

Entered May 19, 1983
JLR

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. 7826
Order No. R-7282

APPLICATION OF CONOCO, INC.
FOR SALT WATER DISPOSAL, EDDY
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on March 16, 1983, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 19th day of May 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, Conoco, Inc., is the owner and operator of the State S-19 Well No. 2, located in Unit I of Section 19, Township 17 South, Range 29 East, NMPM, Grayburg-Jackson Pool, Eddy County, New Mexico.

(3) That the applicant proposes to utilize said well to dispose of produced salt water into the Seven Rivers-Queen-Grayburg-San Andres formations, with injection into the perforated interval from approximately 2205 feet to 2299 feet.

(4) That there are two inadequately plugged wells located approximately one-half mile from the proposed injection well being the Kincaid and Watson Humble State Wells Nos. 5 and 6 located, respectively, 660 feet from the North and West lines and 2310 feet from the South line and 1980 feet from the West line of Section 20, Township 17 South, Range 29 East, NMPM.

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(5) That calculations indicate that from 3.5 million to 7 million barrels of water could be injected into said State S-19 Well No. 2 before injected water could migrate out of zone through either of the inadequately plugged wells noted in Finding No. (4) above.

(6) That to provide for a margin for error in such calculations injection approval should be initially limited to a volume of one million barrels.

(7) That the injection pressure should be accomplished through 2 3/8-inch plastic lined tubing installed in a packer set at approximately 2150 feet; that, the casing-tubing annulus should be filled with an inert fluid; and that a pressure guage 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 441 psi.

(9) That the Director of the Division should be authorized to administratively approve an increase in the injection pressure or the limiting injection volume upon a proper showing by the operator that such increase will not result in migration of the injected waters from the Seven Rivers-Queen-Grayburg-San Andres formations through the plugged and abandoned wells shown in Finding No. (4) above or in any other manner.

(10) 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 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 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, Conoco, Inc., is hereby authorized to utilize its State S-19 Well No. 2, located in

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Unit I of Section 19, Township 17 South, Range 29 East, NMPM, Eddy County, New Mexico, to dispose of produced salt water into the Seven Rivers-Queen-Grayburg-San Andres formations, injection to be accomplished through 2 3/8-inch tubing installed in a packer set at approximately 2150 feet, with injection into the perforated interval from approximately 2205 feet to 2299 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.

PROVIDED FURTHER, that the approval contained herein is limited to a total cumulative injection volume of one million barrels unless the operator receives an increase in this limiting volume as hereinafter provided.

(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 441 psi.

(3) That the Director of the Division may authorize an increase in injection pressure or the limiting injection volume upon a proper showing by the operator of said well that such increase will not result in migration of the injected fluid from the Seven Rivers-Queen-Grayburg-San Andres formations through the plugged and abandoned wells shown in Finding No. (4) of this order or in any other manner.

(4) 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.

(5) 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.

(6) 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.

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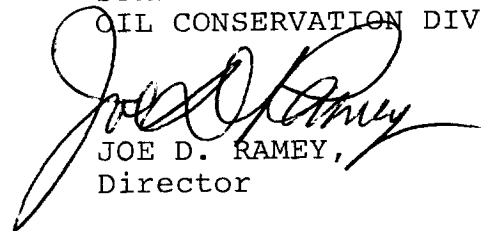
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(7) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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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