

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 8234
Order No. R-7637

APPLICATION OF ANADARKO
PRODUCTION COMPANY FOR
SALT WATER DISPOSAL AND
AN UNORTHODOX WELL LOCATION,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on August 1, 1984, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 23rd day of August, 1984, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, 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, Anadarko Production Company, seeks authority to dispose of produced salt water into the Cisco Canyon formation in the perforated interval from approximately 7800 feet to 8040 feet in its Dagger Draw SWD Well No. 1 to be located at an unorthodox location 1495 feet from the North line and 225 feet from the West line of Section 22, Township 19 South, Range 25 East, NMPM, Eddy County, New Mexico.

(3) That the proposed disposal zone in the above well encompasses the "C" and "D" zones of the Cisco Canyon formation.

(4) That no commercial oil and gas production has been found in the "C" and "D" zones in the immediate area of the said proposed disposal well.

(5) That the "C" and "D" zones appear to be separated from the "A" and "E" zones by impermeable non-porous dolomite and shales.

(6) That the disposal of produced water into the proposed disposal interval will not cause the premature drowning by water of any zone capable of producing commercial quantities of oil and gas in the area of said Section 22.

(7) That approval of the application will not impair correlative rights nor cause waste.

(8) That the injection should be accomplished through 2 7/8-inch plastic-lined tubing installed in a packer set at approximately 7800 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.

(9) That the applicant should be authorized to dispose of up to a maximum of 10,000 Bbls/day of salt water into the proposed disposal well.

(10) That the injection well or system should be equipped with a pressure limiting switch or other acceptable device which will limit the wellhead pressure on the injection well to no more than 1560 psi.

(11) 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 water from the "C" and "D" zones of the Cisco Canyon formation.

(12) That the operator should notify the supervisor of the Artesia district office of the Division of the date and time of the installation of disposal equipment so that the same may be inspected.

(13) 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.

IT IS THEREFORE ORDERED:

(1) That the applicant, Anadarko Production Company, is hereby authorized to drill its Dagger Draw Salt Water Disposal Well No. 1 at an unorthodox location 1495 feet from the North line and 225 feet from the West line of Section 22, Township 19 South, Range 25 East, NMPM, Eddy County, New Mexico, to dispose of produced salt water into the "C" and "D" zones of the Cisco Canyon formation, injection to be accomplished through 2 7/8-inch tubing installed in a packer set at approximately 7300 feet, with injection into the perforated interval from approximately 7800 feet to 8040 feet;

PROVIDED HOWEVER, 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 or the annulus shall be equipped with an approved leak detection device in order to determine leakage in the casing, tubing, or packer.

(2) That the injection well or system shall be equipped with a pressure limiting switch or other acceptable device which will limit the wellhead pressure on the injection well to no more than 1560 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 "C" and "D" zones of the Cisco Canyon formation.

(4) That the operator shall notify the supervisor of the Artesia district office of the Division of the date and time of the installation of disposal equipment so that the same may be inspected.

(5) That the operator shall immediately notify the supervisor of the Division's Artesia 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 702, 703, 704, 705, 706, 708, and 1120 of the Division Rules and Regulations.

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

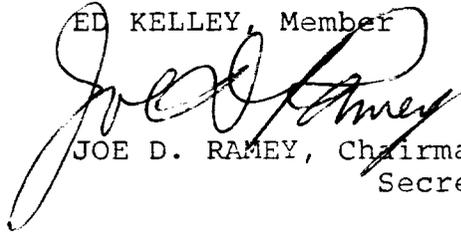
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

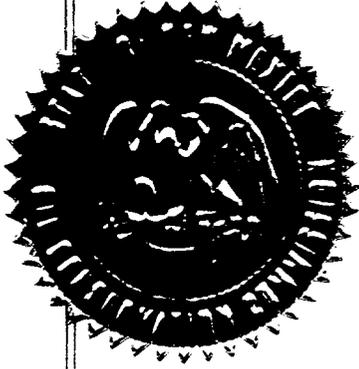
JIM BACA, Member



ED KELLEY, Member



JOE D. RAMEY, Chairman and
Secretary



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