

Entered August 3, 1976
JDR

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. 5644
Order No. R-5137-B

APPLICATION OF AGUA, INC., FOR
THE AMENDMENT OF ORDER NO. R-5137,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on March 10, 1975, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 3rd day of August, 1976, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, 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 by Commission Order No. R-5137, dated December 17, 1975, the applicant, Agua, Inc., was authorized to dispose of produced salt water into the San Andres formation through the open-hole interval from approximately 4,000 feet to 5,000 feet in its Blinbry-Drinkard SWD System Well No. A-22, located 817 feet from the North line and 965 feet from the East line of Section 22, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) That in order to ensure that the disposed water would remain confined to the San Andres formation and not migrate through fractures or otherwise into other formations, said Order No. R-5137 required that the aforesaid Well No. A-22 be equipped with a pop-off valve or acceptable substitute which would limit the wellhead injection pressure to no more than one hundred (100) psi.

(4) That the applicant herein seeks the amendment of said Order No. R-5137 to permit disposal into Well No. A-22 at a surface injection pressure not to exceed 1200 psi.

(5) That the applicant proposes to dispose of up to 12,000 barrels of produced salt water per day in the subject Well No. A-22.

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(6) That the subject well is located within an area where vertical formation fracturing is suspected to exist.

(7) That formation fracturing occurs as the result of large volumes of fluid being injected into the formation at high pressure.

(8) That disposal of large volumes of water at 1200 psi as sought by the applicant would likely tend to create vertical fractures in the formation or to enlarge existing fractures, if they already exist, thereby permitting the disposal water to migrate into other formations, possibly resulting in the loss of underground reserves, thereby causing waste, or in injury to offsetting leases or properties.

(9) That insofar as the Commission can now determine, a surface wellhead injection pressure of approximately 800 psi will not cause formation fracturing, and will not result in loss of underground reserves nor injury to offsetting leases or properties, nor otherwise cause waste or violate correlative rights.

(10) That the applicant's request for the amendment of Commission Order No. R-5137 to permit disposal of produced salt water in its Well No. A-22 at a surface injection pressure not to exceed 1200 psi should be denied, but said Order No. R-5137 should be amended to permit such disposal at surface injection pressures up to 800 psi, provided proper safeguards are taken that such pressure not be exceeded.

IT IS THEREFORE ORDERED:

(1) That the application of Agua, Inc., for the amendment of Commission Order No. R-5137 to permit disposal of produced salt water into the San Andres formation through the open-hole interval from approximately 4,000 feet to 5,000 feet in its Blinbry-Drinkard SWD System Well No. A-22, located 817 feet from the North line and 965 feet from the East line of Section 22, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico, at a surface injection pressure not to exceed 1200 psi is hereby denied.

(2) That Order No. (2) of Commission Order No. R-5137 is hereby amended to read in its entirety as follows:

"(2) That the injection well or system shall be equipped with a pop-off valve or acceptable substitute which will limit the wellhead injection pressure on the injection well to no more than eight hundred (800) psi."

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

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DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

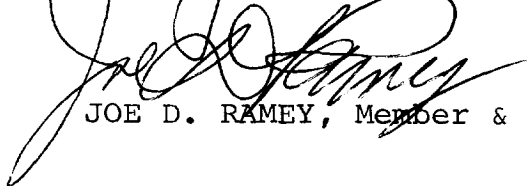
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



PHIL R. LUCERO, Chairman



EMERY C. ARNOLD, Member



JOE D. RAMEY, Member & Secretary

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