Entered July 13, 113 (CV.J.

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. 5008 Order No. R-4588

APPLICATION OF HONDO DRILLING COMPANY 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 June 27, 1973, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 13th day of July, 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, Hondo Drilling Company, is the owner and operator of the Gulf "NW" State Well No. 2, located in Lot 6 of Section 6, Township 24 South, Range 33 East, NMPM, Triple "X" Delaware Pool, Lea County, New Mexico.

(3) That the applicant proposes to utilize said well to dispose of produced salt water into the Ramsey Sand section of the Delaware formation, with injection into the perforated interval from approximately 5034 feet to 5038 feet.

(4) That the injection should be accomplished through 2 3/8-inch plastic-lined tubing installed in a packer set at approximately 4995 feet; that the casing-tubing annulus should be filled with an inert fluid; and that a pressure gauge should be attached to the annulus in order to determine leakage in the casing, tubing, or packer.

(5) That approval of the subject application will prevent the drilling of unnecessary wells and otherwise prevent waste and protect correlative rights. -2-Case No. 5008 Order No. R-4588

IT IS THEREFORE ORDERED:

(1) That the applicant, Hondo Drilling Company, is hereby authorized to utilize its Gulf "NW" State Well No. 2, located in Lot 6 of Section 6, Township 24 South, Range 33 East, NMPM, Triple "X" Delaware Pool, Lea County, New Mexico, to dispose of produced salt water into the Ramsey sand section of the Delaware formation, injection to be accomplished through 2 3/8-inch plastic coated tubing installed in a packer set at approximately 4995 feet, with injection into the perforated interval from approximately 5034 feet to 5038 feet;

PROVIDED HOWEVER, that the tubing shall be plastic-lined; that the casing-tubing annulus shall be filled with an inert fluid; and that a pressure gauge shall be attached to the annulus in order to determine leakage in the casing, tubing, or packer.

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

That jurisdiction of this cause is retained for the (3) 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

I. R. TRUJILLO, Chairman

male ARMIJO, Member

PORTER, Jr., Member & Secretary

SEAL

dr/