Entered September 9, 1968

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. 3839 Order No. R-3484

APPLICATION OF CONTINENTAL OIL COMPANY FOR A WATERFLOOD PROJECT, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on August 21, 1968, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this <u>9th</u> day of September, 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, Continental Oil Company, is the owner and operator of the Fields Well No. 2, located in Unit M of Section 25, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico.

(3) That the applicant seeks authority to institute a waterflood project in the Triste Draw-Delaware Pool by the injection of water into the Delaware formation in the perforated interval from approximately 5073 feet to 5145 feet in its Fields Well No. 2. In the alternative, the applicant seeks to have said well authorized for salt water disposal.

(4) That the subject application was amended at the hearing to show the subject well as a Triste Draw-Delaware rather than a Cruz-Delaware well.

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(5) That the subject well should be classified as a salt water disposal well.

(6) That the injection should be accomplished through 2 3/8-inch plastic-lined tubing installed in a packer set at approximately 5050 feet; that the casing-tubing annulus should be filled with an inert fluid; and that a pressure gauge should be attached to the annulus or the annulus left open at the surface in order to determine leakage in the tubing, casing, or packer.

(7) That approval of the subject application for salt water disposal will prevent the drilling of unnecessary wells and other-wise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Continental Oil Company, is hereby authorized to utilize its Fields Well No. 2, located in Unit M of Section 25, Township 23 South, Range 32 East, NMPM, Triste Draw-Delaware Pool, Lea County, New Mexico, to dispose of produced salt water into the Delaware formation, injection to be accomplished through 2 3/8-inch tubing installed in a packer set at approximately 5050 feet, with injection into the perforated interval from approximately 5073 feet to 5145 feet;

PROVIDED HOWEVER, that the tubing shall be plastic-lined; 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, casing, or packer.

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

(3) 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 ERVATION COMMISSION DAVID CARGO airman um t lys, TON Β. HĄ Men

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

SEAL

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