

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. 9833  
ORDER NO. R-9076

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

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on November 29, 1989, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 14th day of December, 1989, 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, Inc, is the owner and operator of the N.M. "DM" State NCT-2 Well No. 2, located 1980 feet from the North line and 330 feet from the West line (Unit E) of Section 21, Township 13 South, Range 33 East, NMPM, Lea County, New Mexico.
- (3) The applicant seeks authority to utilize said well to dispose of produced salt water into the Lazy J-Pennsylvanian Pool, with injection into the perforated interval from approximately 9734 feet to 9740 feet.
- (4) The N.M. "DM" State NCT-2 Well No. 1 is located within the boundaries of the Lazy J-Pennsylvanian Pool.
- (5) The record in this case indicates that said well was drilled and completed in the Lazy J-Pennsylvanian Pool in February, 1970; however, production from said well totally watered out in January, 1986 and was subsequently shut-in in April, 1986.

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(6) Further evidence presented by the applicant indicates that there is a total of eight wells within a 0.6-mile radius of the proposed injection well that have penetrated the Pennsylvanian formation; five are plugged and abandoned, one has been shut-in in the Pennsylvanian zone since 1983 and two are salt water disposal wells in the Pennsylvanian formation (one of which is shut-in).

(7) There is no indication that an additional disposal well in the Pennsylvanian formation will harm this reservoir.

(8) No interested party appeared at the hearing in opposition to this application.

(9) The injection should be accomplished through 2 3/8-inch plastic lined tubing installed in a packer set at approximately 9680 feet; 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.

(10) 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.

(11) 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 1950 psi.

(12) 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 Lazy J-Pennsylvanian Pool.

(13) 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 and of the mechanical integrity pressure test in order that the same may be witnessed.

(14) 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.

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

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**IT IS THEREFORE ORDERED THAT:**

(1) The applicant, Texaco Inc., is hereby authorized to utilize its N.M. "DM" State NCT-2 Well No. 1, located 1980 feet from the North line and 330 feet from the West line (Unit E) of Section 21, Township 13 South, Range 33 East, NMPM, Lea County, New Mexico, to dispose of produced salt water into the Lazy J-Pennsylvanian Pool, injection to be accomplished through 2 3/8-inch plastic-lined tubing installed in a packer set at approximately 9680 feet, with injection into the perforated interval from approximately 9734 feet to 9740 feet.

**PROVIDED HOWEVER THAT**, 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 Hobbs.

(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 1950 psi.

(3) The Director of the Division may authorize 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 Lazy J-Pennsylvanian Pool.

(4) 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 and of the mechanical integrity pressure test in order that the same may be witnessed.

(5) 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.

(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.

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DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

A handwritten signature in black ink, appearing to read 'William J. Lemay', written over the printed name.

WILLIAM J. LEMAY  
Director

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