

Entered December 18, 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. 7424
Order No. R-6855

APPLICATION OF RICE ENGINEERING AND
OPERATING, INC., 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 November 19, 1981, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 18th day of December, 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, Rice Engineering and Operating, Inc., is the owner and operator of the Eunice-Monument Eumont SWD "G" Well No. 8, located in Unit G of Section 8, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) That the applicant proposes to utilize said well to dispose of produced salt water into the Lower San Andres formation, with injection into the perforated interval from approximately 4300 feet to 4852 feet.

(4) That the injection should be accomplished through 5 1/2-inch plastic lined tubing under an oil blanket; 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 or tubing.

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(5) That if injection is at pressure greater than hydrostatic pressure, 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 860 psi.

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

(7) That the operator should report to the supervisor of the Hobbs district office of the Division at the start of disposal operations the gravity and level of the inert fluid in the annulus.

(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, Rice Engineering and Operating, Inc., is hereby authorized to utilize its Eunice-Monument Eumont SWD "G" Well No. 8, located in Unit G of Section 8, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico, to dispose of produced salt water into the Lower San Andres formation, injection to be accomplished through 5 1/2-inch tubing with injection under an oil blanket into the perforated interval from approximately 4300 feet to 4852 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.

(2) That, if injection is at greater than hydrostatic pressure, 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 860 psi.

(3) That the operator shall notify the supervisor of the Hobbs district office of the Division of the date and time of

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the installation of disposal equipment so that the same may be inspected.

(4) That the operator shall report to the supervisor of the Hobbs district office of the Division at the start of disposal operations the gravity and level of the inert fluid in the annulus.

(5) That the operator shall immediately notify the supervisor of the Division's Hobbs district office of the failure of the tubing or casing in said well or the leakage of water or the inert fluid from or around said well and shall take such steps as may be timely and necessary to correct such failure or leakage.

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

(8) 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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