

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

*Lead E #2
28-MN-560*

CASE NO. 7264
Order No. R-6707

APPLICATION OF CITIES SERVICE
COMPANY FOR A SALT WATER DISPOSAL
WELL, MCKINLEY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on June 3, 1981,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 25th day of June, 1981, the Division
Director, having considered the testimony, the record, and the
recommendations of the Examiner, and being fully advised in the
premises,

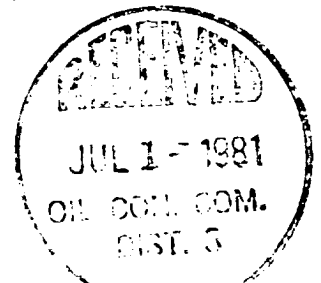
FINDS:

(1) That due public notice having been given as required
by law, the Division has jurisdiction of this cause and the
subject matter thereof.

(2) That the applicant, Cities Service Company, is the
owner and operator of the Federal "E" Well No. 2, located in
Unit H of Section 28, Township 19 North, Range 5 West, NMPM,
Papers Wash Field, McKinley County, New Mexico.

(3) That the applicant proposes to utilize said well to
dispose of produced salt water into the Entrada formation, with
injection into the perforated interval from approximately 5200
feet to 5350 feet.

(4) That the injection should be accomplished through
2 3/8-inch tubing installed in a packer set at approximately
5100 feet; that the casing-tubing annulus should be filled with
an inert fluid; and that 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.



(5) That if pressure above hydrostatic pressure is needed for injection the injection well or system should be equipped with a pop-off valve or acceptable substitute which will limit the wellhead pressure on the injection well to no more than 1020 psi.

(6) That 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 Entrada formation.

(7) That the operator should notify the supervisor of the Aztec district office of the Division of the date and time of the installation of disposal equipment so that the same may be inspected.

(8) That 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.

(9) That approval of the subject application will prevent the drilling of unnecessary wells and otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Cities Service Company, is hereby authorized to utilize its Federal "E" Well No. 2, located in Unit H of Section 28, Township 19 North, Range 5 West, NMPM, Papers Wash Field, McKinley County, New Mexico, to dispose of produced salt water into the Entrada formation, injection to be accomplished through 2 3/8-inch tubing installed in a packer set at approximately 5100 feet, with injection into the perforated interval from approximately 5200 feet to 5350 feet;

PROVIDED HOWEVER, that the casing-tubing annulus shall be filled with an inert fluid, and that 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.

(2) That if pressure greater than hydrostatic pressure is needed for injection the injection well or system shall be equipped with a pop-off valve or acceptable substitute which will limit the wellhead pressure on the injection well to no more than 1020 psi.

(3) That the Director of the Division may authorize an increase in injection pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the injected fluid from the Entrada formation.

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(4) That the operator shall notify the supervisor of the Aztec district office of the Division of the date and time of the installation of disposal equipment so that the same may be inspected.

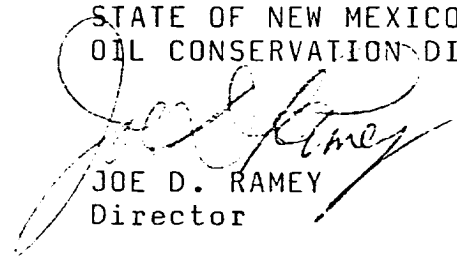
(5) That the operator shall immediately notify the supervisor of the Division's Aztec district office of the failure of the tubing, casing, or packer, in said well or the leakage of water from or around said well and shall take such steps as may be timely and necessary to correct such failure or leakage.

(6) That the applicant shall submit monthly reports of its disposal operations in accordance with Rules 704 and 1120 of the Division Rules and Regulations.

(7) That 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


JOE D. RAMEY
Director

S E A L



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