



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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GOVERNOR
LARRY KEHOE
SECRETARY

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SANTA FE, NEW MEXICO 87501
(505) 827-2434

April 1, 1980

Oil Reports and Gas Services, Inc.
P. O. Box 763
Hobbs, New Mexico 88240

Re: Administrative Order No. SWD-221

Gentlemen:

Enclosed herewith please find Order No. SWD-221
for Gil-Mc Oil Corporation's Long No. 1 located in Unit
C of Section 8, Township 14 South, Range 37 East, Lea
County.

Very truly yours,

JOE D. RAMFY
Division Director

JDR/MH/og

cc: Oil Conservation Division
Box 1980
Hobbs, New Mexico

SUBJECT: SALT WATER DISPOSAL WELL

ORDER NO. SWD-221

THE APPLICATION OF GIL-MC OIL CORPORATION
FOR A SALT WATER DISPOSAL WELL.

ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION

Under the provisions of Rule 701 (C), Gil-Mc Oil Corporation made application to the New Mexico Oil Conservation Division on March 17, 1980, for permission to complete for salt water disposal its Long No. 1, West King Penn Field located in Unit C of Section 8, Township 14 South, Range 37 East, NMPM, Lea County, New Mexico.

The Division Director finds:

- (1) That application has been duly filed under the provisions of Rule 701 (C) of the Division Rules and Regulations;
- (2) That the applicant has presented satisfactory evidence that all requirements prescribed in Rule 701 (C) will be met.
- (3) That no objections have been received within the waiting period prescribed by said rule.

IT IS THEREFORE ORDERED:

That the applicant herein, Gil-Mc Oil Corporation, is hereby authorized to complete its Long No. 1 located in Unit C of Section 8, Township 14 South, Range 37 East, NMPM, in such a manner as to permit the injection of salt water for disposal purposes into the Pennsylvanian formation at approximately 11,558 feet to approximately 11,585 feet through 2 3/8 inch plastic lined tubing, provided that a packer is located at approximately 11,450 feet.

IT IS FURTHER ORDERED

That 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.

That the casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge at the surface or left open to the atmosphere to facilitate detection of leakage in the casing, tubing, or packer.

That the injection pressure shall not exceed 2300 pounds per square inch as measured at the surface.

That the operator shall notify the supervisor of the Division's Hobbs District Office before injection is commenced through said well;

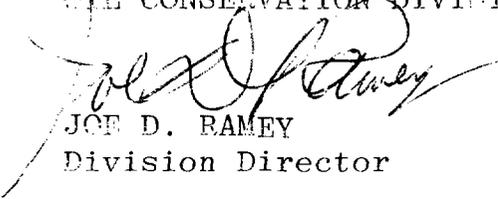
That the operator shall immediately notify the Supervisor of the Division Hobbs District Office of the failure of the tubing, casing, or packer in said well or the leakage of water from or around said well and shall take such steps as may be timely or necessary to correct such failure or leakage.

PROVIDED FURTHER: That jurisdiction of this cause is hereby retained by the Division for such further order or orders as may seem necessary or convenient for the prevention of waste and/or

protection of correlative rights; upon failure of applicant to comply with any requirement of this order after notice and hearing, the Division may terminate the authority hereby granted in the interest of conservation. That applicant shall submit monthly reports of the disposal operations in accordance with Rule 704 and 1120 of the Division Rules and Regulations.

APPROVED at Santa Fe, New Mexico, on this 31st day of March, 1980.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



JOE D. RAMEY
Division Director