Entered July 15, 1968 AP.

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. 3800 Order No. R-3454

APPLICATION OF DEPCO, INC., FOR SALT WATER DISPOSAL, EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on July 10, 1968, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this <u>15th</u> day of July, 1968, 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, Depco, Inc., is the owner and operator of the State 647 Well No. 82, located in Unit F of Section 27, Township 18 South, Range 28 East, NMPM, Artesia Pool, Eddy County, New Mexico.

(3) That the applicant proposes to utilize said well to dispose of produced salt water into the Grayburg and San Andres formations in the open-hole interval from approximately 2471 feet to 2926 feet.

(4) That the injection should be accomplished through 2 3/8-inch internally plastic-coated tubing installed in a packer set at approximately 2450 feet; that the casing-tubing annulus should be filled with an inert fluid; and that a pressure -2-CASE No. 3800 Order No. R-3454

gauge should be attached to the annulus or the annulus left open at the surface in order to determine leakage in the tubing or packer.

That approval of the subject application will prevent (5) the drilling of unnecessary wells and otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

That the applicant, Depco, Inc., is hereby authorized (1) to utilize its State 647 Well No. 82, located in Unit F of Section 27, Township 18 South, Range 28 East, NMPM, Artesia Pool, Eddy County, New Mexico, to dispose of produced salt water into the Grayburg and San Andres formations, injection to be accomplished through 2 3/8-inch tubing installed in a packer set at approximately 2450 feet, with injection in the open-hole interval from approximately 2471 feet to 2926 feet;

PROVIDED HOWEVER, that the tubing shall be internally plastic-coated; that the casing-tubing annulus shall be filled with an inert fluid; and that a pressure gauge shall be attached to the annulus or the annulus left open at the surface in order to determine leakage in the tubing or packer.

That the applicant shall submit monthly reports of its (2) disposal operations in accordance with Rules 704 and 1120 of the Commission Rules and Regulations.

That jurisdiction of this cause is retained for the (3) 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 DAVID_F. CARGO, Chairman Ka Member

SEAL

Jr. Member & Secretary PORTER,

esr/