

CASE 30231 Application of CITIES
SERVICE for salt water disposal.
(HOBBS "B" WELL NO. 2.)

CASE No.

3023

Application,
TRANSCRIPTS,
SMALL Exhibits
ETC.

Cities Service Oil Company
Hodges B #2

North Justis
Ellenburger Salt
Water Disposal

North Justis McKee

13 3/8" @ 505' w/500 sx
circulated

9 5/8" @ 3400' w/2650 sx.
circulated

2 3/8" Buttress Tbg.
@ 8025'

McKee Perforations:
7993-8004'
8015-26'
8059-72'
8085-90'

T.I.W. Parallel Anchor
@ 7980'

2 3/8" EUE Tbg. Plastic coated
@ 8350'

Baker Model "D" @ 8350'

Ellenburger Perf. 8400-30'
Ellenburger Open Hole
8442-56'

7" At 8442' w/600 sx.
DV Tool @ 6508'.

Top Cement: 1st Stage 7050'
2nd Stage 4480'

T.D.P.B. 8456'

Hodges B #2

Elev.: 3134 R.A.B.
3118 G.L.

Unit L, 1980' FSL, 330' FWL
Sec. 1, T25S, R37E, Lea County, N.M.

BEFORE EXAMINER NUTTER

OIL CONSERVATION COMMISSION

EXHIBIT NO. 5

CASE NO. 3473

Cities Service Oil Company
Hodges B #2

North Justis
Ellenburger Salt
Water Disposal

North Justis McKee

13 3/8" @ 505' w/500 sx
circulated

9 5/8" @ 3400' w/2650 sx.
circulated

2 3/8" Buttress Tbg.
@ 8025'

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Hodges B #2

Elev.: 3134 R.K.B.
3118 G.L.

Unit L, 1980' FSL, 330' FWL
Sec. 1, T25S, R37E, Lea County, N.M.

Handwritten notes:
No. 61 405 11/10
first flowing
at 8000' with
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from 62
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C. Ex
C. 3022

JASON W. KELLAHIN
ROBERT E. FOX

KELLAHIN AND FOX
ATTORNEYS AT LAW
5414 EAST SAN FRANCISCO STREET
POST OFFICE BOX 1760
SANTA FE, NEW MEXICO

MAIN OFFICE OCC

TELEPHONES
983-9398
982-2991

1964 MAR 13 PM 1:21

March 12, 1964

Oil Conservation Commission
Box 2088
Santa Fe, New Mexico

Gentlemen:

Enclosed find original and two copies of application of Cities
Service Oil Company for approval of a salt water disposal well
in Unit "L", Section 1, T25S, R37E, Lea County, New Mexico, for
filing.

Very truly yours,

Jason W. Kellahin

JASON W. KELLAHIN

jwk:mas
enclosures
cc/enclosure: Mr. E. F. Motter

DOCKET MAILED

Date 3/27/64

MAIN OFFICE OCC

1964 MAR 13 PM 1:21

BEFORE THE OIL CONSERVATION COMMISSION OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
CITIES SERVICE OIL COMPANY FOR APPROVAL
OF A SALT WATER DISPOSAL WELL LOCATED
IN THE UNIT "L" SEC. 1, TOWNSHIP 25,
SOUTH, RANGE 37 EAST, LEA COUNTY, NEW
MEXICO.

No. 3023

A P P L I C A T I O N

Comes now Cities Service Oil Company and applies to the Oil Conservation Commission of New Mexico for approval of conversion of their Hodges "B" Well No. 2, located in Unit "L" of Section 1, Township 25 South, Range 37 East, N.M.P.M., Lea County, New Mexico, for the disposal of salt water in the Ellenberger Formation, and in support thereof would show the Commission:

1. Said well is dually completed for production from the McKee Formation, and has been producing from the Ellenberger Formation.
2. Production from the Ellenberger has reached its economic limit.
3. Applicant proposes to inject salt water into the Ellenberger through plastic-coated 2-inch tubing, injecting through perforations beneath a packer.
4. It is anticipated that approximately 300 barrels per day will be injected. Water is produced from the Devonian, Drinkard and McKee Formations on the same basic lease.
5. Injection of salt water in the manner proposed will not impair the rights of offset operators, and will be in the interests of conservation and the prevention of waste.

MAIN OFFICE OCC

1964 MAR 13 PM 1121

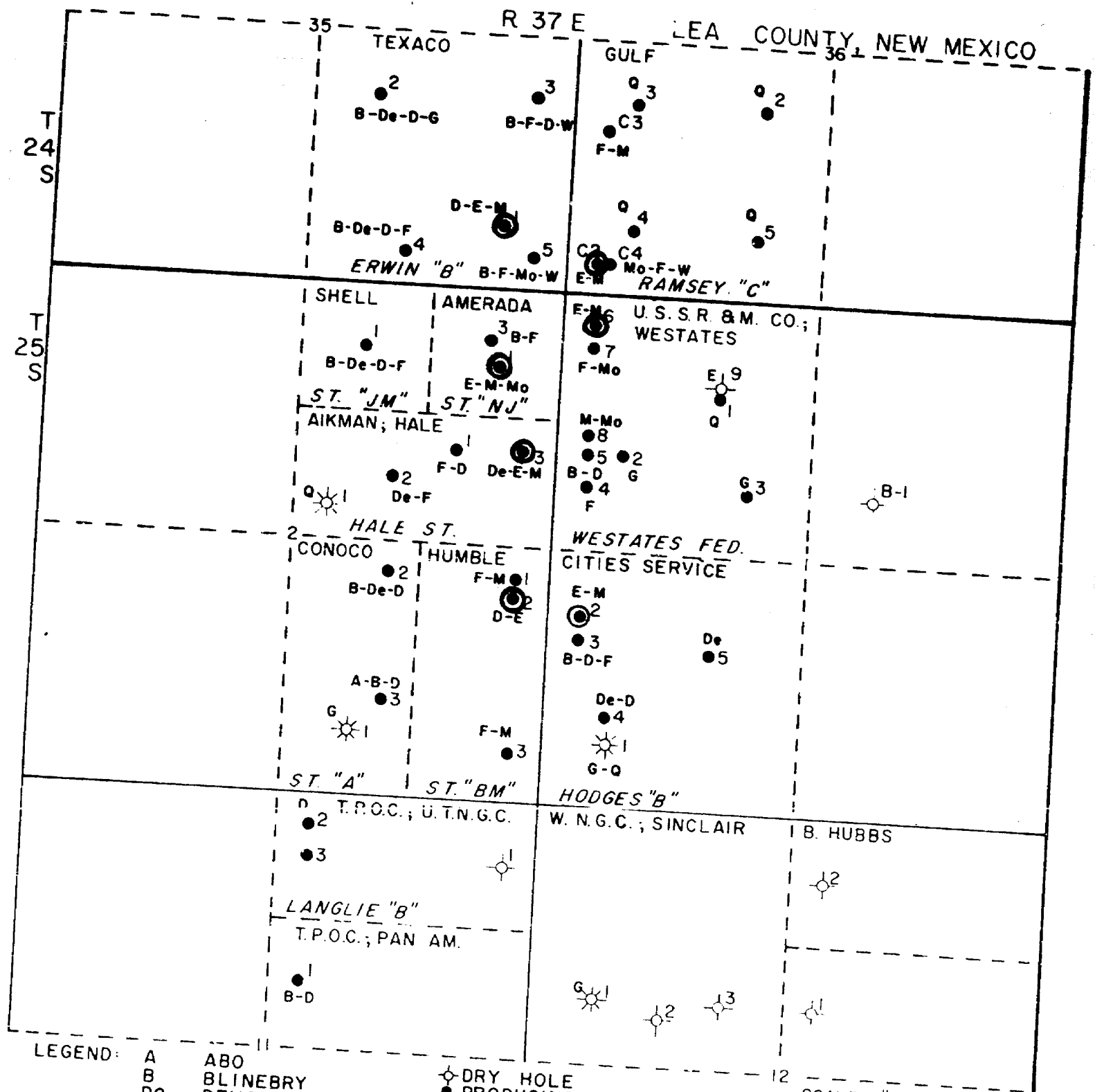
WHEREFORE, applicant prays that the Commission set this application for hearing before its duly appointed examiner at as early a date as practicable, and that after notice and hearing as required by law, the Commission enter its order approving the salt water disposal well as applied for.

Respectfully submitted,

CITIES SERVICE OIL COMPANY

By Jason W. Kellahin
Kellahin & Fox
P. O. Box 1769
Santa Fe, New Mexico

ATTORNEYS FOR APPLICANT



LEGEND:

A
B
De
D
E
F
G
M
Mo
Q
W

ABO
BLINEBRY
DEVONIAN
TUBB-DRINKARD
ELLENBURGER
FUSSELMAN
GLORIETTA
MCKEE
MONTROYA
QUEEN
WADDELL

○ DRY HOLE
● PRODUCING WELL
● PLUGGED OR ABANDONED
✱ GAS WELL

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
EXHIBIT NO. 1
CASE NO. 3023

DOCKET NO. 10-64

DOCKET: EXAMINER HEARING - WEDNESDAY - APRIL 8, 1964

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 Elvis A. Utz, Alternate Examiner:

CASE 3020: In the matter of the application of the Oil Conservation Commission of New Mexico upon its own motion for the abolishment and extension of the following pools:

Abolish the Weir-Tubb Gas Pool in
Township 20 South, Range 37 East;

Extend the Monument-Tubb Pool in
Township 20 South, Range 37 East,

all in Lea County, New Mexico.

CASE 3021: Application of Cherry Brothers and Cabot Corporation for a tubingless completion, Lea County, New Mexico. Applicants, in the above-styled cause, seek approval of the tubingless completion of their Austin State Well No. 1, located in Unit F of Section 19, Township 14 South, Range 36 East, Lea County, New Mexico, to produce oil from the Permo-Pennsylvanian formation at approximately 10,356 feet through 2 7/8-inch casing.

CASE 3022: Application of Sinclair Oil & Gas Company for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of special pool rules for the North Vacuum-Devonian Pool, Lea County, New Mexico, including a provision for 80-acre spacing.

CASE 3023: Application of Cities Service Oil Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Ellenburger formation through its Hodges "B" Well No. 2 which is dually completed in the McKee and Ellenburger formations and located in Unit I of Section 1, Township 25 South, Range 37 East, Lea County, New Mexico.

CASE 3024: Application of Deane H. Stoltz for approval of a non-standard unit, a dual completion, and commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a non-standard 80-acre unit in the North Bagley-Wolfcamp Pool comprising the SW/4 NE/4 and NW/4 SE/4 of Section 22, Township 11 South, Range 33 East, Lea County, New Mexico, approval of the dual completion (conventional) of its Deane H. Stoltz State 262 Well No. 1, located in Unit G of said Section 22, to produce oil from the North Bagley-Wolfcamp Pool through 1 1/4-inch tubing and to produce oil from the North Bagley-Upper Pennsylvanian Pool through the casing-tubing annulus by means of a hydraulic pump and authority to commingle production from the North Bagley-Wolfcamp and North Bagley-Pennsylvanian Pools into a common tank battery, computing production from the North Bagley-Upper Pennsylvanian Pool by the subtraction method.

CASE 3025: Application of Pan American Petroleum Corporation for a unit agreement, Eddy County, New Mexico. Applicant in the above-styled cause, seeks

approval of the Long Draw Unit Area comprising 3514 acres, more or less, of State and Federal lands in Township 20 South, Ranges 23 and 24 East, Eddy County, New Mexico.

CASE 3026: Application of Shell Oil Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Jalmat Pool by the injection of water into the Yates formation through four wells in Sections 32, and 33, Township 26 South, Range 37 East, Lea County, New Mexico.

CASE 3027: Application of El Paso Natural Gas Company for the adoption of a new form. Applicant, in the above-styled cause, seeks the adoption of a new form entitled Purchaser's and Operator's Monthly Report, said form to be for the optional use of those gas purchasing companies which also have gas production. Use of said form to report monthly purchases and production would be in lieu of the monthly purchasers report and the monthly producers report presently required. Copies of the proposed form are available at the Office of the Oil Conservation Commission, State Land Office Building, Santa Fe, New Mexico.

CASE 3028: In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider the revision of certain existing forms, the adoption of certain new forms, and the amendment of certain rules pertaining to the filing of forms.

In the above-styled cause, the Commission proposes to consider the adoption of various forms patterned after the model forms recommended by the Interstate Oil Compact Commission for use in reporting all phases of oil and gas activity to state regulatory agencies. The forms have also been adopted and recommended by the Regulatory Practices Committee and the Executive Committee of the New Mexico Oil and Gas Association.

Adoption of the forms by the Commission will also entail amendment to numerous rules and orders of the Commission, particularly in Section M of the Rules and Regulations, wherever reference is made to the title or form number of an existing form which would be revised, or where detailed instructions for completing and filing of forms would not be consonant with the proposed forms.

It is further proposed to amend Rule 1121 of the Rules and Regulations and Rule 7 (A) of the General Rules and Regulations for Prorated Gas Pools in the State of New Mexico as promulgated by Order No. R-1670 to require that gas purchasers' nominations be submitted not later than the first day of the month during which the nominations will be considered at the monthly allowable hearing.

It is also proposed that said Rule 7 (A) be further amended to require that gas purchasers shall file a supplemental nomination for the purchase of gas each month.

Copies of all proposed forms are available at the office of the Oil Conservation Commission, State Land Office Building, Santa Fe, New Mexico.

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Date

4/29/64

CASE

3023

Hearing Date

9am 4/8/64

Open @ 5C

My recommendations for an order in the above numbered cases are as follows:

Enter an order ~~authorizing~~ authorizing
Cities Service to ~~convert~~ ^{drill} ~~drilling~~
complete its Hader "B" #2 well
in Unit C of 1-255-37E to produce
oil from the ^{North Justice} Mckee ~~formation~~ Pool and to
dispose of produced salt water into
the Ellenburger formation through
parallel strings of tubing, ²³⁵ ~~of~~ separation
of the zones by means of a permanent
type packer set at 8350.

Include finding to the effect that while
the subject well is presently producing
from the Mckee and Ellenburger,
it is approaching the economic limit
for the Ellenburger.

Use of this well will avoid economic waste
caused by the drilling
of a separate well for ~~water disposal~~
water disposal.

State of New Mexico
Oil Conservation Commission



April 28, 1964

Cities Service Oil Company

A. L. PORTER, Jr.
Secretary-Director

OTHER: _____

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. 3023
Order No. R-2694

APPLICATION OF CITIES SERVICE OIL
COMPANY FOR SALT WATER DISPOSAL
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on
April 8, 1964, at Santa Fe, New Mexico, before Examiner
Daniel S. Futter.

NOW, on this 28th day of April, 1964, 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, Cities Service Oil Company, seeks
authority to complete its Hodges "B" Well No. 2, located in Unit
L of Section 1, Township 25 South, Range 37 East, NMPM, Lea
County, New Mexico, as a dual completion (conventional) to
produce oil from the North Justis-McKee Pool and to dispose of
produced salt water into the Ellenburger formation through
parallel strings of 2 3/8-inch tubing, with separation of zones
by a permanent-type packer set at approximately 8350 feet.

(3) That although the subject well is presently producing
oil from the McKee and Ellenburger formations, production from
the Ellenburger formation is approaching the economic limits
for such production.

-2-

CASE No. 3023
Order No. R-2694

(4) That approval of the subject application will prevent the drilling of an unnecessary well and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

That the applicant, Cities Service Oil Company, is hereby authorized to complete its Hodges "B" Well No. 2, located in Unit L of Section 1, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico, as a dual completion (conventional) to produce oil from the North Justis-McKee Pool and to dispose of produced salt water into the Ellenburger formation through parallel strings of 2 3/8-inch tubing, with separation of zones by a permanent-type packer set at approximately 8350 feet;

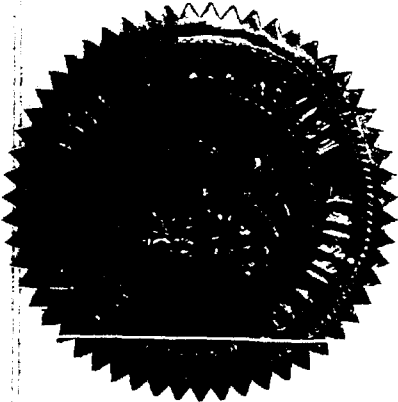
PROVIDED HOWEVER, that the applicant shall complete, operate, and produce said well in accordance with the provisions of Rule 112-A of the Commission Rules and Regulations insofar as said rule is not inconsistent with this order.

IT IS FURTHER ORDERED:

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

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

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



esr/

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Jack M. Campbell
JACK M. CAMPBELL, Chairman

E. S. Walker
E. S. WALKER, Member

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

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
April 8, 1964

EXAMINER HEARING

IN THE MATTER OF: Application of Cities Service Oil Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause seeks authority to dispose of produced salt water into the Ellenburger formation through its Hodges "B" Well No. 2 which is dually completed in the McKee and Ellenburger formations and located in Unit I of Section 1, Township 25 South, Range 37 East, Lea County, New Mexico.

Case No. 3023

BEFORE: Daniel S. Nutter, Examiner.

TRANSCRIPT OF HEARING

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182

SANTA FE, N. M.
PHONE 963-3971

ALBUQUERQUE, N. M.
PHONE 243-6591



MR. NUTTER: We will call Case 3023.

MR. PURRETT: Application of Cities Service Oil Company for salt water disposal, Lea County, New Mexico.

MR. KELLAHIN: If the Commission please, I am Jason Kellahin of Kellahin and Fox, representing the applicant. We have one witness.

(Witness sworn.)

(Whereupon, Applicant's Exhibits 1 through 6 marked for identification.)

E. F. MOTTER, called as a witness, having been first duly sworn, testified as follows:

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Would you state your name, please?

A E. F. Motter. M-o-t-t-e-r.

Q By whom are you employed and in what position?

A Cities Service Oil Company, Division Engineer of the Mex-Tex Division.

Q Have you testified before the Commission as a petroleum engineer and made your qualifications a matter of record?

A Yes, numerous times.

MR. KELLAHIN: Are the witness' qualifications acceptable?

MR. NUTTER: Yes, sir.

Q Are you familiar with the application of Cities Service Oil Company in Case 3023?

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General Court Reporting Service

Suite 1120 Simms Building Albuquerque, New Mexico Phone 243-6691



A Yes, I am.

Q Would you state briefly what's proposed by Cities Service in this case?

A Cities Service proposes to convert its Hodges "B" Number 2 currently producing from the Ellenburger and McKee formations to a salt water disposal well in the Ellenburger formation. It will be a dual, McKee will continue to produce.

Q What are you producing from the McKee, oil or gas?

A It's oil. It's currently producing close to top allowable.

Q Referring to what has been marked as Exhibit Number 1, will you identify that exhibit and state what is shown on it?

A Yes, this is a plat of the North Justis Pool; the subject well is circled in red, and the other wells that are producing at the present time from the Ellenburger are circled in green. I think perhaps while we are looking at this map, a little bit of history of why we are asking for this disposal may be in order.

Cities Service is currently producing about 375-80 barrels of water per day, and we are using the pit disposal. As the Examiner will recall, about 1961 and '60, there were several hearings and considerable study on the pit disposal method in Lea County, with particular preference, or reference given to the Lea County water basin which produces from the Ogallala sand. This area is outside of what was considered an area that could possibly



faulting condition that exists.

Q In connection with that exhibit, would you care to comment on the completion of the Hodges "B" Number 2 well at this time?

A Yes. Perhaps, prior to doing that I would like to state that perhaps, going back to Exhibit Number 1, that the Ellenburger is a very active water drive, and I would like for the record to read the current producing capacity of the wells that remain producers in the Ellenburger formation. I've already stated that our Hodges "B" Number 2 is producing, or is capable of producing seven barrels of oil, 190 barrels of water. Humble Oil and Refining State BM Number 2, direct west offset, seven barrels of oil and 90 barrels of water. Immediately north of this, the Hale State Number 3 is producing 38 barrels of oil, 124 barrels of water. These are all daily production figures. Immediately north of that is the Amerada State NJ Number 1, which is producing 70 barrels of oil, 210 barrels of water per day.

To the east of the Amerada well is the West States Federal Number 6, which is producing 24 barrels of oil, two barrels of water per day. Immediately north of that is the Gulf Ramsey C Number 2, which is the only top allowable well in the field; it's producing 118 barrels of oil and no water. West of this well is the Texas Company Irwin "B" Number 1, and producing six barrels of oil, 88 barrels of water.



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PAGE 7

Now, to get around to your question, we probably should refer to Exhibit Number 4, which is the log, and if the Examiner will turn to the five inch scale we have marked on this the top of the Ellenburger and the McKee, as well as the perforated intervals. This Hodges "B" Number 2 was completed November 9, 1961, at the total depth of 8456; seven inch casing set at 8442; cementing was done in two stages with a P. V. tool at 6508, and we used 300 sacks of cement on each stage. Top of cement on the first stage was 7,500; top of cement on the second stage was 4,480. This was confirmed by temperature survey and we later ran a cement bond log. The bond log indicated that the bonding was good in the lower zone up to 7,050.

The Ellenburger was completed in open hole section, 8,442 to 56, and also a perforated interval 8,400 to 30. The well swabbed dry on natural test, it was acidized a thousand gallons and potential was at the rate of 480 barrels per day on 24-64 choke; 180 pounds flowing tubing pressure. COR of 757 to 1; gravity was 44½ degrees. A bridge plug was set at 8,150. McKee was perforated as indicated. We had a natural flowing test on the McKee zone 370 barrels per day. The well was duallied and in less than six months the Ellenburger zone was dead, so we went in and acidized the Ellenburger and put it on artificial lift, and its potential following this was 175 barrels a day, six barrels of water. The Ellenburger has declined to its present producing rate seven barrels



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PAGE 9

a day. Our combined production to March 1st was 32,281 barrels.

Q Referring to what has been marked as Exhibit 5, will you identify that exhibit and discuss it?

A This is a schematic of the proposed mechanics of dual completing the Hodges "B" Number 2 as a salt water disposal well in the Ellenburger, and a producing McKee perforations. We have a Baker Model Packer set at 8,350; we propose to run 2 3/8 inch plastic coated tubing to this packer. The McKee perforations or formation is being artificially lifted at the present time. We will run a Texas Iron Works parallel anchor on the two inch tubing and anchor the two inch buttress tubing of the McKee formation to this, and it will continue to be pumped.

The cost of this estimated salt water disposal zone will be about \$9,500.00. We expect to gravity oil-water into this Ellenburger zone, which will be about 88 barrels per day to start with. We do expect it to go up to perhaps 400 barrels a day within about six months. We think that the water will gravity because of the fact that the hydrostatic head of the salt water will be nearly 4,000 pounds. The latest bottom hole pressure taken on the Ellenburger that we have been able to determine was in the Anacada three locations north. This was in 1962, and the hydrostatic pressure was 2727. We are quite certain this has dropped some since then, but we will have in excess of 1,200 pounds hydrostatic pressure over the bottom hole pressure. We see no need to have to use any surface pump to inject this water. We



will have a closed system to control corrosion as much as possible.

Q What is the source of the water you are disposing of here?

A At present we will be disposing water from the McKee formation, from our Number 2 Well, that's 25 barrels a day, and our Wells Number 4 and 5 are producing from the Devonian, a total of 163 barrels of water per day.

Q Have you contacted Humble Oil and Refining which has the west offset?

A Yes, we have talked to Humble. We do not have evidence of this by written evidence, but they have told us verbally they would offer no objection to this salt water disposal method.

Q Were Exhibits 1 through 5 prepared by you or under your supervision?

A Yes, they were.

MR. KELLAHIN: At this time I would like to offer in evidence, Exhibits 1 through 5, inclusive.

MR. NUTTER: Cities Service Exhibits 1 through 5 will be admitted in evidence.

(Whispered, Applicant's Exhibits 1 through 5 were admitted in evidence.)

MR. KELLAHIN: That's all the questions I have on direct examination.

MR. NUTTER: Do you have any questions of Mr. Matton?



CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. Motter, your well is actually higher in the Ellenburger than the Humble well to the west, isn't it?

A That's correct. That will be born out by the fact probably better on Exhibit Number 2.

Q Both wells are making the same amount of oil at the present time, but your well is making 190 barrels of water per day compared to 90 for the Humble well?

A Right, that is correct.

Q What has been the decline in production for your well here, Mr. Motter? You say it's produced 32,000 barrels of oil cumulatively. Over what life of the well has this been?

A I think I testified that the well was completed originally on November 9, 1961. It was completed, of course, as a top allowable well. The Ellenburger was a rated potential of 400 barrels a day. In six months the Ellenburger zone ceased to flow. We worked it over and installed artificial life and produced it at the rate of 175 barrels a day, and this brought it back to top allowable or -- well, we'd have to know what the allowable factor was, but it normally runs 115-20 barrels, but it's declined from this rate down to seven barrels since June, 1962, that would be approximately 18 months, slightly over 18 months, about 20 months.

Q That workover then was in June of '62?



A That's correct.

Q It was established as a top allowable then it had a steady decline since then to seven?

A That's correct.

Q Has the flows in water production been rapid or has it been a gradual build-up in water production?

A As you see there, we produced six barrels of water with that and we didn't produce any water when it was potentialled originally, when it was drilled. Water production has been rather gradual increase up to it's present 190 barrels per day. I will say that our artificial lift equipment is only capable of lifting 200 barrels a day from this well. It's a Kobe system and has a string of one-inch inside the two-inch, so we are limited on capacity.

Q It's producing at the capacity of the equipment right now, at 193 barrels of fluid?

A That's correct.

Q Do you know if the Humble well is limited by its mechanical equipment to that 97 barrels a day?

A I think it is. It's on a rod pump and it's pretty deep. It's probably producing from 8,100 feet, I would say.

Q What's the current rate of production on your Number 4 Well there in the Devenian and Tubb-Drinkard?

A I can give you January's figure. Tubb-Drinkard, last



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Albuquerque, New Mexico

Phone 243-6691

PAGE 12

month it produced only about two barrels a day.

Q From the Tubb-Drinkard?

A Right.

Q And from the Devonian?

A Number 4 last month produced about 35 barrels a day.

Q How much water does that well make again?

A That well is making-- Let me check my notes here on that. Number 4 is making 11 barrels of water per day, and Number 5 is making 152; total being 163.

MR. NUTTER: Any other questions of Mr. Motter?. He may be excused.

(Witness excused.)

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

MR. KELLAHIN: That's all.

MR. NUTTER: Does anyone have anything they wish to offer in Case 2023? We will take the case under advisement.



DEARNLEY, MEIER, WILKINS and CROWNOVER

General Court Reporting Service

Suite 1120 Simms Building Albuquerque, New Mexico Phone 243-6691

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 13th day of April, 1964.

Ada Dearnley
Notary Public - Court Reporter

My Commission Expires:
June 19, 1967

I do hereby certify that the foregoing is
a correct and true copy of the proceedings in
the case of 3023
heard on 4/8 at CV
Ada Dearnley
New Mexico Oil Conservation Commission



DRAFT

JMD/esr
April 22, 1964

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. 3023

Order No. R- 2694

APPLICATION OF CITIES SERVICE OIL
COMPANY FOR SALT WATER DISPOSAL,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on April 8, 1964, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter, 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 _____ day of April, 1964, the Commission, a quorum being present, having considered the ~~application and~~ testimony, the record, ~~and the~~ 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, Cities Service Oil Company, seeks authority to complete its Hodges "B" Well No. 2, located in Unit L of Section 1, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico, as a dual completion (conventional) to produce oil from the North Justis-McKee Pool and to dispose of produced salt water into the Ellenburger formation through parallel strings of 2 3/8-inch tubing, with separation of zones by a permanent-type packer set at approximately 8350 feet.

(3) That although the subject well is presently producing oil from the McKee and Ellenburger formations, production from ~~the~~ Ellenburger formation is approaching the economic limits for such production.

(4) That approval of the subject application will prevent the drilling of ^{an}unnecessary well^s and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

--~~††~~ That the applicant, Cities Service Oil Company, is hereby authorized to complete its Hodges "B" Well No. 2, located in Unit L of Section 1, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico, as a dual completion (conventional) to produce oil from the North Justis-McKee Pool and to dispose of produced salt water into the Ellenburger formation through parallel strings of 2 3/8-inch tubing, with separation of zones by a permanent-type packer set at approximately 8350 feet;

PROVIDED HOWEVER, that the applicant shall complete, operate, and produce said well in accordance with the provisions of Rule 112-A of the Commission Rules and Regulations insofar as said rule is not inconsistent with this order;

~~PROVIDED FURTHER, that the applicant shall take packer-leakage tests upon completion and annually thereafter during the Gas-Oil Ratio Test Period for the North Justis-McKee Pool.~~

IT IS FURTHER ORDERED:

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

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

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