

Entered April 11, 1978

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. 6160
Order No. R-5693

APPLICATION OF BASS ENTERPRISES
PRODUCTION CO., FOR 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 February 22, 1978, at Santa Fe, New Mexico, before Examiner, Richard L. Stamets.

NOW, on this 11th day of April, 1978, 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, Bass Enterprises Production Co., is the owner and operator of the Big Eddy Unit Well No. 56, located in Unit G of Section 35, Township 21 South, Range 28 East, NMPM, Indian Flats-Delaware Pool, Eddy County, New Mexico.
- (3) That the applicant proposes to utilize said well to dispose of produced salt water into the Delaware formation, with injection into the perforated interval from approximately 3310 feet to 3375 feet.
- (4) That the injection should be accomplished through 2 3/8-inch plastic lined tubing installed in a packer set at approximately 3260 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 or the annulus be left open in order to determine leakage in the casing, tubing, or packer.
- (5) That the injection well or system should be equipped with a pressure limiting switch or acceptable substitute which will limit the wellhead pressure on the injection well to no more than 662 psi unless the Director of the Oil Conservation Division of the New Mexico Energy and Minerals Department should administratively authorize a higher pressure.

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(6) That the operator should notify the supervisor of the Artesia district office of the Division of the date and time of the installation of disposal equipment and periodic testing required under terms of this order 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 the applicant's Big Eddy Unit Well No. 41 located in Unit J of said Section 35 is located within one-half mile of the proposed injection well and is not cemented opposite the disposal zone.

(9) That said Big Eddy Unit Well No. 41 could serve as an avenue of escape for injected waters from the disposal zone to other zones.

(10) That to prevent said migration of injected waters into zones other than the disposal zone the applicant should periodically monitor the 8 5/8-inch x 5 1/2-inch casing annulus for detection of injected fluid and, upon such detection, immediately cease injection or repair said Big Eddy Unit Well No. 41.

(11) That in no event should injection into said well continue for a period in excess of two years unless said Big Eddy Unit Well No. 41 shall have been cemented across the injection zone.

(12) 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, Bass Enterprises Production Co., is hereby authorized to utilize its Big Eddy Unit Well No. 56, located in Unit G of Section 35, Township 21 South, Range 28 East, NMPM, Indian Flats-Delaware Pool, Eddy County, New Mexico, to dispose of produced salt water into the Delaware formation, injection to be accomplished through 2 3/8-inch tubing installed in a packer set at approximately 3260 feet, with injection into the perforated interval from approximately 3310 feet to 3375 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 or the annulus be left open in order to determine leakage in the casing, tubing, or packer;

PROVIDED FURTHER, that the authority granted by this order shall expire ipso facto two years from the date of first injection unless the operator shall properly cement the Big Eddy Unit Well No. 41 located in Unit J of said Section 35 across the injection zone.

(2) That the injection well or system shall be equipped with a pressure limiting switch or acceptable substitute which will limit the wellhead pressure on the injection well to no more than 662 psi.

(3) That the Oil Conservation Division Director may administratively authorize a pressure limitation in excess of 662 psi upon a showing by the operator that such higher pressure will not result in fracturing of the confining strata.

(4) That prior to commencing injection into said Big Eddy Unit Well No. 56, the applicant shall determine the pressure in the 8 5/8-inch x 5 1/2-inch casing-casing annulus in its Big Eddy Unit Well No. 41 located in Unit letter J of said Section 35.

(5) That upon initiation of injection into said Unit Well No. 56, the applicant shall conduct quarterly pressure tests on said casing-casing annulus in said Unit Well No. 41.

(6) Upon a finding of a pressure increase in said casing-casing annulus, the operator shall so notify the Director of the Oil Conservation Division and shall proceed immediately to cement the 5 1/2-inch casing in said Unit Well No. 41 in such a manner as to effectively seal off the injection interval or cease injection into said Unit Well No. 56.

(7) That the operator shall notify the supervisor of the Artesia district office of the Division of the date and time of the initial pressure test and every fourth test thereafter to be conducted in accordance with Orders No. (4) and (5) above in order that the same may be witnessed.

(8) That the operator shall maintain the records of such tests in order that they may be reviewed by Division personnel upon reasonable request.

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

(10) That the operator shall immediately notify the supervisor of the Division'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.

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

(12) That jurisdiction of this cause is retained for the entry of such further orders as the Division 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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