
Order No. R-3733

APPLICATION OF NEW MEXICO SALT WATER
DISPOSAL COMPANY, INC., 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 April 16, 1969, at Hobbs, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 22nd day of April, 1969, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, New Mexico Salt Water Disposal Company, Inc., is the owner and operator of the Charles B. Read Atlantic Richfield Well No. 2, located 660 feet from the South line and 660 feet from the West line of Section 13, Township 19 South, Range 34 East, NMPM, Quail-Queen Pool, Lea County, New Mexico.

(3) That the applicant proposes to utilize said well to dispose of produced salt water into the Queen formation, with injection into the perforated interval from approximately 4823 feet to 5146 feet.

(4) That the injection should be accomplished through 2 3/8-inch plastic-lined tubing installed in a packer set at approximately 4773 feet; that the casing-tubing annulus should

-2-

CASE No. 4103
Order No. R-3733

be filled with an inert fluid; and that a pressure gauge should be attached to the annulus 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:

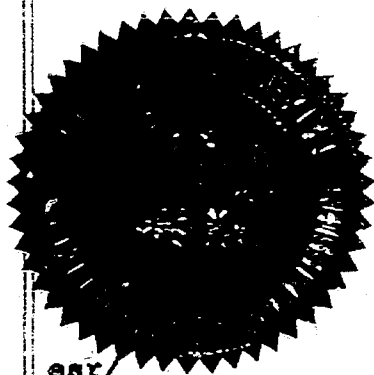
(1) That the applicant, New Mexico Salt Water Disposal Company, Inc., is hereby authorized to utilize its Charles B. Read Atlantic Richfield Well No. 2, located 660 feet from the South line and 660 feet from the West line of Section 13, Township 19 South, Range 34 East, NMPH, Quail-Queen Pool, Lea County, New Mexico, to dispose of produced salt water into the Queen formation, injection to be accomplished through 2 3/8-inch tubing installed in a packer set at approximately 4773 feet, with injection into the perforated interval from approximately 4823 feet to 5146 feet;

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 at the surface in order to determine leakage in the casing, tubing, or packer.

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

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

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



STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

David F. Cargo
DAVID F. CARGO, Chairman

Alex J. Armijo
ALEX J. ARMILLO, Member

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

Docket No. 11-69

DOCKET: REGULAR HEARING - WEDNESDAY - APRIL 16, 1969

OIL CONSERVATION COMMISSION - 9 A.M. THE HOLIDAY INN, 200 SOUTH LINAM,
HOBBS, NEW MEXICO

- ALLOWABLE: (1) Consideration of the oil allowable for May, 1969.
- (2) Consideration of the allowable production of gas for May, 1969, from thirteen prorated pools in Lea, Eddy, and Roosevelt Counties, New Mexico. Consideration of the allowable production of gas from nine prorated pools in San Juan, Rio Arriba and Sandoval Counties, New Mexico, for May, 1969.

CASE 4099: Application of Joseph L. Dunigan for an exception to Order No. R-3221, as amended, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221, as amended, which order prohibits the disposal of water produced in conjunction with the production of oil on the surface of the ground in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico, after January 1, 1969. Said exception would be for the Sudderth and Hicks Vickers Well No. 1 located in Unit A of Section 23, Township 20 South, Range 28 East, Russell (Yates) Pool, Eddy County, New Mexico. Applicant seeks authority to continue to dispose of produced salt water in an unlined surface pit located near said well.

CASE 4100: Application of J. M. C. Ritchie for an exception to Order No. R-3221, as amended, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221, as amended, which order prohibits the disposal of water produced in conjunction with the production of oil on the surface of the ground in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico, after January 1, 1969. Said exception would be for four wells located in Sections 16, 20 and 21 of Township 26 South, Range 27 West, Welch-Delaware Pool, Eddy County, New Mexico. Applicant seeks authority to continue to dispose of salt water produced by the four wells in unlined surface pits.

CASE 4101: Application of George H. Mitchell for an exception to Order No. R-3221, as amended, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221, as amended, which order prohibits the disposal of water produced in conjunction with the production of oil or gas or both, on the surface of the ground in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico, after January 1, 1969. Said exception would be for all wells producing from the Pecos-Delaware Pool, Eddy County, New Mexico. Applicant seeks authority for the operators of said wells to continue to dispose of produced water in unlined surface pits servicing said wells.

CASE 4102: Application of W. H. McKinley for an exception to Order No. R-3221, as amended, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221, as amended which order prohibits the disposal of water produced in conjunction with the production of oil or gas, or both, on the surface of the ground in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico, after January 1, 1969. Said exception would be for the applicant's lease covering the SE/4 of Section 1, Township 17 South, Range 30 East, Square Lake Grayburg-San Andres Pool, Eddy County, New Mexico. Applicant seeks authority to continue to dispose of salt water produced by the wells on said lease in unlined surface pits.

CASE 4103: Application of New Mexico Salt Water Disposal Company, Inc., for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Queen and Penrose formations in the perforated interval from approximately 4823 feet to 5146 feet in the Charles B. Read Atlantic Richfield Well No. 2 located 660 feet from the South and West lines of Section 13, Township 19 South, Range 34 East, Quail-Queen Pool, Lea County, New Mexico.

CASE 4104: In the matter of the hearing called by the Oil Conservation Commission upon its own motion to consider the adoption of an administrative procedure whereby the Secretary-Director of the Commission could grant exceptions to Rule 303 (a) of the Commission Rules and Regulations and permit marginal zones in dually completed oil wells to be commingled in the well-bore provided waste would not result thereby, provided dual-flow down-hole choke assemblies or other acceptable mechanical devices were installed, and provided that the total production from both zones would not exceed top allowable for the uppermost zone. Further, to consider an administrative procedure to permit down-hole commingling of low marginal wells approaching their economic limit without the installation of the above-mentioned down-hole equipment.

CASE 4105: Southeastern nomenclature case calling for an order for the creation and extension of certain pools in Lea, Eddy, Chaves and Roosevelt Counties, New Mexico:

(a) Create a new pool in Lea County, New Mexico, classified as an oil pool for San Andres production and designated as the Cormac-San Andres Pool comprising the following:

TOWNSHIP 10 SOUTH, RANGE 33 EAST, NMPM
Section 17: NE/4

Further, for the assignment of approximately 22,040 barrels of oil discovery allowable to the discovery well Corinne Grace's T. P. State Well No. 1 located in Unit A of said Section 17.

(b) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the South Carlsbad-Morrow Gas Pool. The discovery well is Pennzoil United, Inc., Mobil 12 Federal No. 1 located in Unit G of Section 12, Township 23 South, Range 26 East, NMPM. Said pool should comprise:

TOWNSHIP 23 SOUTH, RANGE 26 EAST, NMPM
SECTION 12: N/2

(c) Create a new pool in Lea County, New Mexico, classified as an oil pool for Delaware production and designated as the Lusk-Delaware Pool. The discovery well is Pan American Petroleum Corporation, Plains Unit Federal No. 7 located in Unit D of Section 33, Township 19 South, Range 32 East. Said pool should comprise:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM
SECTION 33: NW/4

(d) Extend the East Bluitt-San Andres Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 37 EAST, NMPM
SECTION 13: SW/4

TOWNSHIP 8 SOUTH, RANGE 38 EAST, NMPM
SECTION 18: NW/4

(e) Extend the South Corbin-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM
SECTION 29: W/2

(f) Extend the Drinkard Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
SECTION 25: NW/4

(g) Extend the Hobbs-Blinbry Pool in Lea County, New Mexico, to include therein:

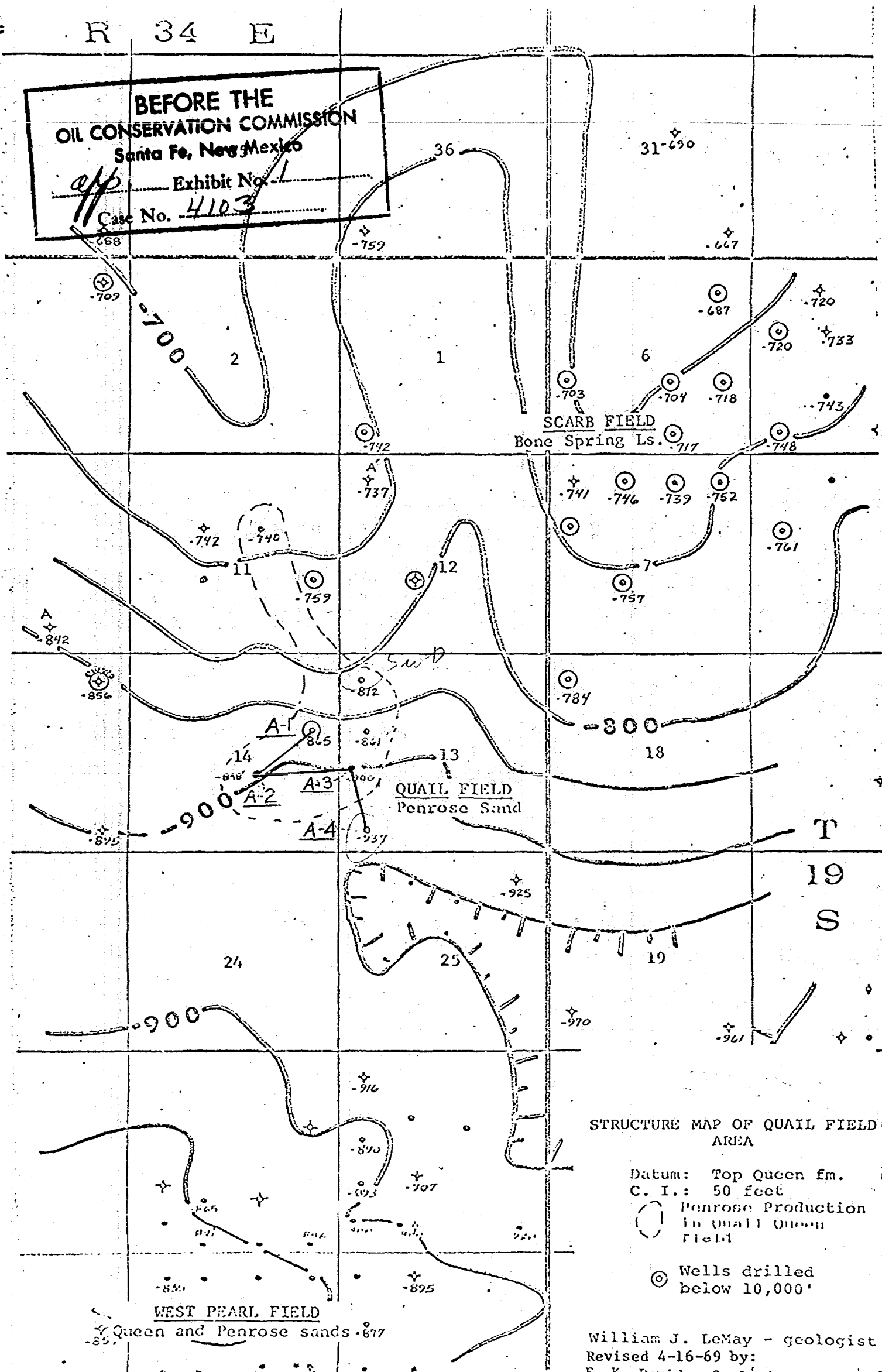
TOWNSHIP 18 SOUTH, RANGE 38 EAST, NMPM
SECTION 29: SW/4

(h) Extend the Imperial Tubb-Drinkard Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM
SECTION 21: E/2
SECTION 27: SW/4
SECTION 28: E/2
SECTION 33: NE/4

R 34 E

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
Exhibit No. 1
Case No. 4103



STRUCTURE MAP OF QUAIL FIELD AREA

Datum: Top Queen fm.
C. I.: 50 feet
Penrose Production
in Quail Queen
Field
Wells drilled
below 10,000'

William J. LeMay - geologist
Revised 4-16-69 by:
E. K. David - Geologist

NEW MEXICO SALT WATER DISPOSAL COMPANY, INC.

212 PETROLEUM BLDG.

P. O. BOX 566

ROSWELL, NEW MEXICO 88201

PHONE 622-1958 AREA CODE 505

March 26, 1969

63 MAR 27 1969

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

Case 4103

Gentlemen:

This is to request the setting of a hearing to consider our application for conversion of the Charles B. Read No. 2 Atlantic Richfield dry hole located 660' FS & W lines Section 13, Twp. 19 South, Rge. 34 East, Lea County, as a salt water disposal well; water to be injected into the Queen and Penrose formations through perforations in the casing, two shots per foot as follows:

4823', 4824', 4825', 4826', 4831', 4832', 4919',
4920', 4952', 4953', 5083', 5084', 5091.5',
5092.5', 5145' and 5146'.

This well drilled to total depth of 5220' was plugged back to 5190' its present depth.

We propose to gather salt water from various wells in the Scharb Bone Spring Pool and the Quail Queen Pool and dispose of it in the instant well.

Your early advice in this matter will be appreciated.

Respectfully,

Quail Queen

Charles C. Loveless, Jr.
President

ccl:nm

DOCKET MAILED

4-2-69

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. 4103

Order No. R- 3723

APPLICATION OF NEW MEXICO SALT WATER
DISPOSAL COMPANY, INC., FOR SALT WATER
DISPOSAL, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSIONBY THE COMMISSION:

This cause came on for hearing at 9 a.m. on April 16, 1969, at Hobbs, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this _____ day of April, 1969, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, New Mexico Salt Water Disposal Company, Inc.
Charles B. Read Atlantic
is the owner and operator of the Richfield Well No. 2
660 feet from the South line and 660 feet from the West line
located in Unit III of Section 13, Township 19 South, Range
34 East, NMPM, Quail-Queen Pool, Lea
County, New Mexico.

(3) That the applicant proposes to utilize said well to dispose of produced salt water into the Queen and Penrose formations, with injection into the perforated interval from approximately 4823 feet to 5146 feet.

(4) That the injection should be accomplished through 2 3/8-inch plastic-lined tubing installed in a packer set at

approximately 4773 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, New Mexico Salt Water Disposal Company, Inc.,
is hereby authorized to utilize its Charles B. Read Atlantic Richfield Well No. 2,
660 feet from the South line and 660 feet from the West line
located ~~at the NW 1/4~~ of Section 13, Township 19 South, Range
34 East, NMPM, Quail-Queen Pool, Lea
County, New Mexico, to dispose of produced salt water into the
Queen ~~and~~ formation, injection to be accomplished through
2 3/8-inch tubing installed in a packer set at approximately
4773 feet, with injection into the perforated interval
from approximately 4823 feet to 5146 feet;

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 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.

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. 4102

Order No. R-2734

APPLICATION OF W. H. McKINLEY
FOR AN EXCEPTION TO ORDER NO.
R-3221, AS AMENDED, EDDY COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on April 16, 1969, at Hobbs, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this _____ day of April, 1969, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, W. H. McKinley, is owner and operator of certain wells on his lease covering the ~~SE/4~~ ^{NE/4} of Section 1, Township 17 South, Range 30 East, NMPM, Square Lake Grayburg-San Andres Pool, Eddy County, New Mexico.

(3) That effective January 1, 1969, Order (3) of Commission Order No. R-3221, as amended, prohibits in that area encompassed by Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico, the disposal, subject to minor exceptions, of water produced in conjunction with the production of oil or gas, or both, on the surface of the ground, or in any pit, pond, lake, depression, draw, streambed, or arroyo, or in any watercourse, or in any

other place or in any manner which would constitute a hazard to any fresh water supplies and said disposal has not previously been prohibited.

(4) That the aforesaid Order No. R-3221 was issued in order to afford reasonable protection against contamination of fresh water supplies designated by the State Engineer through disposal of water produced in conjunction with the production of oil or gas, or both, in unlined surface pits.

(5) That the State Engineer has designated, pursuant to Section 65-3-11 (15), N.M.S.A., 1953 Compilation, all underground water in the State of New Mexico containing 10,000 parts per million or less of dissolved solids as fresh water supplies to be afforded reasonable protection against contamination; except that said designation does not include any water for which there is no present or reasonably foreseeable beneficial use that would be impaired by contamination.

(6) That the applicant seeks an exception to the provisions of the aforesaid Order (3) to permit the continued disposal of salt water, produced by applicant's wells located on his lease covering the ~~SE 1/4~~ ^{NE 1/4} of said Section 1, in an unlined surface pit located in said quarter-quarter section.

(7) That the applicant ^{has a need to dispose} ~~is presently disposing~~ of approximately 13 barrels of water per day in the subject pits.

(8) That the evidence indicates that there are no shallow water wells within ^{six} ~~a~~ miles of the subject lease.

(9) That there appears to be no water in the vicinity of the subject lease for which a present or reasonably foreseeable beneficial use is or will be made that would be impaired by contamination from said pit.

(10) That the applicant should be permitted to dispose of salt water produced by his wells located in the ^{NE 1/4} ~~SE 1/4~~ of said Section 1, in ^{an} ~~the~~ unlined surface pits located in said quarter section.

IT IS THEREFORE ORDERED:

(1) That the applicant, W. H. McKinley, is hereby granted an exception to Order (3) of Commission Order No. R-3221, as amended, to dispose of water produced in conjunction with the production of oil or gas, or both, by his wells located in the NE 1/4 of Section 1, Township 17 South, Range 30 East, Square Lake Grayburg-San Andres Pool, Eddy County, New Mexico, in unlined [~]surface pits located in said quarter section until further order of the Commission.

(2) That the Commission may by administrative order rescind such authority whenever it reasonably appears to the Commission that such rescission would serve to protect fresh water supplies from contamination.

(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.