

Entered January 5, 1983  
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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. 7701  
Order No. R-7175

APPLICATION OF AMOCO PRODUCTION  
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 November 10, 1982, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 5th day of January, 1983, 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 Federal "A" Well No. 5, located 810 feet from the South line and 1980 feet from the West line of Section 13, Township 9 South, Range 35 East, NMPM, Lea County, New Mexico.

(3) That the applicant proposes to utilize said well to dispose of produced salt water into the Devonian formation, with injection into the perforated interval from approximately 12,002 feet to 12,012 feet.

(4) That the application of Amoco for conversion of the subject well was opposed by Tip Barnes and his wife, Naoma Barnes, surface owners of the lands on which the subject well is located.

(5) That said Barneses, both at the hearing and by brief filed by counsel after the hearing, opposed the application on various grounds which appear to be beyond the jurisdiction of

-2-

Case No. 7701  
Order No. R-7175

the Division to consider, and the application should be considered on the basis of whether it will protect correlative rights, prevent the waste of oil and gas, and provide reasonable protection to the ground waters in the area.

(6) That prior to conversion to salt water disposal, the casing in the subject well should be pressure-tested throughout the interval from the surface down to the proposed packer setting depth of 11,900 feet, said pressure test to be performed by the application of a minimum of 300 psi at the surface, to be held for at least 30 minutes. If a pressure drop of more than 10 percent should occur during such test, the casing shall be considered defective and remedial measures taken before conversion to salt water disposal. The Division's Hobbs District Supervisor shall be notified of the date and hour the aforesaid test will be conducted in order that he or his representative may witness the test.

(7) That the injection should be accomplished through 2 7/8-inch plastic lined tubing installed in a packer set at approximately 11,900 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 in order to determine leakage in the casing, tubing, or packer.

(8) That the injection well or system should be equipped with a pressure limiting switch or other acceptable device which will limit the wellhead pressure on the injection well to no more than 1200 psi.

(9) That the Director of the Division should be authorized to administratively approve an increase in the injection pressure upon a proper showing by the operator that such higher pressure will not result in migration of the injected waters from the Devonian formation.

(10) 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.

(11) 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.

(12) That approval of the application, subject to the conditions described in the above findings, will prevent the drilling of unnecessary wells and otherwise prevent waste and

-3-

Case No. 7701  
Order No. R-7175

protect correlative rights, will afford reasonable protection to the ground water in the area, and should be approved.

IT IS THEREFORE ORDERED:

(1) That the applicant, Amoco Production Company, is hereby authorized to utilize its Federal "A" Well No. 5, located 810 feet from the South line and 1980 feet from the West line of Section 13, Township 9 South, Range 35 East, NMPM, Lea County, New Mexico, to dispose of produced salt water into the Devonian formation, injection to be accomplished through 2 7/8-inch tubing installed in a packer set at approximately 11,900 feet, with injection into the perforated interval from approximately 12,002 feet to 12,012 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 the injection well or system shall be equipped with a pressure limiting switch or other acceptable device which will limit the wellhead pressure on the injection well to no more than 1200 psi.

(3) That the Director of the Division may authorize an increase in injection pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the injected fluid from the Devonian formation.

(4) That prior to conversion to salt water disposal, the casing in the subject well shall be pressure-tested throughout the interval from the surface down to the proposed packer setting depth of 11,900 feet, said pressure test to be performed by the application of a minimum of 300 psi at the surface, to be held for at least 30 minutes. If a pressure drop of more than 10 percent should occur during such test, the casing shall be considered defective and remedial measures taken before conversion to salt water disposal. The Division's Hobbs District Supervisor shall be notified of the date and hour the aforesaid test will be conducted in order that he or his representative may witness the test.

(5) That the operator shall 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.

-4-

Case No. 7701

Order No. R-7175

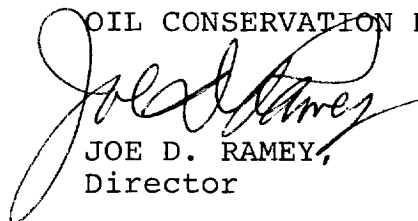
(6) That the operator shall immediately notify the supervisor of the Division's Hobbs district office of the failure of the tubing, casing, or packer, in said well or the leakage of water from or around said well and shall take such steps as may be timely and necessary to correct such failure or leakage.

(7) That the applicant shall submit monthly reports of its disposal operations in accordance with Rules 702, 703, 704, 705, 706, 708, 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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