

CASE 5455: ROGER C. HANKS for the
amendment of Order No. R-4158,
as amended, Eddy County, New Mexico

CASE No.

5455

Application,

Transcripts,

Small Exhibits

ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
April 16, 1975

EXAMINER HEARING

IN THE MATTER OF:

Application of Roger C. Hanks
for the amendment of Order No.
R-4158, as amended, Eddy County,
New Mexico.

CASE NO. 5455

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil
Conservation Commission:

William F. Carr, Esq.
Legal Counsel for the
Commission
State Land Office Building
Santa Fe, New Mexico 87501

For the Applicant:

Sim B. Christy, IV, Esq.
JENNINGS, CHRISTY & COPPLE
P. O. Box 1180
Roswell, New Mexico 88201

CASE 5455

Page.....2.....

I N D E X

PAGE

ROGER C. HANKS

Direct Examination by Mr. Christy
Cross Examination by Mr. Nutter

3
9

E X H I B I T S

Applicant's Exhibits Nos. 1 and 2

9

HANKS-DIRECT

Page 3

MR. NUTTER: Case 5455.

MR. CARR: Case 5455. Application of Roger C. Hanks for the amendment of Order No. R-4158, as amended, Eddy County, New Mexico.

MR. CHRISTY: Sim Christy, Jennings, Christy and Copple for the Applicant. We have one witness, Mr. Examiner.

(Witness sworn.)

MR. CHRISTY: Initially, I might state, Mr. Examiner, I would like to amend the Application to correctly state what is sought. I misunderstood a letter from Mr. Hanks on a point and I will clarify it as we go along.

ROGER C. HANKS

called as a witness, having been first duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. CHRISTY:

Q Would you please state your name and address and your occupation, sir?

A Roger C. Hanks, Box 3148, Midland, Texas.

Q Are you the operator of the wells in the north Dagger Draw Area in Eddy County, New Mexico?

A I am.

Q Those wells down there produce considerable

HANKS-DIRECT

Page.....4.....

amounts or volumes of water, do they not?

A That's true.

Q How do you dispose of that water, sir?

A At the present time, I am disposing in my Monsanto Foster Well which is located on Exhibit 1 in the northwest northwest of Section 5, 20 South, 25 East, Eddy County.

Q You said, "Exhibit 1," and I believe this is Exhibit 2, sir.

A Correction.

Q Now, let's first of all, refer to Exhibit No. 1 and tell us what that is?

A Exhibit No. 1 is the day-to-day drilling report presented by my drilling superintendent as we worked on the well with verbal approval from the Commission to attempt a recompletion in the lower Wolfcamp Zone to try to improve injection rates.

Q This is more or less the drilling report on that endeavor?

A Yes. The Exhibit No. 2 are the salient facts taken from Exhibit No. 1 and set out on a schematic for the purposes of clarity more than anything.

Q Now, tell us briefly what you seek to do by this Application?

HANKS-DIRECT

Page 5

A At the present time, with the verbal approval of the Commission, I have raised my tubing and set the packer with packer fluid at a depth of 6271 and we have been running a flow-rate test at this interval and we also received permission to deepen the hole some and then go back and attempt this recompletion in the lower Wolfcamp, from the interval of 6450 to 70. Prior to perforating this zone and acidizing, I squeezed with 100 sacks of cement at 6500 feet and squeezed that zone off, and then I came back in and drilled it out and perforated 20 feet from 6450 to 70. After that, I came in and acidized with 500 gallons of 20 percent DS-slurry acid, and at a pressure of 1100 pounds, I am not sure of the horsepower, but it was considerable. We were only getting one barrel per minute and we did get a slight break at 5.3 barrels per minute, but you can notice on the Exhibit 1, initial shut-down pressure was 1000 pounds and they finally had to bleed it off, so, actually, the zone never really -- it was too tight to take any fluid. We left our packer set. Of course, we came out with the RGGS and went back in and displaced the hole with the packer and set a packer at 6271 and started running injection tests. We got an increase in the injection rate because previously, the

HANKS-DIRECT

packer was set, I believe, right at 10,000 feet, and the increased rate was a result of the loss in friction and not the fact that the lower Wolfcamp took any water. I know we got a squeeze job because of the initial shutdown pressure and the fact that we did put some fluid away.

Now, what I propose to do, with the permission of the Commission, and that is to go in and squeeze off the lower Wolfcamp perforations from the interval of 6450 to 70 and then pick an arbitrary spot approximately 6000, that is to be sure that we are above the old squeeze job cement and then bring that cement back to a depth of approximately 3800 feet. Haliburton from the Artesia station gave me the following calculations of from 6000 to 3800 feet, they anticipate 386 sacks of Class C type cement, using a 35 percent excess factor, meaning those 5½ inch casings and a 7 and 7/8 hole. This, in turn, can be verified by bond log and that would determine the exact packer setting as to the way we got the top of good cement. At that point in time, I would like to go in and set my packer, say, 100 feet below the top of that cement, go back in and drill out my squeeze job in the Wolfcamp, wash the hole back all the way to bottom. As you can see, the total depth is 10,847 and there is a diamond pit and

HANKS-DIRECT

Page 7

a 2-foot sub in that hole and we have gone about as far as we are going to go.

I would like to then dispose from 4000 to 10,847 which would be totally in the Devonian which has been previously approved by this Commission.

MR. NUTTER: You said you would dispose from 4000 to 10,847. You didn't mean 4000?

THE WITNESS: 4000 feet to the interval of 10,847. In other words -- I see your point -- actually, the top place that any water could be taken, Dan, would be starting at the first perforation of 10,220 feet in the Devonian.

MR. NUTTER: So your disposal would be from 10,220 to 10,847 all in the Devonian?

THE WITNESS: Correct, yes, with the packer set at 4000. Excuse me. I can't get that out of my mind. I have used a Haliburton flow rate table on a friction loss factor which is over on the left of your schematic. At the present time, we are getting 4.2 barrels per minute which is 6048 barrels per day. The old injection rate was 3.5 which was 5040 per day. I anticipate a 6.5 barrel per minute rate which is 9360 barrels. This is about 1800 barrels shy of what I need. I need about 11,000 to take care of the wells that I have right at this moment,

HANKS-DIRECT

Page 8

but what I plan to do is, with permission re-entering those wells, but this will put us about to capacity. The reason for a substantially greater increase in barrels per day over from 6271 to up to 4000 are two factors: Number one, loss in friction and number two, I can get larger plungers and be able to handle a higher pressure with the horsepower that I have available. I have some larger plungers and liners that I can put in my triplex that is there and still stay within a reasonable amount of economical range with my electric motor.

BY MR. CHRISTY:

Q Will this proposed insulation permit you to produce more hydrocarbons from the surrounding wells you are operating?

A Absolutely. I have four wells on production and I have seven shut in because of lack of disposal.

Q Is there anything else you think would be of interest to the Examiner that he should consider in connection with your Application?

A Not that I can think of.

MR. CHRISTY: I offer in evidence Exhibits 1 and 2 and that is all we have of this witness.

MR. NUTTER: Applicant's Exhibits 1 and 2 will

HANKS-CROSS

be admitted in evidence.

(Whereupon, Applicant's Exhibits Nos. 1 and 2 were marked for identification, and were offered and admitted into evidence.)

CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. Hanks, is there any shallow production in this area of hydrocarbons?

A I think there is some Yeso within two miles. I don't know how far. There is some upper Wolfcamp over here in -- if you will see on the schematic, the Cone German State, I believe that is a shallow well and the Yates Foster A No. 1-AN in Section 1 is an upper Wolfcamp producer. That is from the interval, I think, around 5500, Dan. I have to stand corrected. I am not sure. All of the rest of the production that is in that area is Morrow and Cisco Canyon. The shallower production is about 4 or 5 miles to the north. It is up on the Penasco, I believe, the Yates production.

Q What did you say that Cone German State was producing from?

A Well, I don't know that it is actually producing. I think it was completed in the Yeso, around 1800 or 1900,

HANKS-CROSS

Page 10

but to my knowledge, I haven't seen any oil ever moved off it. I don't know what status it is.

Q And you would run tubing from the surface down to the packer which you would set at --

A (Interrupting) Approximately 4000.

Q At 4000?

A Right, loading the annulus with packer fluid, which the packer fluid, in essence, is --

Q (Interrupting) Of course, your exhibit here shows the packer being set at 6271 and that was one of the proposals that you had in the alternative, to set the packer at --

A (Interrupting) Well, that is true. I showed it as it is now. The red check is in my request to cover, number one, to squeeze off and number two is to raise.

Q Right.

A In the two red checks that I have there.

Q Well, now, you have already squeezed the two shots at 6500, is that correct?

A Yes, sir. They were the squeeze holes, you see.

Q Then you will also squeeze the 20 feet of perforations from 6450 to 70?

A Absolutely, yes, sir.

HANKS-CROSS

Page. 11

Q Then you will come up above that squeeze job at approximately 6000 feet?

A Right.

Q And shoot the casing and squeeze with 380 sacks or something so that you will come back to about 3800 feet?

A Yes, sir.

Q And then set the packer below that 3800 feet?

A Absolutely.

Q At least to 4000?

A That can be relatively positively identified by a bond log which is really the best tool for this.

Q So that you can insure that the packer is set below the top of the cement?

A Correct.

MR. NUTTER: Are there any further questions of Mr. Hanks? He may be excused.

(Witness dismissed)

MR. CHRISTY: That is all for the Applicant as amended as the Application as the application is amended by the testimony.

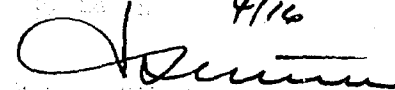
MR. NUTTER: Does anyone have anything they wish to offer in Case 5455? We will take the case under advisement.

STATE OF NEW MEXICO)
) SS.
COUNTY OF SANTA FE)

I, RICHARD L. NYE, Court Reporter, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me, and the same is a true and correct record of the said proceedings, to the best of my knowledge, skill and ability.


COURT REPORTER

I do hereby certify that the foregoing is a correct record of the proceedings in the District Court of Case No. 5455-4/16 1973



THE NYE REPORTING SERVICE
STATE-WIDE DEPOSITION NOTARIES
225 JOHNSON STREET
SANTA FE, NEW MEXICO 87501
TEL. (505) 982-0386



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE
87501

I. R. TRUJILLO
CHAIRMAN
LAND COMMISSIONER
PHIL R. LUCERO
MEMBER

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

April 29, 1975

Mr. Sim Christy
Jennings, Christy & Copple
Attorneys at Law
Post Office Box 1180
Roswell, New Mexico 88201

Re: CASE NO. 5455
ORDER NO. R-4158-B

Applicant:

Rogers C. Hanks

Dear Sir:

Enclosed herewith are two copies of the above-referenced
Commission order recently entered in the subject case.

Very truly yours,

A. L. Porter, Jr.

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC x
Artesia OCC x
Aztec OCC

Other State Engineer Office

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. 5455
Order No. R-4158-B

APPLICATION OF ROGER C. HANKS FOR
THE AMENDMENT OF ORDER NO. R-4158,
AS AMENDED, EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on April 16, 1975,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 29th day of April, 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, Roger C. Hanks, is the owner and
operator of the Monsanto Foster Well No. 1, located in Unit D
of Section 5, Township 20 South, Range 25 East, NMPM, Dagger
Draw Area, Eddy County, New Mexico.

(3) That by Order No. R-4158, dated June 21, 1971, as
amended by Order No. R-4158-A, dated July 30, 1974, the Commis-
sion authorized use of said well for salt water disposal pur-
poses by disposal through 2 7/8-inch tubing installed in a
packer set at approximately 10,000 feet, with injection into
the perforated interval from approximately 10,220 feet to
10,504 feet.

(4) That the applicant seeks the amendment of said Order
No. R-4158, as amended, to permit disposal into said well into
the Devonian formation through tubing installed in a packer set
at approximately 4000 feet, with injection into the perforated
interval from 10,220 feet to 10,504 feet.

(5) That the applicant proposes to squeeze-cement
additional existing perforations from 6450 feet to 6470 feet
and further to perforate said well at approximately 6000 feet
and block-squeeze with sufficient cement to come back to
approximately 3800 feet.

-2-

Case No. 5455

Order No. R-4158-B

(6) That the operator should install a gauge on the annulus between the 5 1/2-inch and 9 5/8-inch casing or leave the annulus open at the surface in order to detect any migration of injected fluid upward behind said 5 1/2-inch casing.

(7) That the operator should notify the supervisor of the Commission's district office at Artesia of the date and time that the proposed workover operations are to be performed so that they may be witnessed by the Commission.

(8) That completion of the subject well in the manner described above will provide protection to existing shallow ground water supplies and to hydrocarbons, will prevent the drilling of unnecessary wells and otherwise prevent waste and protect correlative rights, and should be approved.

IT IS THEREFORE ORDERED:

(1) That Finding (4) on Page 1 of Order No. R-4158 is hereby amended to read as follows:

"(4) That the injection should be accomplished through 2 7/8-inch, or larger, tubing installed in a packer set at approximately 4,000 feet, provided however, that the existing perforations from 6450 feet to 6470 feet should be squeeze-cemented, and the casing should be perforated at approximately 6000 feet and squeeze-cemented with sufficient cement to come back to approximately 3800 feet; that the casing-tubing annulus should be filled with inert fluid; that a pressure gauge should be attached to the annulus at the surface in order to determine leakage in the casing, tubing, or packer; that the annulus between the 5 1/2-inch and 9 5/8-inch casing strings should be equipped with a pressure gauge at the surface or be left open in order to determine leakage or migration of injected fluids into said casing-casing annulus; that the injected water should be treated with a corrosion inhibitor; and that corrosion levels should be monitored by continuous coupon tests with the results of those tests to be reported annually to the Commission's Artesia District Office."

(2) That Order No. (1) on Page 2 of Order No. R-4158 is hereby amended to read as follows:

"(1) That the applicant, Roger C. Hanks, is hereby authorized to use his Monsanto Foster Well No. 1, located 660 feet from the North line and 660 feet from the West line of Section 5, Township 20 South, Range 25 East, NMPM, Eddy County, New Mexico, to

-3-

Case No. 5455

Order No. R-4158-B

dispose of produced salt water into the Devonian formation, injection to be accomplished through 2 7/8-inch, or larger, tubing installed in a packer set at approximately 4,000 feet, with injection into the perforated interval from approximately 10,220 feet to 10,504 feet.

"PROVIDED HOWEVER, that existing perforations from 6450 feet to 6470 feet shall be squeeze-cemented, and the 5 1/2-inch casing shall be perforated at approximately 6000 feet and squeeze-cemented with sufficient cement to come back to approximately 3800 feet.

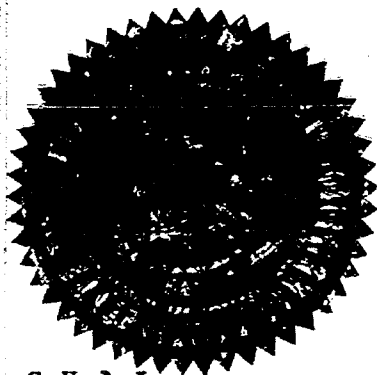
"PROVIDED FURTHER, that the casing-tubing annulus shall be filled with an inert fluid; that a pressure gauge shall be attached to the annulus in order to determine leakage in the casing, tubing, or packer; that the injected water shall be treated with a corrosion inhibitor; and that corrosion levels in the well shall be monitored by continuous coupon tests with results of those tests to be reported annually to the Commission's Artesia District Office."

(3) That the operator shall notify the supervisor of the Commission's district office at Artesia of the date and time of the commencement of the operations authorized by this order in order that they may be witnessed by a representative of the Commission.

(4) That Order No. R-4158-A is hereby superseded.

(5) 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.



S E A L

jr/

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

I. R. Trujillo
I. R. TRUJILLO, Chairman

Phil R. Lucero
PHIL R. LUCERO, Member

A. L. Porter, Jr.
A. L. PORTER, Jr., Member & Secretary

EXHIBIT NO. _____

OCC Order No. R-4158

MONSANTO-FOSTER DISPOSAL WELL WORKOVER & DEEPENING

12/30/74

Rig unit up. (DA&S 289)

Unseat packer, stand tubing in derrick.

12/31/74

Pick up 4-5/8" tricone bit sub 60°. Drill collars 1 sub.

Run tubing out of derrick, tag up at 10,644'. Pull 10 stands.

Install drilling head. Shut down.

1/2/75

Run 10 stands out of derrick. Hook up reverse unit. Wash & ream to btm at 10,709. Drill to 10,747. Drill from 4 min. per ft. to 8 mpf.

To 10,742 then 1 hr per ft. to 10,747.

Pull 12 stands. Shut down.

1/3/75

Pull out of hole to check bit. Bit trying to lock, teeth okay. Run

4-5/8" diamond bit 10,750. Drill 3", shut down. 10-15 min. per hr.

1/4/75

Drilling with diamond bit. 1000# pump press. 8-11,000# wt.

4-5 min. per foot - 25 ft. Pump 2.4 bpm, 6 min to ft. per 15 ft.

Recover 1 bpm. 18-20 min. per foot for 5 ft. Pull 12 stands and shut down. 10'809'.

1/5/75

Drilling at 10,809. Shut down at 10,827. 11 min. per foot. Pump press. increased. Bit started to torque. Start out of hole. Unit broke down.

1/6/75

Start drilling at 10,827. Shut down at 10,847. Repair unit. Finish coming out of hole. Left 4-5/8" Diamond bit & 2' sub in hole.

1/7/75

Run new 4-5/8" diamond bit. 3' fill, wash to btm. Drill 2' at 11 min. per foot. Drilled 20' average. 12 min. per foot. Pump press. 950#.

RPM 60. Wt. 6000-8000#. Pump 2.4 bpm. Recover 1.2 bpm.

1/8/75

Run tubing to btm break circuit. Spot 500 gal. 20% DS 30 acid on btm.

Pull out of hole. Pump 4500 gal. at 20% Via CSQ Retarded. Pump acid 16.5

bpm at 1,000#. Acid on form 13 bpm at 1,000#. Flag 13 bpm at 1,000 PSI.

Shut down for 2 hrs. Running rate test. Start test at 20 bpm at 1,000#.

After pumping 20 min, rate - 19.5 bpm @ 1250#. Treating press. min 0,

max. 1250. Average - 1,000. Inj rate on treating fluid, 13 bpm. Inj rate on flush, 20 bpm. Average inj rate 16.5. ISDP - 500#. Vac. in 5 min.

BEFORE EXAMINER NUTTER

OIL CONSERVATION COMMISSION

Franklin EXHIBIT NO. 1

CASE NO. 5455

1/9/75

Set EZydrill at 10,000' with wire line. Perf. 2 shots at 6500 for squeeze. Start in hole with RTTS packer. Wind too high. Shut down.

1/10/75

Run tubing to 6539. Set packer test bridge plug to 1000 psi. Pull up to 6271. Set packer. Break down perfs at 6500 with 1500 psi. 3-1/2 bpm with 500# on Annulus. Used 100 sx cement with 40.5 bbls water. Shut in with 750#. Cement type H with 3# salt per sack mixed and 3/4 of 1% CFR2.

1/11/75

Check well and bleed press off. Unseat packer and stand tubing in derrick. Pick up 4-5/8" mill tooth bit. Drill 100 ft. of cement. Test squeeze to 1500 for 30 min. Pull out of hole. Rig up to perf. Hit bridge at 6500. Pull out to run 1-11/16" tool. Hit bridge at 6500'. Shut down.

1/12/75

Log from 6500 to 5500. Perf 6450 to 6470. 2 s per ft. Shut well in.

1/13/75

Run tubing to 6488. Open ended spot. 500 gal. 20% DS-30. Pumping into formation at 1100#, 1 bpm finish. 5.3 bpm at 1000#. ISDP 1000#. Run 4-5/8" bit, 6 drill collars and tubing. Hit bridge at 6500. Knocked it out before could stop tubing. Approx. 8,000-10,000#. Run tubing to 10,000#. Shut well in.

1/15/75

Run tubing to 6271. Pump 135 bbls packer fluid and set packer. Hook up disposal pump and start.

Docket No. 9-75

Dockets Nos. 10-75 and 11-75 are tentatively set for hearing on April 30, and May 14, 1975. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - APRIL 16, 1975

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

The following cases will be heard before Daniel S. Nutter, Examiner, or Richard L. Stamets, Alternate Examiner:

- ALLOWABLE: (1) Consideration of the allowable production of gas from seventeen prorated pools in Lea, Eddy, Roosevelt and Chaves Counties, New Mexico, for May, 1975;
- (2) Consideration of the allowable production of gas from five prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico, for May, 1975.

CASE 5415: (Continued from the March 19, 1975, Examiner Hearing)

Application of Burk Royalty Co., for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Double L Queen Unit Area, comprising 2670 acres, more or less, of Federal, State, and fee lands in Townships 14 and 15 South, Ranges 29 and 30 East, Chaves County, New Mexico.

CASE 5454: Application of Burk Royalty Co. for a waterflood project, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Double L-Queen Pool, Chaves County, New Mexico, by the injection of water into the Queen formation through 17 wells located in Sections 23, 24, 25, and 36, Township 14 South, Range 29 East; Section 31, Township 14 South, Range 30 East; Sections 1 and 12, Township 15 South, Range 29 East, and Sections 6, 7, and 18, Township 15 South, Range 30 East.

CASE 5455: Application of Roger C. Hanks for the amendment of Order No. R-4158, as amended, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-4158, which, as amended, authorizes the disposal of produced salt water into the Devonian formation through 2 7/8-inch tubing set in a packer at approximately 10,000 feet via the perforated interval from 10,220 feet to 10,504 feet in his Monsanto Foster Well No. 1, located in Unit D of Section 5, Township 20 South, Range 25 East, Dagger Draw Area, Eddy County, New Mexico. Applicant proposes the amendment of said order to permit setting the packer at 6271 feet or in the alternative, to block squeeze said well from 4000 feet to 6500 feet and set said packer at approximately 4000 feet.

CASE 5456: Application of Southern Union Production Co. for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its Shelby Federal Well No. 1, located in Unit H of Section 13, Township 22 South, Range 24 East, Eddy County, New Mexico, in such a manner as to produce undesignated Strawn and Atoka gas through the casing-tubing annulus and tubing, respectively.

CASE 5457: Application of Texaco Inc., for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of East Weir-Blinebry, Monument-Tubb, and Skaggs-Drinkard production in the wellbore of its M. B. Weir "B" Well No. 10, located in Unit P of Section 12, Township 20 South, Range 37 East, Lea County, New Mexico.

CASE 5219: (Reopened)

In the matter of Case 5219 being reopened pursuant to the provisions of Order No. R-4784, which order established temporary special pool rules for the South Empire-Wolfcamp Pool, Eddy County, New Mexico, including a provision for 80-acre spacing. All interested parties may appear and show cause why said pool should not be developed on 40-acre spacing.

CASE 5458: Application of Continental Oil Co. for two non-standard gas proration units and three unorthodox locations, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the two following described non-standard gas proration units in Township 20 South, Range 37 East, Eumont Gas Pool, Lea County, New Mexico:

A 240-acre unit comprising the SW/4 and S/2 NW/4 of Section 15 to be dedicated to applicant's Britt "B" Well No. 3 at an unorthodox location in Unit L of said Section 15; and

A 280-acre unit comprising the SW/4 NW/4 and SW/4 of Section 10 and the N/2 NW/4 of Section 15 to be dedicated to applicant's Britt "B" Wells Nos. 15 and 25 located, respectively, at unorthodox locations in Units M of Section 10 and C of Section 15.

Case 5455

JAMES T. JENNINGS
SIM B. CHRISTY IV
ROGER L. COPPLE
BRIAN W. COPPLE
ROBERT G. ARMSTRONG

LAW OFFICES OF
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TELEPHONE 622-8432
AREA CODE 505

March 3, 1975

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. Dan Nutter

RE: CASE NO. 4550
ORDER NO. R-4158-A

Gentlemen:

We enclose herewith in triplicate Application for Amendment to Order of the Commission in the captioned cause, and would appreciate it if you would set it for hearing at the next available Examiner's docket.

Respectfully,

JENNINGS, CHRISTY & COPPLE

By


S. B. Christy IV

SBC/le

cc: Mr. Roger C. Hanks
(w/c of Application)

Hanks Area Code 915 563-0843

DOCKET MAILED

Date _____

Case 5455

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:

APPLICATION OF ROGER C. HANKS
FOR SALT WATER DISPOSAL, EDDY
COUNTY, NEW MEXICO.

CASE NO. 4550
Order No. R-4158-A

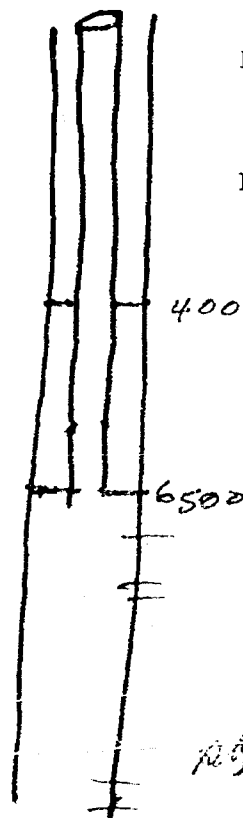
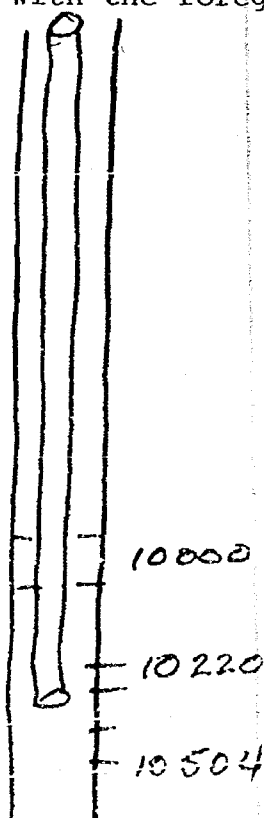
APPLICATION FOR AMENDMENT TO ORDER OF THE COMMISSION

COMES NOW Roger C. Hanks ("Applicant"), the owner and operator of the Monsanto Foster Well #1, located 660 feet from the North line and 660 feet from the West line of Section 5, Township 20 South, Range 25 East, N.M.P.M., Eddy County, New Mexico, and hereby makes application for amendment to Order R-4158-A entered July 30, 1974, and states:

1. That Paragraph (2) of said Order permits injection into the perforated interval from approximately 10,220 feet to 10,504 feet. In supplement thereof Applicant proposes to also inject water from his present packer setting at approximately 6,271 feet. Applicant further proposes to set tubing at approximately 4,000 feet and to block squeeze the interval from 6,500 feet back to 4,000 feet. Applicant would substantiate the block squeeze by evidence of a cement bond log showing the type of bonding as well as the exact top of the cement which would establish the depth of the packer setting.

2. Applicant believes that the granting of an amendment to the Order to permit the foregoing proposed supplemental installation would be in the interest of conservation and would not cause waste or violate the correlative rights of any interested party.

WHEREFORE, Applicant prays that, after notice and hearing, Order R-4158-A be amended to permit the accomplishment of supplemental injection of water at approximately 6,271 feet subsurface in line with the foregoing.



ROGER C. HANKS

By

S. B. Christy IV
S. B. Christy IV, as a
Member of the Firm of
Jennings, Christy & Copple
P. O. Box 1180
Roswell, New Mexico 88201
(505) 622-8432

thg @ 6271
per @ 4000 or 6271
water @ 6271
6450-70 2 shots/ft

DRAFT

dr/

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. 5455

Order No. R- 4158-B

APPLICATION OF ROGER C. HANKS FOR
THE AMENDMENT OF ORDER NO. R-4158,
AS AMENDED, EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on April 16, 1975,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this day of April, 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, Roger C. Hanks, is the owner and
operator of the Monsanto Foster Well No. 1, located in Unit D
of Section 5, Township 20 South, Range 25 East, NMPM, Dagger
Draw Area, Eddy County, New Mexico.

(3) That by Order No. R-4158, dated June 21, 1971, as amended by Order No. R-4158-A, ^{dated July 30, 1974,} the Commission authorized use of said well for salt water disposal purposes by disposal through 2 7/8-inch tubing installed in a packer set at approximately 10,000 feet, with injection into the perforated interval from approximately 10,220 feet to 10,504 feet.

(4) That the applicant seeks the amendment of said Order No. R-4158, as amended, to permit disposal into said well into the Devonian formation through tubing ^{installed} in a packer set at approximately 4000 feet, with injection into the perforated interval from 10,220 feet to 10,504 feet.

(5) That the applicant proposes to squeeze-cement ^{additional} ~~the~~ existing perforations from 6450 feet to 6470 feet and further to perforate said well at approximately 6000 feet and block-squeeze with sufficient cement to come back to approximately 3800 feet.

(6) That the operator should install a gauge on the annulus between the 5 1/2-inch and 9 5/8-inch casing or leave the annulus open at the surface in order to detect any ~~potential~~ ^{migration} ~~leakage~~ of injected fluid upward behind said 5 1/2-inch casing.

^{under}
↓
(7) That the operator should notify the supervisor of the Commission's district office at Artesia of the date and time ~~of the~~ that the ~~operator~~ proposed workover operations are to be performed so that they may be ~~observed~~ ^{witnessed} by the Commission.

-3-

Case No. 5455
Order No. R-4158-B

That the annulus between the 5 1/2-inch and 9 5/8-inch casing strings should be equipped with a pressure gauge at the surface or be left open in order to determine leakage or migration of injected fluids into said casing-casing annulus;

the surface in order to determine leakage in the casing, tubing, or packer; that the injected water should be treated with a corrosion inhibitor; and that corrosion levels should be monitored by continuous coupon tests with the results of those tests to be reported annually to the Commission's Artesia District Office."

(2) That Order No. (1) on Page 2 of Order No. R-4158 is hereby amended to read as follows:

"(1) That the applicant, Roger C. Hanks, is hereby authorized to use his Monsanto Foster Well No. 1, located 660 feet from the North line and 660 feet from the West line of Section 5, Township 20 South, Range 25 East, NMPM, Eddy County, New Mexico, to dispose of produced salt water into the Devonian formation, injection to be accomplished through 2 7/8-inch, or larger, tubing installed in a packer set at approximately 4,000 feet, with injection into the perforated interval from approximately 10,220 feet to 10,504 feet.

"PROVIDED HOWEVER, that ~~the~~ existing perforations from 6450 feet to 6470 feet shall be squeeze-cemented, and the 5 1/2-inch casing shall be perforated at approximately 6000 feet and squeeze-cemented with sufficient cement to come back to approximately 3800 feet.

"PROVIDED FURTHER, that the casing-tubing annulus shall be filled with an inert fluid; that a pressure gauge shall be attached to the annulus in order to determine leakage in the casing, tubing, or packer; that the injected water shall be treated with a corrosion inhibitor; and that corrosion levels in the well shall be monitored by continuous coupon tests with results of those tests to be reported annually to the Commission's Artesia District Office."

(4) That Order No. R-4158-A is hereby superseded.

(5) 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.

(3) ~~Provided Further~~, That the operator shall notify the supervisor of the Commission's district office at Artesia of the date and time of the commencement of the operations authorized by this order in order that they may be witnessed by a ~~representative~~ representative of the Commission.