

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE NO. 5562
Order No. R-4495-A

APPLICATION OF AGUA, INC. FOR
THE AMENDMENT OF ORDER NO. R-4495,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 10 a.m. on September 26, 1975, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 7th day of October, 1975, the Commission, a quorum being present, 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 Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Agua, Inc., is the operator of the SWD Well No. C-2, located in Unit C of Section 2, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico.
- (3) That by Order No. R-4495, dated March 21, 1973, the Commission authorized the use of said well for salt water disposal purposes, provided that disposal would be into the San Andres formation through the open-hole interval from 4,400 feet to 5,000 feet.
- (4) That the applicant seeks the amendment of said Order No. R-4495 to permit disposal of produced salt water into the aforesaid open-hole interval as well as into perforations between 4,120 feet and 4,320 feet.
- (5) That although said well is not located within the confines of any designated pool producing from the San Andres formation, it is located within one-half mile of the horizontal boundary of the South Eunice-San Andres Pool.

(6) That the evidence presented at the hearing indicates that unrestricted disposal of salt water into the overall perforated interval requested for the subject well for an extended period of time could have an adverse effect on oil production and oil reserves in the vicinity of said well.

(7) That continued disposal of salt water into the previously authorized open-hole interval does not pose a serious threat to the aforesaid oil production and oil reserves and should be permitted.

(8) That disposal of salt water into perforations between 4,230 feet and 4,320 feet does not pose a serious threat to the aforesaid oil production and oil reserves provided said disposal is not conducted for an extended period of time, but is limited to a reasonable temporary period of time.

(9) That a reasonable temporary period of time during which to conduct salt water disposal into said perforated interval is four months.

(10) That disposal of salt water into perforations above 4,230 feet in the subject well would pose a serious threat to the oil production and oil reserves in the vicinity of said well and should not be permitted.

(11) That disposal of produced salt water into applicant's SWD Well No. C-2 located in Unit C of Section 2, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico, into perforations between 4,230 feet and 4,320 feet and into the open-hole interval from 4,400 feet to 5,000 feet will not cause waste nor impair correlative rights provided disposal into the aforesaid perforations is limited to four months after the date of this order, and should be approved.

IT IS THEREFORE ORDERED:

(1) That Paragraph (1) of Order No. R-4495, dated March 23, 1973, is hereby amended to read in its entirety as follows:

"(1) That the applicant, Agua, Inc., is hereby authorized to utilize its SWD Well No. C-2, located in Unit C of Section 2, Township 22 South, Range 37 East, NMPM, adjacent to the South Eunice-San Andres Pool, Lea County, New Mexico, to dispose of produced salt water into the San Andres formation, injection to be accomplished through 5 1/2-inch tubing into the perforated interval from 4,230 feet to 4,320 feet and into the open-hole interval from 4,400 feet to 5,000 feet;

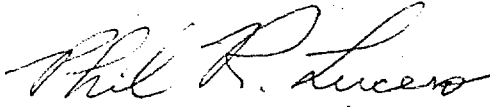
PROVIDED HOWEVER, that the tubing shall be plastic-lined; that the casing-tubing annulus shall be filled with an oil blanket; and that pressure gauges shall be attached to the tubing and the annulus in order to detect leakage in the casing or tubing; and

PROVIDED FURTHER, that disposal into the aforesaid perforated interval from 4,230 feet to 4,320 feet shall not occur after four months from the date of this order, and proper action shall be taken by the applicant to the satisfaction of the Supervisor of the Hobbs District Office of the Commission to prevent such disposal."

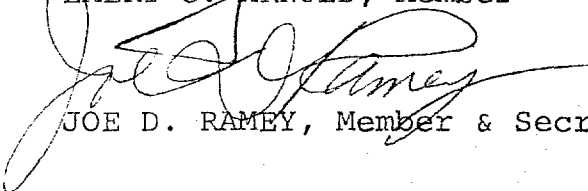
(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


PHIL R. LUCERO, Chairman


EMERY C. ARNOLD, Member


JOE D. RAMEY, Member & Secretary

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