

Entered September 8, 1971
W.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. 4584
Order No. R-4192

APPLICATION OF TENNECO OIL
COMPANY FOR GAS INJECTION,
McKINLEY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on September 1, 1971, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 8th day of September, 1971, 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, Tenneco Oil Company, is an operator of certain wells and leases in the Lone Pine-Dakota "D" Oil Pool, McKinley County, New Mexico.
- (3) That the applicant seeks authority to inject casinghead gas produced by all wells in said pool into the Dakota "A" zone through perforations from 2,547 feet to 2,562 feet in its Santa Fe Pacific Railroad Well No. 2 located in the NW/ 4 SW/4 of Section 13, Township 17 North, Range 9 West, Lone Pine-Dakota Field.
- (4) That the applicant proposes to inject said gas for storage purposes pending the institution of a pressure maintenance project in the Lone Pine-Dakota "D" Oil Pool, at which time the gas would be withdrawn from the storage area and reinjected into the Lone Pine-Dakota "D" Oil Pool.

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(5) That the applicant further seeks the establishment of a procedure whereby an additional well may be approved for said injection, if necessary, administratively.

(6) That the subject casinghead gas is presently being flared.

(7) That essentially all the casinghead gas injected for storage purposes will be recovered from the storage zone and will be put to a beneficial use.

(8) That the proposed method of injection for storage purposes is mechanically feasible and is in the interest of conservation as it should result in a greater ultimate recovery and beneficial use of oil and gas from the subject pool, thereby preventing waste, and will not violate correlative rights.

(9) That the subject application should be approved.

IT IS THEREFORE ORDERED:

(1) That the applicant, Tenneco Oil Company, is hereby authorized to institute a casinghead gas storage project in the Lone Pine-Dakota Field by the injection of gas produced by wells in the Lone Pine Dakota "D" Oil Pool, McKinley County, New Mexico, into the Dakota "A" zone through perforations from 2,547 feet to 2,562 feet in its Santa Fe Pacific Railroad Well No. 2 located in the NW/4 SW/4 of Section 13, Township 17 North, Range 9 West, Lone Pine-Dakota Field.

(2) That the Secretary-Director of the Commission is hereby authorized to approve additional injection wells in the area of the above-described Santa Fe Pacific Railroad Well No. 2 and to authorize the injection of casinghead gas into the Dakota "A" zone of the Lone Pine-Dakota Field through such wells. To obtain such approval, the project operator shall file proper application with the Commission, which application shall include the following:

- (a) A plat showing the location of the proposed injection well, all wells within a radius of one mile of the proposed injection well, and offset operators.
- (b) A schematic drawing of the proposed injection well which fully describes the casing, tubing,

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perforated interval, and depth showing that the injection casinghead gas will be confined to the "A" zone of the Dakota formation.

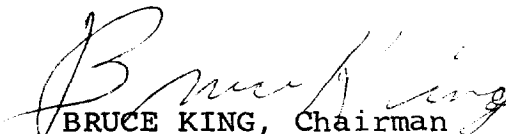
- (c) A letter stating that all offset operators to the proposed injection well have been furnished a complete copy of the application and the date of notification.

The Secretary-Director may approve the proposed injection well if, within 20 days after receiving the application, no objection to the proposal has been received. The Secretary-Director may grant immediate approval, provided waivers of objection are received from all offset operators.

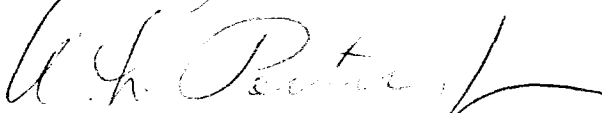
(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


BRUCE KING, Chairman


ALEX J. ARMIJO, Member


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

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