Enterel August 12, 1970 A.P.

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. 4396 Order No. R-4012

APPLICATION OF KLABZUBA, MUNSON AND SEAMAN FOR A DUAL COMPLETION AND 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 August 5, 1970, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this <u>12th</u> day of August, 1970, 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, Klabzuba, Munson and Seaman, seeks authority to complete its (Varel) Avalanche Journal Well No. 1, located in Unit N of Section 18, Township 10 South, Range 28 East, NMPM, Race Track-San Andres Pool, Chaves County, New Mexico, as a dual completion to produce gas from the San Andres formation in the perforated interval from approximately 2186 feet to 2204 feet of the Race Track-San Andres Pool through the casing-tubing annulus and to dispose of produced salt water into the San Andres formation through tubing below a packer set at approximately 2240 feet, with injection into the perforated interval from approximately 2262 feet to 2289 feet.

(3) That approval of the dual completion and salt water disposal as set out above will prevent the drilling of unnecessary

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wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Klabzuba, Munson and Seaman, is hereby authorized to complete its (Varel) Avalanche Journal Well No. 1, located in Unit N of Section 18, Township 10 South, Range 28 East, NMPM, Race Track-San Andres Pool, Chaves County, New Mexico, as a dual completion to produce gas from the San Andres formation in the perforated interval from approximately 2186 feet to 2204 feet of the Race Track-San Andres Pool through the casingtubing annulus and to dispose of produced salt water into the San Andres formation through tubing below a packer set at approximately 2240 feet, with injection into the perforated interval from approximately 2262 feet to 2289 feet;

<u>PROVIDED HOWEVER</u>, that the applicant shall submit monthly reports of its disposal operations in accordance with Rules 704 and 1120 of the Commission Rules and Regulations;

<u>PROVIDED FURTHER</u>, that should the casing-tubing annulus in the subject well begin making water, the operator of the subject well shall immediately cease all disposal operations and notify the Artesia District Office of the Oil Conservation Commission, Drawer DD, Artesia, New Mexico, that the annulus in the subject well is making water. Disposal operations shall not then be resumed until approved by the Commission.

(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 CONSTRUCTION COMMISSION DAVID F. CARGO, Chailrman CA RMIJO.L ALE Membér Jr., Member Secretary PORTER,

SEAL

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