

Entered September 28, 1981
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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. 7294
Order No. R-6770

APPLICATION OF ARCO OIL AND GAS
COMPANY FOR SALT WATER DISPOSAL,
LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on July 15, 1981, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 28th day of September, 1981, 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, ARCO Oil and Gas Company, is the owner and operator of the R. S. Crosby "A" Well No. 2, located in Unit L of Section 28, Township 25 South, Range 37 East, NMPM, Langlie Mattix Pool, Lea County, New Mexico.

(3) That the applicant proposes to utilize said well to dispose of produced salt water into the Seven Rivers-Queen formation, with injection into the perforated interval from approximately 2996 feet to 3186 feet.

(4) That an offset operator, Lewis B. Burleson, appeared at the hearing and objected to the disposal of salt water into the subject well on the grounds that it would adversely affect certain of his offsetting productive wells.

(5) That the proposed injection well is located approximately 1047 feet northwest of Burleson's Gutman Well No. 1 in Unit I of Section 29, and 2333 feet south-southwest of Burleson's

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Saunders Estate Well No. 3 in Unit D of Section 28, both in Township 25 South, Range 37 East, NMPM.

(6) That said Gutman Well No. 1 is presently producing Jalmat gas from the Yates formation through perforations from 2532 feet to 2552 feet, but has remaining reserves of Langlie Mattix oil and gas in the interval from 3130 feet to 3268 feet.

(7) That said Saunders Estate Well No. 3 is presently producing as a gas well in the Langlie Mattix through perforations from 3037 feet to 3132 feet.

(8) That the Langlie Mattix oil zone in said Gutman Well No. 1, where remaining recoverable Langlie Mattix reserves are believed to exist, and the Langlie Mattix gas zone in said Saunders Estate Well, where No. 3 is completed, are the equivalent zones to the proposed disposal zone in applicant's R. S. Crosby "A" Well No. 2.

(9) That said Gutman Well No. 1 is located downstructure from the proposed disposal well and the said Saunders Estate Well No. 3 is structurally about even with the proposed disposal well.

(10) That the applicant proposes to dispose of approximately 500 barrels of water per day in the Seven Rivers-Queen formation in the proposed disposal well.

(11) That the Seven Rivers-Queen formation has a relatively high permeability.

(12) That considering the permeability of the formation, the proximity of the Burleson wells, and the structural relationship of the Burleson wells to the disposal well, there would exist a strong possibility of disposal waters migrating to the aforesaid Burleson wells, and watering out the existing and potential productivity thereof, thus causing waste.

(13) That such watering out of existing and potential reserves of oil and gas belonging to Burleson would adversely affect his correlative rights.

(14) That in the interest of protecting correlative rights and preventing waste, the application should be denied.

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IT IS THEREFORE ORDERED:

(1) That the application of ARCO Oil and Gas Company for authority to dispose of produced salt water in its R. S. Crosby "A" Well No. 2, located in Unit L of Section 28, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico, is hereby denied.

(2) 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 herein-above designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY
Director

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