

Entered August 7, 1978
JCR

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 6233
Order No. R-5780

APPLICATION OF AMOCO PRODUCTION
COMPANY FOR SALT WATER DISPOSAL,
SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on May 17, 1978, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 7th day of August, 1978, the Division Director, 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 Division has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Amoco Production Company, is the owner and operator of the Keys Gas Com "F" Well No. 1 located in Unit K of Section 27 and the Cahn Gas Com Well No. 3 to be drilled in Unit F of Section 33, both in Township 32 North, Range 10 West, NMPM, Mt. Nebo-Fruitland Pool, San Juan County, New Mexico.
- (3) That the applicant proposes to utilize said wells to dispose of produced salt water into the Ojo Alamo formation, with injection into the perforated intervals from approximately 1104 feet to 1122 feet and 1175 feet to 1230 feet, respectively.
- (4) That there are five wells, as shown on Exhibit A attached to this order and made a part hereof, which wells are located within one-half mile of one or the other of said proposed disposal wells and which are not cemented across the Ojo Alamo formation in such a manner as to contain the proposed waters to be injected within said formation.

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(5) That no disposal of salt water should be permitted into either of said wells until all five wells shown on said Exhibit A have been cemented across and above the Ojo Alamo formation in accordance with a program to be approved by the supervisor of the Division's district office at Aztec.

(6) That the injection into the aforesaid two wells should be accomplished through 2 3/8-inch plastic lined tubing installed in packers set at approximately 1050 feet and at approximately 1150 feet, respectively; that the casing-tubing annulus in each well should be filled with an inert fluid; and that a pressure gauge or approved leak detection device should be attached to the annulus of each well in order to determine leakage in the casing, tubing, or packer.

(7) That the injection wells or system should be equipped with a pressure limiting switch or other acceptable device which will limit the wellhead pressure at each injection well to no more than 220 psi.

(8) That the operator should notify the supervisor of the Aztec district office of the Division of the date and time of the installation of disposal 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 intervals and is not permitted to escape to other formations or onto the surface.

(10) 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, Amoco Production Company, is hereby authorized to utilize its Cahn Gas Com Well No. 3 to be drilled in Unit F of Section 33 and its Keys Gas Com "F" Well No. 1 located in Unit K of Section 27, both in Township 32 North, Range 10 West, NMPM, Mt. Nebo-Fruitland Pool, San Juan County, New Mexico, to dispose of produced salt water into the Ojo Alamo formation, injection to be accomplished through 2 3/8-inch tubing installed in packers set at approximately 1150 feet and 1050 feet, respectively, with injection into the perforated interval from approximately 1175 feet to 1230 feet and 1104 feet to 1122 feet, respectively.

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PROVIDED HOWEVER, that in each well, 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 no injection of salt water shall take place in either of said wells until the intermediate casing in all five wells shown on Exhibit A attached to this order and made a part hereof shall have been cemented across and above the Ojo Alamo formation in a manner prescribed by the supervisor of the Division's district office at Aztec.

(2) That the injection wells or system shall be equipped with a pressure limiting switch or other acceptable device which will limit the wellhead pressure on the injection wells to no more than 220 psi.

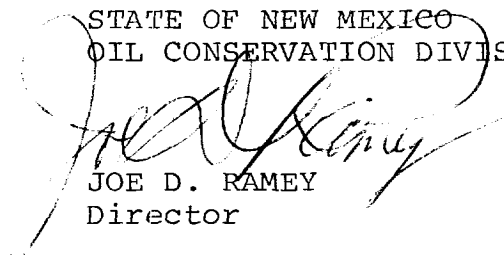
(3) That the operator shall notify the supervisor of the Aztec district office of the Division of the date and time of the installation of disposal equipment so that the same may be inspected.

(4) That the operator shall immediately notify the supervisor of the Division's Aztec district office of the failure of the tubing, casing, or packer, in said wells or the leakage of water from or around said wells 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 its disposal operations in accordance with Rules 704 and 1120 of the Division Rules and Regulations.

(6) 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 DIVISION

JOE D. RAMEY
Director

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<u>OPERATOR</u>	<u>LEASE</u>	<u>WELL NO.</u>	<u>UNIT</u>	<u>SEC.</u>	<u>TWP.</u>	<u>RGE.</u>
Supron Energy Corp.	Payne	5A	O	27	32N	10W
Amoco Production Co.	Ealum Gas Com	1	H	33	32N	10W
Amoco Production Co.	Schneider Gas Com	1	L	28	32N	10W
Amoco Production Co.	Uptegrove Gas Com	1	L	33	32N	10W
Amoco Production Co.	Keys Gas Com "A"	1	K	27	32N	10W

Exhibit A

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