Entered October 2, 1968 OLP.

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. 3778 Order No. R-3507

APPLICATION OF ATLANTIC RICHFIELD COMPANY FOR A DUAL COMPLETION AND SALT WATER DIS-POSAL, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on September 25, 1968, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this <u>2nd</u> day of October, 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, Atlantic Richfield Company, seeks authority to complete its State BH Well No. 1, located 660 feet from the North line and 660 feet from the West line of Section 13, Township 19 South, Range 34 East, NMPM, Quail-Queen Pool, Lea County, New Mexico, as a dual completion to produce oil from the Lower Queen formation in the interval from approximately 5080 feet to 5136 feet through 2 7/8-inch tubing and to dispose of produced salt water into the Upper Queen formation through the casing-tubing annulus in the perforated interval from approximately 4820 feet to 4830 feet.
- (3) That coupon corrosion tests shall be conducted continuously on said well and the results thereof filed quarterly with the Commission until further notice from the Secretary-Director of the Commission.

-2-CASE No. 3778 Order No. R-3507

(4) That approval of the dual completion and salt water disposal as set out above will prevent the drilling of unnecessary wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Atlantic Richfield Company, is hereby authorized to complete its State BH Well No. 1, located 660 feet from the North line and 660 feet from the West line of Section 13, Township 19 South, Range 34 East, NMPM, Quail-Queen Pool, Lea County, New Mexico, as a dual completion to produce oil from the Lower Queen formation in the interval from approximately 5080 feet to 5136 feet through 2 7/8-inch tubing and to dispose of produced salt water into the Upper Queen formation through the casing-tubing annulus in the perforated interval from approximately 4820 feet to 4830 feet;

PROVIDED HOWEVER, that coupon corrosion tests shall be conducted on said well and the results thereof filed quarterly with the Commission until further notice from the Secretary-Director of the Commission;

PROVIDED FURTHER, that the applicant shall submit monthly reports of its disposal operations in accordance with Rules 704 and 1120 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.

STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

DAVID F. CARGO, Chairman

GUXTON B. HAYS, Member

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PORTER, Jr. / Member & Secretary

SEAL

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