

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. 8756  
Order No. R-8114

APPLICATION OF CIBOLA ENERGY  
CORPORATION FOR SALT WATER  
DISPOSAL, CHAVES COUNTY, NEW  
MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on November 21, 1985, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 6th day of January, 1986, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, Cibola Energy Corporation, is the owner and operator of the Aciete Negra Well No. 2, located 1650 feet from the South line and 1200 feet from the East line (Unit I) of Section 12, Township 9 South, Range 27 East, NMPM, Chaves County, New Mexico.

(3) The applicant proposes to utilize said well to dispose of produced salt water into the San Andres formation, with injection into the perforated interval from approximately 2234 feet to 2298 feet.

(4) The operator of said well 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.

(5) The applicant is also the operator of the Aciete Negra Well No. 4, located 330 feet from the South line and 940

feet from the East Line (Unit P) of said Section 12, which is producing from the Devonian formation and is located within one-half mile of said Aciete Negra Well No. 2.

(6) Prior to commencement of injection into the Aciete Negra Well No. 2, the operator should demonstrate that the Aciete Negra Well No. 4 either has adequate cement across, above, and below the proposed injection interval or has been re-cemented through such interval in accordance with a program that's satisfactory to the supervisor of the Division's district office at Artesia.

(7) Prior to commencing injection operations, the casing in the subject well should be pressure-tested throughout the interval from the surface down to the proposed packer setting depth, to assure the integrity of such casing.

(8) The injection should be accomplished through 2 3/8-inch plastic lined tubing installed in a packer set approximately 100 feet above the uppermost perforation; the casing-tubing annulus should be filled with an inert fluid; and 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.

(9) 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 450 psi.

(10) 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 San Andres formation.

(11) The operator should give advance notification to the supervisor of the Artesia district office of the Division of the date and time of the installation of disposal equipment and of the mechanical integrity pressure test in order that the same may be witnessed.

(12) 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.

(13) Approval of the subject application will prevent the drilling of unnecessary wells and otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, Cibola Energy Corporation, is hereby authorized to utilize its Aciete Negra Well No. 2, located 1650 feet from the South line and 1200 feet from the East line (Unit I) of Section 12, Township 9 South, Range 27 East, NMPM, Chaves County, New Mexico, to dispose of produced salt water into the San Andres formation, with injection into the perforated interval from approximately 2234 feet to 2298 feet, injection to be accomplished through 2 3/8-inch tubing installed in a packer set approximately 100 feet above the uppermost perforation.

PROVIDED HOWEVER THAT, the tubing shall be plastic-lined; the casing-tubing annulus shall be filled with an inert fluid; and 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, prior to commencing injection operations, the casing in the subject well shall be pressure-tested to assure the integrity of such casing in a manner that is satisfactory to the supervisor of the Division's district office at Artesia.

PROVIDED FURTHER THAT, injection into the San Andres formation through said Aciete Negra Well No. 2 shall not commence until the applicant's Aciete Negra Well No. 4 located 330 feet from the South line and 940 feet from the East line (Unit P) of said Section 12 has either been shown to have adequate cement across, above, and below the proposed injection interval or has been re-cemented through such interval, both in accordance with a program that is satisfactory to the supervisor of the Division's district office at Artesia.

(2) 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 450 psi.

(3) 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 San Andres formation.

(4) The operator shall notify the supervisor of the Artesia district office of the Division in advance of the date and time of the installation of disposal equipment and of the

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mechanical integrity pressure test in order that the same may be witnessed.

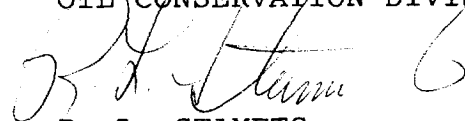
(5) The operator shall immediately notify the supervisor of the Division's Artesia district office of the failure of the tubing, casing, or packer, in said well or the leakage of water from or around said well and shall take such steps as may be timely and necessary to correct such failure or leakage.

(6) The applicant shall conduct disposal operations and submit monthly reports in accordance with Rules 702, 703, 704, 705, 706, 708, and 1120 of the Division Rules and Regulations.

(7) 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



R. L. STAMETS,  
Director

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