

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. 10179
Order No. R-9432

APPLICATION OF STEVENS OPERATING
CORPORATION FOR APPROVAL OF SALT
WATER DISPOSAL, CHAVES COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on January 10 and 24, 1991, at Santa Fe, New Mexico, before Examiners David R. Catanach and Jim Morrow, respectively.

NOW, on this 1st day of February, 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) The applicant, Stevens Operating Corporation, seeks authority to dispose of produced salt water into the Devonian formation, Twin Lakes-Devonian Pool, in the perforated intervals from approximately 7211 feet to 7405 feet (7211 feet to 7245 feet and 7392 feet to 7405 feet) in its O'Brian "C" Well No. 9 located 1870 feet from the North line and 80 feet from the West line (Unit E) of Section 1, Township 9 South, Range 28 East, NMPM, Chaves County, New Mexico.

(3) The subject well was drilled to the Devonian formation in January, 1989, was completed as a Twin Lakes-Devonian Pool producing well, and is currently non-productive in said pool.

(4) According to applicant's evidence, injection into the Twin Lakes-Devonian Pool should have no detrimental effect on producing wells within the pool.

(5) Injection should be accomplished through 2 3/8-inch tubing installed in a packer located at approximately 7160 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) In conjunction with the injection of produced water, the applicant should utilize a corrosion inhibiting fluid injection system to minimize and control corrosion in the tubing.

(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 well or system should be equipped with a pressure limiting switch or other acceptable device which will limit the surface pressure on the injection well to no more than 1442 psi.

(9) 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 fluid from the Devonian formation.

(10) 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.

(11) 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.

(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, Stevens Operating Corporation, is hereby authorized to utilize its O'Brian "C" Well No. 9 located 1870 feet from the North line and 80 feet from the West line (Unit E) of Section 1, Township 9 South, Range 28 East, NMPM, Chaves County, New Mexico, to dispose of produced salt water into the Devonian formation, Twin Lakes-Devonian Pool, injection to be accomplished through 2 3/8-inch tubing installed in a packer located at approximately 7160 feet, with injection into the perforated intervals from approximately 7211 feet to 7405 feet (7211 feet to 7245 feet and 7392 feet to 7405 feet).

PROVIDED HOWEVER THAT, the casing-tubing annulus shall be filled with an inert fluid and a pressure gauge or approved leak detection device shall be attached to the annulus 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 throughout the interval from the surface down to the proposed packer setting depth, to assure the integrity of such casing.

(2) In conjunction with the injection of produced water, the applicant shall utilize a corrosion inhibiting fluid injection system to minimize and control corrosion in the tubing.

(3) The injection well or system shall be equipped with a pressure limiting switch or other acceptable device which will limit the surface pressure on the injection well to no more than 1442 psi.

(4) The Director of the Division shall 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 fluid from the Devonian formation.

(5) 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.

(6) The operator shall 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.

(7) 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.

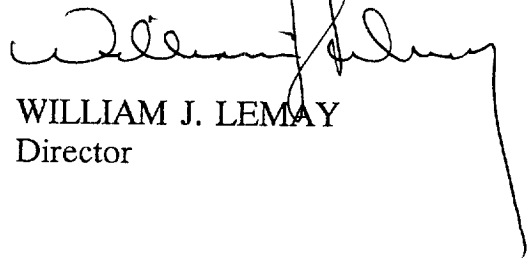
(8) The applicant shall conduct disposal operations and submit monthly reports in accordance with Rules 702 through 706, 708 and 1120 of the Division Rules and Regulations.

(9) Jurisdiction is hereby 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



WILLIAM J. LEMAY
Director

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