

Entered October 18, 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. 6033
Order No. R-5540

APPLICATION OF BASIN FUELS, INC.,
FOR SALT WATER DISPOSAL,
McKINLEY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on September 14, 1977, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 18th day of October, 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, Basin Fuels, Inc., is the owner and operator of the Slick Well No. 1, located in Unit 0 of Section 7, Township 20 North, Range 5 West, NMPM, Franciscan Lake-Mesaverde Pool, McKinley County, New Mexico.

(3) That the applicant proposes to utilize said well to dispose of produced salt water into the Mesaverde formation, with injection into the perforated interval from approximately 2752 feet to 2796 feet.

(4) That the nature of the proposed injection operation is such that it should more properly be classified as a pressure maintenance project.

(5) That the injection should be accomplished through 2 3/8-inch plastic lined tubing installed in a packer set at approximately 2660 feet; that the casing-tubing annulus should be filled with an 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, tubing, or packer.

(6) That the injection well or system should 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 550 psi.

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(7) That the Secretary-Director of the Commission should be authorized to administratively approve a higher injection pressure upon a showing that such higher pressure will not result in fracturing of the confining strata.

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

(9) 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.

(10) That the subject application should be approved and the project should be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

IT IS THEREFORE ORDERED:

(1) That the applicant, Basin Fuels, Inc., is hereby authorized to institute a pressure maintenance project in the Franciscan Lake-Mesaverde Pool, McKinley County, New Mexico, by the injection of water into the Mesaverde formation, through its Slick Well No. 1, located in Unit O of Section 7, Township 20 North, Range 5 West, NMPM, McKinley County, New Mexico.

(2) That injection shall be accomplished through 2 3/8-inch tubing installed in a packer set at approximately 2660 feet, with injection into the perforated interval from approximately 2752 feet to 2796 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 or the annulus shall be equipped with an approved leak detection device in order to determine leakage in the casing, tubing, or packer;

PROVIDED FURTHER, that should casing perforations above a depth of 2660 feet in said Slick Well No. 1 not be squeezed, the operator shall demonstrate to the satisfaction of the supervisor of the Commission's district office in Aztec that the fluid column in the annulus will not "thief" into such perforations and shall determine such fluid level each six months reporting the results of such determination to the district supervisor.

(3) 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 550 psi.

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(4) That the Secretary-Director of the Commission may administratively authorize a higher wellhead injection pressure upon a showing by the operator that such higher pressure will not fracture the confining strata.

(5) That the operator shall notify the supervisor of the Aztec district office of the Commission of the date and time of the installation of disposal equipment and semi-annual injection well annulus fluid level tests so that the same may be inspected.

(6) That the operator shall immediately notify the supervisor of the Commission's Aztec district office of evidence of casing failure in the aforesaid injection well, the leakage of water or oil from around any producing well, or the leakage of water or oil from any plugged and abandoned well within the project area and shall take such timely steps as may be necessary or required to correct such failure or leakage.

(7) That the project area shall comprise those proration units containing an injection well and any direct or diagonally offsetting proration unit containing a producing well.

(8) That the subject project is hereby designated the Franciscan Lake-Mesaverde Pressure Maintenance Project and shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

(9) That monthly progress reports of the project herein authorized shall be submitted to the Commission in accordance with Rules 704 and 1120 of the Commission Rules and Regulations.

(10) 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 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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