

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 8210
Order No. R-7605

APPLICATION OF COASTAL OIL & GAS
CORPORATION FOR SALT WATER DISPOSAL,
LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on July 11, 1984, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 3rd day of July, 1984, the Division Director, 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 Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Coastal Oil & Gas Corporation, is the owner and operator of the State "22" Well No. 1 located in Unit I of Section 22 and the State "27" Well No. 1 located in Unit H of Section 27, both in Township 14 South, Range 32 East, NMPM, Lea County, New Mexico.

(3) That the applicant proposes to utilize said wells to dispose of produced salt water into the San Andres formation, with injection into the perforated intervals from approximately 5100 feet to 5500 feet.

(4) That there are seven wells located within the one-half mile areas of review around the proposed disposal wells which seven wells have not been cemented across the proposed injection interval.

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(5) That said seven wells, all located in Township 14 South, Range 32 East, Lea County, are described as follows:

in Section 22, Coastal Oil and Gas Corporation State "22" Well No. 2 located 660 feet from the South line and 1340 feet from the East line;

in Section 23, Coastal Oil and Gas Corporation State "23" Well No. 1 located 1980 feet from the South line and 1980 feet from the West line;

in Section 26, Coastal Oil and Gas Corporation State "26" Well No. 1 located 660 feet from the North line and 660 feet from the West line, Well No. 3 located 1980 feet from the South line and 660 feet from the West line, and Well No. 4 located 1980 feet from the North line and 1980 feet from the West line; and,

in Section 27, Coastal Oil and Gas Corporation State "27" Well No. 2 located 660 feet from the South line and 660 feet from the East line, and Well No. 3 located 990 feet from the North line and 1300 feet from the East line.

(6) That the uncemented casing-hole annular space in any of said wells could serve as an avenue for the migration of injected fluid or the migration of native fluids made mobile by the proposed injection to other zones.

(7) That migration of such fluids into zones other than the authorized injection zone should be prohibited.

(8) That such migration could further pose a threat to fresh waters and should be prohibited.

(9) That in addition to said seven wells, the Shell Oil Company State "TU" Well No. 1 located 1980 feet from the North line and 1980 feet from the East line of said Section 27 appears to have not been plugged in a manner which would confine the injected fluid in the injection interval.

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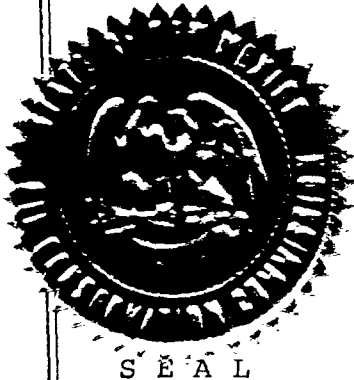
(10) That to prevent the unauthorized migration of said fluids and to preclude a threat to fresh waters the subject application should be denied.

IT IS THEREFORE ORDERED:

(1) That the application of Coastal Oil & Gas Corporation to utilize its State "22" Well No. 1 located in Unit I of Section 22 and its State "27" Well No. 1 located in Unit H of Section 27, both in Township 14 South, Range 32 East, NMPM, Lea County, New Mexico, to dispose of produced salt water into the San Andres formation is hereby denied.

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

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



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Joe D. Ramey
JOE D. RAMEY
Director

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