Entred March 21, 1973 Off.

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. 4916 Order No. R-4495

APPLICATION OF AGUA, INC. 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 March 14, 1973, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this <u>21st</u> day of March, 1973, 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, Agua, Inc., proposes to drill its SWD Well No. C-2 in Unit C of Section 2, Township 22 South, Range 37 East, NMPM, adjacent to the South Eunice-San Andres Pool, Lea County, New Mexico.

(3) That the applicant seeks to utilize said well to dispose of produced salt water into the San Andres formation, with injection into the open hole interval from approximately 4,400 feet to 5,000 feet.

(4) That the injection should be accomplished through 5 1/2-inch plastic-lined tubing; that the casing-tubing annulus should be filled with an oil blanket and that pressure gauges should be attached to the tubing and the annulus in order to determine leakage in the casing or tubing.

(5) 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, Agua, Inc., is hereby authorized to utilize its proposed SWD Well No. C-2 to be located in Unit C

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of Section 2, Township 22 South, Range 37 East, NMPM, adjacent to the South Eunice-San Andres Pool, Lea County, New Mexico, to dispose of produced salt water into the San Andres formation, injection to be accomplished through 5 1/2-inch tubing into the open hole interval from approximately 4,400 feet to 5,000 feet;

PROVIDED HOWEVER, that the tubing shall be plastic-lined; that the casing-tubing annulus shall be filled with an oil blanket; and that pressure gauges shall be attached to the tubing and the annulus in order to determine leakage in the casing or tubing.

(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 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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