

Entered September 24, 1969
ADP

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. 4219
Order No. R-3844

APPLICATION OF YATES PETROLEUM CORPORATION
FOR AMENDMENT OF ORDER NO. R-3609, EDDY
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on September 17, 1969, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission" and was referred to Examiner Daniel S. Nutter for hearing.

NOW, on this 24th day of September, 1969, the Commission, a quorum being present, having considered the testimony presented, 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 by Order No. R-3609, Yates Petroleum Corporation was authorized to dually complete its A. W. Gerard Well No. 2, located in Unit J of Section 25, Township 18 South, Range 25 East, NMPM, Penasco Draw San Andres-Yeso Pool, Eddy County, New Mexico, among other wells, to permit the production of oil from the San Andres formation and to permit the disposal of produced salt water into the Yeso formation in a manner set forth therein.

(3) That the applicant, Yates Petroleum Corporation, now seeks amendment of said Order No. R-3609 to permit the conversion of the aforesaid A. W. Gerard Well No. 2 for the disposal of produced salt water into the San Andres formation in the perforated

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interval from approximately 1316 feet to 1459 feet, instead of the dual completion as originally authorized.

(4) That the applicant further seeks authority to utilize its Wilkinson "AZ" Well No. 2, located in Unit M of said Section 25, to dispose of produced salt water into the San Andres formation, with injection into the perforated interval from approximately 1378 feet to 1440 feet.

(5) That the injection should be accomplished through:

2 3/8-inch cement-lined tubing installed in
a packer set at approximately 1260 feet in
the A. W. Gerard Well No. 2;

2 3/8-inch cement lined tubing installed in
a packer set at approximately 1320 feet in
the Wilkinson "AZ" Well No. 2;

that the casing-tubing annulus of each of the subject wells should be filled with an inert fluid; and that a pressure gauge should be attached to the annulus of each of the subject wells 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.

(7) That the authorization in Order No. R-3609 for the dual completion of the aforesaid A. W. Gerard Well No. 2 should be superseded.

IT IS THEREFORE ORDERED:

(1) That the applicant, Yates Petroleum Corporation, is hereby authorized to utilize its following-described wells in Section 25, Township 18 South, Range 25 East, NMPM, Penasco Draw San Andres-Yeso Pool, Eddy County, New Mexico, to dispose of produced salt water into the San Andres formation:

A. W. Gerard Well No. 2, located in Unit J, injection to be accomplished through 2 3/8-inch tubing installed in a packer set at approximately 1260 feet, with injection into the perforated interval from approximately 1316 feet to 1459 feet;

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Wilkinson "AZ" Well No. 2, located in Unit M, injection to be accomplished through 2 3/8-inch tubing installed in a packer set at approximately 1320 feet, with injection into the perforated interval from approximately 1378 feet to 1440 feet;

PROVIDED HOWEVER, that the tubing of each of the subject wells shall be cement-lined; that the casing-tubing annulus of each of the subject wells shall be filled with an inert fluid; and that a pressure gauge shall be attached to the annulus of each of the subject wells at the surface in order to determine leakage in the casing, tubing, or packer.

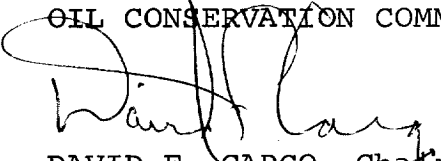
(2) That the applicant shall submit monthly reports of its disposal operations in accordance with Rules 704 and 1120 of the Commission Rules and Regulations.

(3) That the authorization in Order No. R-3609 for the dual completion of the aforesaid A. W. Gerard Well No. 2 to produce oil from the San Andres formation and to dispose of produced salt water into the Yeso formation is hereby superseded, and said Order No. R-3609 in all other respects shall remain in full force and effect.


(4) 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


ALEX J. ARMILLO, Member


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

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