

BEFORE THE
OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION OF
DOYLE HARTMAN, OIL OPERATOR FOR
CORRECTION OF ORDER NO. R-3621 TO
REFLECT THE TRUE DISPOSAL INTERVAL
OF THE MCKINNEY STATE WELL NO. 1,
SECTION 36, TOWNSHIP 24 SOUTH,
RANGE 36 EAST, LEA COUNTY, NEW MEXICO

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CASE NO. 3976

OIL CONSERVATION DIV.
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APPLICATION

Doyle Hartman, Oil Operator, applies to the New Mexico Oil Conservation Division ("Division") for an order correcting Order R-3621, entered by the Commission on December 9, 1968, to reflect the true interval of saltwater disposal, in the McKinney State Well No. 1, a disposal well located 660' FNL and 660' FEL (Unit A), Section 36, Township 24 South, Range 36 East, Langlie Mattix Pool, Lea County, New Mexico. As grounds for this Application, Hartman states as follows:

1. On November 21, 1968, Texas Pacific Oil Company filed an application in Case No. 3976 before the Oil Conservation Commission seeking approval to convert a former Langlie Mattix pool oil well, the McKinney State Well No. 1, into a well for the disposal of saltwater. The Application reflected that disposal would take place through the open-hole interval in the well, from approximately 3,148 feet to 3,450 feet. A copy of the Application is attached hereto as Exhibit A.

2. During the course of the hearing on the Application, the Texas Pacific witness, John Walters, testified erroneously that "the well had been plugged back, at an earlier date, and the interval that we proposed to use will be 3,148 to 3,210, the current plug-back depth, this being an open-hole disposal." Mr. Walters then asked that the application be amended

to reflect the depth of only 3,210, rather than the advertised depth of 3,450 feet, as stated on the face of the application itself. A copy of the transcript of hearing is attached hereto as Exhibit B.

3. The well was not and has not been permanently plugged back to 3,210 feet, and no such record, as referenced by Mr. Walter, has ever been discovered.

4. Based upon the amended Application, and the testimony provided at hearing, the Commission issued Order R-3621 dated December 9, 1968, reflecting a disposal depth into an open-hole interval in the McKinney State Well No. 1, from approximately 3,148 feet to 3,210 feet. A copy of that Order is attached hereto as Exhibit C.

5. Hartman acquired the McKinney State Well No. 1 on January 2, 1986, by assignment from Sun Oil Co., the assignee of Texas Pacific Oil Company. Hartman has operated the McKinney State Well No. 1 since that time for purposes of saltwater disposal. Hartman has operated the well and disposed of water thereon, to a depth of approximately 3,490 feet, the same interval as had been the practice of his predecessors, and with no knowledge of the terms of Order R-3621. The well also has State Land Office approval under saltwater disposal easement SWD-179, which was last renewed June 7, 2000 for a term of five years.

6. Hartman only recently became aware of the contents of Order R-3621, in conversations with representatives of the Division's office, in Hobbs, New Mexico.

7. In fact, the well records of both Hartman and the NMOCD, and the well configuration itself, reveal that the McKinney State Well No. 1 was never plugged back to 3,210 feet, and was not plugged back, at that depth, at the time of the Texas Pacific application and the Commission issuance of Order R-3621. The testimony to that effect, at

the 1968 hearing, in this case, was erroneous and lead to the erroneous terms of the subject Order, which has been newly discovered.

8. From 1968 to the present, the McKinney State Well No. 1 has disposed of produced water, for the benefit of Hartman, Hartman's predecessors in interest, and offset well operators, into an open-hole completion depth of 3,148 to approximately 3,490 feet, without problem or incident. Hartman has recently performed well work to optimize injectivity by cleaning fill and sulfate reducing bacteria from the open-hole completion/injection interval. A new 7" Baker Lok-Set injection packer was installed in the well on April 10, 2001, at 3064', the same packer setting depth that has been utilized since 1976. Also, as part of the recent well work, on March 29, 2001, a cement bond log was run from 0' to 3,148'. Based upon an evaluation of the bond log, the 7" O.D. production casing was successfully pressure tested on March 30, 2001, from 0' to 2,980', to a surface pressure of 2000 psi, documenting that the McKinney State No. 1 wellbore possesses sound mechanical integrity.

9. Approval of this application will prevent waste and protect correlative rights, and bring Order R-3621 into conformance with the true and correct factual state of the McKinney Well No. 1 injection interval

10. Notice of this application is being provided to all offset operators, as required by Division Rules and Regulations, the identification of those parties appears on Exhibit "D" attached.

WHEREFORE, Hartman respectfully requests that the Division publish notice as required, and after hearing that it correct Order R-3621 to reflect the saltwater disposal interval approved for injection is from approximately 3,148 feet to approximately 3,490 feet.

Respectfully submitted,

GALLEGOS LAW FIRM, P.C.

By

A handwritten signature in black ink, appearing to read "J.E. Gallegos", written over a horizontal line.

J.E. GALLEGOS

MICHAEL J. CONDON

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