

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. 8530
Order No. R-7937

APPLICATION OF READING & BATES
PETROLEUM CO. FOR SALT WATER DISPOSAL,
SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on April 10, 1985, at Santa Fe, New Mexico, before Examiner Gilbert P. Quirtana.

NOW, on this 14th day of June, 1985, 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, Reading & Bates Petroleum Co., is the owner and operator of the Navajo Tocito Well No. 4, located 1963 feet from the South line and 997 feet from the West line of Section 10, Township 26 North, Range 18 West, NMPM, San Juan County, New Mexico.
- (3) That the applicant proposes to utilize said well to dispose of produced salt water into the North Tocito Dome-Pennsylvanian Pool with injection into the perforated interval from approximately 6382 feet to 6386 feet.
- (4) Production from offsetting wells will not be adversely affected by water disposal into said well.
- (5) That the injection should be accomplished through 2 3/8-inch plastic lined tubing installed in a packer set at approximately 6332 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.

(6) Prior to commencing injection operations, the casing in the subject well should be pressure-tested throughout the interval from the surface down to the proposed packer setting depth, to assure the integrity of such casing.

(7) That the injection well or system should be equipped with a pop-off valve or acceptable substitute which will limit the wellhead pressure on the injection well to no more than 1276 psi.

(8) That the Director of the Division should be authorized to administratively approve an increase in the injection pressure upon a proper showing by the operator that such higher pressure will not result in migration of the injected waters from the Pennsylvanian formation.

(9) That the operator should notify the supervisor of the Aztec district office of the Division of the date and time of the installation of disposal equipment and of the mechanical integrity pressure test in order that the same may be witnessed.

(10) 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.

(11) 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, Reading & Bates Petroleum Co., is hereby authorized to utilize its Navajo Tocito Well No. 4, located 1963 feet from the South line and 997 feet from the West line of Section 10, Township 26 North, Range 18 West, NMPM, San Juan County, New Mexico, to dispose of produced salt water into the Pennsylvanian formation, injection to be accomplished through 2 3/8-inch tubing installed in a packer set at approximately 6,332 feet, with injection into the perforated interval from approximately 6382 feet to 6386 feet;

PROVIDED HOWEVER THAT, the tubing shall be internally 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.

PROVIDED FURTHER THAT, prior to commencing injection operations, the casing in the subject well shall be pressure-tested to assure the integrity of such casing in a manner that is satisfactory to the supervisor of the Division's district office at Aztec.

(2) That the injection well or system shall be equipped with a pop-off valve or acceptable substitute which will limit the wellhead pressure on the injection well to no more than 1,276 psi.

(3) That the Director of the Division may authorize an increase in injection pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the injected fluid from the Pennsylvanian formation.

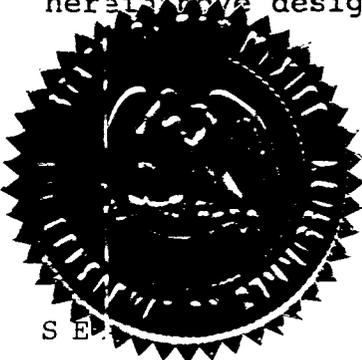
(4) That the operator shall notify the supervisor of the Aztec district office of the Division of the date and time of the installation of disposal equipment and of the mechanical integrity test so the same may be witnessed.

(5) That the operator shall immediately notify the supervisor of the Division'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.

(6) That the applicant shall submit monthly reports of its disposal operations in accordance with Rules 704 and 1120 of the Division Rules and Regulations.

(7) 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 herein above designated.



STATE OF NEW MEXICO
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A handwritten signature in cursive script, appearing to read "R. L. Stamets".

R. L. STAMETS,
Director