

Entered December 27, 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. 6088
Order No. R-5602

APPLICATION OF YATES PETROLEUM
CORPORATION FOR A DUAL COMPLETION,
DOWNHOLE COMMINGLING, AND SALT WATER
DISPOSAL, EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on November 16, 1977, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 27th day of December, 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, Yates Petroleum Corporation, seeks approval for the downhole commingling of East Eagle Creek Atoka-Morrow, Eagle Creek-Strawn and Eagle Creek Permo-Penn production in the wellbore of its Mitchell "IN" Well No. 2 located in Unit I of Section 23, Township 17 South, Range 25 East, Eddy County, New Mexico, and to dually complete said well in such a manner as to permit disposal of produced salt water into the Devonian formation thru tubing and production of the aforesaid commingled zones thru the casing-tubing annulus.

(3) That the applicant's request for dismissal of that portion of this case concerning downhole commingling should be approved.

(4) That the applicant seeks authority to complete said Mitchell "IN" Well No. 2, as a dual completion (conventional) to produce gas from the East Eagle Creek Atoka-Morrow Gas Pool through the casing-tubing annulus and to dispose of produced salt water into the Devonian formation, with injection into the perforated interval from approximately 8879 feet to 9362 feet.

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(5) That the injection should be accomplished through 2 7/8-inch tubing installed in a packer set at approximately 8840 feet. That the water to be disposed of in said well should be continuously treated to prevent corrosion or the tubing should be plastic lined; and the well should be inspected at least weekly in order to detect any failure of the downhole or surface injection equipment.

(6) 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 1776 psi.

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

(8) 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.

(9) 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, Yates Petroleum Corporation, is hereby authorized to complete its Mitchell "IN" Well No. 2, located in Unit I of Section 23, Township 17 South, Range 25 East, NMPM, Eddy County, New Mexico, as a dual completion (conventional) to produce gas from the East Eagle Creek Atoka-Morrow Gas Pool through the casing-tubing annulus and to dispose of produced water into the Devonian formation.

PROVIDED HOWEVER, that the applicant shall complete, operate, and produce said well in accordance with the provisions of Rule 112-A of the Commission Rules and Regulations insofar as said rule is not inconsistent with this order;

PROVIDED FURTHER, that the applicant shall annually provide the supervisor of the Commission's Artesia district office with evidence demonstrating the continued separation of the Morrow producing zone from waters injected into or being injected into the Devonian formation.

(2) That the injection shall be accomplished through 2 7/8-inch tubing installed in a packer set at approximately 8840 feet.

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(3) That the water to be injected shall be continuously treated to prevent corrosion or the tubing shall be plastic-lined.

(4) That the applicant shall inspect the well at least once each week in order to detect any failure of the downhole or surface injection equipment.

(5) That the injection well or system shall be equipped with a pop-off valve or acceptable substitute which will limit the wellhead pressure on the injection well to no more than 1776 psi.

(6) That the operator shall notify the supervisor of the Artesia 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 shall immediately notify the supervisor of the Commission's Artesia 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.

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

(9) That that portion of the application in this case for approval of the downhole commingling of East Eagle Creek Atoka-Morrow, Eagle Creek-Strawn and Eagle Creek Permo-Pennsylvanian production is hereby dismissed.

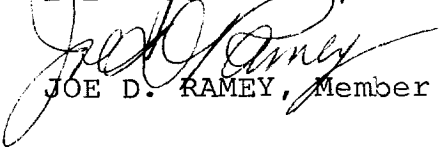
(10) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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