

Entered December 16, 1975



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. 5592
Order No. R-5137

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 November 19, 1975, at Santa Fe, New Mexico, before Examiner, Daniel S. Nutter.

NOW, on this 16th day of December, 1975, 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., is the owner and operator of the 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 the applicant proposes to utilize said well to dispose of produced salt water into the San Andres formation, with injection into the open-hole interval from approximately 4,000 feet to 5,000 feet.

(4) That the injection should be accomplished through 5 1/2-inch plastic lined tubing hung at approximately 4000 feet; that the casing-tubing annulus should be filled with a hydrostatically balanced column of inert fluid; and that a pressure gauge or approved leak detection device should be attached to the annulus in order to determine leakage in the casing or tubing.

(5) That the injection well or system should be equipped with a pop-off valve or acceptable substitute which will limit the wellhead pressure on the injection well to no more than one hundred (100) psi, provided however, the Secretary-Director of the Commission should have authority to increase the aforesaid pressure limit if, in his judgement, conditions so warrant.

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(6) That the operator should notify the supervisor of the Hobbs district office of the Commission of the date and time of the installation of disposal equipment so that the same may be inspected.

(7) That the operator should take all steps necessary to ensure that the injected water enters only the proposed injection interval and is not permitted to escape to other formations or onto the surface.

(8) 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 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, to dispose of produced salt water into the San Andres formation, injection to be accomplished through 5 1/2-inch tubing hung at approximately 4000 feet, with injection into the open-hole interval from approximately 4,000 feet to 5,000 feet;

PROVIDED HOWEVER, that the tubing shall be plastic-lined; that the casing-tubing annulus shall be filled with a hydrostatically balanced column of inert fluid; and that a pressure gauge shall be attached to the annulus or the annulus shall be equipped with an approved leak detection device in order to determine leakage in the casing or tubing.

(2) That the injection well or system shall be equipped with a pop-off valve or acceptable substitute which will limit the well-head pressure on the injection well to no more than one hundred (100) psi, provided however, the Secretary-Director of the Commission shall have the authority to increase the aforesaid pressure limit upon satisfactory showing that such pressure limit increase is warranted and will not result in loss of underground reserves nor injury to offsetting leases or properties.

(3) That the operator shall notify the supervisor of the Hobbs district office of the Commission of the date and time of the installation of disposal equipment so that the same may be inspected.

(4) That the operator shall immediately notify the supervisor of the Commission's Hobbs district office of the failure of the tubing, casing, or packer, in said well or the leakage of water from or around said well and shall take such steps as may be timely and necessary to correct such failure or leakage.

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

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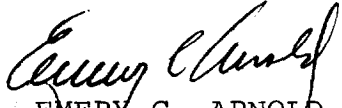
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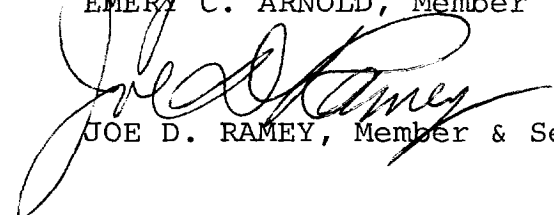
(6) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


PHIL R. LUCERO, Chairman


EMERY C. ARNOLD, Member


JOE D. RAMEY, Member & Secretary

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