Cantered April 28, 1969 ALP.

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. 4112 Order No. R-3745

APPLICATION OF P-M DRILLING COMPANY FOR SALT WATER DISPOSAL, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on April 23, 1969, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 28th day of April, 1969, 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, P-M Drilling Company, is the owner and operator of the James Federal Well No. 1, located in Unit A of Section 35, Township 23 South, Range 32 East, NMPM, Triste Draw-Delaware Pool, Lea County, New Mexico.
- (3) That the applicant proposes to utilize said well to inject produced salt water into the Delaware formation, with injection into the perforated interval from approximately 5062 feet to 5100 feet.
- (4) That the subject well should be classified as a pilot waterflood project injection well.
- (5) That the injection should be accomplished through 2-inch tubing installed in a packer set at approximately 4257

-2-CASE No. 4112 Order No. R-3745

feet; that the casing-tubing annulus should be filled with an inert fluid; and that a pressure gauge should be attached to the annulus at the surface in order to determine leakage in the casing, tubing, or packer.

(6) 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, P-M Drilling Company, is hereby authorized to institute a pilot waterflood project by utilizing its James Federal Well No. 1, located in Unit A of Section 35, Township 23 South, Range 32 East, NMPM, Triste Draw-Delaware Pool, Lea County, New Mexico, to inject produced salt water into the Delaware formation, injection to be accomplished through 2-inch tubing installed in a spacker set at approximately 4257 feet, with injection into the perforated interval from approximately 5062 feet to 5100 feet;

PROVIDED HOWEVER, 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 injection 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

CARGO, Chai

SEAL

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

esr/