Entered October 2, 1968 Q.L.D.

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. 3866 Order No. R-3511

APPLICATION OF SHELL OIL COMPANY FOR SALT WATER DISPOSAL, CHAVES 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, Shell Oil Company, is the owner and operator of the Thelma Crosby "F" Well No. 1, located in Unit H of Section 17, Township 9 South. Range 30 East, NMPM, Cato-San Andres Pool area, Chaves County, New Mexico.

(3) That the applicant proposes to utilize said well to dispose of produced salt water into the San Andres formation, with injection into the perforated interval from approximately 3360 feet to 3512 feet.

(4) That the injection should be accomplished through 2-inch tubing installed in a packer set at approximately 3350 feet; that the casing-tubing annulus should be filled with an inert fluid; and that a pressure gauge should be attached to

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the annulus at the surface in order to determine leakage in the casing, tubing, or packer.

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

IT IS THEREFORE ORDERED:

(1) That the applicant, Shell Oil Company, is hereby authorized to utilize its Thelma Crosby "F" Well No. 1, located in Unit H of Section 17, Township 9 South, Range 30 East, NMPM, Cato-San Andres Pool area, Chaves County, New Mexico, to dispose of produced salt water into the San Andres formation, injection to be accomplished through 2-inch tubing installed in a packer set at approximately 3350 feet, with injection into the perforated interval from approximately 3360 feet to 3512 feet;

<u>PROVIDED HOWEVER</u>, that the casing-tubing annulus shall be filled with an inert fluid, and that a pressure gauge shall be attached to the annulus at the surface in order to determine leakage in the casing, tubing, 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 OIL CONSERVATION COMMISSION

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DAVID F. CARGO, Chairman

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