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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. 5455 Order No. R-4158-B

APPLICATION OF ROGER C. HANKS FOR THE AMENDMENT OF ORDER NO. R-4158, AS AMENDED, EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on April 16, 1975, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this <u>29th</u> day of April, 1975, 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, Roger C. Hanks, is the owner and operator of the Monsanto Foster Well No. 1, located in Unit D of Section 5, Township 20 South, Range 25 East, NMPM, Dagger Draw Area, Eddy County, New Mexico.

(3) That by Order No. R-4158, dated June 21, 1971, as amended by Order No. R-4158-A, dated July 30, 1974, the Commission authorized use of said well for salt water disposal purposes by disposal through 2 7/8-inch tubing installed in a packer set at approximately 10,000 feet, with injection into the perforated interval from approximately 10,220 feet to 10,504 feet.

(4) That the applicant seeks the amendment of said Order No. R-4158, as amended, to permit disposal into said well into the Devonian formation through tubing installed in a packer set at approximately 4000 feet, with injection into the perforated interval from 10,220 feet to 10,504 feet.

(5) That the applicant proposes to squeeze-cement additional existing perforations from 6450 feet to 6470 feet and further to perforate said well at approximately 6000 feet and block-squeeze with sufficient cement to come back to approximately 3800 feet. 8,441-1A-1-1-1-والمواقعة الماليان الأرام لأليان سيموحا والمراجر فالمراجع والمراجع . -2-Case No. 5455 Order No. R-4158-B

(6) That the operator should install a gauge on the annulus between the 5 1/2-inch and 9 5/8-inch casing or leave the annulus open at the surface in order to detect any migration of injected fluid upward behind said 5 1/2-inch casing.

(7) That the operator should notify the supervisor of the Commission's district office at Artesia of the date and time that the proposed workover operations are to be performed so that they may be witnessed by the Commission.

(8) That completion of the subject well in the manner described above will provide protection to existing shallow ground water supplies and to hydrocarbons, will prevent the drilling of unnecessary wells and otherwise prevent waste and protect correlative rights, and should be approved.

IT IS THEREFORE ORDERED:

(1) That Finding (4) on Page 1 of Order No. R-4158 is hereby amended to read as follows:

"(4) That the injection should be accomplished through 2 7/8-inch, or larger, tubing installed in a packer set at approximately 4,000 feet, provided however, that the existing perforations from 6450 feet to 6470 feet should be squeezecemented, and the casing should be perforated at approximately 6000 feet and squeeze-cemented with sufficient cement to come back to approximately 3800 feet; that the casing-tubing annulus should be filled with inert fluid; that a pressure gauge should be attached to the annulus at the surface in order to determine leakage in the casing, tubing, or packer; that the annulus between the 5 1/2-inch and 9 5/8-inch casing strings should be equipped with a pressure gauge at the surface or be left open in order to determine leakage or migra-tion of injected fluids into said casing-casing annulus; that the injected water should be treated with a corrosion inhibitor; and that corrosion levels should be monitored by continuous coupon tests with the results of those tests to be reported annually to the Commission's Artesia District Office."

(2) That Order No. (1) on Page 2 of Order No. R-4158 is hereby amended to read as follows:

"(1) That the applicant, Roger C. Hanks, is hereby authorized to use his Monsanto Foster Well No. 1, located 660 feet from the North line and 660 feet from the West line of Section 5, Township 20 South, Range 25 East, NMPM, Eddy County, New Mexico, to -3-Case No. 5455 Order No. R-4158-B

> dispose of produced salt water into the Devonian formation, injection to be accomplished through 2 7/8-inch, or larger, tubing installed in a packer set at approximately 4,000 feet, with injection into the perforated interval from approximately 10,220 feet to 10,504 feet.

"PROVIDED HOWEVER, that existing perforations from 6450 feet to 6470 feet shall be squeezecemented, and the 5 1/2-inch casing shall be perforated at approximately 6000 feet and squeezecemented with sufficient cement to come back to approximately 3800 feet.

"PROVIDED FURTHER, that the casing-tubing annulus shall be filled with an inert fluid; that a pressure gauge shall be attached to the annulus in order to determine leakage in the casing, tubing, or packer; that the injected water shall be treated with a corrosion inhibitor; and that corrosion levels in the well shall be monitored by continuous coupon tests with results of those tests to be reported annually to the Commission's Artesia District Office."

(3) That the operator shall notify the supervisor of the Commission's district office at Artesia of the date and time of the commencement of the operations authorized by this order in order that they may be witnessed by a representative of the Commission.

(4) That Order No. R-4158-A is hereby superseded.

(5) 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 16 TRUJILLO, Chairman I. Æ. te 10 Member M Jr., PORTER, Member Secretary

SEAL jr/