

Engineering & Consulting Inc. for a  
salt water disposal well (Gulf  
Coastal Well #2 - Lea County, NM

Case No.

1678

---

Application, Transcript,  
Small Exhibits, Etc.

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. 1678  
Order No. R-1412

APPLICATION OF RICE ENGINEERING  
AND OPERATING, INC., FOR AN ORDER  
AUTHORIZING A SALT WATER DISPOSAL  
WELL IN SECTION 7, TOWNSHIP 12  
SOUTH, RANGE 38 EAST, LEA COUNTY,  
NEW MEXICO

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on May 20, 1959, at Santa Fe, New Mexico, before E. J. Fischer, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 5<sup>th</sup> day of June, 1959, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, E. J. Fischer, 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, Rice Engineering and Operating, Inc., is the operator of the temporarily abandoned Gulf Oberholtzer Well No. 2, located 1980 feet from the North line and 2310 feet from the West line of Section 7, Township 12 South, Range 38 East, NMPM, Lea County, New Mexico.
- (3) That the applicant proposes to recomplete the said Gulf Oberholtzer Well No. 2 as a salt water disposal well and inject produced salt water into the Devonian formation below the water-oil contact in the interval from 12,206 feet to 12,400 feet.
- (4) That disposal of salt water in the said Gulf Oberholtzer Well No. 2 will not jeopardize the production of oil, gas, or fresh water in the area and is consonant with sound conservation practices.

-2-

Case No. 1678

Order No. R-1412

IT IS THEREFORE ORDERED:

(1) That the applicant, Rice Engineering and Operating, Inc., be and the same is hereby authorized to utilize the Gulf Oberholtzer Well No. 2 (to be called the Gladiola SWD Well No. F-7), located 1980 feet from the North line and 2310 feet from the West line of Section 7, Township 12 South, Range 38 East, NMPM, Lea County, New Mexico, for the purpose of disposing of produced salt water into the Devonian formation below the water-oil contact in the interval from 12,206 feet to 12,400 feet.

(2) That the applicant shall submit monthly reports of its disposal operations in accordance with Rules 704 and 1119 of the Commission Rules and Regulations.

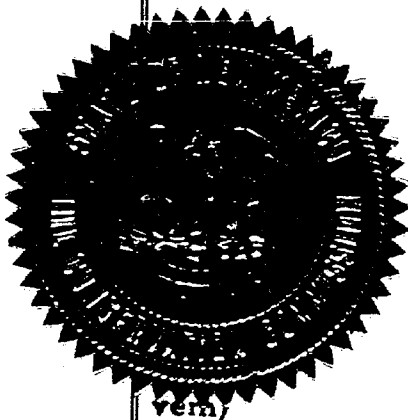
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated,

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

*John Burroughs*  
JOHN BURROUGHS, Chairman

*Murray E. Morgan*  
MURRAY E. MORGAN, Member

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



OIL CONSERVATION COMMISSION  
P. O. BOX 871  
SANTA FE, NEW MEXICO

June 5, 1959

Mr. Jason Kellahin  
Box 1713  
Santa Fe, New Mexico

Dear Mr. Kellahin:

On behalf of your client, Rice Engineering & Operating, Inc., we enclose two copies of Order No. R-1412 issued June 3, 1959, by the Oil Conservation Commission in Case No. 1678.

Very truly yours,

A. L. PORTER, Jr.  
Secretary-Director

lr/

Enclosures

C  
O  
P  
Y

*Case 1678 Set for Hearing May 20*  
RICE Engineering & Operating, Inc.

Post Office Box 1142

Telephone EXpress 3-9174

HOBBS, NEW MEXICO

April 23, 1959

New Mexico Oil Conservation Commission  
P. O. Box 871  
Santa Fe, New Mexico

Re: Rule 701 - Permit for  
Injection of Water  
(Salt Water Disposal)

Gentlemen:

Rice Engineering & Operating, Inc. of Hobbs, New Mexico, hereby applies for a hearing to be held before the New Mexico Oil Conservation Commission for the purpose of securing a permit under Rule 701 to recompleate the Gulf Oberholtzer No. 2 well as a salt water disposal well. The subject well is located on the Gulf Oberholtzer Lease in Section 7, Township 12 South, Range 38 East, Gladiola Pool, Lea County, New Mexico. The proposed disposal well will be known as Rice Engineering & Operating, Inc., Gladiola SWD Well F-7.

Rice Engineering & Operating, Inc. further deposes and states the following:

- A. That said well is located 1980 feet from the North line and 2310 feet from the West line of Section 7, Township 12 South, Range 38 East, N.M.P.M. (See Exhibit "A")
- B. That said well was drilled and completed August 17, 1957, in the Gladiola Devonian Pool by Warren Petroleum Corporation (subsequently assigned to Gulf Oil Corporation).
- C. That said well was temporarily abandoned by Gulf Oil Corporation March 24, 1959.

*Rechecked  
Mailed  
5-6-59*

April 23, 1959

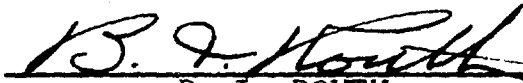
- D. That said well by agreement between Rice Engineering & Operating, Inc. and Gulf Oil Corporation shall be utilized by the Gladiola Salt Water Disposal System as a disposal well.
- E. That said well has 13 3/8 inch OD casing set at 372 feet, 9 5/8 inch OD casing set at 4502 feet, and 5 1/2 inch OD casing set at 12,022 feet. (See Exhibit "B")
- F. That said well has basing perforated from 12,006 to 12,012 feet with a plugged back total depth of 12,012 feet.
- G. That said well will be completed as a disposal well in the lower Devonian Zone by (1) squeeze cementing present casing perforations; (2) drilling to new total depth of 12,400 feet; (3) setting 4 inch OD liner at 12,206; and disposing in the open hole interval from 12,206 to 12,400 feet.
- H. That the salt water to be injected is produced from the Gladiola Devonian and Gladiola Wolfcamp Pools.
- I. That the volume of salt water to be disposed shall be approximately 15,000 barrels per day.

Therefore, Rice Engineering & Operating, Inc. requests that the Secretary of the New Mexico Oil Conservation Commission set a date for this application to be heard, and after said hearing to grant this permit to dispose of salt water in the Gulf Oberholtzer No. 2 well.

Respectfully submitted,

RICE ENGINEERING & OPERATING, INC.

by

  
B. I. ROUTH  
General Manager

WGA/js

Attachments:

Exhibit "A"  
Exhibit "B"

OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

Date May 20, 1959

CASE NO. 1678

HEARING DATE May 29, 1959

My recommendations for an order in the above numbered case <sup>is</sup> ~~(s)~~ are  
as follows:

Enter an order granting permission to  
Rice Engineering & Operating, Inc.  
permission to convert the temporarily  
abandoned Gulf Oberholzer Well No. 2  
for salt water disposal in the Devonian  
formation ~~of~~ (in the <sup>approx</sup> interval from  
12,206 to 12,400).

Gulf Oberholzer Well No. 2 is  
located in Unit F, Section 7, Twp. 12  
South, Range 38 East, Lea County.

E. Fischer  
Staff Member



DOCKET: EXAMINER HEARING MAY 20, 1959

Oil Conservation Commission, 9 a.m., Mabry Hall, State Capitol, Santa Fe

The following cases will be heard before E. J. Fischer, Examiner

- CASE 1673: Application of Standard Oil Company of Texas for an amendment of Order Nos. R-1067 and R-1124. Applicant, in the above-styled cause, seeks an amendment of Order Nos. R-1067 and R-1124 to permit the utilization of dump type meters in lieu of positive displacement meters on certain leases in the Atoka Pool, Eddy County, New Mexico.
- CASE 1674: Application of Continental Oil Company for a gas-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its M. E. Wantz Well No. 4-A located in the SW/4 SE/4 of Section 21, Township 21 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of gas from the Blinebry Gas Pool and the production of oil from the Wantz-Abo Pool through the casing-tubing annulus and the tubing respectively.
- CASE 1675: Application of Hill and Meeker for six non-standard oil proration units. Applicant, in the above-styled cause, seeks an order establishing six non-standard oil proration units for Delaware production on its State "36" Lease comprising all of partial Section 36, Township 26 South, Range 32 East, Lea County, New Mexico, with each of said non-standard oil proration units to consist of approximately 44 acres.
- CASE 1676: Application of Humble Oil & Refining Company for permission to produce more than sixteen wells into a common tank battery and to commingle the production from two separate leases. Applicant, in the above-styled cause, seeks permission to commingle the Gallup production from its Navajo "F" Lease comprising Sections 3, 4, 9, and 10 with the Gallup production from its Navajo "G" Lease comprising Sections 1, 2, 11, and 12, all in and adjoining the Chimney Rock-Gallup Oil Pool, Township 31 North, Range 17 West, San Juan County, New Mexico. Applicant further seeks authority to produce more than sixteen wells into said common tank battery.
- CASE 1677: Application of The Texas Company for an oil-gas dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its V. M. Henderson Well No. 2 located in the NE/4 NE/4 of Section 30, Township 21 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Paddock Pool and the production of gas from the Blinebry formation adjacent to the Blinebry Gas Pool.
- CASE 1678: Application of Rice Engineering and Operating, Inc. for a salt water disposal well. Applicant, in the above-styled cause, seeks an order authorizing it to recomplete its Gulf Oberholtzer Well No. 2 as a salt water disposal well in the Devonian formation; said well is located 1980 feet from the North line and 2310 feet from the West line of Section 7, Township 12 South, Range 38 East, Lea County, New Mexico. Applicant proposes to inject the produced salt water into the Devonian formation in the interval from 12,206 feet to 12,400 feet.

CASE 1679: Application of Western Oil Fields, Inc., for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks the establishment of an 80-acre non-standard gas proration unit in the Blinebry Gas Pool consisting of the NW/4 SE/4 and the NE/4 SW/4 of Section 4, Township 21 South, Range 37 East, Lea County, New Mexico, said unit to be dedicated to the applicant's Gulf Hill Well No. 1, located 1980 feet from the South and East lines of said Section 4.

CASE 1680: Application of Graridge Corporation for capacity allowables for eight wells in a water flood project. Applicant, in the above-styled cause, seeks an order authorizing capacity allowables for eight wells situated in the project area of its water flood project in the Caprock-Queen Pool in Lea and Chaves Counties, New Mexico.

CASE 1681: Application of The Ibex Company for a capacity allowable for one well in a water flood project. Applicant, in the above-styled cause, seeks an order authorizing a capacity allowable for its Welch Duke State Well No. 18 in the project area of its Artesia Water Flood Project No. 2, Artesia Pool, Eddy County, New Mexico.

CLASS OF SERVICE

This is a fast message unless its deferred character is indicated by the proper symbol.

# WESTERN UNION

## TELEGRAM

1201

SYMBOLS

DL=Day Letter

NL=Night Letter

LT=International Letter Telegram

W. P. MARSHALL, PRESIDENT

The filing time shown in the date line on domestic telegrams is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination

LA 192 SSE 351

L RWA095 PD=ROSWELL NMEX MAY 14 4 07 PM '59  
NEW MEXICO OIL CONSERVATION COMMISSION, ATTN A L PORTER  
JR= STATE CAPITOL BLDG SANTA FE NMEX=  
GULF OIL CORPORATION CONCURS WITH RICE ENGINEERING &  
OPERATING, INC. IN THEIR APPLICATION TO RECOMPLETE THE  
GULF OBERHOLTZER WELL NO 2 AS A SALT WATER DISPOSAL  
WELL IN CASE 1678 SCHEDULED FOR EXAMINER HEARING MAY 20

1959=

W A SHELLSHEAR==

*Conf file*

2 1678 20 1959=.

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

*RICE Engineering & Operating, Inc.*

Post Office Box 1142

Telephone EXpress 3-9174

HOBBS, NEW MEXICO

April 23, 1959

New Mexico Oil Conservation Commission  
P. O. Box 871  
Santa Fe, New Mexico

Re: Rule 701 - Permit for  
Injection of Water  
(Salt Water Disposal)

Gentlemen:

Rice Engineering & Operating, Inc. of Hobbs, New Mexico, hereby applies for a hearing to be held before the New Mexico Oil Conservation Commission for the purpose of securing a permit under Rule 701 to recomplete the Gulf Oberholtzer No. 2 well as a salt water disposal well. The subject well is located on the Gulf Oberholtzer Lease in Section 7, Township 12 South, Range 38 East, Gladiola Pool, Lea County, New Mexico. The proposed disposal well will be known as Rice Engineering & Operating, Inc., Gladiola SWD Well F-7.

Rice Engineering & Operating, Inc. further deposes and states the following:

- A. That said well is located 1980 feet from the North line and 2310 feet from the West line of Section 7, Township 12 South, Range 38 East, N.M.P.M. (See Exhibit "A")
- B. That said well was drilled and completed August 17, 1957, in the Gladiola Devonian Pool by Warren Petroleum Corporation (subsequently assigned to Gulf Oil Corporation).
- C. That said well was temporarily abandoned by Gulf Oil Corporation March 24, 1959.

April 23, 1959

- D. That said well by agreement between Rice Engineering & Operating, Inc. and Gulf Oil Corporation shall be utilized by the Gladiola Salt Water Disposal System as a disposal well.
- E. That said well has 13 3/8 inch OD casing set at 372 feet, 9 5/8 inch OD casing set at 4502 feet, and 5 1/2 inch OD casing set at 12,022 feet. (See Exhibit "B")
- F. That said well has casing perforated from 12,006 to 12,012 feet with a plugged back total depth of 12,012 feet.
- G. That said well will be completed as a disposal well in the lower Devonian Zone by (1) squeeze cementing present casing perforations; (2) drilling to new total depth of 12,400 feet; (3) setting 4 inch OD liner at 12,206; and disposing in the open hole interval from 12,206 to 12,400 feet.
- H. That the salt water to be injected is produced from the Gladiola Devonian and Gladiola Wolfcamp Pools.
- I. That the volume of salt water to be disposed shall be approximately 15,000 barrels per day.

Therefore, Rice Engineering & Operating, Inc. requests that the Secretary of the New Mexico Oil Conservation Commission set a date for this application to be heard, and after said hearing to grant this permit to dispose of salt water in the Gulf Oberholtzer No. 2 well.

Respectfully submitted,

RICE ENGINEERING & OPERATING, INC.

ORIGINAL SIGNED BY  
B. I. ROUTH

by

B. I. ROUTH  
General Manager

WGA/js

Attachments:

Exhibit "A"  
Exhibit "B"

Elev. 3885' (DI)  
3875' (CL)

13 3/8", 44.2# CSA 372'  
cmt. circ.

9 5/8", 32.3#, 36#, & 40# H-40  
& J-55 CSA 4502', cmt. circ.

TCBC 10,145'

Peris. 12,006' - 12,012' (Squeeze Cmt)  
5 1/2", 17# & 20# H-80 CSA 12,022'  
w/500 sxx

4" Liner cmt. @ 12,206'

TC 12,400'

EXHIBIT "B"

DWN	D.S.	Apr. 19/59	RICE ENGINEERING & OPERATING, INC.	SCALE
			GLADIOLA SWD WELL NO. 1-7	NONE
			PROPOSED RECOMPLETION	
			Rice Engineering & Operating, Inc.	DWG NO.
			Hobbs, New Mexico	A-55



MAIN OFFICE UCC

1959 JUN 10 AM

BEFORE THE  
OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
May 20, 1959

EXAMINER HEARING

IN THE MATTER OF:

Case 1678

DEARNLEY - MEIER & ASSOCIATES  
GENERAL LAW REPORTERS  
ALBUQUERQUE NEW MEXICO  
Phone CHapel 3-4691





WILLIAM G. ABBOTT

called as a witness, having been previously duly sworn, testified as follows:

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Will you state your name, please?

A William G. Abbott.

Q By whom are you employed and what position, Mr. Abbott?

A I'm Division Manager of Rice Engineering and Operating, Incorporated of Hobbs, New Mexico.

Q Have you testified before the Commission as an expert engineer and had your qualifications accepted?

A Yes, sir.

MR. KELLAHIN: Are the qualifications of the witness acceptable?

MR. FISCHER: Yes, sir, please proceed.

Q Mr. Abbott, are you familiar with the application in Case 1678?

A Yes, sir.

Q Would you state briefly what's proposed to be done in this application?

A We're representing the operators in the Gladiola salt water disposal system, and will be the operator of the Gladiola

salt water disposal system. We propose to recomplete Gulf Oberholtzer No. 2 as a salt water disposal well.

This well was originally drilled by Warren Petroleum Corporation and then later merged under Gulf. This well is located on the Gulf Oberholtzer Lease in Section 7, Township 12 South, Range 38 East, Gladiola Pool, Lea County, New Mexico.

We propose to call this well the Rice Engineering and Operating, Incorporated, Gladiola S.W.D. Well F-7. The well is located 1980 feet from the North line and 2310 feet from the West line of the said section.

Q Now, referring to what has been marked as Exhibit A, would you state what that shows?

(Marked Rice Engineering & Operating, Inc.'s Exhibit A, for identification.)

A Exhibit A shows the entire Gladiola Pool or pools. It's actually the Gladiola-Devonian and the Gladiola-Wolfcamp Pools. On this it shows all the wells in these pools and on this Exhibit A we have an arc in green representing a half mile around this Oberholtzer No. 2, and also a trace of a cross section A-A<sup>1</sup> which I'm bringing up later on another exhibit.

Q What's the purpose of the green half mile radius, Mr. Abbott?

A We have analyzed all the wells in the half mile radius and tabulated the well data and completion data.

Q Is that in compliance with the provision of the order governing the operation of salt water wells?

A Yes, sir, it's under Rule 701 of the Commission rules.

Q Now, referring to what has been marked as Exhibit B, would you state what that shows?

(Marked Rice Engineering & Operating, Inc.'s Exhibit B, for identification.)

A Exhibit B is a well diagram of this Oberholtzer No. 2. This diagram also shows the proposed completion that we intend to make in order to recomplete this abandoned Devonian well as a salt water disposal well.

Q Are you familiar with the completion of the well in its present situation?

A Yes, sir.

Q Would you describe the cementing program on that well?

A At the present time, well, I'll give the whole cementing program and pipe program, there's 13-38ths surface casing set at 372 feet with the cement circulated. The second string, or the salt string, is 9 5/8ths inch casing set at 4502 with the cement circulated. The five and a half inch casing, a long string is set at 12,022 feet. The well is plugged back to 12,012 feet and the long string is perforated from 12,006 to 12,012 feet. We propose to run a liner.

Q Do you propose first to deepen the well?

A Yes, I'll give that whole recompletion data. We plan first to squeeze the present perforations from 12,006 to 12,012 feet. We will then drill out with a 4 5/8ths inch bit on 2 7/8ths inch O. D. tubing to 12,400 feet. We will then run a gamma ray neutron log, then we'll set a drillable open hole bridge tubing at 12,206 and we'll cap the bridge plug with cement. We will then set a 4 inch O. D. 11 pound in 80 flush joint welded liner at 12,206 feet with a Baker duplex, cement washdown whirler fleet shoe and will cement the liner in place.

We'll then pressure test the liner with thousand pounds. Then we'll drill out to the Devonian of 12,400 feet with a three-quarter inch bit, we'll test the injectivity of the well and acidize the well if it's indicated.

(Marked Rice Engineering & Operating, Inc.'s Exhibit C, for identification.)

Q Now, referring to what has been marked as Exhibit C, will you describe what is shown on that exhibit?

A Exhibit C is a cross section A-A<sup>1</sup> that shows up on Exhibit A as a red line. It is drawn through the Lou Continental Wallace No. 1 well south to our proposed S. W. D. on the F-7 Well and then east through Lou Oberholtzer No. 2 in the Northeast Quarter of Section 8. This exhibit also shows the top of the Devonian as a red line, and also the producing interval is marked in red.

Our proposed completion is marked in green on the S.W.D.-F-7 Well. This is all drawn up on the subsea basis and we show our oil-water contact, or the original oil-water contact, of the pool in green. That is at a minus 8150.

Q Referring to that exhibit, the Lou Oberholtzer Well No. 1 would appear below the oil-water contact. Do you know anything about that well, Mr. Abbott?

A Yes, sir, that well was obviously a dry hole and they tested salt water in the well and later plugged the well back and made a Pennsylvanian completion which did not last very long, and they have since abandoned the well.

Q Now, on the basis of the information contained on that exhibit, in your opinion would there be any danger of contamination or damage to the producing interval of the Devonian formation by completion of a salt water disposal well as you propose?

A No, sir, in my opinion there would not.

Q Referring to what has been marked as Exhibit D, would you state what that is?

(Marked Rice Engineering & Operating, Inc.'s Exhibit D, for identification.)

A Exhibit D shows all the well completion information of all the, in this half mile radius, of the proposed S. W. D. Well. It shows the operator, the leases, the well number, the

completion interval on a subsea basis and the completion zone, and the top of the Devonian on some of the wells.

Q Is that exhibit submitted in compliance with the rules of the Commission in regard to the salt water disposal wells?

A Yes, it is.

Q Referring to Exhibit E, would you state what that is?

(Marked Rice Engineering & Operating, Inc.'s Exhibit E, for identification.)

A Exhibit E is a list of all the operators in the Glad-iola salt water disposal system with their mailing address.

Q Has the subject well been assigned to Rice Engineering and Operating, Incorporated?

A It tentatively has. This is shown in Exhibit F.

(Marked Rice Engineering & Operating, Inc.'s Exhibit F, for identification.)

A Exhibit F is a letter from Gulf Oil Corporation to Rice Engineering tentatively assigning the well to Rice Engineering. You notice in the second paragraph, "Since it will be necessary to call a hearing to obtain approval for conversion of this well as a disposal well and it will be necessary to obtain a water lease prior to deepening, we feel that your company could perform these operations satisfactorily, and we therefore recommend that you obtain necessary surface lease, call a hearing, and

perform the deepening work scheduled for the subject well." We will, at a later date, be assigned this well as the operator of the salt water disposal system.

Q Has a surface lease been obtained by Rice Engineering and Operating?

A Yes, sir, we have obtained a surface lease around the proposed salt water disposal well from the surface owner.

Q As I understand your disposal, you will inject water through the casing without the use of tubing, is that correct?

A Yes, sir. We plan to start our injection down the casing, the five and a half inch casing. The reason for that being that we, if we run tubing we'll be restricted quite a lot. We can get approximately, oh, in the excess of 600 barrels an hour down the casing. When we run tubing, we will only be able to put in around 200 barrels an hour by gravity. So we propose to start our injection without the tubing string, but before we do inject any water, we propose to run a caliper survey of the casing and then in some interval, probably within six months, will run another caliper of this casing. If corrosion is indicated, well, we will be forced to run tubing, which will mean that we will need more salt water disposal wells to dispose of the produced water in the Gladiola Pool.

Q Now, on the basis of your experience in the operation of salt water disposal wells, would you anticipate any corrosion



in this area?

A This Devonian water is mildly corrosive and all our lines, our surface lines, will be of corrosion resistant material, and we expect that we will have some corrosion in this well.

Q But you will take adequate precautions to determine if corrosion is occurring?

A Yes, sir.

Q What volume of water do you anticipate you can dispose of in this well?

A At the present time we will dispose of approximately 15,000 barrels a day.

Q In your opinion will the Gladiola-Devonian formation take that much water?

A Yes, sir, all the indications are that the Devonian will take the water without any pressure or without any trouble at all.

Q In your opinion is the completion of this well as it now exists sufficient to adequately protect fresh water zones and prevent contamination?

A Yes, sir. It's completed such that we feel that the fresh water zones will be protected.

Q Will it adequately protect the producing formations within the area?

A Yes, sir, by running the liner and cementing in place, we feel that the water will be down below the original water-oil contact and it will not interfere with any of the oil wells in the area.

Q Were Exhibits A, B, C, D and E prepared by you or under your direction?

A Yes, sir.

Q And Exhibit F, is that a copy of a letter in your files?

A Yes, it is.

Q Would you make the original available to the Commission if requested?

A Yes, sir.

MR. KELLAHIN: At this time we would like to offer in evidence Exhibits A through F inclusive.

MR. FISCHER: Without objection it will be accepted.

MR. KELLAHIN: That's all the questions I have of the witness.

MR. FISCHER: Any questions of Mr. Abbott?

MR. PAYNE: Yes, sir.

MR. FISCHER: Mr. Payne.

CROSS EXAMINATION

BY MR. PAYNE:

Q Mr. Abbott, could you tell us what the current status

of this proposed salt water disposal well is?

A Yes, sir, that well was completed as an oil producer in August of 1957. The last month it produced any oil was October of 1957, and the cumulative oil production from that well was 5,771 barrels. At the present time it is temporarily abandoned.

Q So the casing is less than two years old?

A Yes, sir.

Q And you propose to dispose of this water by gravity flow, is that right?

A Yes, sir, by gravity into the well.

Q Have you made any analysis of the water to be disposed of as to how corrosive it is?

A We have a water analyses that was made available to us and it indicates that the Devonian water has a chloride content of 34,000 parts per million, which we believe will be corrosive.

Q Now, the Gladiola-Devonian is a water drive pool, is it not?

A Yes, sir.

Q And your injection interval is below the water-oil contact?

A Yes, sir.

MR. PAYNE: That's all. Thank you.

MR. FISCHER: Any other questions of Mr. Abbott?

BY MR. FISCHER:

Q Mr. Abbott, will you log this new interval you are going to open up?

A Yes, we are going to run a gamma neutron log of that interval.

Q And the perforations from 12,006 to 12012 are now squeezed off, is that right?

A No, they are open at the present time. We plan to squeeze them.

Q Will you pressure test the pipe, or pressure test the entire section after you squeeze?

A Yes, we plan to test the liner with a thousand pounds pressure.

Q If you have to go to tubing, what size tubing do you think you'd put in here?

A We plan to use three and a half inch O. D. tubing, and we will line that tubing with a plastic lining, or a coal tar epoxy lining before we run it.

Q Will you swing your tubing or will you put a packer in there?

A No, we will swing the tubing and we will fill the annular space between the tubing and the casing with a refined oil or a produced crude with a coal tar added.

MR. FISCHER: Thank you. Any other questions of Mr. Abbott? You may be excused.

(Witness excused.)

Any statements to be made in the case? The case will be taken under advisement.

MR. PAYNE: We have received communication from Gulf Oil Corporation asking that this application be granted.

MR. FISCHER: All right.

STATE OF NEW MEXICO )  
 ) ss  
COUNTY OF BERNALILLO )

I, ADA DEARNLEY, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission at Santa Fe, New Mexico, is a true and correct record to the best of my knowledge, skill and ability.

IN WITNESS WHEREOF I have affixed my hand and notarial seal  
this 3rd day of June, 1959.

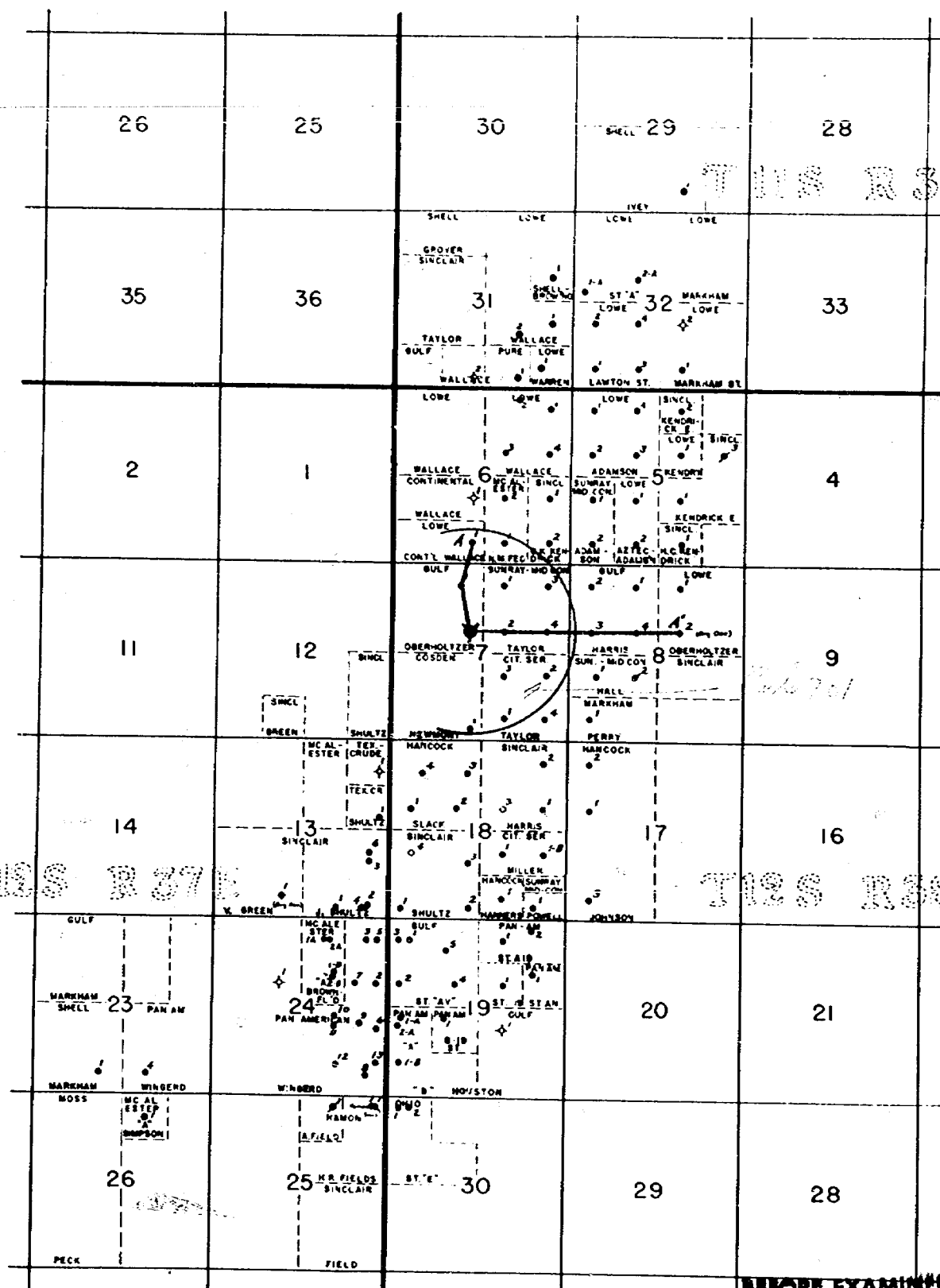
Ada Kearney  
Notary Public - Court Reporter

My Commission Expires:

June 19, 1959.

**BEFORE EXAMINER FISCHER**  
**OIL CONSERVATION COMMISSION**

Exhibit No. 1678  
Case No. EJ Fischer



T12S R37E

T12S R38E

BEFORE EXAMINER FISCHER

OIL CONSERVATION COMMISSION

LEGEND

- DEVONIAN WELL
- WOLF CAMP WELL
- S.W.D. WELL

EXHIBIT "A"

GLADIOLA POOL

LEA COUNTY, NEW MEXICO

RICE ENGINEERING & OPERATING INC.

HOBBS, NEW MEXICO

DRAWN BY FRANK BELL

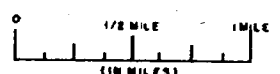
SCALE

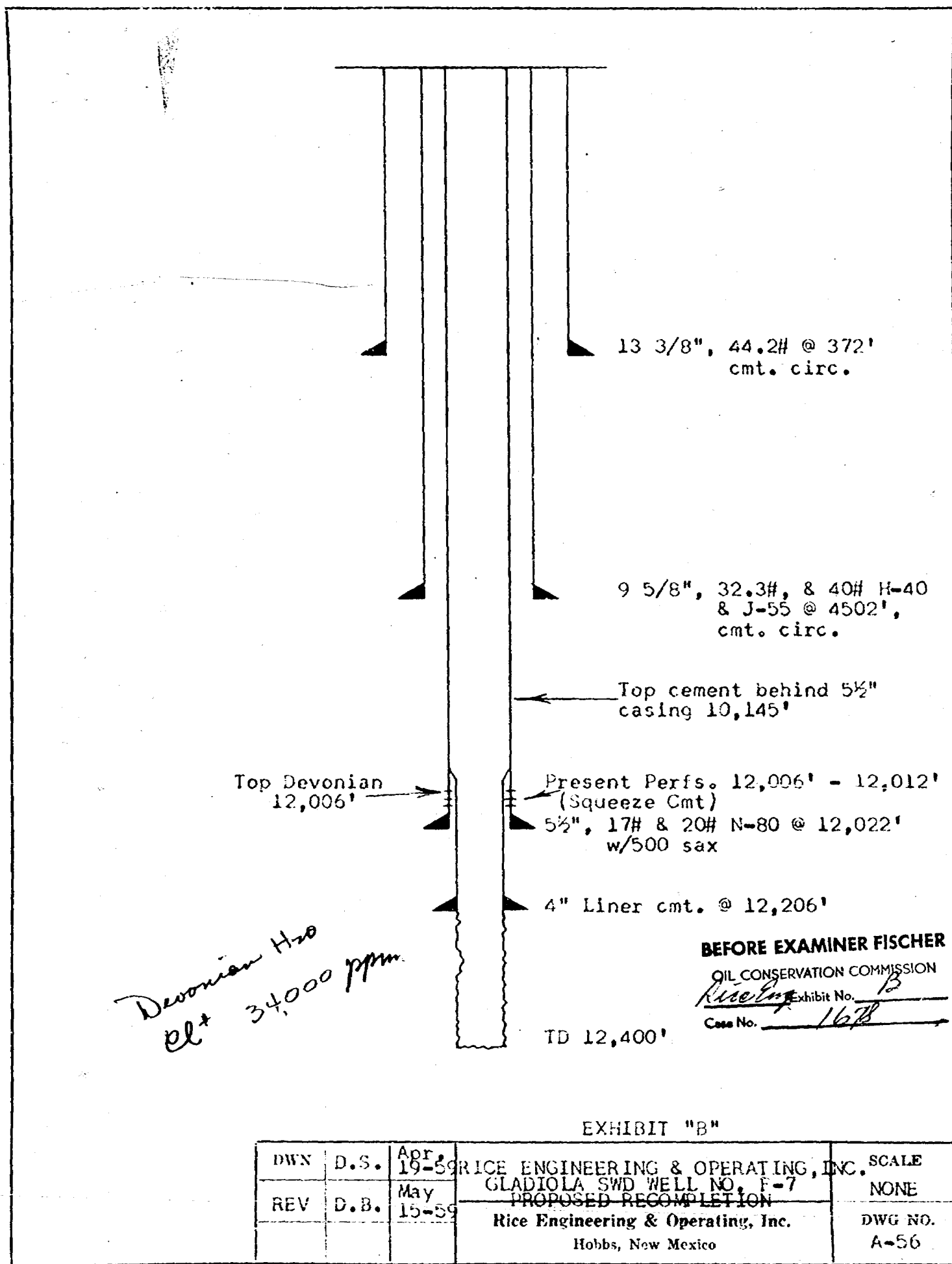
SHOWN

DWG NO. C-13

FIGURE 3

SCALE





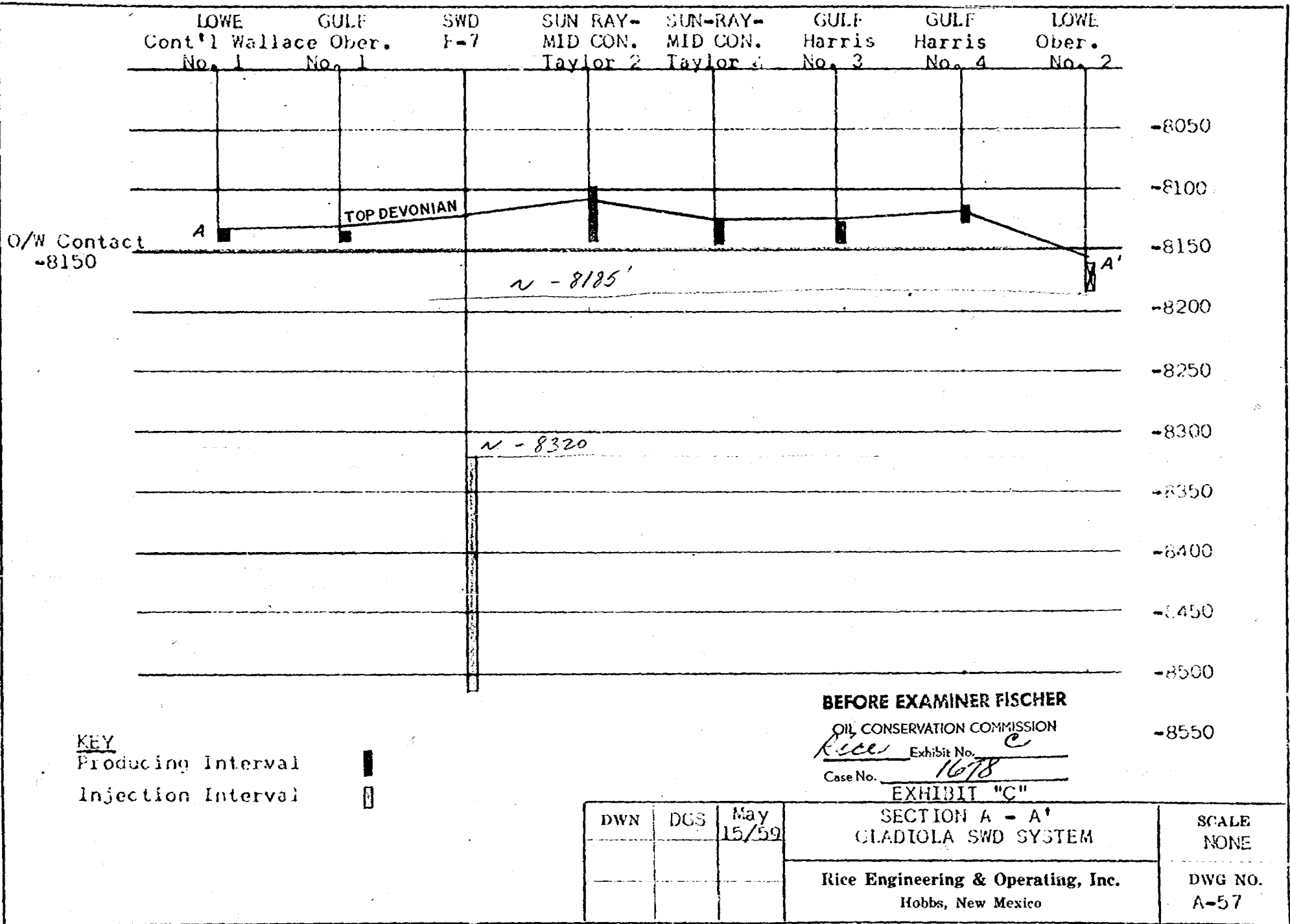




EXHIBIT "D"  
Wells Within 1/2 Mile of SWD F-7  
GLADIOLA SWD SYSTEM

<u>Operator</u>	<u>Lease</u>	<u>Well No.</u>	<u>Completion Interval Elevation</u>	<u>Completion Zone</u>	<u>Remarks</u>
Cities Service Production Co.	Taylor	1	-8109 to -8119	Devonion	
"	"	2	-8135 to -8140	Devonion	
"	"	3	-8140 to -8144	Devonion	
Cosden Pet. Corp.	Newmont	1	-8125 to -8130	Devonion	
Gulf Oil Corp.	Oberholtzer	1	-8135 to -8143	Devonion	Top Dev.-8132
Lowe	Cont'l. Wallace	1	-8135 to -8144	Devonion	Top Dev.-8135
McAllester	N.M. Fed.	1	-8091 to -8118	Devonion	
Sunray Mid- Continent Oil Co.	Taylor	1	-8085 to -8105	Devonion	
"	"	2	-8099 to -8142	Devonion	Top Dev.-8107
"	"	3	-8099 to -8119	Devonion	
"	"	4	-8125 to -8145	Devonion	Top Dev.-8126

Wells on A-A' Cross Section

Gulf Oil Corp.	Harris	3	-8128 to -8144	Devonion	Top Dev.-8125
"	"	4	-8115 to -8128	Devonion	Top Dev.-8119
Lowe	Oberholtzer	2	-8162 to -8184 -5626 to -5636	Devonion Pennsylvanian Temp Abd.	Top Dev.-8157
Gulf Oil Corp.	Oberholtzer	2	-8121 to -8127	Devonion	Top Dev.-8121 (SWD F-7)

BEFORE EXAMINER FISCHER  
OIL CONSERVATION COMMISSION  
*Rice* Exhibit No. D  
Case No. 1678

GLADIOLA POOL SWD

MAILING LIST

Cities Service Production Co.  
P. O. Box 97  
Hobbs, New Mexico

Cosden Petroleum Corp.  
Box 1311  
Big Spring, Texas

Gulf Oil Corporation  
Box 2167  
Hobbs, New Mexico

Gulf Oil Corporation  
Box 669  
Roswell, New Mexico

Gulf Oil Corporation  
Drawer 1290  
Fort Worth 1, Texas

Lowe Petroleum Company  
P. O. Box 832  
Midland, Texas

Jack Markham  
4th Floor - Great Plains Life Bldg.  
Lubbock, Texas

McAlester Fuel Company  
Box 608  
Lovington, New Mexico

McAlester Fuel Company  
Box 210  
Magnolia, Arkansas

The Ohio Oil Company  
P. O. Box 2107  
Hobbs, New Mexico

Shell Oil Company  
P. O. Box 845  
Roswell, New Mexico

Signal Oil & Gas Company  
509 W. Texas  
Midland, Texas

Sinclair Oil & Gas Company  
520 E. Broadway  
Hobbs, New Mexico

Sinclair Oil & Gas Company  
Box 521  
Tulsa, Oklahoma

Sinclair Oil & Gas Company  
Box 1470  
\* Midland, Texas

Sinclair Oil & Gas Company  
Box 1470  
\*\* Midland, Texas

Sunray Mid-Continent Oil Co.  
11th Floor - Wilco Bldg.  
Midland, Texas

Sunray Mid-Continent Oil Co.  
Box 128  
Hobbs, New Mexico

BEFORE EXAMINER FISCHER

OIL CONSERVATION COMMISSION

Exhibit No. E.  
Case No. 1678

\* Attention: R. E. Powers  
\*\* Attention: H. F. Defenbaugh



PETROLEUM AND ITS PRODUCTS

## GULF OIL CORPORATION

P. O. BOX 644 — ROSWELL, NEW MEXICO

M. I. TAYLOR  
DISTRICT PRODUCTION MANAGER

FORT WORTH  
PRODUCTION DIVISION

March 5, 1959

Rice Engineering & Operating, Inc.  
Post Office Box 1142  
Hobbs, New Mexico

Gentlemen:

Re: Gladiola Salt Water Disposal System

You will recall that the C. E. Oberholtzer Well No. 2, located in the NW/4 of Section 7, T-12-S, R-38-E, and operated by Gulf Oil Corporation, has previously been considered as a disposal well for the Gladiola Salt Water Disposal System. We have been negotiating with Argo Oil Corporation, Denver, Colorado, to purchase their interest in this well. Sunray Mid-Continent Oil Corporation also owns a working interest in this well. This is to advise that negotiations have progressed with Argo to the extent that we feel certain a satisfactory purchase agreement will be consummated with Argo. For that reason this letter of intent is being furnished to you in order that you may proceed with plans to incorporate the subject well in the Gladiola Salt Water Disposal System. Only minor objections remain to be settled before Argo will transfer their interest to Gulf. As soon as this is accomplished we will make formal assignment of our rights in the 40 acre unit on which this well is located to Rice Engineering & Operating, Inc., as agent for all of the operators in this system. This is of course in accordance with the Gladiola Salt Water Disposal Agreement which has been executed by most of the operators in this field. This matter has been discussed with Sunray Mid-Continent and they have indicated they are agreeable to the transfer.

Since it will be necessary to call a hearing to obtain approval for conversion of this well as a disposal well and it will be necessary to obtain a water lease prior to deepening, we feel that your company could perform these operations satisfactorily and we therefore recommend that you obtain necessary surface lease, call a hearing and perform the deepening work scheduled for the subject well.

A copy of this letter is being furnished to Sunray Mid-Continent by registered mail. In the event they are not agreeable to the intent

RECEIVED

MAR 7 1959

REC'D DISTRICT PRODUCTION MGR.  
M. I. TAYLOR

March 5, 1959

expressed in this letter, it is requested they notify both Gulf and Rice within ten (10) days. If there are no objections, Gulf will proceed to prepare formal assignment papers as soon as practical.

Yours very truly,



M. I. TAYLOR

cc: Sunray Mid-Continent Oil Company  
Post Office Box 2039  
Tulsa 2, Oklahoma

Attention: Mr. R. W. Griffith