

SUBJECT: SALT WATER DISPOSAL WELL

ORDER NO. SWD-164

THE APPLICATION OF SKELTON OIL COMPANY
FOR A SALT WATER DISPOSAL WELL.

ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION COMMISSION

Under the provisions of Rule 701 (C) Skelton Oil Company, made application to the New Mexico Oil Conservation Commission on April 21, 1975, for permission to complete for salt water disposal its State Well No. 1 located in Unit J of Section 2, Township 14 South, Range 37 East, NMPM, Lea County, New Mexico.

The Secretary-Director finds:

1. That application has been duly filed under the provisions of Rule 701 (C) of the Commission Rules and Regulations;
2. That satisfactory information has been provided that all offset operators and surface owners have been duly notified; and
3. That the applicant has presented satisfactory evidence that all requirements prescribed in Rule 701 (C) will be met.
4. That no objections have been received within the waiting period prescribed by said rule.

IT IS THEREFORE ORDERED:

That the applicant herein, Skelton Oil Company, is hereby authorized to complete its State Well No. 1 located in Unit J of Section 2, Township 14 South, Range 37 East, NMPM, Lea County, New Mexico, in such a manner as to permit the injection of salt water for disposal purposes into the San Andres formation at approximately 4697 feet to approximately 6100 feet through 2 3/8 inch plastic lined tubing set in a packer located at approximately 4697 feet.

IT IS FURTHER ORDERED:

That the operator shall 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.

That the casing-tubing annulus shall be loaded with an inert fluid and be left open or equipped with a pressure gauge at the surface to facilitate detection of leakage in the casing, tubing or packer.

That the operator shall notify the supervisor of the Commission's Hobbs District Office before injection is commenced through said well.

That the operator shall immediately notify the supervisor of the Commission's Hobbs 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

-2-

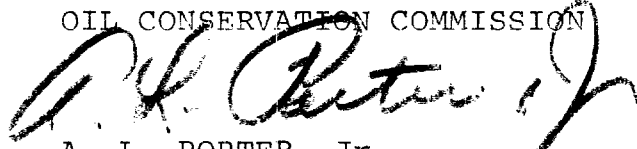
timely or necessary to correct such failure or leakage.

PROVIDED FURTHER:

That jurisdiction of this cause is hereby retained by the Commission for such further order or orders as may seem necessary or convenient for the prevention of waste and/or protection of correlative rights; upon failure of applicant to comply with any requirement of this order after notice and hearing, the Commission may terminate the authority hereby granted in the interest of conservation. That applicant shall submit monthly reports of the disposal operation in accordance with Rule 704 and 1120 of the Commission Rules and Regulations.

APPROVED at Santa Fe, New Mexico, on this 6th day of May, 1975.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

A handwritten signature in dark ink, appearing to read "A. L. Porter, Jr.", is written over the typed name and title.

A. L. PORTER, Jr.
Secretary-Director

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