Entered Much 2, 1970 af.

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. 4308 Order No. R-3927

APPLICATION OF BILL J. GRAHAM 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 February 25, 1970, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 2nd day of March, 1970, 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, Bill J. Graham, is the owner and operator of the U. S. Smelting Federal Well No. 5, located in Unit P of Section 22, Township 24 South, Range 32 East, NMPM, Double X-Delaware Pool, Lea County, New Mexico.

(3) That the applicant proposes to utilize said well to dispose of produced salt water into the Delaware formation, with injection through perforations at approximately 4913 feet.

(4) That the injection should be accomplished through 2-inch plastic-lined tubing installed in a packer set at approximately 4800 feet; that the casing-tubing annulus should 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. -2-CASE No. 4308 Order No. R-3927

(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, Bill J. Graham, is hereby authorized to utilize his U. S. Smelting Federal Well No. 5, located in Unit P of Section 22, Township 24 South, Range 32 East, NMPM, Double X-Delaware Pool, Lea County, New Mexico, to dispose of produced salt water into the Delaware formation, injection to be accomplished through 2-inch tubing installed in a packer set at approximately 4800 feet, with injection through perforations at approximately 4913 feet;

<u>PROVIDED HOWEVER</u>, 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 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 OLL CONSERVATION COMMISSION

J ARGO. Chairman A. L. PORTER, Jr., Member & Secretary

SEAL

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