

Entered January 17, 1978  
JRK

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. 6116  
Order No. R-5623

APPLICATION OF MERRION & BAYLESS  
FOR SALT WATER DISPOSAL, SAN JUAN  
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 4, 1978, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 17th day of January, 1978, 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, Merrion & Bayless, is the owner and operator of the Hudson Well No. 1, located in Unit D of Section 26, Township 30 North, Range 12 West, NMPM, Flora Vista-Mesaverde Pool, San Juan County, New Mexico.

(3) That the applicant proposes to utilize said well to dispose of produced salt water into the Mesaverde formation, with injection into the perforated interval from approximately 3374 feet to 3395 feet.

(4) That the injection should be accomplished through 2 3/8-inch plastic lined tubing installed in a packer set at approximately 3300 feet; that the casing-tubing annulus should be filled with an inert fluid; and that a pressure gauge or approved leak detection device should be attached to the annulus in order to determine leakage in the casing, tubing, or packer.

(5) That disposal of water into the Mesaverde formation in the subject well should be limited to 500 barrels of water per day, and the surface injection pressure should not exceed 660 psi.

-2-

Case No. 6116

Order No. R-5623

(6) That the operator should notify the supervisor of the Aztec district office of the Commission of the date and time of the installation of disposal equipment so that the same may be inspected.

(7) That the operator should take all steps necessary to ensure that the injected water enters only the proposed injection interval and is not permitted to escape to other formations or onto the surface.

(8) That should the disposal of water into the Mesaverde formation in the subject well cause suspected adverse effects on production from nearby Mesaverde wells, the disposal of water into the subject well should be suspended pending a hearing to determine if such indeed be the case.

(9) That subject to the above conditions, 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, Merrion & Bayless, is hereby authorized to utilize their Hudson Well No. 1, located in Unit D of Section 26, Township 30 North, Range 12 West, NMPM, Flora Vista-Mesaverde Pool, San Juan County, New Mexico, to dispose of produced salt water into the Mesaverde formation, injection to be accomplished through 2 3/8-inch tubing installed in a packer set at approximately 3300 feet, with injection into the perforated interval from approximately 3374 feet to 3395 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 shall be equipped with an approved leak detection device in order to determine leakage in the casing, tubing, or packer.

(2) That the injection system shall be equipped with a pressure limitation switch or other acceptable device which will limit the wellhead pressure on the injection well to no more than 660 psi.

(3) That disposal of water into the Mesaverde formation in the subject well shall be limited to 500 barrels of water per day.

(4) That the operator of the herein authorized disposal well shall suspend disposal operations pending public hearing should it be suspected by the Commission that disposal into the Mesaverde formation in the well may be causing adverse effects on production from nearby Mesaverde wells.

-3-

Case No. 6116  
Order No. R-5623

(5) That the operator shall notify the supervisor of the Aztec district office of the Commission of the date and time of the installation of disposal equipment so that the same may be inspected.

(6) That the operator shall immediately notify the supervisor of the Commission's Aztec district office of the failure of the tubing, casing, or packer, in said well or the leakage of water from or around said well and shall take such steps as may be timely and necessary to correct such failure or leakage.

(7) That the applicant shall submit monthly reports of its disposal operations in accordance with Rules 704 and 1120 of the Commission Rules and Regulations and shall furnish one copy of each such monthly report to the operator of the Mesaverde gas well located in the SE/4 of Section 27, Township 30 North, Range 12 West, NMPM, San Juan County, New Mexico.

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

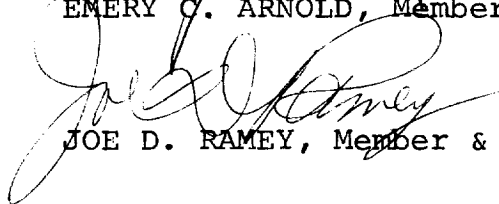
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

PHIL R. LUCERO, Chairman



EMERY C. ARNOLD, Member



JOE D. RAMEY, Member & Secretary

S E A L

jr/