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November 9, 1988

HAND-DELIVERED

William J. LeMay, Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
State Land Office Building  
Santa Fe, New Mexico 87503

RECEIVED  
NOV 9 1988  
OIL CONSERVATION DIVISION

Re: Oil Conservation Division Case No. 9511  
In the Matter of the Application of Phillips Petroleum  
Company for Salt Water Disposal, Roosevelt County, New  
Mexico; Order No. R-8780

Dear Mr. LeMay:

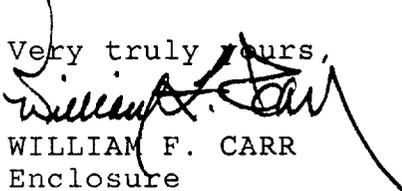
As you may recall prior to the hearing in the above-referenced case Enserch Exploration, Inc. requested a continuance of this case to enable it to prepare for the Examiner hearing. Enserch also advised that if it was unable to obtain a two week continuance, it would have no choice but to request that the matter be heard de novo before the full Commission.

We, therefore, enclose the application of Enserch Exploration, Inc. for hearing de novo in the above-referenced case. Since Enserch owns and operates wells which offset the injection well and are capable of producing from the Fusselman and Montoya formations, we request that this matter be set for hearing before the full Oil Conservation Commission at the earliest possible date.

Mr. William J. LeMay  
November 9, 1988  
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By copy of this letter I am advising counsel for Phillips Petroleum Company of this application.

Your attention to this matter is appreciated.

Very truly yours,  


WILLIAM F. CARR  
Enclosure  
WFC:mlh

cc w/enc: W. Thomas Kellahin, Esq.  
W. D. Hendley  
Frank Pope

BEFORE THE  
OIL CONSERVATION DIVISION  
NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION  
OF PHILLIPS PETROLEUM COMPANY  
FOR SALT WATER DISPOSAL,  
ROOSEVELT COUNTY, NEW MEXICO.

NOV 9 1988

OIL CONSERVATION DIVISION  
CASE NO. 9511  
ORDER NO. R-8780

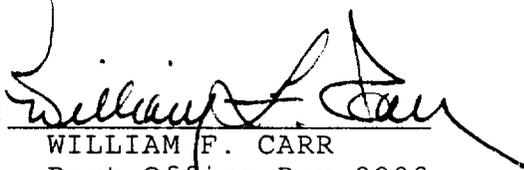
APPLICATION OF ENSERCH EXPLORATION INC.  
FOR A DE NOVO HEARING

COMES NOW ENSERCH EXPLORATION, INC. by and through its undersigned attorneys, Campbell & Black, P.A., and pursuant to Section 70-2-13, N.M.S.A., 1978 states that it is a party adversely affected by Division Order R-8780 entered on November 7, 1988 in Case 9511 (Exhibit "A") and accordingly requests that this case be set for a De Novo hearing before the New Mexico Oil Conservation Commission.

Respectfully submitted,

Campbell & BLACK, P.A.

By:

  
WILLIAM F. CARR  
Post Office Box 2208  
Santa Fe, New Mexico 87504  
Telephone: (505) 988-4421

ATTORNEYS FOR ENSERCH  
EXPLORATION INC.

STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

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

CASE NO. 9511  
ORDER NO. R-8730

APPLICATION OF PHILLIPS PETROLEUM  
COMPANY FOR SALT WATER DISPOSAL,  
ROOSEVELT COUNTY, NEW MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on October 26, 1988, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 7th day of November, 1988, the Division Director, having considered the testimony, the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, Phillips Petroleum Company, is the owner and operator of the Lambirth "A" Well No. 6, located 1830 feet from the South line and 1980 feet from the East line (Unit J) of Section 30, Township 5 South, Range 33 East, NMPM, Roosevelt County, New Mexico.

(3) The applicant proposes to utilize said well to dispose of produced salt water into the South Peterson-Fusselman Pool and Montoya formations, with injection into the perforated interval from approximately 7892 feet to 7944 feet.

(4) The injection should be accomplished through 2 3/8-inch plastic lined tubing installed in a packer set at approximately 7850 feet; the casing-tubing annulus should be filled with an inert fluid; and 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.

**ILLEGIBLE**

Exhibit "A"

Case No. 9511  
Order No. R-8780  
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(5) 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.

(6) 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 1475 psi.

(7) 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 Fusselman and Montoya formations.

(8) The operator should notify the supervisor of the Hobbs 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.

(9) 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.

(10) Approval of the subject application will prevent the drilling of unnecessary wells and otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, Phillips Petroleum Company, is hereby authorized to utilize its Lambirth "A" Well No. 6, located 1830 feet from the South line and 1980 feet from the East line (Unit J), Section 30, Township 5 South, Range 33 East, NMPM, Roosevelt County, New Mexico, to dispose of produced salt water into the South Peterson-Fusselman Pool and Montoya formations, injection to be accomplished through 2 3/8-inch tubing installed in a packer set at approximately 7850 feet, with injection into the perforated interval from approximately 7892 feet to 7944 feet.

PROVIDED HOWEVER THAT, the tubing shall be internally plastic-lined; the casing-tubing annulus shall be filled with an inert fluid; and 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, and/or packer.

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Order No. R-8780  
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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 Hobbs.

(2) 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 1475 psi.

(3) The Director of the Division may authorize 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 Fusselman and Montoya formations.

(4) The operator shall notify the supervisor of the Hobbs 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.

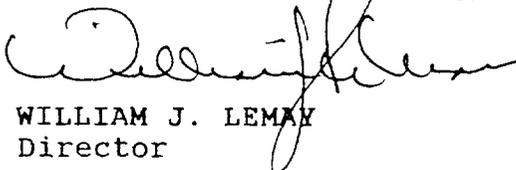
(5) The operator shall immediately notify the supervisor of the Division's Hobbs district office of the failure of the tubing, casing or packer in said well or the leakage of water from or around said well and shall take such steps as may be timely and necessary to correct such failure or leakage.

(6) The applicant shall conduct disposal operations and submit monthly reports in accordance with Rules 702, 703, 704, 705, 706, 708 and 1120 of the Division Rules and Regulations.

(7) 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

  
WILLIAM J. LEMAY  
Director

S E A L