

Entered January 11, 1984
JER

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. 7987
Order No. R-7426

APPLICATION OF PETRO-LEWIS
CORPORATION FOR AMENDMENT TO
ADMINISTRATIVE ORDER SWD-244,
SANDOVAL COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on October 26, 1983, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 11th day of January, 1984, 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, Petro-Lewis Corporation, is the owner and operator of the Federal 12-C Well No. 1, located 460 feet from the South line and 330 feet from the West line of Section 12, Township 19 North, Range 4 West, NMPM, Sandoval County, New Mexico.

(3) That Division Administrative Order No. SWD-244, dated June 8, 1982, authorized Petro-Lewis Corporation to dispose of produced salt water into the Entrada formation at approximately 5483 feet to 5493 feet through 2 7/8-inch plastic-coated tubing set in a packer located at approximately 5400 feet in said Federal 12-C Well No. 1.

(4) That the oil-water contact line in said Federal 12-C Well No. 1 is presently at 5520 feet.

-2-

Case No. 7987

Order No. R-7426

(5) That the applicant proposes to squeeze off with cement the existing perforations at 5483 feet to 5493 feet and to continue to utilize said well as a salt water disposal well by injecting produced salt water below the oil-water contact line in the Entrada formation through a perforated interval from approximately 5600 feet to 5700 feet.

(6) That the injection should be accomplished through 3 1/2-inch plastic-lined tubing installed in a packer set at approximately 5500 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.

(7) 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 1120 psi.

(8) 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 Entrada formation.

(9) 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.

(10) 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.

(11) That approval of the subject application will prevent the drilling of unnecessary wells and otherwise prevent waste and protect correlative rights.

(12) That said Division Administrative Order No. SWD-244 should be rescinded.

IT IS THEREFORE ORDERED:

(1) That the applicant, Petro-Lewis Corporation, is hereby authorized to continue to utilize its Federal 12-C Well No. 1, located 460 feet from the South line and 330 feet from the West

line of Section 12, Township 19 North, Range 4 West, NMPM, Sandoval County, New Mexico, to dispose of produced salt water below the present oil-water contact line in the Entrada formation, injection to be accomplished through 3 1/2-inch tubing installed in a packer set at approximately 5500 feet, with injection into the perforated interval from approximately 5600 feet to 5700 feet;

PROVIDED HOWEVER, that the tubing shall be plastic-lined; that the existing Entrada perforations from 5483 feet to 5493 feet shall be squeezed; 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 1120 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 Entrada formation.

(4) 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.

(5) 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 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.

(7) That Division Administrative Order No. SWD-244, dated June 8, 1982, is hereby rescinded.

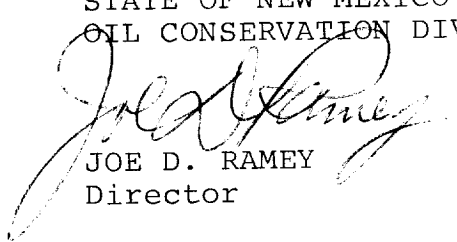
(8) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

-4-

Case No. 7987
Order No. R-7426

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

S E A L

fd/