

Entered June 28, 1977
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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. 5965
Order No. R-5478

APPLICATION OF LAYTON ENTERPRISES,
INC., FOR A DUAL COMPLETION AND SALT
WATER DISPOSAL, CHAVES COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on June 22, 1977, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 28th day of June, 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 the applicant, Layton Enterprises, INC., seeks authority to complete its Elkins State Well No. 1, located in Unit N of Section 1, Township 7 South, Range 28 East, NMPM, Chaves County, New Mexico, as a dual completion in such a manner as to produce oil from the Cisco formation through tubing within the production casing and to dispose of produced salt water down the 5 1/2" x 8 5/8" production/intermediate casing annulus into the San Andres and Yeso formations through the open-hole interval from 1,861 feet to approximately 5,000 feet.

(3) That the applicant proposes to utilize said well for annular disposal of salt water for a temporary period not to exceed one year to permit production and evaluation of the Cisco zone.

(4) That said Elkins State Well No. 1 is far removed from the main producing area of Southeast New Mexico and normally available salt water disposal facilities.

(5) That the applicant will treat the injected water to prevent corrosion.

(6) That the mechanics of the proposed dual completion are feasible and in accord with good conservation practices.

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(7) That approval of the subject application will prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Layton Enterprises, Inc., is hereby authorized to complete its Elkins State Well No. 1, located in Unit N of Section 1, Township 7 South, Range 28 East, NMPM, Chaves County, New Mexico, as a dual completion to produce oil from the Cisco formation through tubing within the production casing and to dispose of produced salt water through the 8 5/8-inch and 5 1/2-inch casing/casing annulus into the San Andres and Yeso formations through the open-hole interval from 1,861 feet to approximately 5,000 feet.

(2) That the applicant shall treat the injected water to prevent corrosion.

(3) That the well shall be equipped with a pop-off valve or in some other acceptable manner so as to limit wellhead injection pressures to no more than 400 psi.

(4) That the operator shall immediately notify the supervisor of the Commission's district office at Artesia of the failure of the injection well in any manner, the leakage of water from or around said well, or any other evidence of migration of water from the injection zone, and shall take such timely steps as may be necessary or required to correct such failure or leakage.

(5) That the applicant shall promptly notify the supervisor of the Commission's district office at Artesia of the date of first injection.

(6) That this order shall expire 12 months following the date of first injection.

(7) 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
PHIL R. LUCERO, Chairman

Emery C. Arnold
EMERY C. ARNOLD, Member

Joe D. Ramey
JOE D. RAMEY, Member & Secretary

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