

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. 10268
ORDER NO. R-9147-C*

**APPLICATION OF BTA OIL PRODUCERS
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 March 21, 1991, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 2nd day of April, 1991, 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) By Division Order No. R-9147-B, issued in Case No. 10177 and dated February 11, 1991, BTA Oil Producers was instructed to suspend production from its Pardue "C" 8808 JV-P Well No. 1 located at a previously approved unorthodox oil well location (being the subject of Division Order Nos. R-9147 and R-9147-A) 176 feet from the South line and 1550 feet from the West line (Unit N) of Section 11, Township 23 South, Range 28 East, NMPM, East Loving-Delaware Pool, Eddy County, New Mexico.

(3) Said Order R-9147-B also contained provisions whereby any further authorization to either produce hydrocarbons from or inject water into said well shall be only after proper notice and hearing.

(4) At this time the applicant, BTA Oil Producers, in compliance with said Order No. R-9147-B, seeks authority to dispose of produced salt water into the Cherry Canyon formation of the East Loving-Delaware Pool, in the perforated interval from approximately 3500 feet to 3875 feet in the above-described well.

(5) The injection should be accomplished through 2 7/8-inch fiberglass or 2 7/8-inch internally plastic lined steel tubing installed in a packer set at approximately 3400 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.

(6) 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 tubing, packer setting depth, to assure the integrity of such casing.

(7) 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 700 psi.

(8) 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 Cherry Canyon formation.

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

(10) 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) No offsetting operators or other interested parties appeared at the hearing or objected to the subject application.

(12) 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, BTA Oil Producers in compliance with the provisions of Division Order No. R-9147-B, is hereby authorized to utilize its Pardue "C" 8808 JV-P Well No. 1, located 176 feet from the South line and 1550 feet from the West line (Unit N) of Section 11, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico, to dispose of produced salt water into the Cherry Canyon formation of the East Loving-Delaware Pool, injection to be accomplished through 2 7/8-inch fiberglass tubing or 2 7/8-inch internally plastic lined steel tubing installed in a packer set at approximately 3400 feet, with injection into the perforated interval from approximately 3500 feet to 3875 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 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 700 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 Cherry Canyon formation.

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

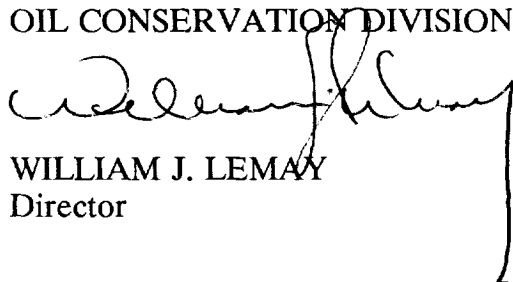
(5) The operator shall immediately notify the supervisor of the Division's Artesia district office of the failure of the tubing, casing or packer in said well or the leakage of water from or around said well and shall take such steps as may be timely and necessary to correct such failure or leakage.

(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



WILLIAM J. LEMAY
Director

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