

CASE 5592: Appl. of AGUA, INC.
for SALT WATER DISPOSAL, Lea
County

CASE NO.

5592

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,

ETC.

NEW MEXICO OIL CONSERVATION COMMISSION
APPLICATION TO DISPOSE OF SALT WATER BY INJECTION INTO A POROUS FORMATION

| OPERATOR AGUA, INC. | | ADDRESS P.O. Box 1978 Hobbs, New Mexico 88240 | |
|---|--------------------------|---|---|
| LEASE NAME Blinebry-Drinkard SWD System | | WELL NO. A-22 | COUNTY Lea |
| LOCATION UNIT LETTER A WELL IS LOCATED 817 FEET FROM THE East LINE, SECTION 22 TOWNSHIP 22S RANGE 37E | | <div style="border: 2px solid black; padding: 5px; display: inline-block;"> BEFORE E. 1/4 Oil Conservation North LINE AND 965 FEET FROM THE 5597 </div> | |
| CASING AND TUBING DATA | | | |
| NAME OF STRING | SIZE | SETTING DEPTH | SACKS CEMENT |
| SURFACE CASING | 9-5/8" | 315' | 160 |
| INTERMEDIATE | | | |
| LONG STRING | 7" | 4000' | 540 |
| TUBING | 5-1/2" | 4000' | None (Oil blanket in annulus) |
| NAME OF PROPOSED INJECTION FORMATION San Andres | | TOP OF FORMATION 3800' | BOTTOM OF FORMATION 5000' |
| IS INJECTION THROUGH TUBING, CASING, OR ANNULUS? Tubing | | PERFORATIONS OR OPEN HOLES? Open hole | PROPOSED INTERVAL(S) OF INJECTION 4000' - 5000' |
| IS THIS A NEW WELL DRILLED FOR DISPOSAL? Yes | | HAS WELL EVER BEEN PERFORATED IN ANY ZONE OTHER THAN THE PROPOSED INJECTION ZONE? - | |
| LIST ALL SUCH PERFORATED INTERVALS, SACKS OF CEMENT USED TO SEAL OFF OR SQUEEZE EACH - | | | |
| DEPTH OF BOTTOM OF DEEPEST FRESH WATER ZONE IN THIS AREA 300' | | DEPTH OF BOTTOM OF NEXT HIGHER OIL OR GAS ZONE IN THIS AREA 3600' | DEPTH OF TOP OF NEXT LOWER OIL OR GAS ZONE IN THIS AREA 5500' |
| ANTICIPATED DAILY INJECTION VOLUME (BBL/S.) 5000 | MINIMUM 12,000 | MAXIMUM Closed | IS INJECTION TO BE BY GRAVITY OR PRESSURE? Gravity |
| ANSWER YES OR NO WHETHER THE FOLLOWING WATERS ARE MINERALIZED TO SUCH A DEGREE AS TO BE UNFIT FOR DOMESTIC, STOCK, IRRIGATION, OR OTHER GENERAL USE Yes | | ARE WATER ANALYSES ATTACHED? No | |
| NAME AND ADDRESS OF SURFACE OWNER (OR LESSEE, IF STATE OR FEDERAL LAND) Cities Service Oil Company P. O. Box 1919 Midland, Texas 79701 | | | |
| LIST NAMES AND ADDRESSES OF ALL OPERATORS WITHIN ONE-HALF MILE OF THIS INJECTION WELL | | | |
| J. H. Hendrix Wall Towers West Midland, Texas 79701 | | | |
| Gulf Oil Company - U. S. P. O. Box 670 Hobbs, New Mexico 88240 | | | |
| Continental Oil Company P. O. Box 460 Hobbs, New Mexico 88240 | | | |
| Anadarko Production Company P. O. Box 247 Hobbs, New Mexico 88240 | | | |
| Exxon Company - U. S. A. 1700 West Broadway Andrews, Texas 79714 | | | |
| Amerada Hess Corporation P. O. Drawer "D" Monument, New Mexico 88265 | | | |
| HAVE COPIES OF THIS APPLICATION BEEN SENT TO EACH OF THE FOLLOWING? Yes | | EACH OPERATOR WITHIN ONE-HALF MILE OF THIS WELL Yes | |
| ARE THE FOLLOWING ITEMS ATTACHED TO THIS APPLICATION (SEE RULE 701-B)? Yes | | ELECTRICAL LOG No | |
| | | DIAGRAMMATIC SKETCH OF WELL Yes | |

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

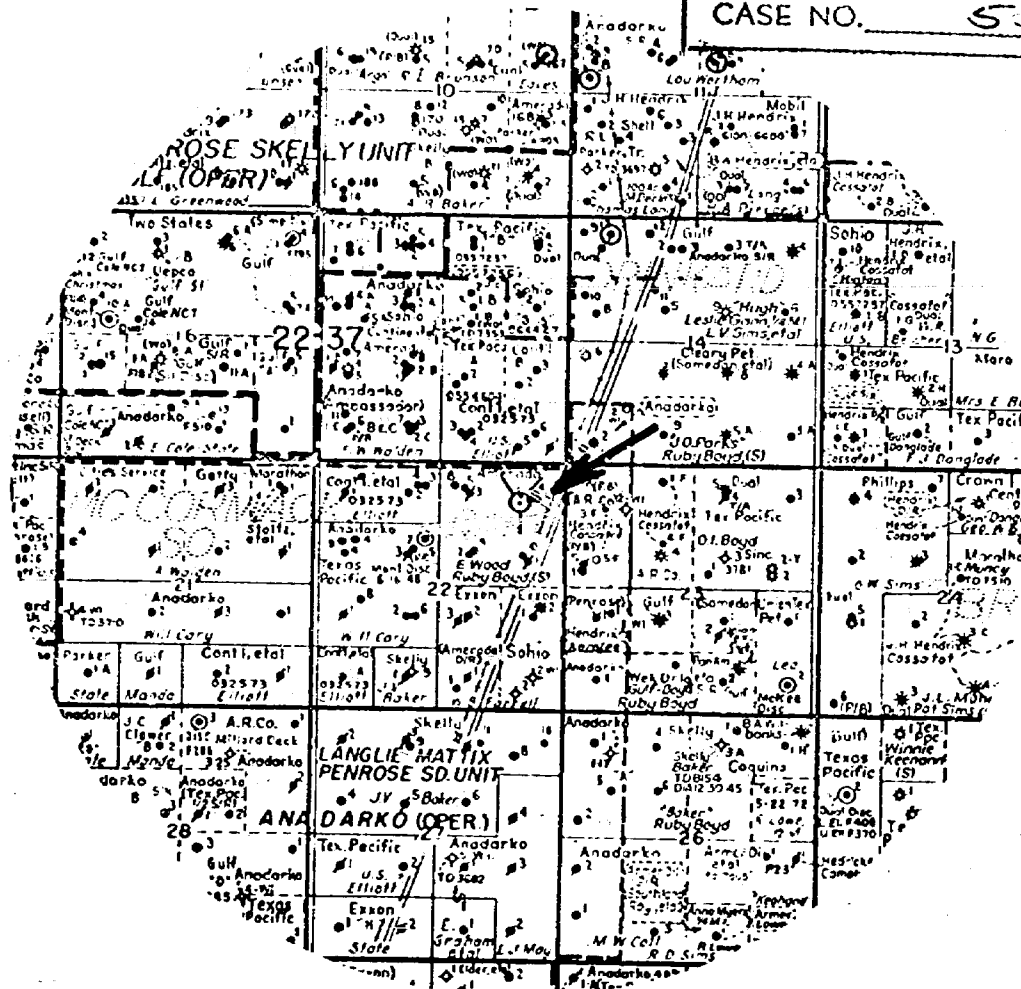
W. H. Alford Manager 10/21/75
(Signature) (Title) (Date)

NOTE: Should owners from the surface owner and all operators within one-half mile of the proposed injection well not accompany this application, the New Mexico Oil Conservation Commission will hold the application for a period of 15 days from the date of receipt by the Commission's Santa Fe office. If at the end of the 15-day waiting period no protest has been received by the Santa Fe office, the application will be processed. If a protest is received, the application will be set for hearing, if the applicant so requests. SEE RULE 701.

OIL CONSERVATION COMMISSION

EXHIBIT NO. 2

CASE NO. 5597

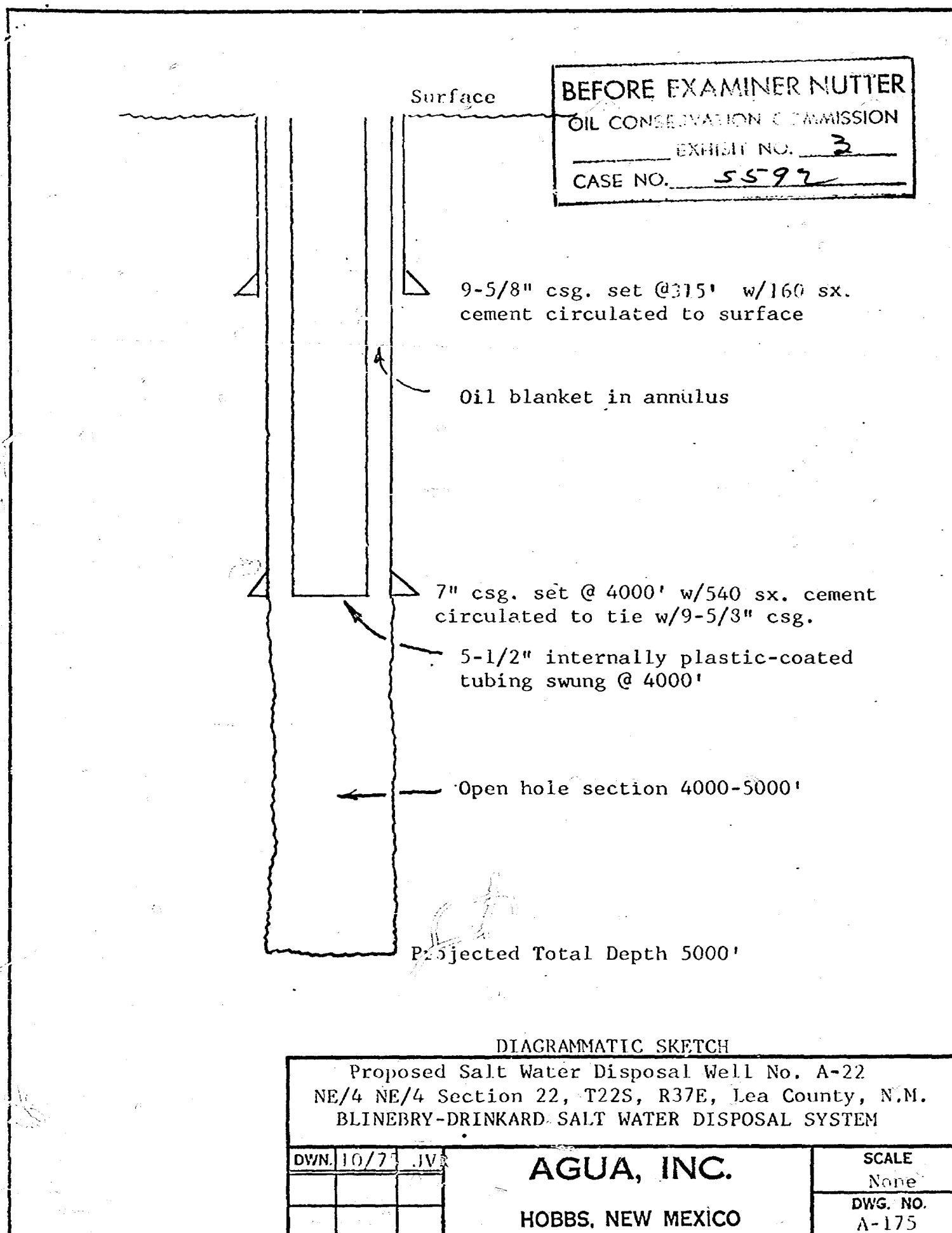


LEGEND:

O Upper San Andres
All other wells producing
from formations non-contiguous
to the San Andres

PLAT OF AREA

Proposed SWD Well No. A-22
Blinebry-Drinkard SWD System
AGUA, INC. October, 1975



DRAFT

dr/ *N*

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. 5592

Order No. R- 5137

all
APPLICATION OF AGUA, INC. FOR
SALT WATER DISPOSAL, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on November 19, 1975,
at Santa Fe, New Mexico, before Examiner, Daniel S. Nutter.

NOW, on this December day of November, 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 owner and operator of the Blinebry-Drinkard SWD System Well,
817 feet from the North line and 965 feet from the East line
located in Unit of Section 22, Township 22 South,
Range 37 East, NMPM,
Lea County, New Mexico.

No. A-22

(3) That the applicant proposes to utilize said well to
dispose of produced salt water into the San Andres
formation, with injection into the open-hole interval
from approximately 4,000 feet to 5,000 feet.

(4) That the injection should be accomplished through
5 1/2-inch plastic lined tubing ~~installed in a packer~~ *hanging hung*
~~set~~ at approximately 4000 feet; that the casing-tubing annulus
should be filled with a hydrostatically balanced column of
~~an~~ inert fluid; and that a pressure gauge
or approved leak detection device should be attached to the

Commission should have authority to increase the
aforesaid pressure limit if, in his judgement, conditions
so warrant,

annulus in order to determine leakage in the casing, tubing,
~~or packer.~~

(4) 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
~~one hundred (100)~~ than ~~700~~ psi, provided however, the Secretary-Director of the

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

(6) 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.

(7) 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, Agua, Inc.,
is hereby authorized to utilize its Blincy-Drinkard SWD System Well
817 feet from the North line and 965 feet from the East line
located ~~in Unit~~ of Section 22, Township 22 South,
Range 37 East, NMPM,
Lea County, New Mexico, to dispose of produced salt
water into the San Andres formation, injec-
tion to be accomplished through 5 1/2-inch
tubing ~~installed in a packer set~~ ^{hung} at approximately 4000 feet,
with injection into the open-hole interval from approximately
4,000 feet to 5,000 feet;

PROVIDED HOWEVER, that the tubing shall be plastic-lined;
that the casing-tubing annulus shall be filled with ^{a hydrostatically balanced column of} 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 pop-off valve or acceptable substitute which will limit the wellhead pressure on the injection well to no *one hundred (100)* more than ~~200~~ psi, *provided however, the Secretary-Director of the*

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

(4) That the operator shall immediately notify the supervisor of the Commission'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.

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

(6) 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.

Commission shall have the authority to increase the aforesaid pressure limit upon satisfactory showing that such pressure limit increase is warranted and will not result in loss of ~~damage to~~ the underground reserves ~~or~~ injury to ^{leases or} offsetting properties.

NEW MEXICO OIL CONSERVATION COMMISSION

APPLICATION TO DISPOSE OF SALT WATER BY INJECTION INTO A POROUS FORMATION

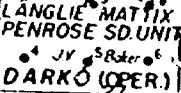
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|---|-------------------------|--|--------------|
| OPERATOR AGUA, INC. | | ADDRESS P.O. Box 1978 Hobbs, New Mexico 88240 | |
| WELL NAME Blinebry-Drinkard SWD System | WELL NO. A-22 | CASE NO. 5592 Lea | |
| LOCATION UNIT LETTER A WELL IS LOCATED 817 FEET FROM THE North LINE AND 965 FEET FROM THE East LINE, SECTION 22 TOWNSHIP 22S RANGE 37E NMPM. | | | |
| CASING AND TUBING DATA | | | |
| NAME OF STRING | SIZE | SETTING DEPTH | SACKS CEMENT |
| SURFACE CASING | 9-5/8" | 315' | 160 |
| INTERMEDIATE | | | |
| LONG STRING | 7" | 4000' | 540 |
| TUBING | 5-1/2" | 4000' | 315' |
| NAME, MODEL AND DEPTH OF TUBING PACKER | | TOP OF CEMENT | |
| Plastic-lined | | Surface | |
| San Andres | | 3800' | |
| NAME OF PROPOSED INJECTION FORMATION | | BOTTOM OF FORMATION | |
| San Andres | | 5000' | |
| IS INJECTION THROUGH TUBING, CASING, OR ANNULUS? | | PERFORATIONS OR OPEN HOLE? | |
| Tubing | | Open hole | |
| IS THIS A NEW WELL DRILLED FOR DISPOSAL? | | PROPOSED INTERVAL(S) OF INJECTION | |
| Yes | | 4000' - 5000' | |
| IF ANSWER IS NO, FOR WHAT PURPOSE WAS WELL ORIGINALLY DRILLED? | | HAS WELL EVER BEEN PERFORMED IN ANY ZONE OTHER THAN THE PROPOSED INJECTION ZONE? | |
| | | | |
| LIST ALL SUCH PERFORATED INTERVALS AND SACKS OF CEMENT USED TO SEAL OFF OR SQUEEZE EACH | | | |
| | | | |
| DEPTH OF BOTTOM OF DEEPEST FRESH WATER ZONE IN THIS AREA | | DEPTH OF TOP OF NEXT LOWER OIL OR GAS ZONE IN THIS AREA | |
| 300' | | 3600' | |
| ANTICIPATED DAILY INJECTION VOLUME (BBLS.) | | IS INJECTION TO BE BY GRAVITY OR PRESSURE? | |
| 5000 | | Gravity | |
| MINIMUM | | APPROX. PRESSURE (PSI) | |
| 12,000 | | None | |
| MAXIMUM | | ARE WATER ANALYSES ATTACHED? | |
| Closed | | Yes | |
| WATER TO BE DISPOSED OF | | No | |
| Yes | | | |
| NAME AND ADDRESS OF SURFACE OWNER (OR LESSEE, IF STATE OR FEDERAL LAND) | | | |
| Cities Service Oil Company P. O. Box 1919 Midland, Texas 79701 | | | |
| LIST NAMES AND ADDRESSES OF ALL OPERATORS WITHIN ONE-HALF (1/2) MILE OF THIS INJECTION WELL | | | |
| J. H. Hendrix Wall Towers West Midland, Texas 79701 | | | |
| Gulf Oil Company - U. S. P. O. Box 670 Hobbs, New Mexico 88240 | | | |
| Continental Oil Company P. O. Box 460 Hobbs, New Mexico 88240 | | | |
| Anadarko Production Company P. O. Box 247 Hobbs, New Mexico 88240 | | | |
| Exxon Company - U. S. A. 1700 West Broadway Andrews, Texas 79714 | | | |
| Amerada Hess Corporation P. O. Drawer "D" Monument, New Mexico 88265 | | | |
| HAVE COPIES OF THIS APPLICATION BEEN SENT TO EACH OF THE FOLLOWING? | | EACH OPERATOR WITHIN ONE-HALF MILE OF THIS WELL | |
| Yes | | Yes | |
| ARE THE FOLLOWING ITEMS ATTACHED TO THIS APPLICATION (SEE RULE 701-B)? | | ELECTRICAL LOG | |
| Yes | | No | |
| FLAT OF AREA | | DIAGRAMMATIC SKETCH OF WELL | |
| Yes | | Yes | |

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

W. J. Albritton Manager 10/21/75
(Signature) (Title) (Date)

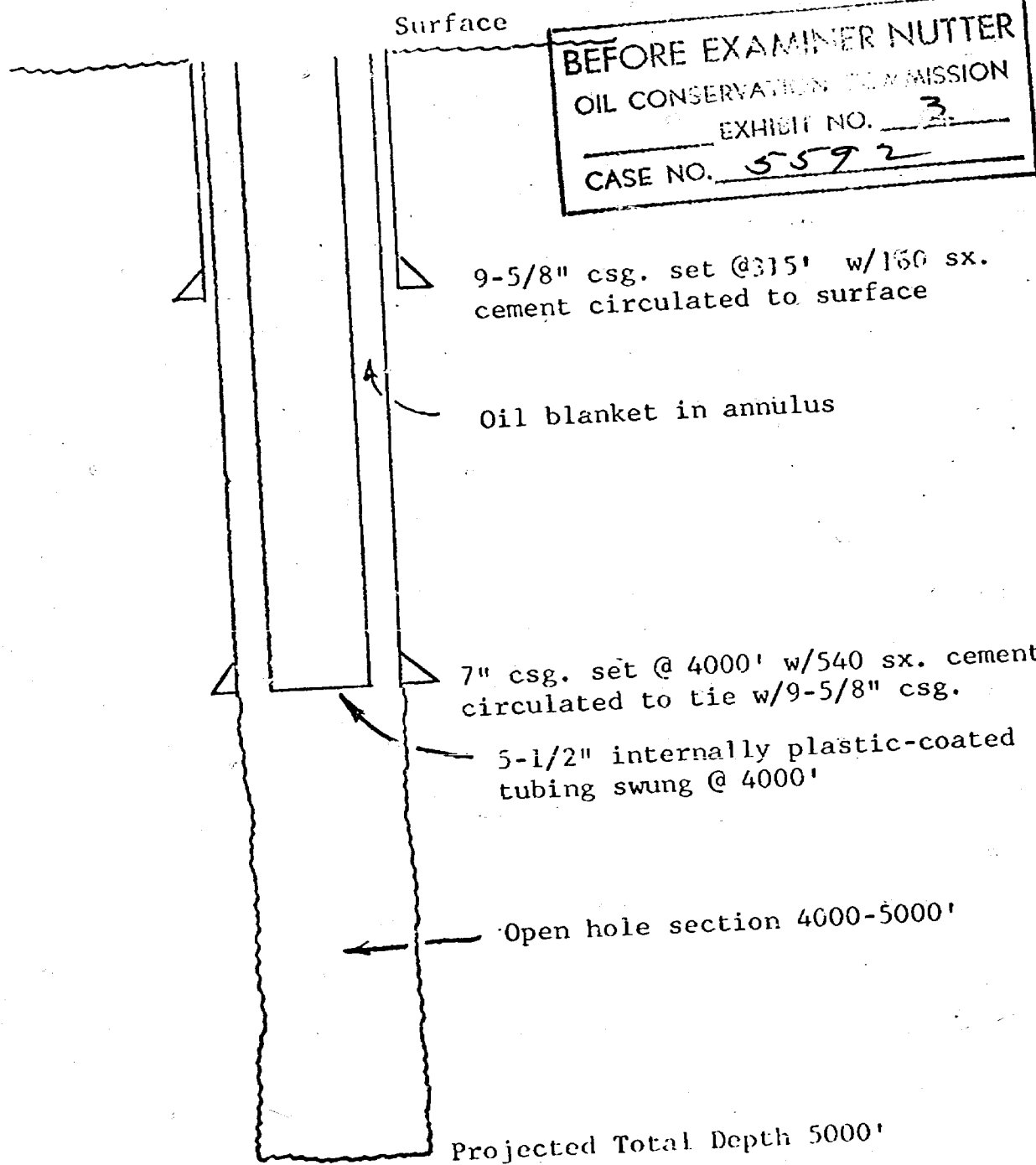
NOTE: Should answers from the surface owner and all operators within one-half mile of the proposed injection well not accompany this application, the New Mexico Oil Conservation Commission will hold the application for a period of 15 days from the date of receipt by the Commission's Santa Fe office. If at the end of the 15-day waiting period no protest has been received by the Santa Fe office, the application will be processed. If a protest is received, the application will be set for hearing, if the applicant so requests. SEE RULE 701.

CASE NO. 5592



O Upper San Andres
All other wells producing
from formations non-contiguous
to the San Andres

Proposed SWD Well No. A-22
Blinebry-Drinkard SWD System
AGUA, INC. October, 1975



DIAGRAMMATIC SKETCH

Proposed Salt Water Disposal Well No. A-22
NE/4 NE/4 Section 22, T22S, R37E, Lea County, N.M.
BLINEBRY-DRINKARD SALT WATER DISPOSAL SYSTEM

| | | |
|------|------|----|
| DWN. | 10/7 | IV |
| | | |
| | | |

AGUA, INC.
HOBBS, NEW MEXICO

SCALE
None
DWG. NO.
A-175

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Phone (505) 982-9212

Page 1

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
January 21, 1976

COMMISSION HEARING

IN THE MATTER OF:

Application of Agua, Inc. for salt
water disposal, Lea County, New Mexico.

CASE
5592
(De Novo)

BEFORE: Joe D. Ramey, Director
Phil Lucero, Member

Daniel S. Nutter
Richard L. Stamets

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

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MR. RAMEY: The hearing will come to order.

We will take the first case on the docket.

MR. CARR: Case 5592, application of Agua, Inc. for
salt water disposal, Lea County, New Mexico.

Mr. Commissioner, we have received a request that
this case be dismissed.

MR. RAMEY: This case will be dismissed.



DIRECTOR
JOE D. RAMEY

OIL CONSERVATION COMMISSION

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

LAND COMMISSIONER
PHIL R. LUCERO
January 28, 1976



STATE GEOLOGIST
EMERY C. ARNOLD

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

Re: CASE NO. 5592
ORDER NO. R-5137-A

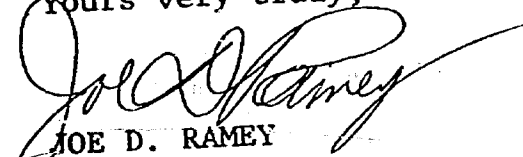
Applicant:

Agua, Inc.

Dear Sir:

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

Yours very truly,


JOE D. RAMEY
Director

JDR/fd

Copy of order also sent to:

Hobbs OCC x
Artesia OCC
Aztec OCC

Other Tom Kellahin

sid morrish reporting service
General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
November 19, 1975

EXAMINER HEARING

IN THE MATTER OF:

Application of Agua, Inc. for salt water) CASE
disposal, Lea County, New Mexico.) 5592

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

For the Applicant: James T. Jennings, Esq.
(Agua, Inc.) JENNINGS, CHRISTY & COPPLE
Attorneys at Law
1012 Security National Bank Bldg.
Roswell, New Mexico

For Anadarko Production Co.: W. Thomas Kellahin, Esq.
KELLAHIN & FOX
Attorneys at Law
500 Don Gaspar
Santa Fe, New Mexico

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General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

I N D E X

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| <u>DAN KERNAGHAN</u> | |
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| Cross Examination by Mr. Jennings | 29 |

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1 MR. NUTTER: We will call Case Number 5592.

2 MR. CARR: Case 5592, application of Agua, Inc. for
3 salt water disposal, Lea County, New Mexico.

4 MR. JENNINGS: I'm James T. Jennings of Jennings,
5 Christy and Copple appearing on behalf of the applicant, and
6 I have one witness, Mr. Abbott.

7 MR. NUTTER: Are there any other appearances in
8 this Case?

9 MR. KELLAHIN: Tom Kellahin of Kellahin and Fox
10 appearing on behalf of Anadarko Production Company and I have
11 one witness to be sworn.

12 (THEREUPON, the witnesses were duly sworn.)

13 W. G. ABBOTT

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

16
17 DIRECT EXAMINATION

18 BY MR. JENNINGS:

19 Q Will you state your name and occupation, please, sir?

20 A I'm W. G. Abbott, I'm Manager of Agua, Incorporated
21 of Hobbs, New Mexico.

22 Q Mr. Abbott, have you appeared before this Commission
23 and testified as an expert and had your qualifications
24 accepted on many occasions?

25 A Yes, sir.

1 MR. JENNINGS: Are Mr. Abbott's qualifications

2 acceptable?

3 MR. NUTTER: Yes, they are.

4 Q (Mr. Jennings continuing.) Mr. Abbott, are you
5 familiar with the application filed herein in Case 5592 by
6 Agua?

7 A Yes, sir.

8 Q Would you basically state the nature of this
9 application?

10 A We are asking for permission to drill a salt water
11 disposal well, our Number A-22 to be located eight hundred
12 and seventeen feet from the north line and nine hundred and
13 sixty-five feet from the east line of Section 22, Township 22
14 South, Range 37 East, Lea County, New Mexico. It will be
15 a disposal well to serve the Blinbry-Drinkard Salt Water
16 Disposal system.

17 Q Before getting into the well itself, could you
18 please give us a little history outlining the reason for
19 this current request?

20 A Yes, if you remember, it was necessary for us to
21 close in our SWD H-35 by a letter directive of Mr. Joe Ramey,
22 and this directive directed us to close in the well September
23 26th at eight A.M. We actually closed in the well September
24 19th at eight A.M. This water that had been disposed in
25 SWD H-35 was pumped and is being pumped up a temporary line

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1 up to our salt water disposal well SWD C-2. This well is
 2 taking approximately three hundred and seventy-four barrels
 3 an hour average. That is a twenty-four hour average on the
 4 well, and it is necessary for us to acidize the well monthly
 5 to keep this rate up.

6 By drilling this SWD A-22 we will be able to divert
 7 some of the water that would normally flow to the H-35 and we
 8 will divert it to this A-22.

9 Q Mr. Abbott, just to refresh the Commission's
 10 recollection, roughly how many wells were attached to the
 11 SW-35 at the time you had to shut it in?

12 A One hundred and ninety-three producing wells.

13 Q And how many wells are in your entire system?

14 A Around four hundred.

15 Q Is there any limitation as to the amount of water
 16 you can inject into the C-2 well?

17 A Yes, it is limited due to the hearing which we
 18 were restricted to opening up certain perforations, and it is
 19 running at about capacity now. This average of three seventy-
 20 four per hour, twenty-four hour average means that at times
 21 the rates exceeds four hundred barrels an hour, and I think
 22 it is about at the capacity of the well. This is by gravity,
 23 by the way, gravity into the well.

24 Q Will your authority to inject into this C-2 well
 25 be diminished on February 7th?

1 A. Yes, the order giving us permission to perforate
2 some additional zones in the C-2 limited this production for
3 a period of, I believe it was four months, and that means that
4 by February 7th we will have to pack off certain perforations
5 that are alleged to interfere with oil production in that
6 area.

7 Q. Now, in connection with your application did you
8 file a Form C-108?

9 A. Yes, sir.

10 Q. This has been marked Exhibit Number One?

11 A. Yes.

12 Q. Would you please refer to this and explain to the
13 Commission what you propose to do pursuant to this?

14 A. Yes, sir. This Form C-108 shows that we proposed
15 to set three hundred and fifteen feet of nine-and-five-eighths
16 inch surface casing and cement it with one hundred and sixty
17 sacks of cement which should circulate the cement.

18 Then we propose to drill to a total depth of
19 approximately five thousand feet and swing seven-inch casing
20 and set it at about four thousand and use sufficient cement
21 to bring the cement up and tie it into the surface casing.
22 Then we plan to run four thousand feet of plastic line, five-
23 and-a-half inch tubing in the well and we hope that we will
24 get a well that will take the water by gravity. We plan to
25 acidize it at completion with ten thousand gallons of acid.

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Page 7

1 The reason we picked this location -- well, we can
2 go into that on the next exhibit.

3 But the Form C-108 has been sent to the following
4 operators listed down there: J. H. Hendrix, Gulf Oil,
5 Continental Oil, Anadarko, Exxon and Amerada Hess. So they
6 have received this form, plus the exhibits and application for
7 hearing.

8 Q These parties that you have just named are the
9 offset operators within a two-mile area?

10 A Yes, sir.

11 Q Referring to what has been marked as Exhibit A
12 will you please identify it and tell what that shows?

13 A Exhibit which?

14 Q Exhibit Two, excuse me.

15 A Exhibit Two is a plat of the area showing the
16 proposed location of this disposal well, A-22. You notice
17 that it falls on a Amerada-Wood lease in the northeast of
18 the northeast of the section. The reason we picked this
19 location, there is a history in this area of lost circulation
20 when some of these deeper wells were drilled, and also there
21 is a history of stuck drill pipe in this immediate area
22 which indicates differential thickening in the San Andres and
23 we think that this well will make a good disposal well and
24 take the water by gravity.

25 Also another thing that has to be considered in

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1 this well is, we had to locate it first geographically,
2 stratigraphically on top of the surface of the land so that
3 our existing disposal lines could be tied in and the water
4 will gravity to this location without pumping a bunch of water.

5 Q Before we get back to the pumping of the water and
6 the gravity to the present location, will you please refer to
7 Exhibit Three and tell what that is and explain it?

8 A Exhibit Three is just a diagrammatic sketch of the
9 well, the information has been given on the C-108.

10 A And referring to what has been marked as Exhibit
11 Four will you please identify that?

12 A Exhibit Four is our map, line map, and showing how
13 we plan to tie in the lines to this disposal well. We have
14 a line to the north of this location, and we plan to tie
15 that in with a four-inch PVC line and then also there is
16 quite a lot of water being produced and disposed down the
17 eight-inch line to the south of this well and that water will
18 be diverted to our A-22.

19 Q Generally the water that is currently going into
20 the SWD 35, or was until September 19th, will be diverted
21 to this well?

22 A Yes, we do plan also -- it's according to what
23 permission we can receive from the Conservation Commission,
24 but we plan to also run a four-inch line up to this eight-
25 inch line so that we can pump the water by centrifugal pumps

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1 from the H-35 location and it will gravity back up to the
2 A-22 location.

3 Q Will that go along your present line along the east
4 side of Sections 23, 26 and 35?

5 A Yeah, it's actually along the east line of Section
6 26 and 35.

7 Q Are there other injection wells in the area of
8 this Section 22, Mr. Abbott, to your knowledge?

9 A Yeah, I believe there are. They may be marked on
10 your exhibit, Jim. No, on this Exhibit Two. Are they shown
11 on yours?

12 Q Would this be the well in the northwest quarter of
13 the northwest quarter of Section 14?

14 A Yes.

15 Q And other wells in Section 10 and 11?

16 A Yes, that's right.

17 Q Could you identify these wells?

18 A I believe the well in the northwest northwest of
19 14 is an Anadarko. It may be a disposal well.

20 Up in the Section 11, I don't know whether that is
21 an Anadarko well or not.

22 Q And how much water do you propose to inject into
23 this well, Mr. Abbott?

24 A Well, we have it on our application about twelve
25 thousand barrels a day, but at the present time it will

1 probably be less than that. It will be around two hundred
2 barrels an hour.

3 Q To your knowledge are there any wells producing
4 from this same formation in the area?

5 A Not that I know of. They are more or less wells
6 that are shallower and also deeper wells.

7 Q This is a considerable distance from the Exxon
8 production in Section 2?

9 A Yes, fortunately it is, about three miles, I think.

10 Q Mr. Abbott, do you feel that this injection well
11 and the program of disposing of water in this well will be
12 in the interest of conservation and prevent waste?

13 A Yes, the operators that are parties to our system
14 need some relief on the disposal of produced water from the
15 whole area and we feel that this is a good location and a
16 good spot to put the water. It is more or less down structure
17 on the San Andres from any producing wells in the San Andres
18 and the only thing it might do is increase the bottom-hole
19 pressure in the San Andres formation, which should help any
20 oil production up structure.

21 Q What are the alternatives if you don't dispose of
22 this water in this well or some other well in the immediate
23 vicinity?

24 A Well, we would have to go outside the area and
25 attempt to find a disposal location which would run the cost

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1 of disposal up for the operators.

2 Q Will this to your knowledge or in your opinion, will
3 this in fact impair the correlative rights of any offset
4 operators?

5 A No, sir.

6 Q Or any other operators in the area?

7 A No.

8 Q Were Exhibit Numbers One through Four prepared by
9 you or under your supervision?

10 A Yes, sir.

11 MR. JENNINGS: We offer these exhibits.

12 MR. NUTTER: Aqua Exhibits One through Four will be
13 admitted into evidence.

14 Is that all of your direct, Mr. Jennings?

15 MR. JENNINGS: Yes, sir.

16 MR. NUTTER: Are there any questions of this
17 witness?

18 MR. KELLAHIN: If the Examiner please.
19

20 CROSS EXAMINATION

21 BY MR. KELLAHIN:

22 Q Mr. Abbott, Agua, Inc. was a party to the Commission
23 Case 5377, the Hearing was held on December 3rd, 1975 con-
24 cerning the numerous waterflood units and disposal problems
25 in this particular area, you were a party to that Hearing,

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1 were you not?

2 A. Yes, sir.

3 Q. Do you recall the testimony in that particular Case
4 with regards to the wells that were problem wells in the
5 area?

6 A. Yes, sir.

7 Q. In general your proposed site for A-22 in Section 22
8 is largely in the center of what I'll term a problem well
9 area, is it not?

10 A. Evidently. Yes, sir, it is part of -- it's in one
11 of these 36 sections.

12 Q. You intend to dispose of the water, I assume, in
13 this Blinebry-Drinkard formation?

14 A. We plan to dispose of it in the San Andres formation.

15 Q. In the San Andres formation?

16 A. Yes, sir.

17 Q. Are you aware of any fresh water sources in the
18 area?

19 A. No, not where we are going to dispose, there is
20 probably fresh water above three hundred feet or there may
21 be fresh water above three hundred feet.

22 Q. In your opinion will this disposal water be
23 properly contained within the San Andres formation?

24 A. Yes, sir.

25 Q. Even in light of the present difficulty with this

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1 particular area?

2 A. Yes.

3 Q. Do you intend to treat the disposed water in any
4 way?

5 A. No, we do not, other than provide about four hours
6 settling time before injection and skimming of oils from the
7 water.

8 Q. What type of system do you have to set up in order
9 to have it settling, a tank or something?

10 A. We have to provide for two thousand barrel storage
11 tanks that will probably be low thousand barrel tanks where
12 the water will be disposed of from the bottom part of the
13 tanks.

14 Q. Where will these tanks be located, at the well site?

15 A. At the well site, yes.

16 Q. You have indicated that you have a temporary line
17 running from the H-35 disposal well to the C-2 disposal well,
18 what's that distance?

19 A. About six miles.

20 Q. What is the size of your disposal line?

21 A. It's six-inch PVC.

22 Q. You indicated you were pumping that?

23 A. Yes.

24 Q. What type of pumping equipment are you using?

25 A. We are using at present two triplex pumps at the

1 H-35, they are hundred-and-fifty horse triplex plunger
2 pumps.

3 Q Those pumps working together are able to move what
4 volume of water?

5 A Well, the average is three hundred and seventy-four
6 barrels a day, but we can pump in excess of -- I mean three
7 hundred and seventy-four barrels per hour, but we can pump
8 over that with those.

9 Q What is the source of that water now being disposed
10 of in the C-2 well?

11 A At the present time it is from all of the producing
12 oil wells in the whole system, which are in excess of four
13 hundred producing wells.

14 Q Okay. Instead of injecting water at your proposed
15 location in an area of some concern, what alternatives have
16 you examined to give you a different disposal area other than
17 this particular site?

18 A We haven't at the present time looked at any other
19 area in that this Hearing concerning this area will be
20 continued until today.

21 Q Have you examined the possibility of installing
22 a disposal well farther to the east of the present floods?

23 A No, the San Andres isn't developed to the east that
24 we know of where it has sufficient porosity and permeability
25 to take the water by gravity.

1 Q Are there any other formations that you could dispose
2 of water in other than the San Andres to the east?

3 A Not that we know of.

4 Q I see your disposal lines are reasonably well
5 developed to the west side of the flood, what are the
6 possibilities or have you examined the possibilities of using
7 a disposal well to the west of the problem area?

8 A No, as you go west the elevation of the ground, the
9 topography of the ground goes up to an elevation where
10 these lines will not provide gravity to the well site.

11 Q What is the difference in elevation from the H-35
12 site to the C-2 site?

13 A It is approximately a hundred and fifty feet.

14 Q Aren't the elevations from the H-35 site going west
15 less than the hundred and fifty feet that you mentioned?

16 A Yeah, they probably are less, right.

17 Q Well, then it would be easier to move your water
18 in a westerly direction as opposed to continuing in a northerly
19 direction?

20 A Possibly.

21 Q The difficulty then of pumping the fluids to the
22 west up the elevation is certainly less than your present
23 system allows you?

24 A Yes, but the disposal system is designed for
25 gravity flow to the H-35 location and all of the lines are

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1 designed to gravity that water to that location so any
2 diversion from there would have to start at the H-35 and
3 then the water would have to be pumped to a new well location.

4 Q Have you made an examination of the economics
5 involved in setting up a site to the west of the field?

6 A No, sir, we haven't.

7 Q Have you conducted any water analysis of your present
8 disposal water?

9 A Yes, we have.

10 Q In general terms, what do those analyses conclude?

11 A It is typical disposal brine. I think the chloride is
12 around thirty-five thousand parts per million.

13 Q How do you propose to treat your A-22 well, do you
14 propose to treat it with acid as you did your C-2?

15 A Yes, we plan to acidize it with ten thousand
16 gallons of fifteen percent hydrochloric acid.

17 MR. KELLAHIN: I don't believe I have any further
18 questions at this time.

19
20 CROSS EXAMINATION

21 BY MR. NUTTER:

22 Q Mr. Abbott, referring to your Exhibit Number
23 Three which is the schematic diagram of the well, I see
24 five-and-a-half inch internally plastic coated tubing hanging
25 in the well and an oil blanket in the annulus to prevent

1 corrosion?

2 A. Right.

3 Q. Now pursuant to the National Clean Drinking Water
4 Act, the Feds have been working on and are continuing to work
5 on some rather stringent regulations governing what they call
6 well injections. We call them injection wells, they call
7 them well injections, and these regulations will be used as
8 guidelines for states to follow if they are going to continue
9 to have jurisdiction over well injections and in all probability
10 these guidelines and these regulations are going to require
11 packers in most cases on well injections.

12 A. They don't understand the problem.

13 Q. I don't know whether they understand the problem or
14 not.

15 A. The reason you load the annulus with oil is oil is
16 light, it floats on water, so you calculate the gravity of
17 oil to put on this water, you know the specific gravity of the
18 water, you know the bottom-hole pressure so you apply a
19 positive pressure to this oil, you close the valve and you
20 put a pressure gauge on it. It can't go anyplace unless
21 you have a leak in your tubing or the casing. If you have
22 a leak the pressure will decrease and then you will know you
23 have a leak. All right, now, if you use a packer and you
24 won't know if you have a leak or do not have a leak. I mean
25 it is just a mistake.

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1 Q Well, in the event that they come out with a
2 regulation and probably what is going to happen is that
3 well injections that the Commission has previously approved
4 are going to have to be re-approved one way or another. In
5 the event that they do require that packers be installed will
6 it be possible to get a packer that fits between five-and-a-
7 half tubing and seven-inch casing?

8 A Yes. I believe it is just fine with a disposal well
9 or injection well where you are applying pressure, but for a
10 well on gravity you need the information and the wells that
11 I have completed in the Hobbs salt water disposal system,
12 the Eunice-Monument disposal system, there are fifteen or
13 twenty wells and they were completed over twenty years ago
14 and they have worked just fine.

15 Q I realize that we have had many wells over a
16 long period of time that have been completed with this oil
17 blanket annulus. Now what about the situation, Mr. Abbott,
18 where you may cease injection for one reason or another for
19 a period of time and you have been injecting in the well on
20 gravity and the back pressure on the formation is low
21 enough that the hydrostatic head of the fluid in the wellbore
22 overcomes that and the fluid flows off into the formation?

23 A Well, that is why you have to put a sufficient
24 API gravity oil in the annulus so that this won't happen.
25 Under static conditions you should have at least fifty

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1 pounds at the surface and you know, you can calculate that.
2 The C-2 we have to load that with sixty gravity oil because
3 you have that situation and also the perforations are fairly
4 high, so if you put on oil, a heavier oil, it will go the
5 other way if you shut the well in.

6 Q But if you put a light enough oil in there it will
7 stay in place?

8 A Right, unless you have a leak.

9 Q But you do say that it will be in the event of
10 re-approval of these well injections later, possible to have
11 five-and-a-half inch times seven inch packers?

12 A Yes.

13 Q Okay, that's what I needed to know.

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

16 MR. JENNINGS: Let me ask him again

17

18 REDIRECT EXAMINATION

19 BY MR. JENNINGS:

20 Q Mr. Abbott, is it possible to reverse the flow
21 of the water in your present system so that the water can
22 be put back through the same lines that it is now being
23 gathered in or it formerly was gathered in the C-2?

24 and put it back into the new proposed well in location 77?

25 A We will have to see additional ground logs

1 to a sufficient elevation and by sizing the pump properly
2 we can pump the water from H-35 back up to this A-22 well.

3 Q Will it require additional lines?

4 A Yes, sir.

5 MR. JENNINGS: I believe that's all.

6 MR. NUTTER: Any further questions of the witness?

7 He may be excused.

8 (THEREUPON, the witness was excused.)

9 MR. NUTTER: We will take a fifteen minute recess.

10 (THEREUPON, the Hearing was in recess.)

11 MR. NUTTER: For the benefit of any of you who
12 may be interested and didn't understand that conversation
13 I was having with Mr. Hinkle, Case Number 5571 will definitely
14 not be heard until after lunch. I don't know what time it
15 will come on, but it will be after lunch.

16 The Hearing will come to order, please, we will
17 resume again with Case Number 5592.

18 MR. JENNINGS: Mr. Examiner, may I ask a couple
19 more questions?

20 MR. NUTTER: You have some more on redirect, okay.

21 (THEREUPON, the witness was recalled.)

22 REDIRECT EXAMINATION (Continued)

23 BY MR. JENNINGS:

24 Q Mr. Abbott, I think you stated that you have
25 heretofore mailed copies of your application and exhibits to

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1 the offset operators?

2 A. That's right.

3 Q. Have any of them advised you that they do not approve
4 or object to the present location?

5 A. No one has advised us that they object to the
6 location. Also I want to point out that the surface of
7 this land that we planned to drill a disposal well on is owned
8 by Cities Service Oil Company and we are negotiating a surface
9 lease with Cities Service, so they evidently approve.

10 Q. Has Cities Service even indicated that they might
11 sell you the surface?

12 A. That's right.

13 Q. One other question, have you explored the possibility
14 of other locations?

15 A. Yes, sir. The selection of this A-22 well was --
16 we hired a consulting geologist to study well records and
17 drilling records of the whole area and he came up with this
18 location because of the development, porosity and permeability
19 development in the San Andres formation and because of that
20 we think that we will drill a well that will take the water
21 by gravity.

22 Q. Mr. Abbott, assuming that you drill the well out
23 of the area where currently the wells being disposed of
24 are located do you anticipate additional cost?

25 A. Yes, an additional cost for pumps, lines, right-of-

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1 way, and, of course, the operational costs will increase.

2 Q Is the present location the one you consider the
3 most economical?

4 A Yes, sir.

5 Q Have you had experience obtaining right-of-way in
6 the area of this well?

7 A Yes.

8 Q In your experience what can you expect to pay for
9 pipeline right-of-way?

10 A It's a very difficult area to deal with the land
11 owners and we expect the cost of the right-of-way will be
12 very expensive.

13 Q Do you have any idea as to the dollar expense?

14 A Well, it will probably start around ten dollars a
15 rod.

16 MR. JENNINGS: That's all, I have no further
17 questions.

18 MR. NUTTER: Are there any further questions of
19 Mr. Abbot?

20 MR. KELLAHIN: If the Examiner please.

21 RECROSS EXAMINATION

22 BY MR. KELLAHIN:

23 Q Mr. Abbott, you mentioned awhile ago that you
24 hadn't made any economic studies of the feasibility of
25

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1 placing the well to the west of the present flood, now you
2 tell me you have made extensive studies of alternatives. What
3 is the actual dollar figure of this proposal that you have
4 going to cost?

5 A. Our AFE which has been submitted to the operators
6 for drilling and equipping this well and running the lines is
7 two hundred and sixty-nine thousand dollars. At the present
8 time we have approximately eleven percent approval for this
9 AFE.

10 Q. And what is the total cost of placing a disposal well
11 to the west of there?

12 A. Well, it would increase over that two hundred and
13 sixty-nine thousand dollars in that we would have to run more
14 lines and also buy some pumps to push the water over to it.

15 Q. What is the actual dollar figure, do you have that?

16 A. I have no idea.

17 Q. Could you give me an estimate of what the increase
18 would be over the two hundred and sixty-nine thousand dollars?

19 A. I would be safe to say that it would increase it at
20 least fifty percent.

21 Q. You have indicated that you haven't had any
22 objections from the offset operators in regards to the
23 disposal well. Anadarko hasn't agreed to your proposed
24 location, has it?

25 A. No.

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1 Q Does anyone else object besides Anadarko?

2 A No, not that I know of. Of course, we didn't know
3 that Anadarko objected until this Hearing.

4 MR. KELLAHIN: No further questions.

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

7 (THEREUPON, the witness was excused.)

8 MR. NUTTER: Do you have anything further, Mr.
9 Jennings?

10 MR. JENNINGS. No.

11 MR. NUTTER: Mr. Kellahin, call your witness.

12 DAN KERNAGHAN

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

15

16 DIRECT EXAMINATION

17 BY MR. KELLAHIN:

18 Q Please state your name, by whom you are employed
19 and in what capacity?

20 A My name is Dan Kernaghan, I'm employed by Anadarko
21 Production Company as a Division Evaluation Engineer.

22 Q Mr. Kernaghan, are you familiar with the facts
23 surrounding this particular application by Agua, Inc.?

24 A Yes, sir, I am.

25 Q What is your familiarity with the area?

1 A. Well, I have studied this area for several years
2 now and I have been involved in the previous Hearing and with
3 our waterflood that is active in that area.

4 Q Does Anadarko maintain a waterflood project in that
5 area?

6 A. Yes, they do.

7 Q It is outlined on one of your exhibits?

8 A. Yes, sir, it is, on Exhibit One.

9 MR. KELLAHIN: If the Examiner please, are the
10 witness's qualifications acceptable?

11 MR. NUTTER: Yes, they are.

12 Q (Mr. Kellahin continuing.) Mr. Kernaghan, would
13 you refer to Exhibit Number One and identify it?

14 A. Exhibit Number One shows the wells defined as
15 problem wells in Commission Order R-5003 issued last April.
16 It shows the location of where Agua proposes to drill their
17 A-22 well and a circle that represents a one-mile radius
18 from this proposed location.

19 Q What's the outline of the Anadarko flood?

20 A. The cross-hatched outline that goes along the
21 north boundary of Sections 21 and 22 and then it continues
22 southerly through Sections 23 and 26.

23 Q The proposed disposal well is within Anadarko's
24 unit?

25 A. Yes, it is.

1 Q Mr. Kernaghan, what are Anadarko's specific
2 objections to the proposed Agua, Inc. disposal well in
3 Section 22?

4 A Well, we feel that the location of this well at
5 this spot would place a further and unnecessary burden on the
6 wells that have already been recognized as creating a
7 problem in the water movement to shallow zones throughout
8 this area.

9 Q Has Anadarko completed its remedial work on the
10 designated problem wells within its unit?

11 A Yes, we have.

12 Q What potential effect does this disposal well have
13 upon that remedial work?

14 A Well, if the remedial work is a hundred percent
15 successful, it would probably have no effect, but we are
16 pushing the issue to say that the introduction of these large
17 volumes of water into an area that has had a problem in the
18 past will not add further to the problem.

19 Q Are you familiar with the quality of disposal water
20 that is intended for injection in this well?

21 A Yes, we made some analyses of it.

22 Q Based upon that analysis do you have any conclusions
23 with regards to the water to be disposed?

24 A In comparison to waters that we have injected in
25 the unit and other places, we feel that this water would cause

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1 problems in the long run injecting into a formation without
2 treatment that -- problems such as plugging, high injection
3 pressures would result in the use of this water.

4 Q. What kind of specific problems do you think you
5 would encounter with the injection of this well water?

6 A. Plugging of the formation face.

7 Q. You heard Mr. Abbott testify that they proposed to
8 install some type of settling tanks at the location of the
9 disposal well. In your opinion will that adequately handle
10 the water problem?

11 A. Well, the analysis that we had made indicated that
12 retention far in excess of the four hours would be required.
13 These analyses, I believe, have been sent to the Commission
14 in the past. We have had some correspondence regarding this
15 before and I believe that some of this was attached to it.

16 Q. Do you have those water analyses available?

17 A. No, like I say, I think it has been --

18 Q. Can you submit them at a later date?

19 A. If it is desired we can. If the copies aren't
20 available in your office we can submit them.

21 MR. NUTTER: I think we ought to have new copies
22 for this Case file.

23 MR. KELLAHIN: Okay, we will furnish them.

24 Q. (Mr. Kellahin continuing.) How does the volume
25 of disposal water as proposed by Agua, Inc. compare to the

1 total volume of water being disposed by Anadarko in this
2 flood?

3 A. They will be putting essentially as much water into
4 this one well as we are putting in our whole unit right now.
5 It is going to introduce, in my opinion, a severe load on
6 the formation at this location.

7 Q. In your opinion, Mr. Kernaghan, the granting of
8 this particular application by Agua, Inc. would not be in
9 the best interests of conservation?

10 A. Well, I think it will further aggravate a problem
11 that has not been in the best interests of conservation in
12 the past.

13 Q. Was Exhibit One either prepared by you directly or
14 under your direction and supervision?

15 A. Yes, it was.

16 Q. With regards to this injection of water, Mr.
17 Kernaghan, you mentioned that it would stop up the formation.
18 Apart from stopping up the formation, what then is the
19 result of the continued injection of this disposal water?

20 A. Well, it just takes higher and higher pressures to
21 put it away and eventually it will just fracture the formation
22 if you continue high enough with the injection pressures.

23 Q. And that is a potential risk to your remedial work
24 that you are concerned about, isn't it?

25 A. Well, that is a risk, yes, and in the vicinity of

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1 that wellbore, but there is further potential risk to the
2 remedial work. The introduction of those volumes of water
3 is going to increase the bottom-hole pressure in the San Andres
4 I don't think there is any real question about that and
5 increasing the bottom-hole pressure is going to put a further
6 strain on the remedial work.

7 MR. KELLAHIN: That concludes our direct examination
8 and we move the introduction of Exhibit One.

9 MR. NUTTER: Anadarko's Exhibit Number One will be
10 accepted into evidence.

11 Any questions of Mr. Kernaghan?

12 MR. JENNINGS: Yes.

13 MR. NUTTER: Mr. Jennings?

14
15 CROSS EXAMINATION

16 BY MR. JENNINGS:

17 Q Mr. Kernaghan, what zones are your wells producing
18 from?

19 A The Penrose, the bottom zone of the Queen.

20 Q And what is the deepest depth from which you are
21 producing?

22 A Oh, probably thirty-six hundred feet, thirty-six
23 fifty.

24 Q Now, you have said that you have completed your
25 remedial work, would you explain to me how the injection of

1 this water by gravity into the lower zone will affect your
2 wells if your remedial work was properly done?

3 A. Our remedial work probably won't be affected
4 whatsoever. The testimony presented last December indicated
5 that the problem was deep, with wells that penetrated the
6 Queen sand and penetrated the San Andres also to be completed
7 in deeper formations, the Drinkard, the Blinbry, the Paddock,
8 the McKee, the Ellenburger, the Simpson, and these wells in
9 a great many cases had open annuluses behind the production
10 string of casing, where the cement was not brought up to cover
11 either the San Andres or the Queen, and an injection of water
12 in all probability was migrating behind these annuluses,
13 through these annuluses behind the casing and migrating to both
14 shallow formations and all over the place.

15 The majority of the work that was required was to
16 bring the cement up behind the pipe in these deeper wells and
17 we have not yet had testimony to say what the status of this
18 remedial work is.

19 Q To your knowledge are there any operators in the
20 area who have not performed the remedial work directed by
21 the Commission?

22 A I'm not an authority on that. That testimony will
23 probably be presented later.

24 Q Just answer my question.

25 A To my knowledge, no.

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1 Q You spoke of the increased pressures, will your
2 testimony be, will you make the same answer if the water was
3 being gravitied into this?

4 A Well, gravity indicates a zero surface pressure which
5 is going to leave you with a little over two thousand pounds,
6 twenty-two hundred pounds, say, at the San Andres formation
7 which is probably slightly in excess of what it was originally.
8 The condition is going to be aggravated in direct proportion
9 to the surface pressure that you are looking at.

10 Q And you further stated, I believe, that your water
11 analysis, that this water that would be injected would be
12 closing up the formation, is that it?

13 A Our analysis looked like it. It worried us as far
14 as taking water for the unit to use. We didn't want to use
15 it in its present state because of the problem of plugging.

16 Q Well, might that not be helpful to plug that up
17 so that it wouldn't get over to the other well?

18 A Oh, no, it's going to plug the sand face if it is
19 going to plug it.

20 Q These water analyses that you made and you referred
21 to, just when and where were they made?

22 A They were made around February or March of this
23 year at the Agua well. I believe you all took samples at the
24 same time. They were more or less cooperative.

25 Q Were those analyses made shortly after the other

1 Hearing when there was some question of you acquiring some of
2 the Agua water to --

3 A. Yes.

4 Q. That was the occasion of the analysis?

5 A. Yes.

6 Q. And you elected not to acquire any Agua water?

7 A. Uh-huh. We didn't want to take the Agua water as
8 it was and put in our flood, no, we didn't think it was of
9 a quality -- we thought it would cause us problems to use
10 that as injection water in flood without adequate treatment.

11 Q. Do you have any fault to find with the proposed
12 completion of the Agua injection well?

13 A. No, sir.

14 MR. JENNINGS: That's all.

15 MR. NUTTER: Any further questions of Mr.
16 Kernaghan? He may be excused.

17 (THEREUPON, the witness was excused.)

18 MR. NUTTER: Do you have anything further, Mr.
19 Kellahin?

20 MR. KELLAHIN: No, sir.

21 MR. NUTTER: Does anyone have anything further they
22 wish to offer in Case Number 5592?

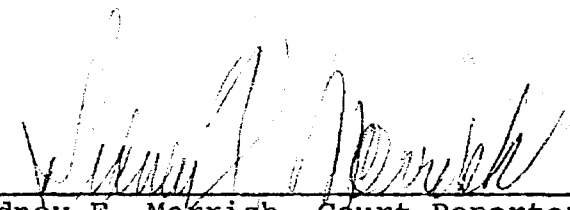
23 We will take the Case under advisement.
24
25

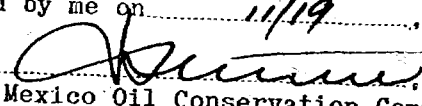
sid morrish reporting service

General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

REPORTER'S CERTIFICATE

I, SIDNEY F. MORRISH, a 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.


Sidney F. Morrish, Court Reporter

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 5592,
heard by me on 11/19, 1975.

Examiner
New Mexico Oil Conservation Commission

sid morrish reporting service
General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

JASON W. KELLAHIN
ROBERT E. FOX
W. THOMAS KELLAHIN

KELLAHIN AND FOX
ATTORNEYS AT LAW
500 DON GASPAR AVENUE
POST OFFICE BOX 1769
SANTA FE, NEW MEXICO 87501

TELEPHONE 982-4315
AREA CODE 505

December 3, 1975

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

Re: NMOCC Case 5592
Agua Inc.

Dear Dan:

In accordance with your request, please find enclosed the water analysis and the performance curve for the Anadarko Langlie Mattix Penrose Sand Unit.

In addition, I have been informed by Mr. Irley Bonnette, attorney for Anadarko, that Mr. Jim Jennings, who represented Agua, has contracted him to propose the following settlement:

That Anadarko will withdraw its objection to the salt water disposal location provided that Agua will inject into the San Andres formation only and will not exceed atmospheric pressure at the wellhead.

This settlement is acceptable to Anadarko provided it becomes a part of the Commission's order. Mr. Jennings has not reconfirmed the settlement.

Very truly yours,

W. Thomas Kellahin
W. Thomas Kellahin

WTK:kjf

Enclosure

ANADARKO PRODUCTION COMPANY

A Panhandle Eastern Pipe Line Company Subsidiary

P.O. BOX 1330
Houston, Texas 77001
(713) 526-5421

IRLEY BONNETTE

Vice President
General Attorney

November 25, 1975

Mr. W. Thomas Kellahin
Kellahin and Fox
P. O. Box 1769
Santa Fe, New Mexico 87501

Re: Hearing on proposed Agua Disposal Well - Langlie
Mattix Penrose Sand Unit

Dear Tom:

In accordance with the request of Mr. Dan Nutter, I enclose herewith the following:

- (1) Original and one copy of graft indicating the performance of the Langlie Mattix Penrose Sand Unit prepared by Anadarko Production Company and dated November 20, 1975.
- (2) Two photostatic copies of Water Analyses No. 275160 prepared by Martin Laboratories, Inc. (consisting of two pages) indicating samples taken at Agua's disposal well at the times indicated.
- (3) Two photostatic copies of Water Analyses No. 37513 prepared by Martin Water Laboratories, Inc. indicating tests of samples taken from the Agua disposal tank and the disposal line Tract No. 8-4 of Agua.
- (4) Two photostatic copies of report labeled Laboratory No. 275159 which is a bacterial and chemical analysis of samples and data taken from the Agua disposal well at the time and on the dates indicated.

The additional copy of each of the above enclosed herewith is for your files.


It can be seen from these reports and analyses that the solids in this water are large sand, paraffinic and asphaltic material in moderate to large particles, gyp crystals and calcium carbonate. In addition, the calcium carbonate will result in scale forming.

Mr. W. Thomas Kellahin
Kellahin and Fox
November 25, 1975
Page -2-

It is suggested that you call this to Mr. Nutter's attention when you deliver the above material to him. I am sure he is probably knowledgeable in this area, but calling it to his attention may be helpful.

It will be appreciated if you will telephone me when you have received this material and prior to delivering it to Mr. Nutter.

Yours very truly,



Irley Bonnette

IB/bl
Enclosures

P. O. BOX 1488
PHONE 943-3234 OR 563-1040
MONAHANS, TEXAS 79756

408 W. ILLINOIS
MIDLAND, TEXAS 79701
PHONE 683-4521

TO: Mr. Herb Henderson
P. O. Box 806, Eunice, New Mexico

LABORATORY NO. 275160
SAMPLE RECEIVED 2-14-75
RESULTS REPORTED 2-19-75

COMPANY Anadarko Production Company LEASE Langlie-Mattix Penrose Sand Unit
FIELD OR POOL Langlie-Mattix
SECTION BLOCK SURVEY COUNTY Lea STATE New Mexico

SOURCE OF SAMPLE AND DATE TAKEN:

- | | |
|-------|--|
| NO. 1 | <u>Disposal water - taken from Aqua, Inc. disposal well @ 8:00 a.m. 2-8-75</u> |
| NO. 2 | <u>Disposal water - taken from Aqua, Inc. disposal well @ 3:30 p.m. 2-8-75</u> |
| NO. 3 | <u>Disposal water - taken from Aqua, Inc. disposal well @ 8:00 a.m. 2-9-75</u> |
| NO. 4 | <u>Disposal water - taken from Aqua, Inc. disposal well @ 3:30 p.m. 2-9-75</u> |

REMARKS:

| CHEMICAL AND PHYSICAL PROPERTIES | | | | |
|--------------------------------------|--------|--------|--------|--------|
| | NO. 1 | NO. 2 | NO. 3 | NO. 4 |
| Specific Gravity at 60° F. | 1.0394 | 1.0403 | 1.0368 | 1.0402 |
| pH When Sampled | | | | |
| pH When Received | 6.9 | 6.9 | 7.0 | 7.0 |
| Bicarbonate as HCO ₃ | 1,763 | 1,763 | 1,854 | 1,763 |
| Supersaturation as CaCO ₃ | 225 | 250 | 340 | 365 |
| Undersaturation as CaCO ₃ | --- | --- | ---- | --- |
| Total Hardness as CaCO ₃ | 8,200 | 8,500 | 7,300 | 8,200 |
| Calcium as Ca | 1,940 | 2,060 | 1,920 | 2,020 |
| Magnesium as Mg | 814 | 814 | 608 | 765 |
| Sodium and/or Potassium | 18,958 | 20,422 | 18,234 | 20,074 |
| Sulfate as SO ₄ | 1,350 | 1,305 | 1,305 | 1,275 |
| Chloride as Cl | 33,024 | 35,510 | 31,248 | 34,799 |
| Iron as Fe | 1.0 | 1.5 | 0.40 | 0.48 |
| Barium as Ba | 0 | 0 | 0 | 0 |
| Turbidity, Electric | 11 | 10 | 11 | 19 |
| Color as Pt | 12 | 12 | 16 | 54 |
| Total Solids, Calculated | 57,847 | 61,904 | 55,169 | 60,696 |
| Temperature °F. | | | | |
| Carbon Dioxide, Calculated | 370 | 370 | 297 | 282 |
| Dissolved Oxygen, Winkler | | | | |
| Hydrogen Sulfide | 750 | 550 | 550 | 550 |
| Resistivity, ohms/m at 77° F. | 0.140 | 0.136 | 0.148 | 0.137 |
| Suspended Oil | | | | |
| Filterable Solids as mg/l | 69.3 | 45.0 | 12.5 | 56.8 |
| Volume Filtered, ml | 460 | 480 | 510 | 380 |

Results Reported As Milligrams Per Liter

Additional Determinations And Remarks

Martin Water Laboratories, Inc.

P. O. BOX 1468
PHONE 943-3234 OR 563-1040
MONAHANS, TEXAS 79756

RESULT OF WATER ANALYSES

408 W. ILLINOIS
MIDLAND, TEXAS 79701
PHONE 683-4521

TO: Mr. Herb Henderson
P. O. Box 806, Eunice, New Mexico

LABORATORY NO. 275160
SAMPLE RECEIVED 2-14-75
RESULTS REPORTED 2-19-75

COMPANY Anadarko Production Company LEASE Langlie-Mattix Penrose Sand Unit
FIELD OR POOL Langlie-Mattix
SECTION BLOCK SURVEY COUNTY Lea STATE New Mexico

SOURCE OF SAMPLE AND DATE TAKEN:

- NO. 1 Disposal water - taken from Aqua, Inc. disposal well @ 8:00 a.m. 2-10-75
NO. 2 Disposal water - taken from Aqua, Inc. disposal well @ 3:30 p.m. 2-10-75
NO. 3 Disposal water - taken from Aqua, Inc. disposal well @ 8:00 a.m. 2-11-75
NO. 4 Disposal water - taken from Aqua, Inc. disposal well @ 3:30 p.m. 2-11-75

REMARKS:

| CHEMICAL AND PHYSICAL PROPERTIES | | | | |
|--------------------------------------|--------|--------|--------|--------|
| | NO. 1 | NO. 2 | NO. 3 | NO. 4 |
| Specific Gravity at 60° F. | 1.0384 | 1.0389 | 1.0362 | 1.0407 |
| pH When Sampled | | | | |
| pH When Received | 6.9 | 7.2 | 7.0 | 7.0 |
| Bicarbonate as HCO ₃ | 1,793 | 1,806 | 1,836 | 1,757 |
| Supersaturation as CaCO ₃ | 210 | 230 | 135 | 100 |
| Undersaturation as CaCO ₃ | --- | --- | --- | --- |
| Total Hardness as CaCO ₃ | 7,800 | 8,300 | 7,800 | 9,100 |
| Calcium as Ca | 2,040 | 2,160 | 1,900 | 2,300 |
| Magnesium as Mg | 656 | 705 | 741 | 814 |
| Sodium and/or Potassium | 20,046 | 20,087 | 17,997 | 19,658 |
| Sulfate as SO ₄ | 1,290 | 1,365 | 1,305 | 1,275 |
| Chloride as Cl | 34,444 | 34,799 | 31,248 | 34,799 |
| Iron as Fe | 0.40 | 1.6 | 0.48 | 0.96 |
| Barium as Ba | 0 | 0 | 0 | 0 |
| Turbidity, Electric | 15 | 43 | 7.6 | 26 |
| Color as Pt | 18 | 14 | 42 | 42 |
| Total Solids, Calculated | 60,269 | 60,922 | 55,027 | 60,602 |
| Temperature °F. | | | | |
| Carbon Dioxide, Calculated | 376 | 199 | 294 | 281 |
| Dissolved Oxygen, Winkler | | | | |
| Hydrogen Sulfide | 675 | 650 | 675 | 650 |
| Resistivity, ohms/m at 77° F. | 0.137 | 0.136 | 0.148 | 0.137 |
| Suspended Oil | | | | |
| Filtrable Solids as mg/l | 16.7 | 909 | 14.8 | 510 |
| Volume Filtered, ml | 450 | 130 | 540 | 145 |

Results Reported As Milligrams Per Liter

Additional Determinations And Remarks The undersigned certifies the above to be true and correct to the best of his knowledge and belief.

Form No. 3

By

Waylan C. Martin, M. A.

Martin Water Laboratories, Inc.

P. O. BOX 1468
PHONE 943-3234 OR 583-1040
MONAHANS, TEXAS 79756

406 W. ILLINOIS
MIDLAND, TEXAS 79701
PHONE 683-4521

RESULT OF WATER ANALYSES

TO: Mr. Herb Henderson
P. O. Box 806, Eunice, New Mexico

LABORATORY NO. 37513
SAMPLE RECEIVED 3-3-75
RESULTS REPORTED 3-7-75

COMPANY Anadarko Production Company LEASE Langlie-Mattix Penrose Sand Unit
FIELD OR POOL Langlie Mattix
SECTION BLOCK SURVEY COUNTY Lea STATE New Mexico

SOURCE OF SAMPLE AND DATE TAKEN:

- NO. 1 Disposal water - taken from Aqua, Inc. disposal line @ tract 8-4.
NO. 2 Disposal water - taken from Aqua, Inc. disposal tank.
NO. 3 Disposal water - taken from Aqua, Inc. disposal tank. 3-3-75
NO. 4

REMARKS:

| CHEMICAL AND PHYSICAL PROPERTIES | | | | |
|--------------------------------------|--------|--------|--------|-------|
| | NO. 1 | NO. 2 | NO. 3 | NO. 4 |
| Specific Gravity at 60° F. | 1.0355 | 1.0382 | 1.0404 | |
| pH When Sampled | | | | |
| pH When Received | 6.75 | 6.85 | 6.9 | |
| Bicarbonate as HCO ₃ | 2,196 | 1,830 | 1,793 | |
| Supersaturation as CaCO ₃ | 360 | 100 | 80 | |
| Undersaturation as CaCO ₃ | --- | --- | -- | |
| Total Hardness as CaCO ₃ | 7,900 | 8,000 | 8,800 | |
| Calcium as Ca | 1,920 | 2,320 | 2,400 | |
| Magnesium as Mg | 753 | 535 | 680 | |
| Sodium and/or Potassium | 14,259 | 15,714 | 18,035 | |
| Sulfate as SO ₄ | 1,008 | 1,544 | 1,418 | |
| Chloride as Cl | 25,567 | 27,697 | 31,959 | |
| Iron as Fe | 0.76 | 1.6 | 0.92 | |
| Barium as Ba | 0 | 0 | 0 | |
| Turbidity, Nephelometric | 6.4 | 27 | 16 | |
| Color as Pt | 32 | 46 | 56 | |
| Total Solids, Calculated | 45,703 | 49,640 | 56,285 | |
| Temperature °F. | | | | |
| Carbon Dioxide, Calculated | 571 | 384 | 377 | |
| Dissolved Oxygen, Winkler | | | | |
| Hydrogen Sulfide | 375 | 400 | 400 | |
| Resistivity, ohms/cm at 77° F. | 0.172 | 0.163 | 0.144 | |
| Suspended Oil | 60 | 844 | 535 | |
| Filtrable Solids as mg/l | 28.0 | 48.0 | 106 | |
| Volume Filtered, ml | 250 | 250 | 250 | |

Results Reported As Milligrams Per Liter

Additional Determinations And Remarks Microscopic examinations of the filtrable solids show them to be similar to analysis #275159 (2-14-75) except we identified no sand and also no calcium carbonate in the tank samples (there was calcium carbonate at Tract 8-4). We also noted the oil content prominently increases at the tank as compared to the sample at Tract 8-4, but we do not know whether the oil originates from another source or has accumulated excessively in the storage tank.

P. O. BOX 1466
MONAHANS, TEXAS 79756
PH. 943-3234 OR 563-1040

Martin Water Laboratories, Inc.
WATER CONSULTANTS SINCE 1953
BACTERIAL AND CHEMICAL ANALYSES

406 W. ILLINOIS
MIDLAND, TEXAS 79701
PHONE 683-4521

To: Mr. Herb Henderson
P. O. Box 806
Eunice, New Mexico

Laboratory No. 275159
Samples received 2-14-75
Results reported 2-19-75

Company: Anadarko Production Co.
County: Lea, N. M.
Field: Langlie-Mattix
Lease: Langlie-Mattix Penrose Sand Unit

Subject: To make microscopic examination of filtrable solids as described below.

Source of sample & date taken

1. Aqua disposal well @ 3:30 pm. 2-7-75
2. Aqua disposal well @ 8:00 am. 2-8-75
3. Aqua disposal well @ 3:30 pm. 2-8-75
4. Aqua disposal well @ 8:00 am. 2-9-75
5. Aqua disposal well @ 3:30 pm. 2-9-75
6. Aqua disposal well @ 8:00 a.m. 2-10-75
7. Aqua disposal well @ 3:30 pm. 2-10-75

Microscopic Examination of Solids

Mostly small to moderate with a few large paraffinic, asphaltic, and sand particles. Also a significant amount of calcium carbonate and iron sulfide.

Mostly moderate to large sand particles with some small to moderate paraffinic particles and calcium carbonate.

Mostly fine to moderate paraffinic and asphaltic particles with some moderate to large paraffinic material and sand. A few large chips of asphaltic material; a slight amount of clusters of gyp crystals and calcium carbonate.

Mostly fine to small particles of paraffin and a slight amount of moderate paraffin and sand particles and calcium carbonate.

Mostly fine to small particles of paraffin and sand. A slight amount of moderate sand and a few large chips of asphaltic material and very slight amount of gyp crystals and calcium carbonate.

Mostly fine to small particles of paraffin and sand and a moderate amount of calcium carbonate and gyp crystals.

Mostly small to large paraffinic, asphaltic, and sand particles with a substantial number of large chips of asphaltic material. Also some calcium carbonate and slight gyp crystals.

Mr. Herb Henderson, Anadarko Production Co. - Laboratory No. 275159 - Page 2
(Langlie-Mattix Penrose Sand Unit)

Source of sample and date taken

8. Aqua disposal well @ 8:00 am. 2-11-75

9. Aqua disposal well @ 3:30 pm. 2-11-75

Microscopic Examination of Solids

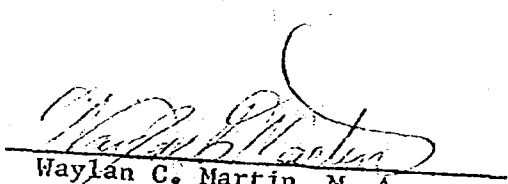
Mostly fine to moderate sized paraffinic, asphaltic, and sand particles and a very slight amount of calcium carbonate.

Mostly large chips of what appeared to be asphaltic and paraffinic material in clusters. A slight amount of large sand, gyp crystals, and calcium carbonate.

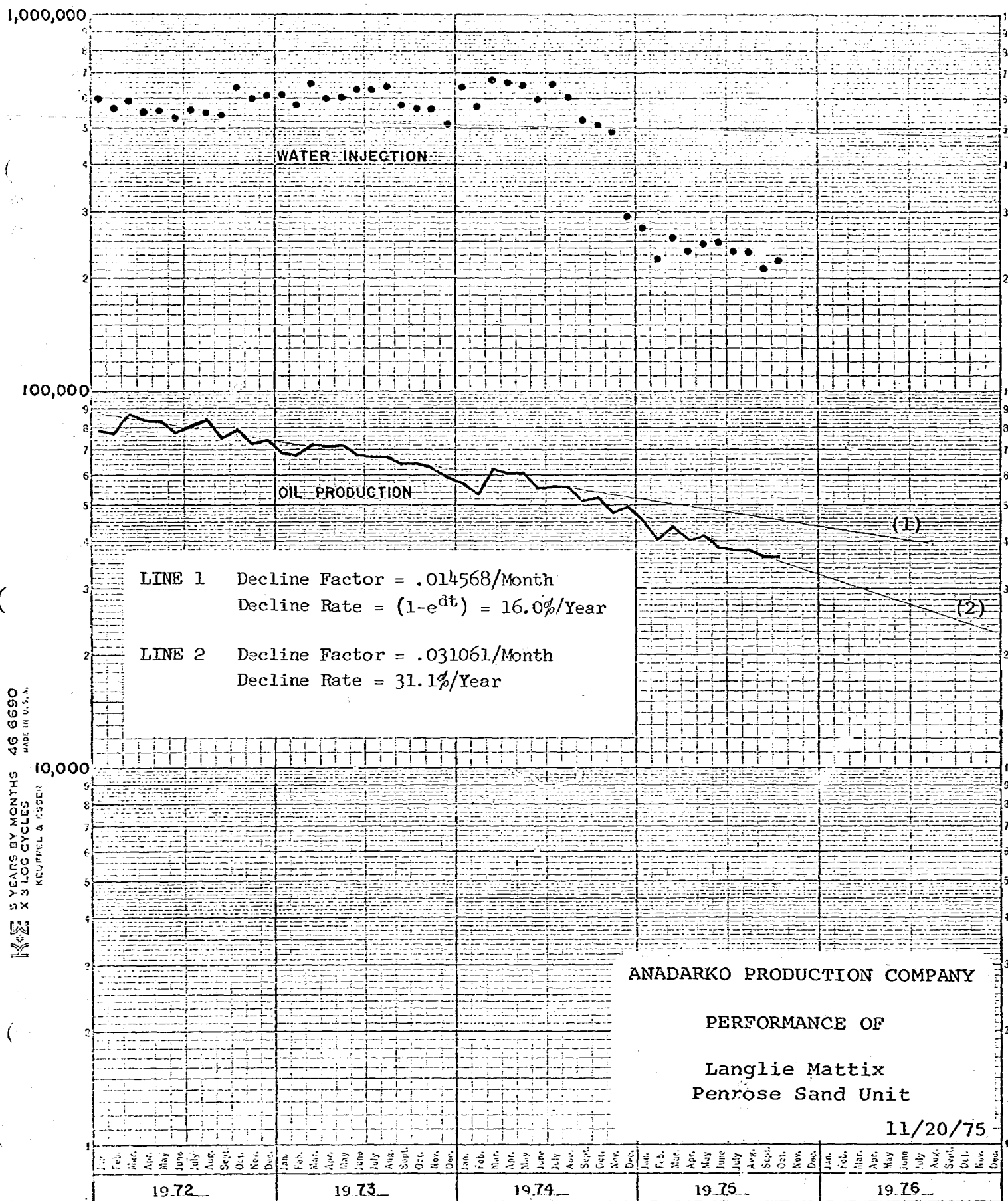
KEY TO DESCRIPTION OF PARTICLE SIZING

| <u>Description</u> | <u>Approximate Particle Size</u> |
|--------------------|----------------------------------|
| Fine | Less than 5 μ |
| Small | 5 μ - 35 μ |
| Moderate | 35 μ - 150 μ |
| Large | Larger than 150 μ |

Remarks: The undersigned certifies the above to be true and correct to the best of his knowledge and belief.


Waylan C. Martin, M. A.

Martin Water Laboratories



K&Z 5 YEARS BY MONTHS 46 6690
X 3 LOG CYCLES
MADE IN U.S.A.
KEUFFEL & ESSER

2.09

0.170616

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. 5592
Order No. R-5137

APPLICATION OF AGUA, INC. FOR SALT
WATER DISPOSAL, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on November 19, 1975, at Santa Fe, New Mexico, before Examiner, Daniel S. Nutter.

NOW, on this 16th day of December, 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 owner and operator of the Blinebry-Drinkard SWD System Well No. A-22 located 817 feet from the North line and 965 feet from the East line of Section 22, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) That the applicant proposes to utilize said well to dispose of produced salt water into the San Andres formation, with injection into the open-hole interval from approximately 4,000 feet to 5,000 feet.

(4) That the injection should be accomplished through 5 1/2-inch plastic lined tubing hung at approximately 4000 feet; that the casing-tubing annulus should be filled with a hydrostatically balanced column of 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 or tubing.

(5) 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 one hundred (100) psi, provided however, the Secretary-Director of the Commission should have authority to increase the aforesaid pressure limit if, in his judgement, conditions so warrant.

-2-

Case No. 5592
Order No. R-5137

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

(7) 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.

(8) 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, Agua, Inc., is hereby authorized to utilize its Blinbry-Drinkard SWD System Well No. A-22 located 817 feet from the North line and 965 feet from the East line of Section 22, Township 22 South, Range 37 East, NMPM, 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 hung at approximately 4000 feet, with injection into the open-hole interval from approximately 4,000 feet to 5,000 feet;

PROVIDED HOWEVER, that the tubing shall be plastic-lined; that the casing-tubing annulus shall be filled with a hydrostatically balanced column of 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 or tubing.

(2) That the injection well or system shall be equipped with a pop-off valve or acceptable substitute which will limit the well-head pressure on the injection well to no more than one hundred (100) psi, provided however, the Secretary-Director of the Commission shall have the authority to increase the aforesaid pressure limit upon satisfactory showing that such pressure limit increase is warranted and will not result in loss of underground reserves nor injury to offsetting leases or properties.

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

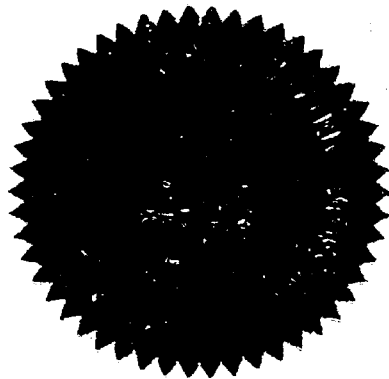
(4) That the operator shall immediately notify the supervisor of the Commission's Hobbs district office of the failure of the tubing, casing, or packer, in said well or the leakage of water from or around said well and shall take such steps as may be timely and necessary to correct such failure or leakage.

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

-3-
Case No. 5592
Order No. R-5137

(6) 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
PHIL R. LUCERO, Chairman

Emery C. Arnold
EMERY C. ARNOLD, Member

Joe D. Ramey
JOE D. RAMEY, Member & Secretary

S E A L

jr/

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
AGUA, INC. FOR SALT WATER DISPOSAL,
LEA COUNTY, NEW MEXICO.

CASE NO. 5592
ORDER NO. R-5137

APPLICATION FOR DE NOVO HEARING BEFORE COMMISSION

Comes now Agua, Inc. and hereby makes Application for a De Novo Hearing in connection with the Application which it heretofore filed in the above case to dispose of produced salt water into the San Andres formation into its No. A-22 Well located 817 feet from the North line and 965 feet from the East line of Section 22, Township 22 South, Range 37 East, N.M.P.M., and states:

1. That the Applicant filed an Application to dispose of salt water into its No. A-22 Well, which matter came on for hearing before Daniel S. Nutter, Examiner, on November 19, 1975, and on December 15, 1975 the Commission entered its Order No. R-5137 authorizing Applicant to dispose of produced salt water into the San Andres formation with injections into the open-hole interval from approximately 4,000 feet to 5,000 feet, and further providing that the injection well 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 one hundred (100) psi.

2. That the Applicant was adversely affected by said Order and hereby requests the Commission to hear the matter de novo in accordance with Rule 1220.

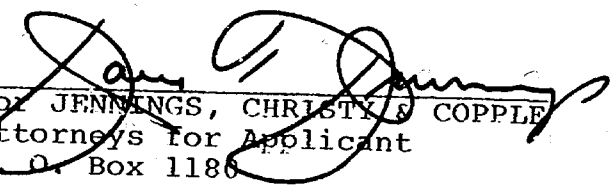
WHEREFORE, Applicant requests the Commission to set this matter down for de novo hearing before the Commission at an early date, publish the Notice as required by law and after hearing issue its Order allowing Applicant to dispose of produced salt water into the San Andres formation in the open-hole interval from approximately

4,000 feet to 5,000 feet below the surface in its A-22 Well located 817 feet from the North line and 965 feet from the East line of Section 22, Township 22 South, Range 37 East, N.M.P.M., without any pressure restrictions.

Respectfully submitted,

AGUA, INC.

By


For JENNINGS, CHRISTY & COPPLE
Attorneys for Applicant
P. O. Box 1186

Roswell, New Mexico 88201

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. 5592 (De Novo)
Order No. R-5137-A

APPLICATION OF AGUA, INC. FOR
SALT WATER DISPOSAL, LEA
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 21, 1976, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 27th day of January, 1976, 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:

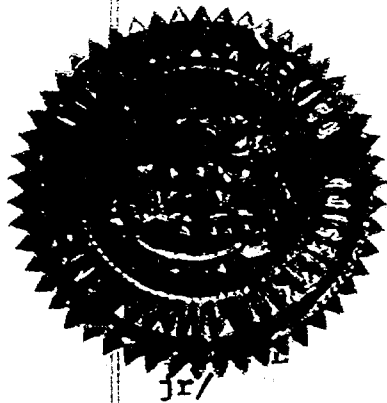
(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant's request for dismissal should be granted.

IT IS THEREFORE ORDERED:

(1) That Case No. 5592 (De Novo) is hereby dismissed.

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



STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Phil R. Lucero
PHIL R. LUCERO, Chairman

Emery C. Arnold
EMERY C. ARNOLD, Member

Joe D. Ramey
JOE D. RAMEY, Member & Secretary

JAMES T. JENNINGS
SIM B. CHRISTY IX
ROGER L. COPPLE
BRIAN W. COPPLE

LAW OFFICES OF
JENNINGS, CHRISTY & COPPLE
1012 SECURITY NATIONAL BANK BUILDING
P. O. BOX 1180
ROSWELL, NEW MEXICO 88201

TELEPHONE 622-8432
AREA CODE 505

ROBERT G. ARMSTRONG

January 8, 1976

Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87051

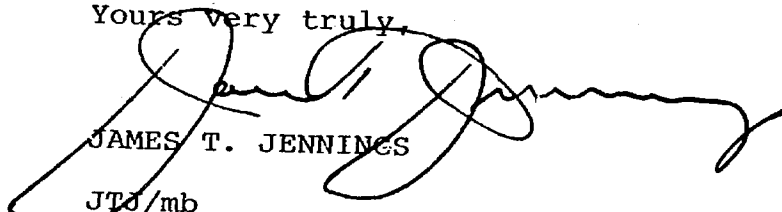
Attention: William F. Carr, General Counsel

RE: CASE NO. 5592, ORDER NO. R-5137
APPLICATION OF AGUA, INC. FOR DE NOVO HEARING

Gentlemen:

On behalf of Agua, Inc. we hereby request the Commission to dismiss the Application for De Novo Hearing heretofore filed in the above case in connection with the above numbered Order of December 29, 1975.

Yours very truly,


JAMES T. JENNINGS

JTO/mb

cc: Agua, Inc.
Kellahin & Fox

*file - case 5592
1/12/16*

JAN 13 1976
OIL CONSERVATION COMMISSION
SANTA FE, N.M.

Docket No. 4-76

Dockets Nos. 5-76 and 6-76 are tentatively set for hearing on February 4 and February 18, 1976. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: COMMISSION HEARING - WEDNESDAY - JANUARY 21, 1976

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

CASE 5592: (De Novo)

Application of Agua, Inc. for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced water by injection into the San Andres formation through the open-hole interval from approximately 4000 to 5000 feet in its Blinbry-Drinkard SWD System Well No. A-22 located 817 feet from the North line and 965 feet from the East line of Section 22, Township 22 South, Range 37 East, Lea County, New Mexico.

Upon application of Agua, Inc., this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 5571: (De Novo)

Application of Robert G. Cox for amendment of Order No. R-4561, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks amendment of Order No. R-4561, which order permitted the directional drilling of applicant's Federal "EA" Well No. 1, located 330 feet from the North and West lines of Section 12, Township 18 South, Range 27 East, Empire-Abo Pool, Eddy County, New Mexico, in such a manner as to be bottomed within 100 feet of the surface location. Applicant seeks the amendment of said order to permit bottoming of the subject well approximately 58 feet from the North line and 8 feet from the West line of said Section 12 and to permit verification of said downhole location by single-shot directional surveys made concurrently with the drilling of said well.

Upon application of Robert G. Cox, this case will be heard De Novo pursuant to the provisions of Rule 1220.

NOTE: Case No. 5592, above, will be dismissed at the request of applicant.

Dockets Nos. 5-76 and 6-76 are tentatively set for hearing on February 4 and February 18, 1976. Applications for hearing must be filed at least 22 days in advance of hearing date.

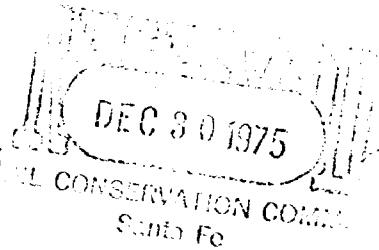
DOCKET: EXAMINER HEARING - TUESDAY - JANUARY 20, 1976

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:

- CASE 5614: Application of Amerada Hess Corporation for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval to commingle Basin-Dakota gas production and oil produced from an undesignated Gallup pool in the wellbore of its Apache "A" Well No. 7, located in Unit J of Section 26, Township 25 North, Range 5 West, Rio Arriba County, New Mexico.
- CASE 5615: Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Morely EW Well No. 1, located 660 feet from the South and East lines of Section 27, Township 17 South, Range 25 East, Eddy County, New Mexico, the S/2 of said Section 27 to be dedicated to the well.
- CASE 5616: Application of Atlantic Richfield Company for an unorthodox gas well location and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to simultaneously dedicate a previously approved 320-acre non-standard gas proration unit comprising the W/2 of Section 29, Township 24 South, Range 37 East, Jalmat Gas Pool, Lea County, New Mexico, to its W. H. Harrison "D" WN Com Well No. 1, located in Unit L of said Section 29 and its W. H. Harrison "A" WN Well No. 2, at an unorthodox location 660 feet from the North and West lines of said Section 29.
- CASE 5617: Application of Robinson Resource Development Company, Inc. for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Morrow test well to be drilled 1530 feet from the North line and 330 feet from the East line of Section 18, Township 21 South, Range 25 East, Eddy County, New Mexico, the N/2 of said Section 18 to be dedicated to the well.
- CASE 5618: Application of Mesa Petroleum Co. for a triple completion, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of the triple completion (conventional) of its Primo Well No. 1A, located in Unit D of Section 6, Township 31 North, Range 10 West, San Juan County, New Mexico, to produce gas from the Pictured Cliffs, Chacra and Mesaverde formations.
- CASE 5117: (Reopened)
- In the matter of Case 5117 being reopened pursuant to the provisions of Order No. R-4691, which order established temporary special pool rules for the North Dagger Draw-Upper Pennsylvanian Pool, Eddy County, New Mexico. All interested parties may appear and show cause why said pool should not be developed on less than 320-acre spacing and why the special depth bracket allowable should remain in effect.
- CASE 5619: Application of Agua, Inc. for an extension of time, Order No. R-4495-A, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a 90-day extension of the February 7, 1976, deadline to cease the disposal of produced salt water through perforations from 4,230 feet to 4,320 feet in its SWD Well No. C-2, located in Unit C of Section 2, Township 22 South, Range 37 East, Lea County, New Mexico.
- CASE 5603: (Continued from January 7, 1976 Examiner Hearing)
- Application of Burleson and Huff for compulsory pooling, a non-standard gas proration unit, and an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Jalmat Gas Pool underlying the NW/4 of Section 35, Township 25 South, Range 37 East, Lea County, New Mexico, to form a non-standard 160-acre proration unit; applicant further seeks the pooling of all mineral interests in the Langlie-Mattix Pool underlying each of the following tracts in said Section 35 to form three standard 40-acre proration units: the NE/4 NW/4, to be dedicated to applicant's Dabbs Well No. 1, located 330 feet from the North line and 2310 feet from the West line of said Section 35; the SE/4 NW/4, to be dedicated to applicant's Dabbs Well No. 3, located 1980 feet from the North and West lines of said Section 35; and the SW/4 NW/4, to be dedicated to a well to be drilled on said tract at a standard Langlie-Mattix Pool location. In the event re-entry into either the Dabbs Well No. 1 or No. 3 is unsuccessful, applicant proposes to drill a replacement well at a standard location on its tract. Applicant further proposes to dedicate the 160-acre Jalmat proration unit to one of the three above-described wells, and in the event it should be the Dabbs Well No. 1, applicant seeks approval for the unorthodox Jalmat location for said well. Also to be considered will be the cost of re-entering, drilling, and completing said wells and the allocation of such costs as well as actual operating costs and charges for supervision. Also to be considered will be the designation of the applicant as operator of the wells and a charge for the risk involved in re-entering, drilling, and completing said well.
- CASE 5604: (Continued from January 7, 1976 Examiner Hearing)
- Application of Burleson & Huff for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Querecho Plains-Queen Pool by the injection of water into the Queen formation through its Anadarko Federal Well No. 6 to be drilled at an unorthodox location in the approximate center of the SW/4 of Section 27, Township 18 South, Range 32 East, Lea County, New Mexico. Applicant further seeks an administrative procedure for approval of additional wells at standard and non-standard locations within the project area.

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO



IN THE MATTER OF THE APPLICATION OF
AGUA, INC. FOR SALT WATER DISPOSAL,
LEA COUNTY, NEW MEXICO.

CASE NO. 5592
ORDER NO. R-5137

APPLICATION FOR DE NOVO HEARING BEFORE COMMISSION

Comes now Agua, Inc. and hereby makes Application for a De Novo Hearing in connection with the Application which it heretofore filed in the above case to dispose of produced salt water into the San Andres formation into its No. A-22 Well located 817 feet from the North line and 965 feet from the East line of Section 22, Township 22 South, Range 37 East. N.M.P.M., and states:

1. That the Applicant filed an Application to dispose of salt water into its No. A-22 Well, which matter came on for hearing before Daniel S. Nutter, Examiner, on November 19, 1975, and on December 16, 1975 the Commission entered its Order No. R-5137 authorizing Applicant to dispose of produced salt water into the San Andres formation with injections into the open-hole interval from approximately 4,000 feet to 5,000 feet, and further providing that the injection well 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 one hundred (100) psi.

2. That the Applicant was adversely affected by said Order and hereby requests the Commission to hear the matter de novo in accordance with Rule 1220.

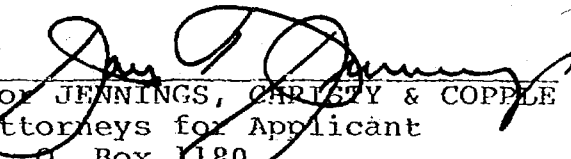
WHEREFORE, Applicant requests the Commission to set this matter down for de novo hearing before the Commission at an early date, publish the Notice as required by law and after hearing issue its Order allowing Applicant to dispose of produced salt water into the San Andres formation in the open-hole interval from approximately

4,000 feet to 5,000 feet below the surface in its A-22 Well located 817 feet from the North line and 965 feet from the East line of Section 22, Township 20 South, Range 37 East, N.M.P.M., without any pressure restrictions.

Respectfully submitted,

AGUA, INC.

By


FOR JENNINGS, CHRISTY & COPPLE
Attorneys for Applicant
P. O. Box 1180
Roswell, New Mexico 88201

AGUA, INC.

POST OFFICE BOX 1978
HOBBS, NEW MEXICO
88240

October 21, 1975

TELEPHONE: 505 393-6188

Case 5592



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

Attn: Mr. Joe Ramey

Gentlemen:

AGUA, INC. respectfully requests an Examiner Hearing to consider its application for approval to dispose of salt water in Blinebry-Drinkard Salt Water Disposal Well No. A-22, to be drilled at a location 817 feet from the north line and 965 feet from the east line of Section 22, T22S, R37E, Lea County, New Mexico.

Attached is Commission Form C-108 with the required Location Plat and Diagrammatic Sketch of the proposed salt water disposal well.

Pursuant to the August 22, 1975 letter directive from the Commission, Emergency Order No. E-27 dated September 26, 1975 and Order No. R-4495-A dated October 7, 1975, all waste waters collected and handled by the Blinebry-Drinkard Salt Water Disposal System are directed to and accepted by Blinebry-Drinkard Disposal Well No. C-2 under gravity disposal until a time no later than February 7, 1976, at which date relief must be afforded Disposal Well No. C-2 by the utilization of a newly-drilled and equipped disposal well so located and described in the above paragraphs.

A copy of this application has been furnished to offset operators.

Oil Conservation Commission
October 21, 1975
Page 2

Yours very truly,

AGUA, INC.

W. G. Abbott

W. G. Abbott
Manager

JVR/jo

cc: Amerada Hess Corporation
Anadarko Production Company
Cities Service Oil Company
Continental Oil Company
Exxon Company - U. S. A.
Gulf Energy & Minerals Company - U. S.
J. H. Hendrix

DOCKET MAILED

Date 11/10/75

6m 5592

Form C-108
Revised 3-1-68

NEW MEXICO OIL CONSERVATION COMMISSION
APPLICATION TO DISPOSE OF SALT WATER BY INJECTION INTO A POROUS FORMATION

| | | | | | |
|---|------------------------|---|--|---|---------------------------------------|
| OPERATOR AGUA, INC. | | ADDRESS P.O.Box 1978 Hobbs, New Mexico 88240 | | | |
| LEASE NAME Blinebry-Drinkard SWD System | | WELL NO. A-22 | | COUNTY Lea | |
| LOCATION UNIT LETTER A ; WELL IS LOCATED 817 FEET FROM THE North LINE AND 965 FEET FROM THE East LINE, SECTION 22 TOWNSHIP 22S RANGE 37E NMPM. | | | | | |
| CASING AND TUBING DATA | | | | | |
| NAME OF STRING | SIZE | SETTING DEPTH | SACKS CEMENT | TOP OF CEMENT | TOP DETERMINED BY |
| SURFACE CASING | 9-5/8" | 315' | 160 | Surface | Circulated |
| INTERMEDIATE | | | | | |
| LONG STRING | 7" | 4000' | 540 | 315' | Calculated |
| TUBING | Plastic-lined | 5-1/2" | 4000' | NAME, MODEL AND DEPTH OF TUBING PATTER None (Oil blanket in annulus) | |
| NAME OF PROPOSED INJECTION FORMATION San Andres | | | TOP OF FORMATION 3800' | | BOTTOM OF FORMATION 5000' |
| IS INJECTION THROUGH TUBING, CASING, OR ANNULUS? Tubing | | PERFORATIONS OR OPEN HOLE? Open hole | | PROPOSED INTERVAL(S) OF INJECTION 4000' - 5000' | |
| IS THIS A NEW WELL DRILLED FOR DISPOSAL? Yes | | IF ANSWER IS NO, FOR WHAT PURPOSE WAS WELL ORIGINALLY DRILLED? - | | HAS WELL EVER BEEN PERFORATED IN ANY ZONE OTHER THAN THE PROPOSED INJECTION ZONE? - | |
| LIST ALL SUCH PERFORATED INTERVALS AND SACKS OF CEMENT USED TO SEAL OFF OR SQUEEZE EACH - | | | | | |
| DEPTH OF BOTTOM OF DEEPEST FRESH WATER ZONE IN THIS AREA 300' | | DEPTH OF BOTTOM OF NEXT HIGHER OIL OR GAS ZONE IN THIS AREA 3600' | | DEPTH OF TOP OF NEXT LOWER OIL OR GAS ZONE IN THIS AREA 5500' | |
| ANTICIPATED DAILY INJECTION VOLUME (BBL'S.) | MINIMUM 5000 | MAXIMUM 12,000 | OPEN OR CLOSED TYPE SYSTEM Closed | IS INJECTION TO BE BY GRAVITY OR PRESSURE? Gravity | APPROX. PRESSURE (PSI) None |
| ANSWER YES OR NO WHETHER THE FOLLOWING WATERS ARE MINERALIZED TO SUCH A DEGREE AS TO BE UNFIT FOR DOMESTIC, STOCK, IRRIGATION, OR OTHER GENERAL USE Yes | | | NATURAL WATER IN DISPOSAL ZONE Yes | | |
| NAME AND ADDRESS OF SURFACE OWNER (OR LESSEE, IF STATE OR FEDERAL LAND) Cities Service Oil Company P. O. Box 1919 Midland, Texas 79701 | | | ARE WATER ANALYSES ATTACHED? No | | |
| LIST NAMES AND ADDRESSES OF ALL OPERATORS WITHIN ONE-HALF (1/2) MILE OF THIS INJECTION WELL | | | | | |
| J. H. Hendrix Wall Towers West Midland, Texas 79701 | | | | | |
| Gulf Oil Company - U. S. P. O. Box 670 Hobbs, New Mexico 88240 | | | | | |
| Continental Oil Company P. O. Box 460 Hobbs, New Mexico 88240 | | | | | |
| Anadarko Production Company P. O. Box 247 Hobbs, New Mexico 88240 | | | | | |
| Exxon Company - U. S. A. 1700 West Broadway Andrews, Texas 79714 | | | | | |
| Amerada Hess Corporation P. O. Drawer "D" Monument, New Mexico 88265 | | | | | |
| HAVE COPIES OF THIS APPLICATION BEEN SENT TO EACH OF THE FOLLOWING? | | SURFACE OWNER Yes | | EACH OPERATOR WITHIN ONE-HALF MILE OF THIS WELL Yes | |
| ARE THE FOLLOWING ITEMS ATTACHED TO THIS APPLICATION (SEE RULE 701-B) | | PLAT OF AREA Yes | | ELECTRICAL LOG No | |
| | | | | DIAGRAMMATIC SKETCH OF WELL Yes | |

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

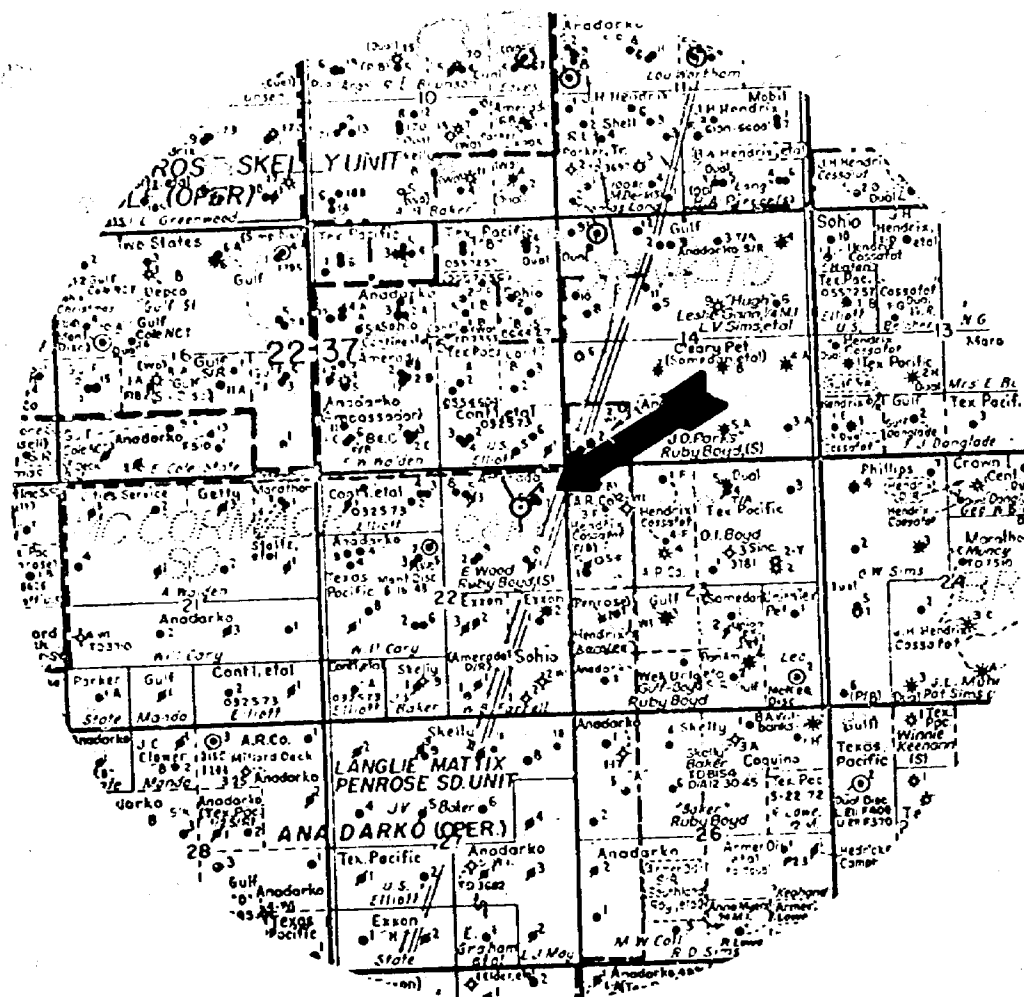
K. Y. Abbott
(Signature)

Manager
(Title)

10/21/75
(Date)

NOTE: Should waivers from the surface owner and all operators within one-half mile of the proposed injection well not accompany this application, the New Mexico Oil Conservation Commission will hold the application for a period of 15 days from the date of receipt by the Commission's Santa Fe office. If at the end of the 15-day waiting period no protest has been received by the Santa Fe office, the application will be processed. If a protest is received, the application will be set for hearing, if the applicant so requests. SEE RULE 701.

Case 5592



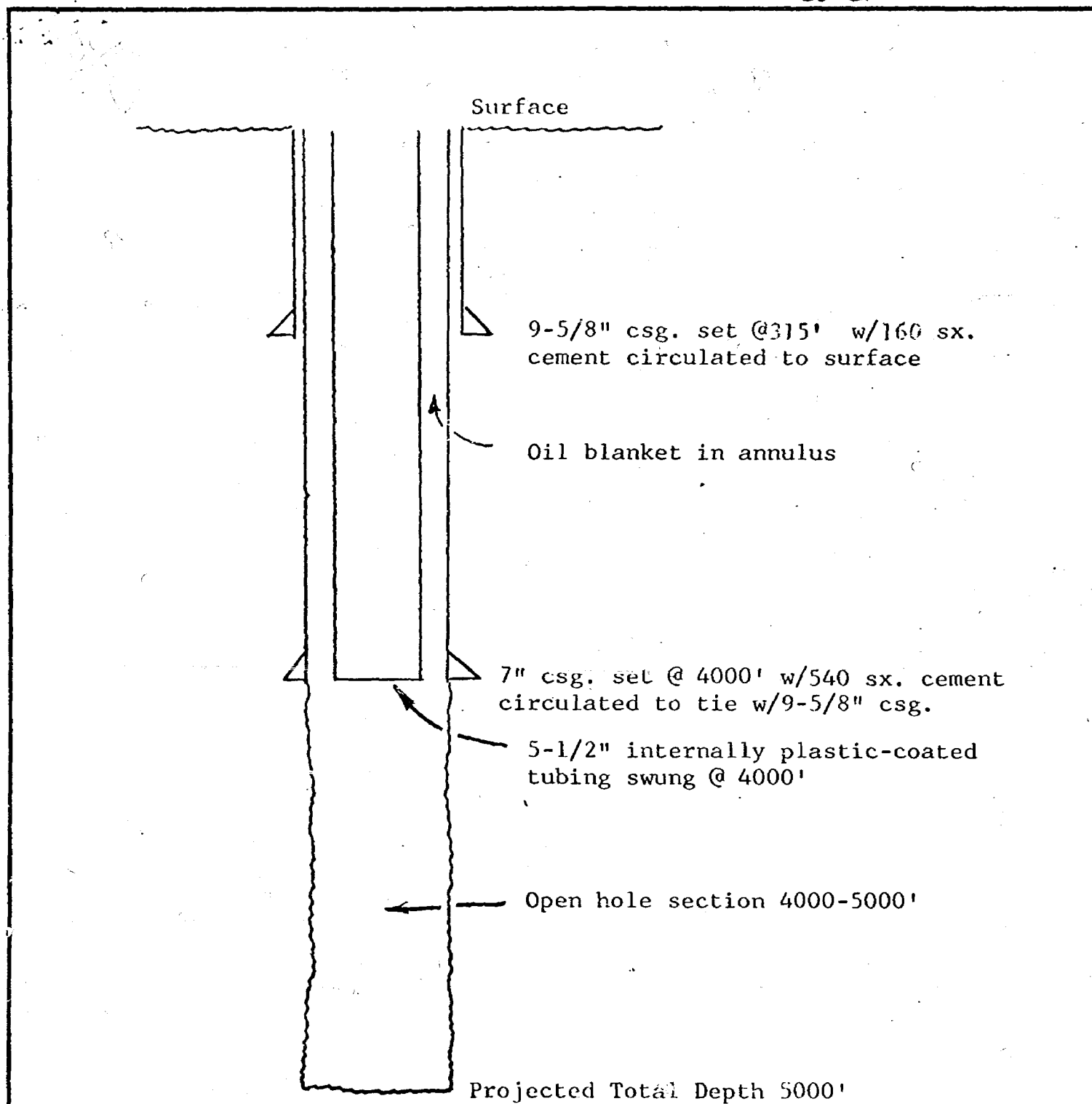
LEGEND:

Upper San Andres
All other wells producing
from formations non-contiguous
to the San Andres

PLAT OF AREA

Proposed SWD Well No. A-22
Blinebry-Drinkard SWD System
AGUA, INC. October, 1975

Case 5592



DIAGRAMMATIC SKETCH

Proposed Salt Water Disposal Well No. A-22
NE/4 NE/4 Section 22, T22S, R37E, Lea County, N.M.
BLINEBRY-DRINKARD SALT WATER DISPOSAL SYSTEM

| | | |
|------|------|-----|
| DWN. | 10/7 | JVR |
| | | |
| | | |

AGUA, INC.

HOBBS, NEW MEXICO

SCALE

None

DWG. NO.

A-175

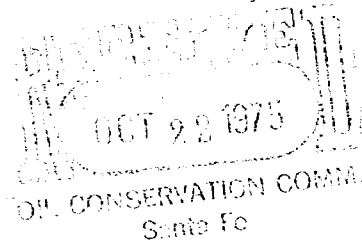
AGUA, INC.

POST OFFICE BOX 1978
HOBBS, NEW MEXICO
88240

October 21, 1975

TELEPHONE: 505 393-5188

Case 5592



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

Attn: Mr. Joe Ramey

Gentlemen:

AGUA, INC. respectfully requests an Examiner Hearing to consider its application for approval to dispose of salt water in Blinebry-Drinkard Salt Water Disposal Well No. A-22, to be drilled at a location 817 feet from the north line and 965 feet from the east line of Section 22, T22S, R37E, Lea County, New Mexico.

Attached is Commission Form C-108 with the required Location Plat and Diagrammatic Sketch of the proposed salt water disposal well.

Pursuant to the August 22, 1975 letter directive from the Commission, Emergency Order No. E-27 dated September 26, 1975 and Order No. R-4495-A dated October 7, 1975, all waste waters collected and handled by the Blinebry-Drinkard Salt Water Disposal System are directed to and accepted by Blinebry-Drinkard Disposal Well No. C-2 under gravity disposal until a time no later than February 7, 1976, at which date relief must be afforded Disposal Well No. C-2 by the utilization of a newly-drilled and equipped disposal well so located and described in the above paragraphs.

A copy of this application has been furnished to offset operators.

Oil Conservation Commission
October 21, 1975
Page 2

Yours very truly,

AGUA, INC.

W. G. Abbott

W. G. Abbott
Manager

JVR/jo

cc: Amerada Hess Corporation
Anadarko Production Company
Cities Service Oil Company
Continental Oil Company
Exxon Company - U. S. A.
Gulf Energy & Minerals Company - U. S.
J. H. Hendrix

Case 5592

Form C-108
Revised 3-1-68NEW MEXICO OIL CONSERVATION COMMISSION
APPLICATION TO DISPOSE OF SALT WATER BY INJECTION INTO A POROUS FORMATION

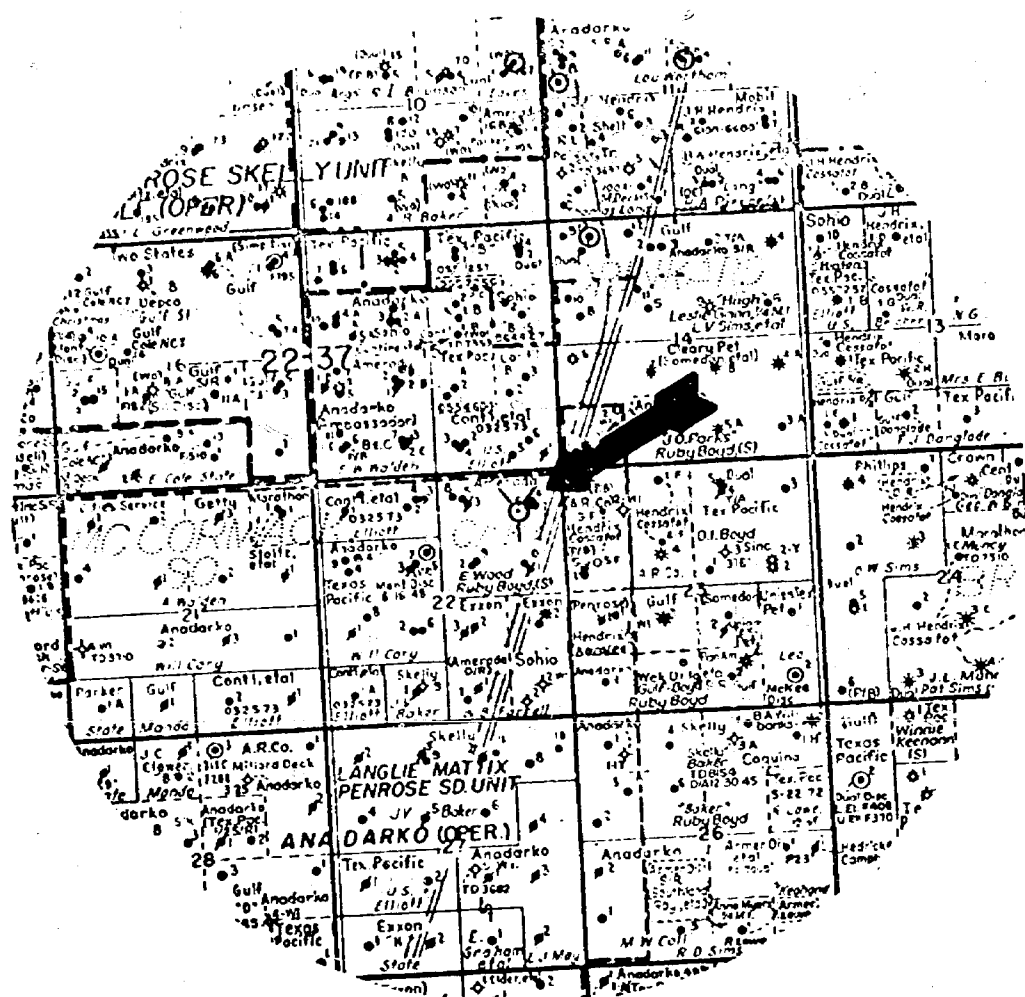
| | | | | | |
|---|------------------------|---|--|---|---|
| OPERATOR AGUA, INC. | | ADDRESS P.O.Box 1978 Hobbs, New Mexico 88240 | | | |
| LEASE NAME Blinebry-Drinkard SWD System | | WELL NO. A-22 | | COUNTY Lea | |
| LOCATION UNIT LETTER A ; WELL IS LOCATED 817 FEET FROM THE North LINE AND 965 FEET FROM THE East LINE, SECTION 22 TOWNSHIP 22S RANGE 37E NMPM. | | | | | |
| CASING AND TUBING DATA | | | | | |
| NAME OF STRING | SIZE | SETTING DEPTH | SACKS CEMENT | TOP OF CEMENT | TOP DETERMINED BY |
| SURFACE CASING | 9-5/8" | 315' | 160 | Surface | Circulated |
| INTERMEDIATE | | | | | |
| LONG STRING | 7" | 4000' | 540 | 315' | Calculated |
| TUBING | 5-1/2" | 4000' | NAME, MODEL AND DEPTH OF TUBING PACKER None (Oil blanket in annulus) | | |
| NAME OF PROPOSED INJECTION FORMATION San Andres | | TOP OF FORMATION 3800' | | BOTTOM OF FORMATION 5000' | |
| IS INJECTION THROUGH TUBING, CASING, OR ANNULUS? Tubing | | PERFORATIONS OR OPEN HOLE? Open hole | | PROPOSED INTERVAL(S) OF INJECTION 4000' - 5000' | |
| IS THIS A NEW WELL DRILLED FOR DISPOSAL? Yes | | IF ANSWER IS NO, FOR WHAT PURPOSE WAS WELL ORIGINALLY DRILLED? - | | HAS WELL EVER BEEN PERFORATED IN ANY ZONE OTHER THAN THE PROPOSED INJECTION ZONE? - | |
| LIST ALL SUCH PERFORATED INTERVALS AND SACKS OF CEMENT USED TO SEAL OFF OR SQUEEZE EACH | | | | | |
| DEPTH OF BOTTOM OF DEEPEST FRESH WATER ZONE IN THIS AREA 300' | | DEPTH OF BOTTOM OF NEXT HIGHER OIL OR GAS ZONE IN THIS AREA 3600' | | DEPTH OF TOP OF NEXT LOWER OIL OR GAS ZONE IN THIS AREA 5500' | |
| ANTICIPATED DAILY INJECTION VOLUME (BBLs.) | MINIMUM 5000 | MAXIMUM 12,000 | OPEN OR CLOSED TYPE SYSTEM Closed | IS INJECTION TO BE BY GRAVITY OR PRESSURE? Gravity | APPROX. PRESSURE (PSI) None |
| ANSWER YES OR NO WHETHER THE FOLLOWING WATERS ARE MINERALIZED TO SUCH A DEGREE AS TO BE UNFIT FOR DOMESTIC, STOCK, IRRIGATION, OR OTHER GENERAL USE Yes | | | WATER TO BE DISPOSED OF Yes | NATURAL WATER IN DISPOSAL ZONE Yes | ARE WATER ANALYSES ATTACHED? No |
| NAME AND ADDRESS OF SURFACE OWNER (OR LESSEE, IF STATE OR FEDERAL LAND) Cities Service Oil Company P. O. Box 1919 Midland, Texas 79701 | | | | | |
| LIST NAMES AND ADDRESSES OF ALL OPERATORS WITHIN ONE-HALF (1/2) MILE OF THIS INJECTION WELL | | | | | |
| J. H. Hendrix Wall Towers West Midland, Texas 79701 | | | | | |
| Gulf Oil Company - U. S. P. O. Box 670 Hobbs, New Mexico 88240 | | | | | |
| Continental Oil Company P. O. Box 460 Hobbs, New Mexico 88240 | | | | | |
| Anadarko Production Company P. O. Box 247 Hobbs, New Mexico 88240 | | | | | |
| Exxon Company - U. S. A. 1700 West Broadway Andrews, Texas 79714 | | | | | |
| Amerada Hess Corporation P. O. Drawer "D" Monument, New Mexico 88265 | | | | | |
| HAVE COPIES OF THIS APPLICATION BEEN SENT TO EACH OF THE FOLLOWING? | | SURFACE OWNER Yes | | EACH OPERATOR WITHIN ONE-HALF MILE OF THIS WELL Yes | |
| ARE THE FOLLOWING ITEMS ATTACHED TO THIS APPLICATION (SEE RULE 701-B) | | PLAT OF AREA Yes | | ELECTRICAL LOG No | |
| | | | | DIAGRAMMATIC SKETCH OF WELL Yes | |

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

W. J. Allen
(Signature)Manager
(Title)10/21/75
(Date)

NOTE: Should waivers from the surface owner and all operators within one-half mile of the proposed injection well not accompany this application, the New Mexico Oil Conservation Commission will hold the application for a period of 15 days from the date of receipt by the Commission's Santa Fe office. If at the end of the 15-day waiting period no protest has been received by the Santa Fe office, the application will be processed. If a protest is received, the application will be set for hearing, if the applicant so requests. SEE RULE 701.

Case 5592



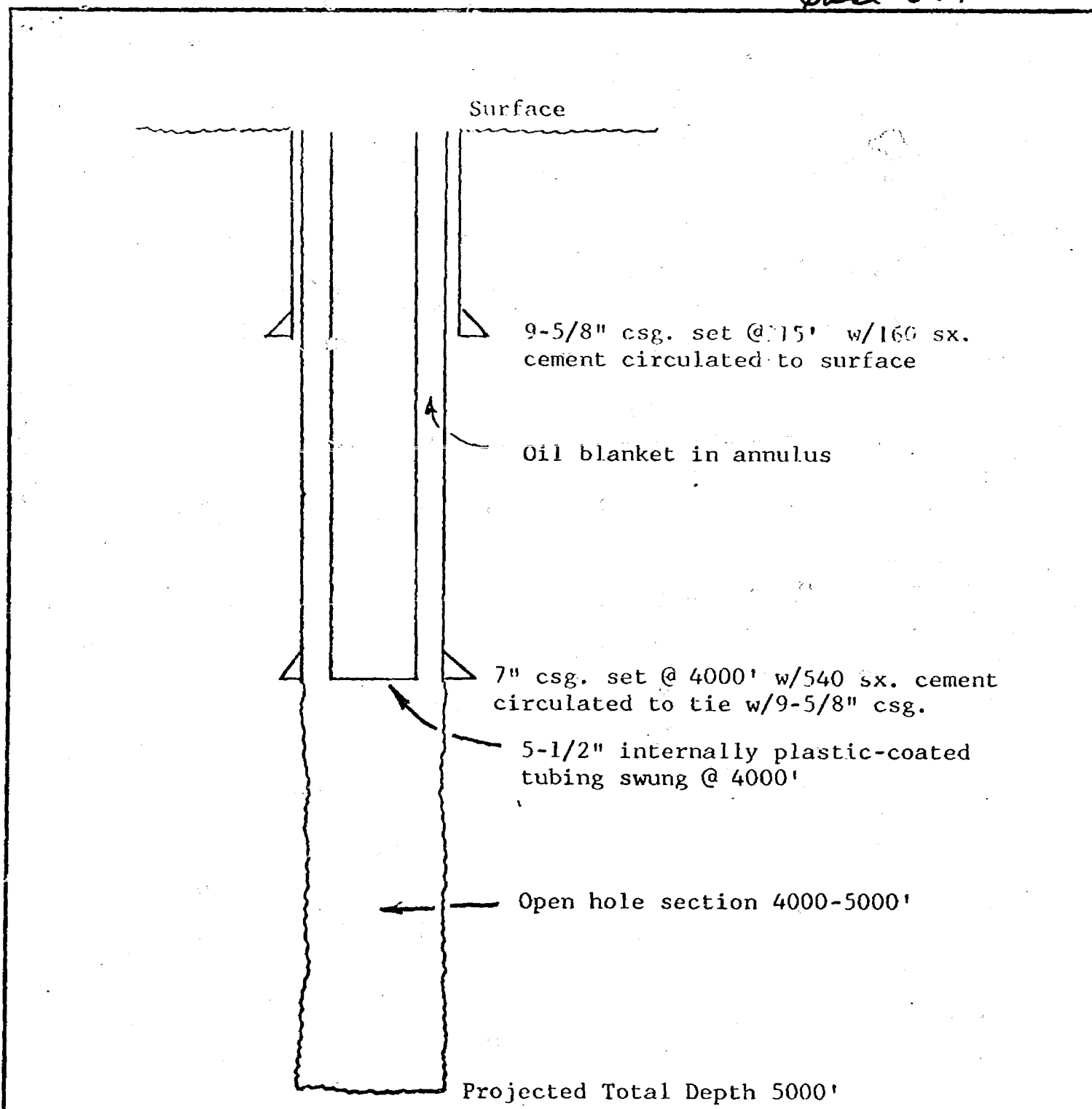
LEGEND:

O Upper San Andres
 All other wells producing
 from formations non-contiguous
 to the San Andres

PLAT OF AREA

Proposed SWD Well No. A-22
 Blinbry-Drinkard SWD System
 AGUA, INC. October, 1975

Case 5592



DIAGRAMMATIC SKETCH

Proposed Salt Water Disposal Well No. A-22
NE/4 NE/4 Section 22, T22S, R37E, Lea County, N.M.
BLINEBRY-DRINKARD SALT WATER DISPOSAL SYSTEM

| | | |
|------|------|-----|
| DWN. | 10/7 | JVR |
| | | |
| | | |

AGUA, INC.

HOBBS, NEW MEXICO

SCALE
None

DWG. NO.
A-175

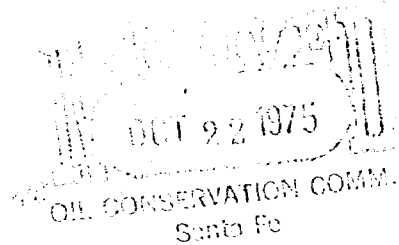
AGUA, INC.

POST OFFICE BOX 1978
HOBBS, NEW MEXICO
88240

October 21, 1975

TELEPHONE: 505 393-6188

Case 5592



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

Attn: Mr. Joe Ramey

Gentlemen:

AGUA, INC. respectfully requests an Examiner Hearing to consider its application for approval to dispose of salt water in Blinebry-Drinkard Salt Water Disposal Well No. A-22, to be drilled at a location 817 feet from the north line and 965 feet from the east line of Section 22, T22S, R37E, Lea County, New Mexico.

Attached is Commission Form C-108 with the required Location Plat and Diagrammatic Sketch of the proposed salt water disposal well.

Pursuant to the August 22, 1975 letter directive from the Commission, Emergency Order No. E-27 dated September 26, 1975 and Order No. R-4495-A dated October 7, 1975, all waste waters collected and handled by the Blinebry-Drinkard Salt Water Disposal System are directed to and accepted by Blinebry-Drinkard Disposal Well No. C-2 under gravity disposal until a time no later than February 7, 1976, at which date relief must be afforded Disposal Well No. C-2 by the utilization of a newly-drilled and equipped disposal well so located and described in the above paragraphs.

A copy of this application has been furnished to offset operators.

Oil Conservation Commission
October 21, 1975
Page 2

Yours very truly,

AGUA, INC.

W. G. Abbott

W. G. Abbott
Manager

JVR/jo

cc: Amerada Hess Corporation
Anadarko Production Company
Cities Service Oil Company
Continental Oil Company
Exxon Company - U. S. A.
Gulf Energy & Minerals Company - U. S.
J. H. Hendrix

Case 5592

Form C-108
Revised 3-1-68NEW MEXICO OIL CONSERVATION COMMISSION
APPLICATION TO DISPOSE OF SALT WATER BY INJECTION INTO A POROUS FORMATION

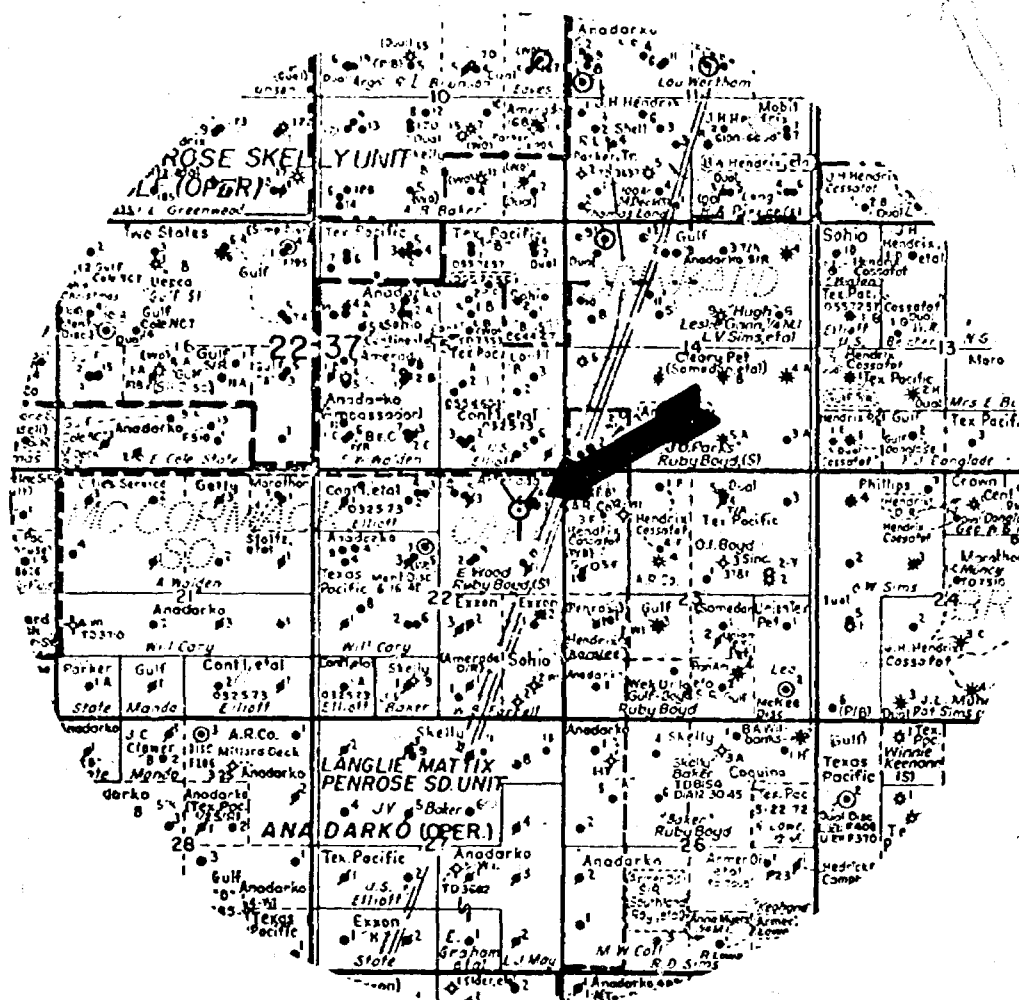
| | | | |
|---|--|---|---|
| OPERATOR AGUA, INC. | | ADDRESS P.O. Box 1978 Hobbs, New Mexico 88240 | |
| LEASE NAME Blinebry-Drinkard SWD System | WELL NO. A-22 | FIELD | COUNTY Lea |
| LOCATION UNIT LETTER A WELL IS LOCATED 817 FEET FROM THE North LINE AND 965 FEET FROM THE East LINE. SECTION 22 TOWNSHIP 22S RANGE 37E NMPM. | | | |
| CASING AND TUBING DATA | | | |
| NAME OF STRING | SIZE | SETTING DEPTH | SACKS CEMENT |
| SURFACE Casing | 9-5/8" | 315' | 160 |
| INTERMEDIATE | | | |
| LONG STRING | 7" | 4000' | 540 |
| TUBING | 5-1/2" | 4000' | NAME, MODEL AND DEPTH OF TUBING PACKER None (Oil blanket in annulus) |
| NAME OF PROPOSED INJECTION FORMATION San Andres | | TOP OF FORMATION 3800' | BOTTOM OF FORMATION 5000' |
| IS INJECTION THROUGH TUBING, CASING, OR ANNULUS? Tubing | | PERFORATIONS OR OPEN HOLE? Open hole | PROPOSED INTERVAL(S) OF INJECTION 4000' - 5000' |
| IS THIS A NEW WELL DRILLED FOR DISPOSAL? Yes | IF ANSWER IS NO, FOR WHAT PURPOSE WAS WELL ORIGINALLY DRILLED? - | | HAS WELL EVER BEEN PERFORATED IN ANY ZONE OTHER THAN THE PROPOSED INJECTION ZONE? - |
| LIST ALL SUCH PERFORATED INTERVALS AND SACKS OF CEMENT USED TO SEAL OFF OR SQUEEZE EACH - | | | |
| DEPTH OF BOTTOM OF DEEPEST FRESH WATER ZONE IN THIS AREA 300' | | DEPTH OF BOTTOM OF NEXT HIGHER OIL OR GAS ZONE IN THIS AREA 3600' | DEPTH OF TOP OF NEXT LOWER OIL OR GAS ZONE IN THIS AREA 5500' |
| ANTICIPATED DAILY INJECTION VOLUME (BBLs.) 5000 | MINIMUM 12,000 | MAXIMUM Closed | OPEN OR CLOSED TYPE SYSTEM Gravity |
| IS INJECTION TO BE BY GRAVITY OR PRESSURE? Gravity | | APPROX. PRESSURE (PSI) None | |
| ANSWER YES OR NO WHETHER THE FOLLOWING WATERS ARE MINERALIZED TO SUCH A DEGREE AS TO BE UNFIT FOR DOMESTIC, STOCK, IRRIGATION, OR OTHER GENERAL USE Yes | | WATER TO BE DISPOSED OF Yes | |
| NAME AND ADDRESS OF SURFACE OWNER (OR LESSEE, IF STATE OR FEDERAL LAND) Cities Service Oil Company P. O. Box 1919 Midland, Texas 79701 | | NATURAL WATER IN DISPOSAL ZONE Yes | |
| ARE WATER ANALYSES ATTACHED? No | | ARE WATER ANALYSES ATTACHED? No | |
| LIST NAMES AND ADDRESSES OF ALL OPERATORS WITHIN ONE-HALF (1/2) MILE OF THIS INJECTION WELL | | | |
| J. H. Hendrix Wall Towers West Midland, Texas 79701 | | | |
| Gulf Oil Company - U. S. P. O. Box 670 Hobbs, New Mexico 88240 | | | |
| Continental Oil Company P. O. Box 460 Hobbs, New Mexico 88240 | | | |
| Anadarko Production Company P. O. Box 247 Hobbs, New Mexico 88240 | | | |
| Exxon Company - U. S. A. 1700 West Broadway Andrews, Texas 79714 | | | |
| Amerada Hess Corporation P. O. Drawer "D" Monument, New Mexico 88265 | | | |
| HAVE COPIES OF THIS APPLICATION BEEN SENT TO EACH OF THE FOLLOWING? | SURFACE OWNER Yes | | EACH OPERATOR WITHIN ONE-HALF MILE OF THIS WELL Yes |
| ARE THE FOLLOWING ITEMS ATTACHED TO THIS APPLICATION (SEE RULE 701-B)? | PLAT OF AREA Yes | ELECTRICAL LOG No | DIAGRAMMATIC SKETCH OF WELL Yes |

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

M. H. Abbott
(Signature)Manager
(Title)10/21/75
(Date)

NOTE: Should waivers from the surface owner and all operators within one-half mile of the proposed injection well not accompany this application, the New Mexico Oil Conservation Commission will hold the application for a period of 15 days from the date of receipt by the Commission's Santa Fe office. If at the end of the 15-day waiting period no protest has been received by the Santa Fe office, the application will be processed. If a protest is received, the application will be set for hearing, if the applicant so requests. SEE RULE 701.

Case 5592



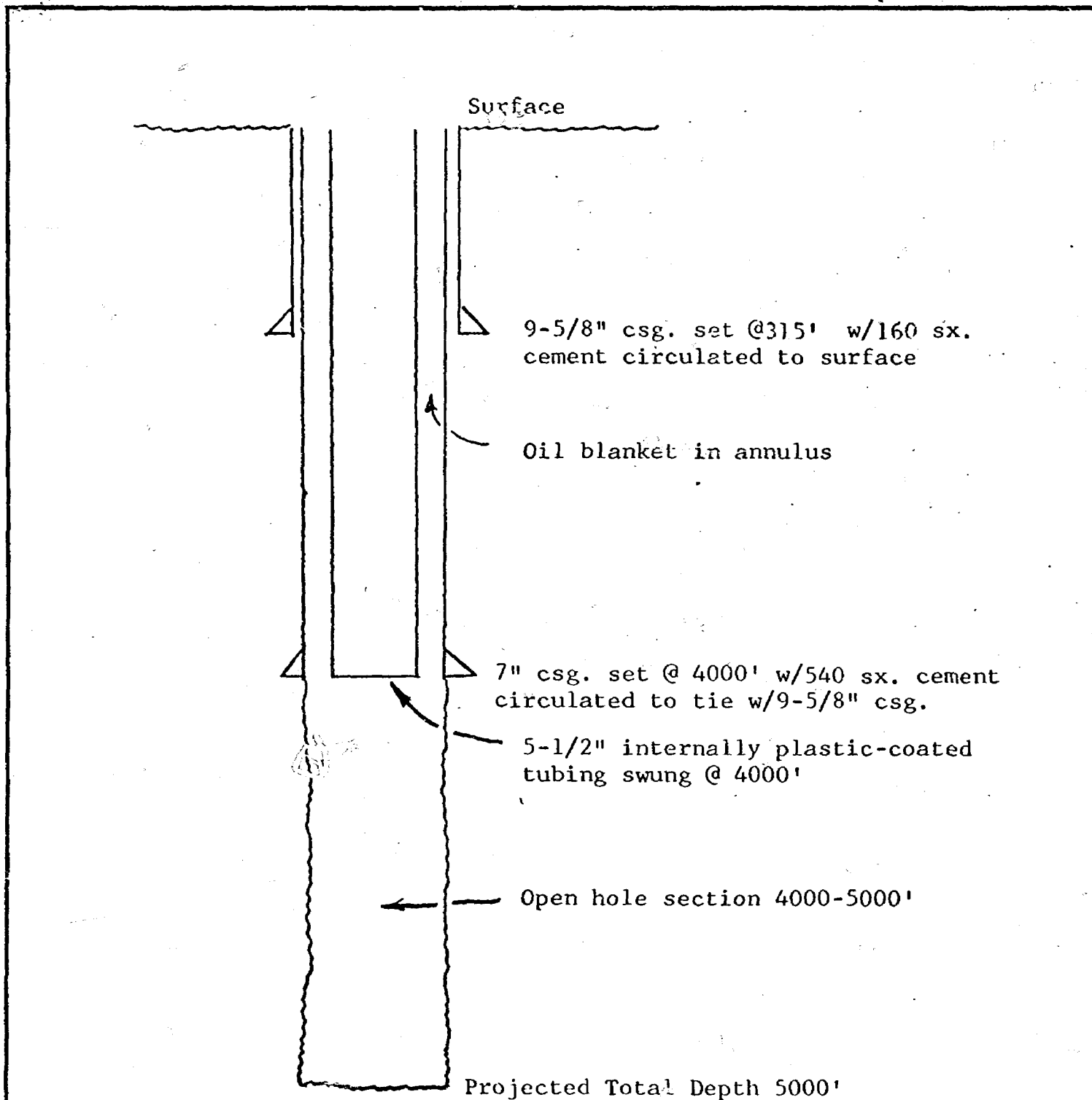
LEGEND:

○ Upper San Andres
 All other wells producing
 from formations non-contiguous
 to the San Andres

PLA OF AREA

Proposed SWD Well No. A-22
 Blaine-Drinkard SWD System
 AGUA, INC. October, 1975

Case 5592



DIAGRAMMATIC SKETCH

Proposed Salt Water Disposal Well No. A-22
NE/4 NE/4 Section 22, T22S, R37E, Lea County, N.M.
BLINEBRY-DRINKARD SALT WATER DISPOSAL SYSTEM

| | | |
|------|-------|----|
| DWN. | 10/75 | JV |
| | | |
| | | |

AGUA, INC.

HOBBS, NEW MEXICO

SCALE

None

DWG. NO.

A-175

Docket No. 29-75

Dockets Nos. 30-75 and 31-75 are tentatively set for hearing on December 3 and December 17, 1975. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - NOVEMBER 19, 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 seven-teen prorated pools in Lea, Eddy, Roosevelt, and Chaves Counties, New Mexico, for December, 1975.
- (2) Consideration of the allowable production of gas from five prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico, for December, 1975.

CASE 5583: Application of Stevens Oil Company for a pilot waterflood project, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pilot waterflood project in the Twin Lakes-San Andres Pool by injection of produced water through its Twinlakes Oil Company Well No. 1, located in Unit D of Section 12, Township 9 South, Range 28 East, Chaves County, New Mexico.

CASE 5584: Application of Cities Service Oil Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill a well at an unorthodox location 990 feet from the North line and 660 feet from the West line of Section 29, Township 21 South, Range 27 East, South Carlsbad Field, Eddy County, New Mexico, or, in the alternative, in the NW/4 NW/4 of said Section 29 at some point not closer than 660 feet from either the North or West lines of said Section, the W/2 of said Section 29 to be dedicated to the well.

CASE 5585: Application of W. P. Carr for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pictured Cliffs formation underlying the NE/4 of Section 13, Township 31 North, Range 11 West, Blanco-Pictured Cliffs Pool, San Juan County, New Mexico, to be dedicated to a well to be drilled in Unit G of said Section 13. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 5586: Application of Amerada Hess Corporation for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Otero-Gallup oil production and Basin-Dakota gas production in the wellbore of its McKenzie Federal Wells Nos. 1 and 3 located, respectively, in Units M and O of Section 25 and its Harvey State Well No. 1 located in Unit N of Section 36, all in Township 25 North, Range 6 West, Rio Arriba County, New Mexico.

CASE 5587: Application of Pennzoil Company for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval to commingle Morrow and Atoka gas production in the wellbore of its Gulf Federal Well No. 2, located in Unit L of Section 6, Township 23 South, Range 27 East, South Carlsbad Field, Eddy County, New Mexico.

CASE 5588: Application of Amoco Production Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval to commingle Gonzales-Mesaverde and Basin-Dakota gas production in the wellbore of its Jicarilla Contract 146 Well No. 11 located in Unit K of Section 4, Township 25 North, Range 5 West, Rio Arriba County, New Mexico.

CASE 5589: Application of Filon Exploration Corporation for pool creation, assignment of a discovery allowable, and special pool rules, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new pool for the production of oil from the Entrada formation for its Federal 33 Well No. 3 located in Unit N of Section 33, Township 21 North, Range 5 West, Sandoval County, New Mexico, and the assignment of a discovery allowable to said well; applicant further seeks the promulgation of special pool rules for said pool, including a provision for a special depth bracket allowable.

CASE 5590: Northwestern New Mexico nomenclature case calling for an order for the creation, contraction, and extension of certain pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

(a) CREATE a new pool in San Juan County, New Mexico, classified as a gas pool for Pictured Cliffs production and designated as the Nipp Pictured Cliffs Pool and described as:

TOWNSHIP 26 NORTH, RANGE 12 WEST, NMPM

Section 16: SW/4
Section 17: SE/4
Section 20: E/2
Section 21: W/2
Section 28: W/2
Section 33: All
Section 34: SW/4

(b) CONTRACT the Blanco-Pictured Cliffs Pool boundary in Rio Arriba and San Juan Counties, New Mexico, to exclude therefrom:

TOWNSHIP 29 NORTH, RANGE 9 WEST, NMPM

Section 17: SW/4

TOWNSHIP 30 NORTH, RANGE 10 WEST, NMPM

Section 35: NW/4

(c) EXTEND the Angels Peak-Gallup Pool boundary in San Juan County, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 9 WEST, NMPM

Section 5: N/2

Section 15: SE/4

TOWNSHIP 26 NORTH, RANGE 10 WEST, NMPM

Section 13: S/2

TOWNSHIP 27 NORTH, RANGE 9 WEST, NMPM

Section 31: All

(d) EXTEND the Aztec-Fruitland Pool boundary in San Juan County, New Mexico, to include therein:

TOWNSHIP 29 NORTH, RANGE 10 WEST, NMPM

Section 8: NW/4

Section 9: SW/4

Section 20: N/2

(e) EXTEND the Aztec-Pictured Cliffs Pool boundary in San Juan County, New Mexico, to include therein:

TOWNSHIP 29 NORTH, RANGE 9 WEST, NMPM

Section 17: SW/4

Section 20: NW/4

TOWNSHIP 29 NORTH, RANGE 10 WEST, NMPM

Section 11: N/2

Section 12: NW/4

TOWNSHIP 30 NORTH, RANGE 10 WEST, NMPM

Section 27: E/2

Section 35: NW/4

(f) EXTEND the Blanco-Mesaverde Pool boundary in Rio Arriba and San Juan Counties, New Mexico, to include therein:

TOWNSHIP 30 NORTH, RANGE 5 WEST, NMPM

Section 2: All

Section 3: All

(g) EXTEND the Blanco-Pictured Cliffs Pool boundary in Rio Arriba and San Juan Counties, New Mexico, to include therein:

TOWNSHIP 29 NORTH, RANGE 8 WEST, NMPM

Section 31: SE/4

Section 32: S/2

TOWNSHIP 29 NORTH, RANGE 9 WEST, NMPM

Section 28: E/2

TOWNSHIP 30 NORTH, RANGE 8 WEST, NMPM

Section 29: SW/4

Section 32: N/2

TOWNSHIP 30 NORTH, RANGE 10 WEST, NMPM

Section 3: All

Section 4: E/2

TOWNSHIP 31 NORTH, RANGE 9 WEST, NMPM

Section 31: NE/4

Section 32: NW/4

TOWNSHIP 31 NORTH, RANGE 10 WEST, NMPM

Sections 5 through 8: All

Section 14: W/2

Sections 15 through 17: All

Section 18: N/2 and SE/4

Section 20: N/2 and SE/4

Sections 21 through 23: All

Sections 26 through 28: All

Section 29: NE/4

Sections 33 and 34: All

Section 35: N/2

TOWNSHIP 31 NORTH, RANGE 11 WEST, NMPM

Section 1: All

Section 2: E/2 and SW/4

Section 15: NW/4

Section 16: N/2

Section 26: NE/4

TOWNSHIP 32 NORTH, RANGE 11 WEST, NMPM

Section 16: S/2

Section 17: SE/4

(h) EXTEND the Bloomfield-Chacra Pool boundary in San Juan County, New Mexico, to include therein:

TOWNSHIP 29 NORTH, RANGE 10 WEST, NMPM

Section 8: SE/4

Section 17: N/2 and SW/4

(i) EXTEND the Campo-Gallup Pool boundary in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 29 NORTH, RANGE 4 WEST, NMPM

Section 12: NW/4

(j) EXTEND the Escrito-Gallup Oil Pool boundary in Rio Arriba and San Juan Counties, New Mexico, to include therein:

TOWNSHIP 24 NORTH, RANGE 7 WEST, NMPM

Section 33: E/2

TOWNSHIP 24 NORTH, RANGE 8 WEST, NMPM

Section 13: W/2 NE/4, E/2 NW/4 and E/2 SE/4

(k) EXTEND the Fulcher Kutz-Pictured Cliffs Pool boundary in San Juan County, New Mexico, to include therein:

TOWNSHIP 28 NORTH, RANGE 11 WEST, NMPM
Section 23: NW/4 and SE/4

TOWNSHIP 29 NORTH, RANGE 11 WEST, NMPM
Section 7: NE/4
Section 8: NW/4

(1) EXTEND the Harris Mesa-Chacra Pool boundary in San Juan County, New Mexico, to include therein:

TOWNSHIP 27 NORTH, RANGE 9 WEST, NMPM
Section 2: N/2 and SE/4
Section 11: NE/4
Section 12: NW/4

TOWNSHIP 28 NORTH, RANGE 9 WEST, NMPM
Section 26: N/2 and SE/4
Section 34: NW/4
Section 35: All

(m) EXTEND the Largo-Chacra Pool boundary in Rio Arriba and San Juan Counties, New Mexico, to include therein:

TOWNSHIP 27 NORTH, RANGE 7 WEST, NMPM
Section 6: SW/4
Section 7: W/2
Section 15: SW/4
Section 22: W/2
Section 27: NW/4
Section 28: NE/4
Section 29: S/2

TOWNSHIP 27 NORTH, RANGE 8 WEST, NMPM
Section 1: SE/4
Section 12: All

(n) EXTEND the South Lindrith Gallup-Dakota Oil Pool boundary in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 23 NORTH, RANGE 4 WEST, NMPM
Section 3: NW/4
Section 4: N/2
Section 5: NE/4

TOWNSHIP 24 NORTH, RANGE 4 WEST, NMPM
Section 33: SW/4

(o) EXTEND the West Lindrith Gallup-Dakota Oil Pool boundary in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 24 NORTH, RANGE 4 WEST, NMPM
Section 1: NW/4 SW/4 and E/2 SW/4
Section 2: N/2
Section 11: NW/4 NE/4 and S/2 NE/4

(p) EXTEND the Ojo-Pictured Cliffs Pool boundary in San Juan County, New Mexico, to include therein:

TOWNSHIP 28 NORTH, RANGE 15 WEST, NMPM
Section 26: NE/4

(q) EXTEND the Otero-Chacra Pool boundary in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 6 WEST, NMPM
Section 21: NE/4

TOWNSHIP 26 NORTH, RANGE 7 WEST, NMPM
Section 11: S/2
Section 13: SW/4
Section 14: N/2
Section 24: NW/4

(r) EXTEND the Rusty-Menefee Oil Pool boundary in Sandoval County, New Mexico, to include therein:

TOWNSHIP 22 NORTH, RANGE 7 WEST, NMPM
Section 13: NW/4
Section 14: NE/4

(s) EXTEND the Tapacito-Pictured Cliffs Pool boundary in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 27 NORTH, RANGE 4 WEST, NMPM
Section 16: SW/4
Section 21: N/2

(t) EXTEND the Waw-Pictured Cliffs Pool boundary in San Juan County, New Mexico, to include therein:

TOWNSHIP 27 NORTH, RANGE 13 WEST, NMPM
Section 29: E/2 and SW/4
Section 30: SE/4
Section 31: NE/4
Section 32: N/2

(u) EXTEND the Wild Horse-Gallup Pool boundary in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 4 WEST, NMPM
Section 14: N/2
Section 24: NE/4

CASE 5591: Application of Amoco Production Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill a well at an unorthodox location 1980 feet from the South line and 1241 feet from the West line of Section 33, Township 17 South, Range 29 East, Grayburg-Morrow Gas Pool, Eddy County, New Mexico, the S/2 of said Section 33 to be dedicated to the well.

CASE 5592: Application of Agua, Inc. for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced water by injection into the San Andres formation through the open-hole interval from approximately 4000 to 5000 feet in its Blinbry-Drinkard SWD System Well No. A-22 located 817 feet from the North line and 965 feet from the East line of Section 22, Township 22 South, Range 37 East, Lea County, New Mexico.

CASE 5403: (Reopened)

In the matter of the hearing called by the Oil Conservation Commission on its own motion to further consider the subject matter of Case No. 5377, namely to permit all interested parties to appear and show cause why the continued injection of water for secondary recovery or disposal purposes into any formation from the surface of the ground down to and including the Drinkard formation should be permitted in the following described area in Lea County, New Mexico:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Sections 13 through 36: All

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM
Sections 1 through 12: All

CASE 5571: (Continued from October 8, 1975 Examiner Hearing)

Application of Robert G. Cox for amendment of Order No. R-4561, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks amendment of Order No. R-4561, which order permitted the directional drilling of applicant's Federal "EA" Well No. 1, located 330 feet from the North and West lines of Section 12, Township 18 South, Range 27 East, Empire-Abo Pool, Eddy County, New Mexico, in such a manner as to be bottomed within 100 feet of the surface location. Applicant seeks the amendment of said order to permit bottoming of the subject well approximately 58 feet from the North line and 8 feet from the West line of said Section 12 and to permit verification of said downhole location by single-shot directional surveys made concurrently with the drilling of said well.

DR/

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. 5592 (De Novo)

Order No. R-5137-A

APPLICATION OF AGUA, INC. FOR SALT
WATER DISPOSAL, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 21, 1976,
at Santa Fe, New Mexico, before the Oil Conservation Commission
of New Mexico, hereinafter referred to as the "Commission."

NOW, on this _____ day of January, 1976, 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's request for dismissal should be granted.

IT IS THEREFORE ORDERED:

(1) That Case No. 5592 (De Novo) is hereby dismissed.

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