

Entered March 15, 1977
JLR

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. 5864
Order No. R-5137-C

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 February 16, 1977, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 15th day of March, 1977, 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 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 Blinebry-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.

-2-

Case No. 5864

Order No. R-5137-C

(4) That by Commission Order No. R-5137-B, dated August 3, 1976, the applicant obtained authorization to increase said wellhead injection pressure limitation to eight hundred (800) psi.

(5) That the applicant now seeks the further amendment of said Order No. R-5137 to provide for a wellhead injection pressure limitation of up to 1500 psi.

(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 1500 psi as sought by the applicant may create vertical fractures in the formation or 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 1400 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 of up to 1500 psi should be denied, but said Order No. R-5137 should be further amended to permit such disposal at surface injection pressures up to 1400 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 further 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,

-3-

Case No. 5864
Order No. R-5137-C

Lea County, New Mexico, at a surface injection pressure of up to 1500 psi is hereby denied.

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

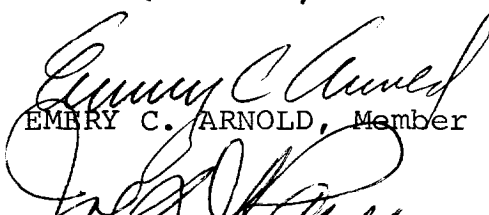
"(2) That the injection well or system shall be equipped with a pop-off valve or acceptable substitute which will limit the wellhead injection pressure on the injection well to no more than fourteen hundred (1400) psi."

(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

PHIL R. LUCERO, Chairman


EMORY C. ARNOLD, Member


JOE D. RAMEY, Member & Secretary

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