

STATE OF NEW MEXICO
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 9373
Order No. R-8693

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

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on June 8, 1988, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 11th day of July, 1988, 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, Texaco Producing Inc. (Texaco), is the owner and operator of the Salt Mountain "36" State Well No. 1 located 660 feet from the North and West lines (Unit D) of Section 36, Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico.

(3) The applicant proposes to utilize said well to dispose of produced water into the Delaware formation, Brushy Draw-Delaware Pool, with injection into the gross perforated interval from approximately 5417 feet to 6170 feet.

(4) J.C. Williamson and Ralph E. Williamson, offset operators to the proposed disposal well, appeared at the hearing and presented evidence and testimony in opposition to the application.

(5) The evidence presented by Texaco indicates that the proposed disposal well will be perforated within three distinct sand members of the Delaware formation at depths of approximately 5417 feet to 5532 feet, 5738 feet to 5784 feet, and 5900 feet to 5931 feet.

(6) The evidence presented by the Williamsons indicates that the Delaware formation underlying the proposed disposal well consists of at least six distinct producing sand intervals, among them the Getty and MWJ zones which have been identified by the Williamsons as being the most prolific sand intervals occurring respectively at depths of approximately 5345 feet (2463 feet subsea) to 5498 feet (2616 feet subsea) and 6020 feet (3138 feet subsea) to 6184 feet (3302 feet subsea) in the J.C. Williamson MWJ Well No. 1 located 660 feet from the North and East lines (Unit A) of Section 35, Township 26 South, Range 29 East, NMPM.

(7) J.C. Williamson currently operates nine Delaware wells located within one-half mile of the proposed disposal well which are currently producing from one or more of the various sand members of the Delaware formation.

(8) Several of the producing wells as described above are currently producing from one or more of the Delaware sand members proposed to be utilized in the injection well.

(9) Testimony and evidence further indicates that several of the offset producing wells as described above have not yet been tested in one or more of the Delaware sand members proposed to be utilized in the injection well.

(10) Testimony by J.C. Williamson indicates that he fully intends to test the various untested sand members within the Delaware formation in his producing wells at such time as economics justify such testing.

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(11) Although the evidence presented indicates that several of the various sand members within the Delaware formation do not likely contain substantial oil and gas reserves, J.C. Williamson has the right to test and produce these intervals.

(12) Approval of the subject application may cause waste as a result of watering out potentially productive intervals in the Delaware formation and would violate the correlative rights of J.C. Williamson.

(13) In order to prevent waste and protect correlative rights, the application of Texaco to convert its Salt Mountain "36" Well No. 1 to a salt water disposal well within the Delaware formation should be denied.

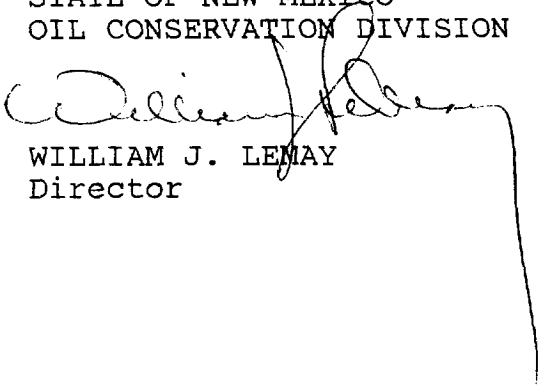
IT IS THEREFORE ORDERED THAT:

(1) The application of Texaco Producing Inc. for authority to utilize its Salt Mountain "36" Well No. 1 located 660 feet from the North and West lines (Unit D) of Section 36, Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico, to dispose of produced water into the Delaware formation is hereby denied.

(2) 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


WILLIAM J. LEMAY
Director

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