

CASE 5008: Application of HONDO  
DRILLING FOR SALT WATER DISPOSAL,  
LEA COUNTY, NEW MEXICO.

CASE No.

5008

---

Application,

Transcripts,

Small Exhibits

ETC.

dearnley, meier & associates

209 SIMMS BLDG., P.O. BOX 1092, PHONE 243-0691, ALBUQUERQUE, NEW MEXICO 87103  
1216 FIRST NATIONAL BANK BLDG., EAST ALBUQUERQUE, NEW MEXICO 87108

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
CONFERENCE ROOM, STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO

June 27, 1973

EXAMINER HEARING

IN THE MATTER OF: )

Application of Hondo Drilling )  
Company for salt water disposal, )  
Lea County, New Mexico. )

Case No. 5008

BEFORE: ELVIS A. UTZ,  
Examiner.

TRANSCRIPT OF HEARING

dearnley, meier & associates reporting services

200 SIMMS BLDG., P.O. BOX 1092, PHONE 243-0601, ALBUQUERQUE, NEW MEXICO 87108  
1216 FIRST NATIONAL BANK BLDG. EAST, ALBUQUERQUE, NEW MEXICO 87108

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

MR. UTZ: Call next case 5008.

MR. CARR: Case 5008, Application of Hondo Drilling Company for salt water disposal, Lea County, New Mexico.

MR. LOSEE: Mr. Examiner, A. J. Losee, Losee & Carson, Artesia, New Mexico, appearing on behalf of Hondo Drilling Company, I have one witness, Mr. Jack Allen.

\* \* \* \*

JACK ALLEN,

was called as a witness, and after being duly sworn, testified as follows:

MR. UTZ: Are there other appearances in the case?

(No response.)

MR. UTZ: Proceed.

DIRECT EXAMINATION

BY MR. LOSEE:

Q Will you state your name, please?

A Jack L. Allen, I spell that A-l-l-e-n.

Q Where do you live, Mr. Allen?

A I live in Roswell, New Mexico.

Q What is your occupation?

A I'm a consulting geologist, in Roswell.

Q Have you previously testified before the Commission and had your qualifications as an expert witness approved?

A Yes, I have.

MR. LOSEE: Are Mr. Allen's qualifications acceptable?

1 MR. UTZ: Yes, they are.

2 Q (by Mr. Losee) Would you state the purpose of the  
3 application of Hondo Drilling Company in this case?

4 A The purpose of this application is to dispose of produced  
5 waters in the Triple "X" Delaware Sand Pool and the Hondo  
6 Drilling Company No. 2 Gulf "NW" State Well, located in  
7 Lot 6 of Section 6, Township 24 South, Range 33 East,  
8 Lea County, New Mexico, in the zone that is presently  
9 producing in the rest of the pool, preferably the interval  
10 5034 to 5038; or in the absence of that approval, for  
11 injection into the interval 5128 to 5134, which is the  
12 equivalent to the Olds Sand Section in that part of the  
13 Delaware Basin.

14 Q Would you please refer to what has been marked as  
15 Exhibit 1 and explain what is portrayed by this Exhibit?

16 A Exhibit 1 is a copy of a field plat in the Triple "X"  
17 area. It shows the location of wells in the Triple "X"  
18 Pool and the location of the proposed injection well.

19 Well No. 1, the discovery well in the Triple "X" Pool,  
20 was drilled in the southwest quarter of the southwest  
21 quarter of Section 6. Well No. 2 "NW", which is the  
22 second well drilled by Hondo Drilling Company, is located  
23 in an offset location, directly north of the discovery  
24 well. The second well drilled in the pool was drilled  
25 by Tom Ingram, which is located directly south of the

1 discovery well in Section 7; therefore, the Hondo No. 2  
2 was actually the third well drilled in the pool.

3 The fourth well drilled was drilled by Hondo Drilling  
4 Company as a west offset to the discovery well in the  
5 southeast corner of Section 1. Since this map was made,  
6 Conoco has drilled a southwest diagonal offset to the  
7 discovery well and Tom Ingram is presently attempting  
8 completion in a well, a direct offset to his subsequent  
9 development in the Triple "X" Pool located in Lot 2 of  
10 Section 7, 24, 33.

11 Q Mr. Allen, in what month was the discovery well completed?

12 A The discovery well, which was drilled by Hondo Drilling  
13 Company, was initiated in December of '72, but completed  
14 in January of '73.

15 Q Please refer to what has been marked as Exhibit 3, being  
16 the log of the Gulf "NW" State No. 2, and if you care to  
17 elaborate on it or refer to the next exhibit, either would  
18 be fine.

19 A Okay.

20 MR. UTZ: Mr. Losee, did you say No. 2 or 3?

21 MR. LOSEE: Two.

22 MR. UTZ: I thought you said three.

23 (answer continues by Mr. Allen) Okay. Exhibit No. 2  
24 is a Borehole Compensated Sonic Gamma Ray Log of the  
25 Hondo Drilling Company Gulf "NW" No. 2. It shows the

1 producing section in the pool, stratigraphic markers in  
2 this particular well would be top of the Delaware Lime  
3 at a depth of 4978, Delaware Sand at 5005. The producing  
4 zone, or Ramsey Sand, is located at a depth of 5031. The  
5 Ford Shale in this test is located at a depth of 5058,  
6 and the top of the Olds Sand is located at a depth of  
7 5078.

8 These are stratigraphic marks that can be recognized  
9 over the whole of the Delaware Basin. They are quite  
10 continuous over the whole basin and are readily recognized  
11 by people who work in the area.

12 The producing zone in the Triple "X" Pool is the  
13 Ramsey Sand and it is characterized by Sonic Log reading  
14 of greater than 85 microseconds on the Sonic Log. You  
15 will note that there are approximately four feet of pay  
16 section, or what might be classified as producing section,  
17 in this particular well.

18 This zone is presently perforated and has been tested,  
19 and Hondo Drilling Company has attempted to produce oil  
20 from this zone. It presently, however, is not capable of  
21 production of oil. It is proposed -- Our primary purpose  
22 is to inject other produced water in the field into this  
23 zone.

24 Q Please refer to what has been marked as Exhibit 3, and  
25 explain what is portrayed by this exhibit.

dearnley, meier &amp; associates

209 SIMMS BLDG. P.O. BOX 1092 PHONE 243-6691 ALBUQUERQUE, NEW MEXICO 87103  
1216 FIRST NATIONAL BANK BLDG. EAST ALBUQUERQUE, NEW MEXICO 87108

1 A Exhibit No. 3 is a north-south structure cross section  
2 in the Triple "X" Field. It is a reproduction of four  
3 electric logs, the northernmost one being Hondo Drilling  
4 Company N-2 State "NW". The next northerly one is the  
5 Gulf State "NW" No. 1, which is the discovery well, and  
6 the Tom Ingram State "O" No. 1, and the Tom Ingram State  
7 "O" No. 2 Well is the southernmost well. This is an  
8 illustration of the producing zone in the Triple "X" Pool  
9 and it shows the thickness of the producing sand varies  
10 from well to well. Also, it shows its structural position  
11 relative to each other.

12 You will note that each of the marker beds here are  
13 correlative and readily recognizable from well to well.  
14 I have marked on the exhibit the top of the Delaware Lime,  
15 the top of the Delaware Sand Group, the top of the Ramsey  
16 Sand, the top of the Ford Shale, the top of the Olds Sand.

17 The Ramsey Sand is the most permeable zone in the area.  
18 The Ford Shale is a relatively impermeable zone and it  
19 can be carried over the whole of the Delaware Basin and  
20 especially in this particular vicinity. The Olds Sand,  
21 I have marked here, is merely the top of a subsequent of  
22 additional sands that are present throughout the Delaware  
23 Basin.

24 Q Mr. Allen, would you explain why the applicant prefers to  
25 inject the produced water into the producing sections?



dearnley, meier &amp; associates

209 SIMMS BLDG., P.O. BOX 1092, PHONE 243-6691, ALBUQUERQUE, NEW MEXICO 87103  
1216 FIRST NATIONAL BANK BLDG., EAST ALBUQUERQUE, NEW MEXICO 87105

1 A The applicant wishes to inject water into the producing  
2 section, first, because that section is already perforated  
3 and has been stimulated and treated such that it is  
4 presently the most permeable zone in the wellbore, and  
5 it is possible to inject with a minimum of further expense  
6 Secondly, injection of produced waters in the field will  
7 tend to conserve reservoir engineering in this area and  
8 actually benefit production in the vicinity.

9 Q Mr. Allen, if the alternate plan is the one approved by  
10 the Commission -- that is the injection into what you  
11 have denoted the Olds Sand on this exhibit -- Is there  
12 a barrier that separates the Olds Sand from the Ramsey  
13 Sand, from the producing sand?

14 A Yes, there is a barrier, and I have labeled the barrier  
15 the Ford Shale. It is a relatively impermeable barrier  
16 over the whole of the Delaware Basin.

17 Q Do you have an estimate as to the additional expense that  
18 would be necessary to complete this well for injection  
19 into the Olds Sand?

20 A Yes, sir, I do.

21 Q What is that estimate?

22 A The alternate zone would have to be perforated. To do  
23 this one would have to drill out the plug that is presently  
24 above that alternate zone, and perhaps the zone would have  
25 to be treated to make it as permeable as the zone that we

dearnley, meier &amp; associates

209 SIMMS BLDG., P. O. BOX 1022, PHONE 243-6691, ALBUQUERQUE, NEW MEXICO 87103  
1216 FIRST NATIONAL BANK BLDG. EAST, ALBUQUERQUE, NEW MEXICO 87108

- 1 propose to put the fluid in, and that estimate would  
2 vary from \$3,000 to \$5,000, depending upon the degree  
3 that the well would have to be treated.
- 4 Q Would you please refer to what has been marked as Exhibit  
5 4?
- 6 A Yes, sir.
- 7 Q Explain what is portrayed by that exhibit.
- 8 A Exhibit No. 4 is a diagramatic sketch of the Hondo Drilling  
9 Company No. 2 Gulf "NW" State Well. It shows the total  
10 depth of the well as 5170 feet, the top of the cement  
11 plug at 5129, top of the cement behind the casing, the  
12 5 and 1/2-inch casing is at approximately 4635. We have  
13 5 and 1/2-inch casing set at a total depth in this well  
14 and our present perforations are at 5034 to 38.
- 15 Q What surface pipe was ran into the well and is it --
- 16 A Four hundred two feet of surface casing was set and  
17 cement was circulated to the surface. Fresh waters are  
18 produced in this area to a depth of 325 feet.
- 19 Q So that actually your surface is set below any known  
20 producing fresh water?
- 21 A Yes, sir.
- 22 Q Are there any other perforations in this well other than  
23 those in the Ramsey Sand to which you earlier eluded?
- 24 A No, sir, there are not.
- 25 Q Would the operator propose to utilize plastic coated tubing?

dearnley, meier &amp; associates

209 SIMMS BLDG., P.O. BOX 1082, PHONE 243-0691 • ALBUQUERQUE, NEW MEXICO 87103  
1215 FIRST NATIONAL BANK BLDG. EAST • ALBUQUERQUE, NEW MEXICO 87108

- 1 A Yes, sir, the diagram, Exhibit No. 4, indicates that we  
2 would use 2 and 3/8-inch plastic coated tubing for injection  
3 purposes.
- 4 Q Mr. Allen, do you have an opinion as to whether this type  
5 of completion for saltwater disposal will protect any  
6 fresh water in the area?
- 7 A Yes, it will protect all known fresh waters in the area.
- 8 Q Do you have an opinion, Mr. Allen, as to whether or not  
9 it will recover oil that would not otherwise be recovered  
10 by this injection program?
- 11 A Yes, sir, I think it will recover additional reserves of  
12 oil.
- 13 Q Please refer to what has been marked as Exhibit 5, being  
14 the diagrammatic sketch of the alternate injection, and  
15 explain how it differs from the preferred zone.
- 16 A Exhibit No. 5 is a diagrammatic plan of the alternate  
17 solution to the problem. It differs from Exhibit 4 in  
18 that perforations here are in the Olds Sand which is at  
19 5128 to 34. The packer, which is a Gilbertson CVL, would  
20 be located at a different point. It would be located at  
21 approximately 5098 in this sand, which is below the  
22 perforations in the Ramsey Sand.
- 23 Q Please refer to what has been marked as Exhibit 6 and  
24 explain what data is reflected on this exhibit.
- 25 A Exhibit 6 is a table which reflects fluid produced from

dearnley, meier & associates

209 SIMMS BLDG., P.O. BOX 1092, PHONE 243-0691, ALBUQUERQUE, NEW MEXICO 87103  
1216 FIRST NATIONAL BANK BLDG. EAST ALBUQUERQUE, NEW MEXICO 87108

1 the Triple "X" Delaware Pool. It tabulates by the month  
2 oil and water produced in the three presently producing  
3 wells; The Hondo Drilling Company No. 1 "NW", the Ingram  
4 No. 1 State "O", and the Hondo No. 1 Newman Federal.  
5 Q Does the applicant propose, at least at this time, to  
6 inject water from its other wells into its Gulf "NW" State  
7 No. 2?  
8 A Yes, sir. We propose to inject produced fluids from  
9 other wells in the Pool into this "NW" No. 2.  
10 Q And that would also possibly be other wells other than  
11 those of the applicant?  
12 A Yes, sir.  
13 Q Okay. What type of system would the operator propose to  
14 use for this injection? Would it be an open system or  
15 a closed system?  
16 A It would be a closed system in which the fluid would be  
17 injected into the reservoir under approximately three  
18 hundred pounds pressure at the surface.  
19 Q Do you have an opinion as to whether the proposed injection  
20 program into the Ramsey Sand will prevent waste and  
21 protect correlative rights?  
22 A Yes, sir, I think it would prevent waste and protect  
23 correlative rights. It would also dispose of the water  
24 in a manner that is approved by the Commission, rather than  
25 surface disposal.

dearnley, meier & associates

209 SIMMS BLDG., P.O. BOX 1092 PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO 87103  
1216 FIRST NATIONAL BANK BLDG. EAST • ALBUQUERQUE, NEW MEXICO 87108

1 Q Were Exhibits 1 through 6 prepared by you or under your  
2 direction and supervision?

3 A Yes, sir.

4 MR. LOSEE: I move the introduction of Exhibits  
5 1 through 6.

6 MR. UTZ: Without objections, Exhibits 1 through  
7 6 will be entered into the record of this case.

8 MR. LOSEE: That concludes the direct portion of  
9 our case, Mr. Examiner.

10 CROSS-EXAMINATION

11 BY MR. UTZ:

12 Q Mr. Allen, have you consulted Mr. Ingram and the other  
13 operators in this pool regarding the injection into the  
14 producing zone?

15 A Yes, sir, I have consulted with Mr. Ingram. I am  
16 presently working with him in the State "O" No. 2, and  
17 he has no objections.

18 Q Do they concur with your idea of repressuring or this  
19 pressure maintenance sort of system?

20 A Yes, sir. I have spoken to a geologist with Union who  
21 is not presently an operator in the area, but have had  
22 no opinions from that particular geologist.

23 Q Is the injection zone here down structure or up structure,  
24 or what position is it in in regard to the other producing  
25 wells?

dearnley, meier & associates

209 SIMMS BLDG., P.O. BOX 1092, PHONE 243-0691, ALBUQUERQUE, NEW MEXICO 87103 -  
1216 FIRST NATIONAL BANK BLDG., EAST ALBUQUERQUE, NEW MEXICO 87108

1 A If you will refer to the cross section, you will note  
2 that it is structurally lower than the other producing  
3 wells.

4 Q Slightly?

5 A Yes, sir.

6 Q In regard to the annulus and the surface of your injection  
7 well, do you state what you are going to do in the way  
8 of protecting tubing from the annulus?

9 A I did not state that.

10 Q Do you know what you are going to do?

11 A Not at this time, no.

12 Q Would you fill it with fluid?

13 A Yes, sir.

14 Q With a gauge set at the surface, which is common  
15 practice?

16 A I would imagine so, yes, sir.

17 MR. UTZ: Are there other questions of the witness?

18 (No response.)

19 MR. UTZ: He may be excused. Are there statements  
20 in the case?

21 (No response.)

22 MR. UTZ: The case will be taken under advisement.  
23  
24  
25

dearnley, meier & associates reporting services, inc.

209 SIMMS BLDG., P.O. BOX 1092, PHONE 243-6691, ALBUQUERQUE, NEW MEXICO 87103  
1216 FIRST NATIONAL BANK BLDG., EAST ALBUQUERQUE, NEW MEXICO 87108

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

STATE OF NEW MEXICO )  
                                  ) SS.  
COUNTY OF BERNALILLO )

I, JOHN DE LA ROSA, a Court Reporter, in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me; and that the same is a true and correct record of the said proceedings to the best of my knowledge, skill and ability.

*John De La Rosa*  
COURT REPORTER

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 5028 heard by me on June 27, 1973.  
*W. O. [Signature]*, Examiner  
New Mexico Oil Conservation Commission

I N D E XWITNESSJACK ALLEN

Direct Examination by Mr. Losee

Page

3

Cross-Examination by Mr. Utz

12

E X H I B I T SApplicant'sOfferedAdmitted

Exhibit 1	Field Plat	4	12
Exhibit 2	Log	5	12
Exhibit 3	Structure cross section	6	12
Exhibit 4	Diagram sketch	9	12
Exhibit 5	Diagram sketch	10	12
Exhibit 6	Data table	10	12

dearnley, meier &amp; associates reporting services, inc.

209 SIMMS BLDG. • P.O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO 87103  
1216 FIRST NATIONAL BANK BLDG. EAST • ALBUQUERQUE, NEW MEXICO 87108

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25





**OIL CONSERVATION COMMISSION**

STATE OF NEW MEXICO  
P. O. BOX 2088 - SANTA FE  
87301

GOVERNOR  
BRUCE KING  
CHAIRMAN  
LAND COMMISSIONER  
ALEX J. ARMIJO  
MEMBER  
STATE GEOLOGIST  
A. L. PORTER, JR.  
SECRETARY - DIRECTOR

July 16, 1973

Mr. A. J. Losee  
Losee & Carson  
Attorneys at Law  
Post Office Box 219  
Artesia, New Mexico 88210

Re: Case No. 5008  
Order No. R-4588  
Applicant:  
Hondo Drilling Company

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Very truly yours,

A. L. PORTER, Jr.  
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC  \_\_\_\_\_  
Artesia OCC \_\_\_\_\_  
Aztec OCC \_\_\_\_\_

Other \_\_\_\_\_ State Engineer Office

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:

CASE NO. 5008  
Order No. R-4588

APPLICATION OF HONDO DRILLING  
COMPANY FOR SALT WATER DISPOSAL,  
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 27, 1973, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 13th day of July, 1973, the Commission, a quorum being present, 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 Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Hondo Drilling Company, is the owner and operator of the Gulf "NW" State Well No. 2, located in Lot 6 of Section 6, Township 24 South, Range 33 East, NMPM, Triple "X" Delaware Pool, Lea County, New Mexico.
- (3) That the applicant proposes to utilize said well to dispose of produced salt water into the Ramsey Sand section of the Delaware formation, with injection into the perforated interval from approximately 5034 feet to 5038 feet.
- (4) That the injection should be accomplished through 2 3/8-inch plastic-lined tubing installed in a packer set at approximately 4995 feet; that the casing-tubing annulus should be filled with an inert fluid; and that a pressure gauge should be attached to the annulus in order to determine leakage in the casing, tubing, or packer.
- (5) 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, Hondo Drilling Company, is hereby authorized to utilize its Gulf "NW" State Well No. 2, located in Lot 6 of Section 6, Township 24 South, Range 33 East, NMPM, Triple "X" Delaware Pool, Lea County, New Mexico, to dispose of produced salt water into the Ramsey sand section of the Delaware formation, injection to be accomplished through 2 3/8-inch plastic coated tubing installed in a packer set at approximately 4995 feet, with injection into the perforated interval from approximately 5034 feet to 5038 feet;

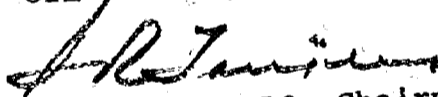
PROVIDED HOWEVER, that the tubing shall be plastic-lined; that the casing-tubing annulus shall be filled with an inert fluid; and that a pressure gauge shall be attached to the annulus in order to determine leakage in the casing, tubing, or packer.

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


(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year herein-  
above designated.

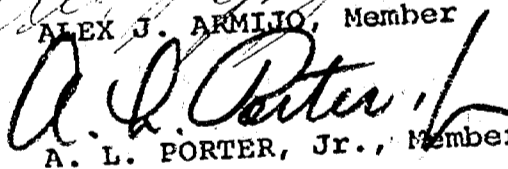
STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION



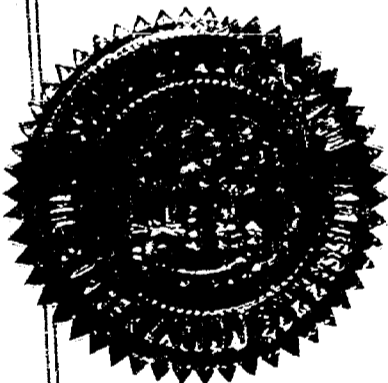
I. R. TRUJILLO, Chairman



ALEX J. ARMIÑO, Member



A. L. PORTER, Jr., Member & Secretary



S E A L

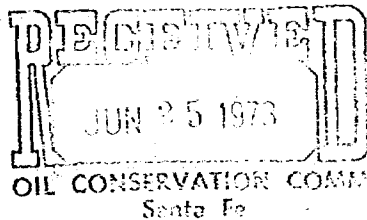
dr/

Union Oil and Gas Division: Central Region

Union Oil Company of California  
500 North Marienfeld, Midland, Texas 79701  
Telephone (915) 682-9731



Midland District



June 22, 1973

New Mexico Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico 87105

Gentlemen:

Triple X Delaware Pool  
Lea County, New Mexico  
Salt Water Disposal Well  
Case 5008

Union Oil Company of California has been informed that Hondo Drilling Company seeks to utilize its No. 2 Gulf "NW" State well, Lot 6, Sec. 6, T-24S, R-33E, Triple X Delaware Pool, Lea County, New Mexico, for disposal of produced salt water.

This is to advise that Union waives objection to disposal through the perforated interval 5128-5134 feet in the subject well. We must object, however, to any disposal through perforations 5034-5038 feet which is the pay zone in the field. We believe disposal operations, if conducted through the upper set of perforations, might jeopardize oil recovery from under our lease whereas injection via the lower set of perforations would be into the Delaware sand aquifer.

Union's leasehold interest is located directly west of the proposed injection well and we believe limiting disposal to the perforated interval 5128-5134 feet should not cause any undue hardship and is in the best interest at this time for protecting correlative rights.

Very truly yours,

A handwritten signature in cursive script, appearing to read "L. F. Thompson".

L. F. Thompson  
District Operations Manager

HRW:rb

cc: Hondo Drilling Company

DOCKET: EXAMINER HEARING - WEDNESDAY - JUNE 27, 1973

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,  
STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

The following cases will be heard before Elvis A. Utz, Examiner, or Daniel S. Nutter, Alternate Examiner:

CASE 4983: (Continued from the June 6, 1973, Examiner Hearing)

Application of Gulf Oil Corporation for simultaneous well dedication and non-standard locations, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the simultaneous dedication of two wells to a standard 640-acre gas proration unit comprising all of Section 35, Township 21 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, said wells being the W. A. Ramsay (NCT-A) Wells Nos. 20 and 7 at non-standard locations in the center of Units E and N, respectively, of said Section 35.

CASE 4966: (Continued from the June 6, 1973, Examiner Hearing)

Application of Read & Stevens, Inc. for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests underlying the N/2 of Section 36, Township 12 South, Range 30 East, Chaves County, New Mexico, to be dedicated to a well to be drilled to the Queen formation in Unit B of said Section 36, in the Southeast Chaves Queen Gas Area. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs as well as actual operating costs and charges for supervision. Also to be considered is the designation of applicant as operator of the well and a 200 percent charge for risk involved in drilling said well.

CASE 5008: Application of Hondo Drilling Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Delaware formation in the perforated interval from 5034 feet to 5038 feet, or in the alternative, from 5128 feet to 5134 feet in its Gulf "NW" State Well No. 2 located in Lot 6 of Section 6, Township 24 South, Range 33 East, Triple "X" Delaware Pool, Lea County, New Mexico.

CASE 5009: Application of Wendell C. Welch for an oil treating plant permit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority for the construction and operation of an oil treating plant for the purpose of treating and reclaiming sediment oil at a site in the SE/4 of Section 35, Township 17 South, Range 27 East, Eddy County, New Mexico.

- CASE 5010: Application of Yates Petroleum Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests down to and including the Pennsylvanian formation underlying the N/2 of Section 18, Township 18 South, Range 26 East adjacent to the West Atoka Morrow Gas Pool, Eddy County, New Mexico, to be dedicated to a well to be drilled 1650 feet from the North line and 660 feet from the West line of said Section 18, the unorthodox location of which was previously approved by Commission Order No. R-4508. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs as well as actual operating costs and charges for supervision. Also to be considered is the designation of applicant as operator of the well and up to 200 percent charge for risk involved in drilling said well.
- CASE 5011: Application of El Paso Natural Gas Company for extension of Order No. R-4342, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the extension of the provisions of Order No. R-4342, which order authorized the applicant to produce certain non-marginal wells in the San Juan 32-9 Unit Area, Blanco Mesaverde Pool, San Juan County, New Mexico, at full capacity while conducting tests, making up said overproduction by underproducing other non-marginal wells within the participating area.
- CASE 5012: Application of Gandy Construction for an oil treating plant permit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority for the construction and operation of an oil treating plant for the purpose of treating and reclaiming sediment oil at a site in the SE/4 of Section 11, or the SW/4 of Section 12, Township 10 South, Range 35 East, Lea County, New Mexico.
- CASE 5013: Application of Phillips Petroleum Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Grayburg-San Andres formation through its Lea Wells Nos. 4 and 6 located in Units I and O, respectively, of Section 29, Township 17 South, Range 34 East, Vacuum Grayburg-San Andres Pool, Lea County, New Mexico.
- Applicant further seeks an administrative procedure for the drilling of additional injection and producing wells at orthodox and unorthodox locations without further notice and hearing.
- CASE 5014: Application of Cities Service Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests underlying the W/2 of Section 26, Township 25 South, Range 24 East, adjacent to the Washington Ranch-Morrow Gas Pool, Eddy County, New Mexico, to be dedicated to a well to be drilled at an orthodox location for said unit.

(Case 5014 continued from page 2)

Also to be considered will be the cost of drilling and completing said well and the allocation of such costs as well as actual operating costs and charges for supervision. Also to be considered is the designation of applicant as operator of the well and up to 200 percent charge for risk involved in drilling said well.

CASE 5015: Application of Michael P. Grace II and Corinne Grace for compulsory pooling, Eddy County, New Mexico. Applicants, in the above-styled cause, seek an order pooling all mineral interests down to and including the Morrow formation underlying the S/2 of Section 16, Township 24 South, Range 26 East, adjacent to the White City-Pennsylvanian Gas Pool, Eddy County, New Mexico, to be dedicated to a well to be drilled at an orthodox location for said unit. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs as well as actual operating costs and charges for supervision. Also to be considered is the designation of applicant as operator of the well and up to 200 percent charge for risk involved in drilling said well.

CASE 4988: (Continued and Readvertised)

Application of Texaco Inc. for down-hole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle production from the Blinebry, Tubb, and Drinkard Oil Pools in the wellbore of its A. H. Blinebry Well No. 28 located in Unit A of Section 29, Township 22 South, Range 38 East, Lea County, New Mexico.

CASE 5016: Application of Atlantic Richfield Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Seven Rivers-Queen Unit Area comprising 2262 acres, more or less, of State and Fee lands in Townships 22 and 23 South, Range 36 East, Lea County, New Mexico.

CASE 5017: Application of Atlantic Richfield Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in its Seven Rivers-Queen Unit Area by the injection of water into the Seven Rivers and Queen formations through 28 wells located in Sections 27, 34, and 35, Township 22 South, Range 36 East, and Sections 2 and 3, Township 23 South, Range 36 East, Lea County, New Mexico.

CASE 5018: Southeastern nomenclature case calling for an order for the creation, extension and contraction of certain pools, and the assignment of an oil discovery allowable, Lea and Roosevelt Counties, New Mexico.

(a) Create a new pool in Lea County, New Mexico, classified as an oil pool for Wolfcamp production and designated as the Humble City-Wolfcamp Pool. The discovery well is the Pubco Petroleum Corporation

Examiner Hearing - Wednesday - June 27, 1973

Docket No. 17-73  
-4-

(Case 5018 continued from page 3)

Shipp No. 4 located in Unit I. of Section 11, Township 17 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM  
Section 11: SW/4

Also the assignment of an oil discovery allowable of approximately 47,970 barrels of oil to the aforesaid Shipp Well No. 4.

(b) Create a new pool in Lea County, New Mexico, classified as an oil pool for Queen production and designated as the Shinnery-Queen Pool. The discovery well is the Burleson & Huff Cinco de Mayo Federal No. 1 located in Unit C of Section 24, Township 18 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM  
Section 24: NW/4

(c) Contract the Bagley-Pennsylvanian Pool in Lea County, New Mexico, by the deletion of the following described area:

TOWNSHIP 11 SOUTH, RANGE 33 EAST, NMPM  
Section 34: S/2 NE/4

(d) Extend the North Bagley-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 11 SOUTH, RANGE 33 EAST, NMPM  
Section 34: S/2 NE/4

(e) Contract the South Prairie-Cisco Pool in Roosevelt County, New Mexico, by the deletion of the following described area:

TOWNSHIP 8 SOUTH, RANGE 36 EAST, NMPM  
Section 28: NW/4

(f) Extend the East Brunson-Granite Wash Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM  
Section 13: NW/4

(g) Extend the Drinkard Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 36 EAST, NMPM  
Section 1: NE/4

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM  
Section 6: N/2

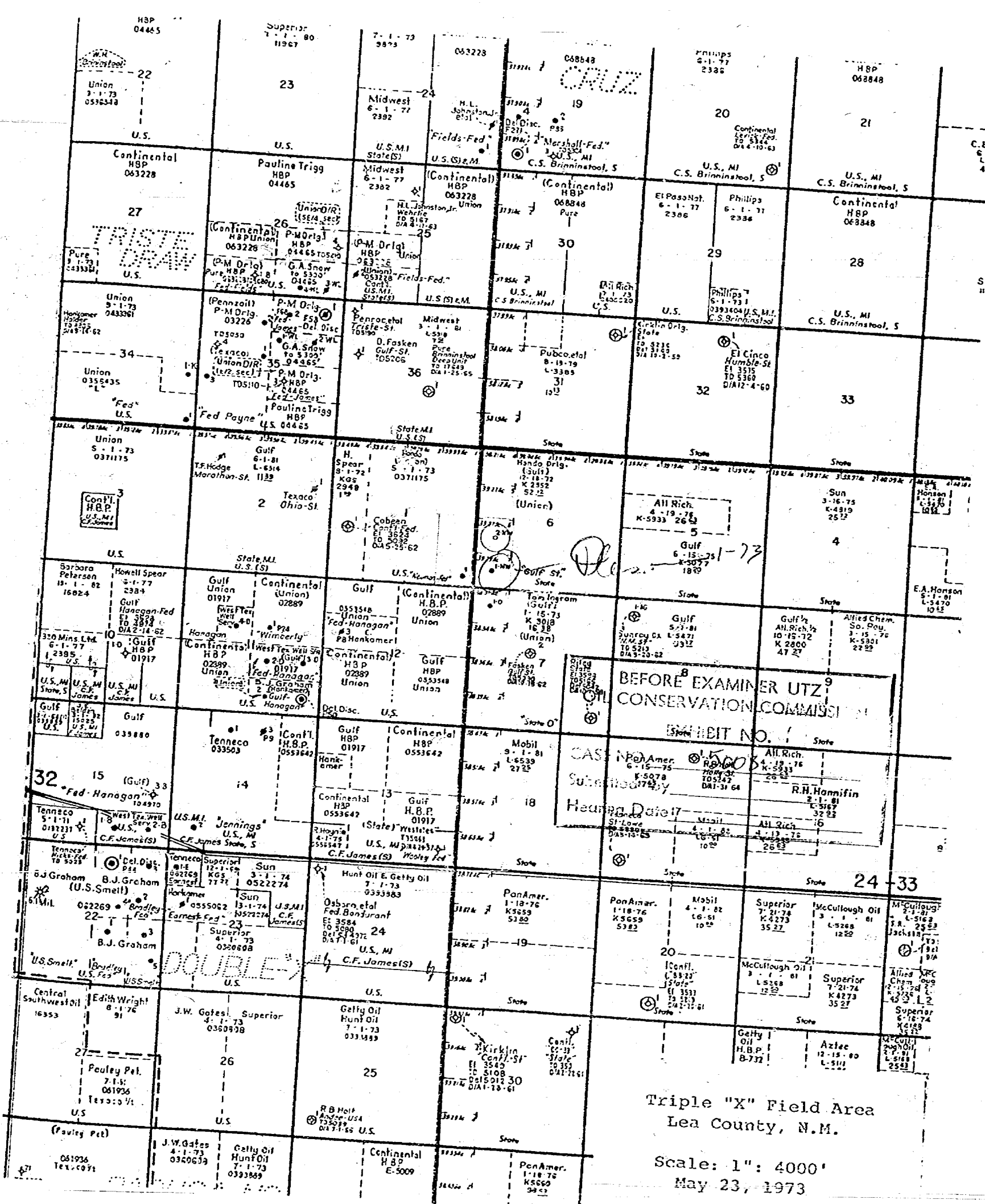
(h) Extend the Flying "M"-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 33 EAST, NMPM  
Section 7: NE/4

(i) Extend the Justis Tutb-Drinkard Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM  
Section 12: NW/4





BEFORE EXAMINER UTZ  
CONSERVATION COMMISSION  
EXHIBIT NO. 1

CAS...  
Sub...  
Hearin Date 17...

Triple "X" Field Area  
Lea County, N.M.

Scale: 1" = 4000'  
May 23, 1973

22  
U.S.  
Union  
3-1-73  
0536348

23  
U.S.  
Pauline Trigg  
HBP  
04465

24  
U.S. MI  
State(S)  
Midwest  
6-1-77  
2392

25  
U.S. (S) & M.  
Fields-Fed  
Union

19  
C.S. Brinninstool, S  
Marshall-Fed.  
C.S. Brinninstool, S

20  
U.S. MI  
C.S. Brinninstool, S  
Continental  
Levitt Fed.  
To 5164  
DIA 4-10-63

21  
U.S. MI  
C.S. Brinninstool, S  
HBP  
068848

27  
U.S.  
Continental  
HBP  
063228

26  
U.S.  
P-M Drig  
04465  
Union

28  
U.S. MI  
State(S)  
Midwest  
6-1-77  
2392

29  
U.S. MI  
C.S. Brinninstool  
HBP  
068848  
Purc

30  
U.S. MI  
C.S. Brinninstool  
El Paso Nat.  
6-1-77  
2366

29  
U.S.  
Phillips  
6-1-77  
2384

28  
U.S. MI  
C.S. Brinninstool, S  
Continental  
HBP  
068848

34  
U.S.  
Union  
3-1-73  
043361  
P-M Drig  
03226

35  
U.S.  
P-M Drig  
04465  
Union

36  
U.S. MI  
State(S)  
Midwest  
6-1-77  
2392

37  
U.S. MI  
C.S. Brinninstool  
HBP  
068848  
Purc

38  
U.S.  
El Cinc  
Humble-St  
El 3515  
TD 5369  
DIA 2-4-60

32  
U.S.  
El Cinc  
Humble-St  
El 3515  
TD 5369  
DIA 2-4-60

33  
U.S. MI  
C.S. Brinninstool, S  
Continental  
HBP  
068848

3  
U.S. MI  
C.F. James  
Continental  
HBP

2  
U.S.  
Texaco  
Ohio-St.

3  
U.S.  
Cobeen  
Fed.  
El 3515  
TD 5369  
DIA 2-4-60

6  
U.S.  
Gulf St.  
State

4  
U.S.  
Sun  
3-16-75  
K-4819  
2527

4  
U.S.  
Sun  
3-16-75  
K-4819  
2527

4  
U.S.  
Sun  
3-16-75  
K-4819  
2527

15  
U.S.  
Howell Spear  
5-1-77  
2384

15  
U.S.  
Howell Spear  
5-1-77  
2384

15  
U.S.  
Howell Spear  
5-1-77  
2384

15  
U.S.  
Howell Spear  
5-1-77  
2384

15  
U.S.  
Howell Spear  
5-1-77  
2384

15  
U.S.  
Howell Spear  
5-1-77  
2384

15  
U.S.  
Howell Spear  
5-1-77  
2384

10  
U.S.  
320 Ming Ltd.  
6-1-77  
2385

10  
U.S.  
320 Ming Ltd.  
6-1-77  
2385

10  
U.S.  
320 Ming Ltd.  
6-1-77  
2385

10  
U.S.  
320 Ming Ltd.  
6-1-77  
2385

10  
U.S.  
320 Ming Ltd.  
6-1-77  
2385

10  
U.S.  
320 Ming Ltd.  
6-1-77  
2385

10  
U.S.  
320 Ming Ltd.  
6-1-77  
2385

10  
U.S.  
320 Ming Ltd.  
6-1-77  
2385

10  
U.S.  
320 Ming Ltd.  
6-1-77  
2385

10  
U.S.  
320 Ming Ltd.  
6-1-77  
2385

10  
U.S.  
320 Ming Ltd.  
6-1-77  
2385

10  
U.S.  
320 Ming Ltd.  
6-1-77  
2385

10  
U.S.  
320 Ming Ltd.  
6-1-77  
2385

10  
U.S.  
320 Ming Ltd.  
6-1-77  
2385

10  
U.S.  
320 Ming Ltd.  
6-1-77  
2385

10  
U.S.  
320 Ming Ltd.  
6-1-77  
2385

10  
U.S.  
320 Ming Ltd.  
6-1-77  
2385

10  
U.S.  
320 Ming Ltd.  
6-1-77  
2385

10  
U.S.  
320 Ming Ltd.  
6-1-77  
2385

10  
U.S.  
320 Ming Ltd.  
6-1-77  
2385

10  
U.S.  
320 Ming Ltd.  
6-1-77  
2385

10  
U.S.  
320 Ming Ltd.  
6-1-77  
2385

10  
U.S.  
320 Ming Ltd.  
6-1-77  
2385

10  
U.S.  
320 Ming Ltd.  
6-1-77  
2385

10  
U.S.  
320 Ming Ltd.  
6-1-77  
2385

10  
U.S.  
320 Ming Ltd.  
6-1-77  
2385

10  
U.S.  
320 Ming Ltd.  
6-1-77  
2385

10  
U.S.  
320 Ming Ltd.  
6-1-77  
2385

10  
U.S.  
320 Ming Ltd.  
6-1-77  
2385

10  
U.S.  
320 Ming Ltd.  
6-1-77  
2385

10  
U.S.  
320 Ming Ltd.  
6-1-77  
2385

10  
U.S.  
320 Ming Ltd.  
6-1-77  
2385

10  
U.S.  
320 Ming Ltd.  
6-1-77  
2385

10  
U.S.  
320 Ming Ltd.  
6-1-77  
2385

10  
U.S.  
320 Ming Ltd.  
6-1-77  
2385

10  
U.S.  
320 Ming Ltd.  
6-1-77  
2385

10  
U.S.  
320 Ming Ltd.  
6-1-77  
2385

10  
U.S.  
320 Ming Ltd.  
6-1-77  
2385

10  
U.S.  
320 Ming Ltd.  
6-1-77  
2385

10  
U.S.  
320 Ming Ltd.  
6-1-77  
2385

10  
U.S.  
320 Ming Ltd.  
6-1-77  
2385

10  
U.S.  
320 Ming Ltd.  
6-1-77  
2385

10  
U.S.  
320 Ming Ltd.  
6-1-77  
2385

10  
U.S.  
320 Ming Ltd.  
6-1-77  
2385

10  
U.S.  
320 Ming Ltd.  
6-1-77  
2385

10  
U.S.  
320 Ming Ltd.  
6-1-77  
2385

10  
U.S.  
320 Ming Ltd.  
6-1-77  
2385

10  
U.S.  
320 Ming Ltd.  
6-1-77  
2385

10  
U.S.  
320 Ming Ltd.  
6-1-77  
2385

10  
U.S.  
320 Ming Ltd.  
6-1-77  
2385

10  
U.S.  
320 Ming Ltd.  
6-1-77  
2385

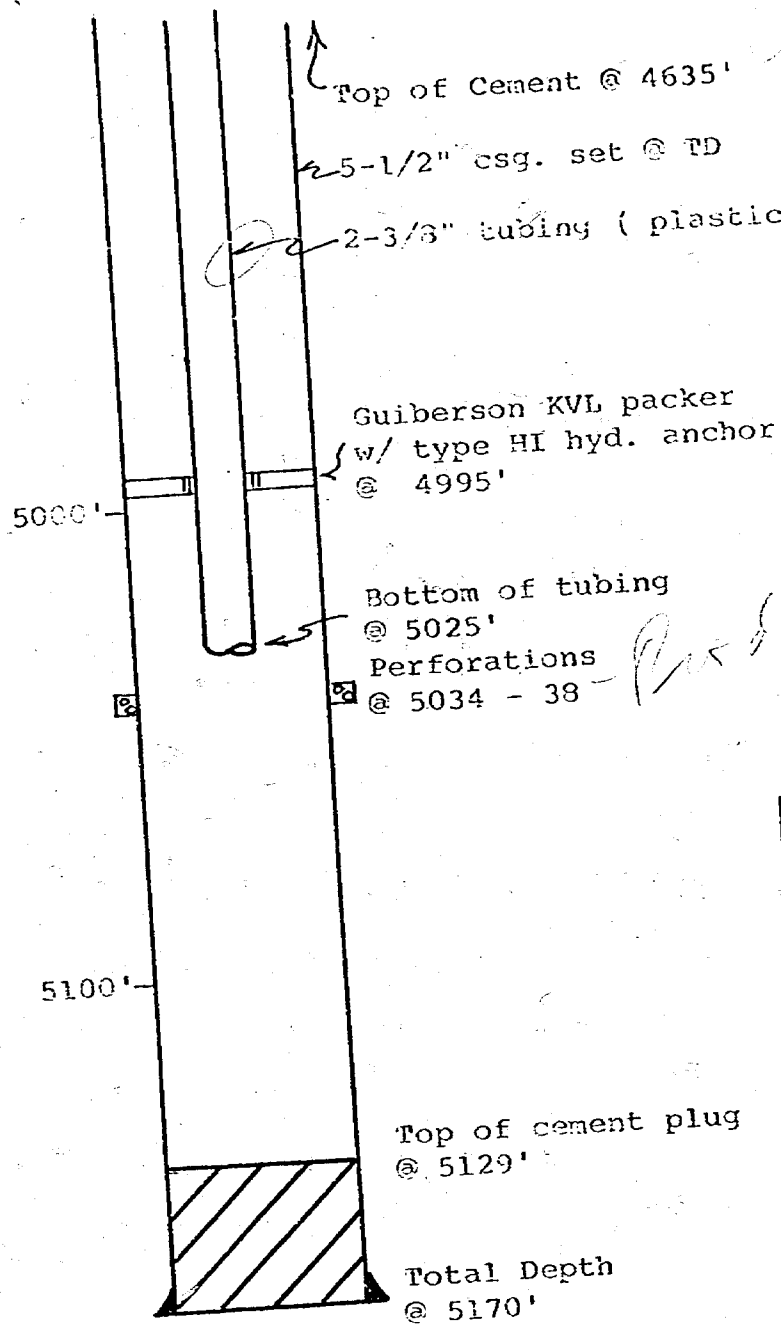
10  
U.S.  
320 Ming Ltd.  
6-1-77  
2385

10  
U.S.  
320 Ming Ltd.  
6-1-77  
2385

10  
U.S.  
320 Ming Ltd.  
6-1-77  
2385

10  
U.S.  
320 Ming Ltd.  
6-1-77  
2385

10  
U.S.  
320 Ming Ltd.  
6-1-77  
2385



*Handwritten:*   
 2-3/8" tubing  
 2-3/8" tubing

*Handwritten:*   
 Perforations

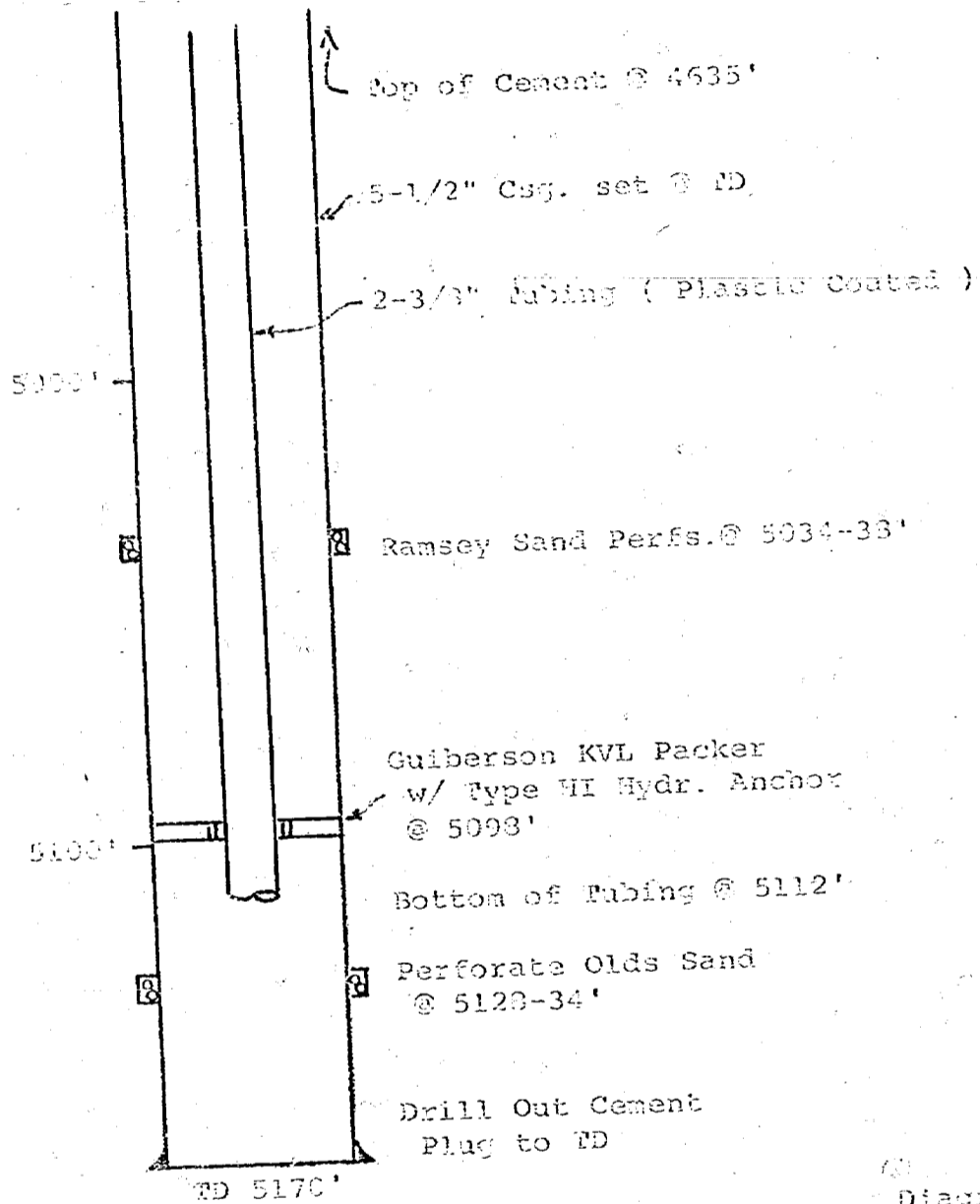
BEFORE EXAMINER UTZ	
OIL CONSERVATION COMMISSION	
EXHIBIT NO.	4
CASE NO.	5008
Submitted by	_____
Hearing Date	_____

Diagrammatic Sketch

Hondo Drilling Company  
 No. 2 Gulf "NW" State  
 Sec. 6, T-24-S, R-33-E  
 Lea County, N.M.

To Accompany Form C-108

Alternate Plan



Diagrammatic Sketch

Honda Drilling Company  
No. 2 Gulf "NW" State  
Sec. 6, T-24-S, R-33-E  
Lea County, New Mexico

To Accompany Form C-108

BEFORE EXAMINATION OIL CONSERVATION COMMISSION
EXHIBIT NO. <u>5</u>
CASE NO. <u>5008</u>
Submitted _____
Hearing Date _____

Triple X Delaware

Fluid Produced

	Honda 1 NW	Ingram 1 "10"	Honda 1 Newman Fed	Pool Total
Jan	Oil 1413			1413 0
	Water 646			646 W
Feb	Oil 939			939 0
	Water 625			625 W
March	Oil 775	1567		2342 0
	Water 515	160		675 W
April	Oil 1349	1452		2801 0
	Water 899	160		1059 W
May	Oil 1193	2048	1131	4372 0
	Water 795	147	283	1225 W

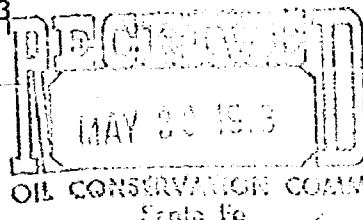
BEFORE EXAMINER LITZ  
 OIL CONSERVATION COMMISSION  
 EXHIBIT NO. 6  
 CASE NO. 5008  
 Submitted by \_\_\_\_\_  
 Hearing Date \_\_\_\_\_

A. J. LOSEE  
JOEL M. CARSON

LAW OFFICES  
**LOSEE & CARSON, P.A.**  
300 AMERICAN HOME BUILDING  
P. O. DRAWER 239  
ARTESIA, NEW MEXICO 88210

AREA CODE 505  
746-3508

29 May 1973



*Case 5008*

Mr. Daniel S. Nutter, Examiner  
Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Dear Dan:

Enclosed herewith, you will please find triplicate copies of the Application of Hondo Drilling Company for authority to dispose of salt water by injection into a porous formation, Triple "X" Delaware field, Lea County, New Mexico. This is the application I orally gave to you in your office on last Wednesday, and you will note the perforations proposed are at 5034-38 subsurface, or, in the alternative, at 5128-34 subsurface.

I understand this will be set for hearing before an examiner on June 27. If there is any further information you will require, please let me know.

Very truly yours,

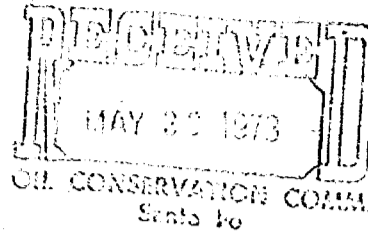
LOSEE & CARSON, P.A.

  
A. J. Losee

AJL:jw  
Enclosures

cc: Mr. Tom Sivley w/enclosures

BUCKET NUMBER  
Date 6-12-73



BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION :  
OF HONDO DRILLING COMPANY FOR :  
AUTHORITY TO DISPOSE OF SALT WATER :  
BY INJECTION INTO A POROUS FORMA- :  
TION, TRIPLE "X" DELAWARE FIELD, :  
LEA COUNTY, NEW MEXICO :

Case No. 5008

APPLICATION

COMES applicant by its attorneys, and respectfully  
states:

1. Applicant is the operator of its Gulf "NW" State  
Well No. 2, located 1,980 feet from the South line and 660 feet  
from the West line (Lot 6) in Section 6, Township 24 South,  
Range 33 East, N.M.P.M., Lea County, New Mexico, in the Triple  
"X" Delaware field.

2. Applicant presently proposes to dispose of  
approximately 100 barrels of salt water produced in conjunction  
with the production of oil from offsetting wells of applicant  
in the Triple "X" Delaware field, by injection into its said  
Gulf "NW" State Well No. 2, into the producing interval in the  
Triple "X" Delaware field through perforations 5034-38 sub-  
surface, or, in the alternative, into the Olds Sand Section  
of the Delaware formation through perforations 5128-34 sub-  
surface.

3. There is attached hereto and by reference made  
a part hereof, a) plat showing location of proposed injection  
well and all other wells within a radius of two miles and the  
lessees within said two-mile radius; b) log of proposed  
injection well; c) diagrammatic sketch of proposed injection

well utilizing present producing interval, and diagrammatic sketch of alternative plan to use Olds Sand Section.

4. The granting of this application will be in the interest of conservation and will prevent waste.

WHEREFORE, applicant prays:

A. That this matter be set for hearing before an examiner at the earliest possible date.

B. That applicant be granted authority to dispose of salt water by injection through its Gulf "NW" State Well No. 2 into the presently producing interval of the Triple "X" Delaware field, or, in the alternative, through the Olds Sand Section of the Delaware formation.

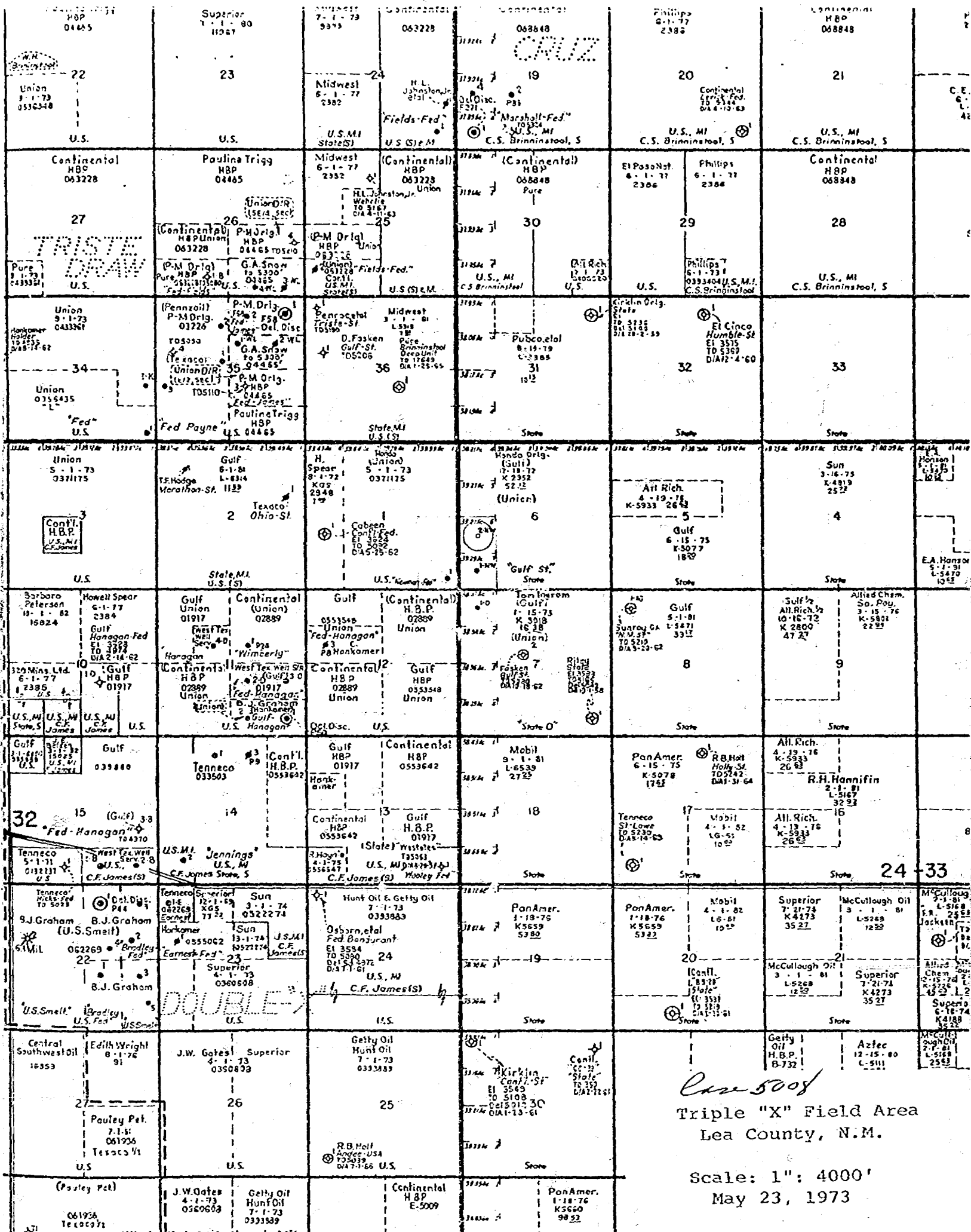
C. And for such other relief as may be just in the premises.

HONDO DRILLING COMPANY

By: 

For LOSEE & CARSON, P.A.  
P. O. Drawer 239  
Artesia, New Mexico 88210

Attorneys for Applicant



*Line 500*  
 Triple "X" Field Area  
 Lea County, N.M.

Scale: 1" = 4000'  
 May 23, 1973



NEW MEXICO OIL CONSERVATION COMMISSION  
APPLICATION TO DISPOSE OF SALT WATER BY INJECTION INTO A POROUS FORMATION

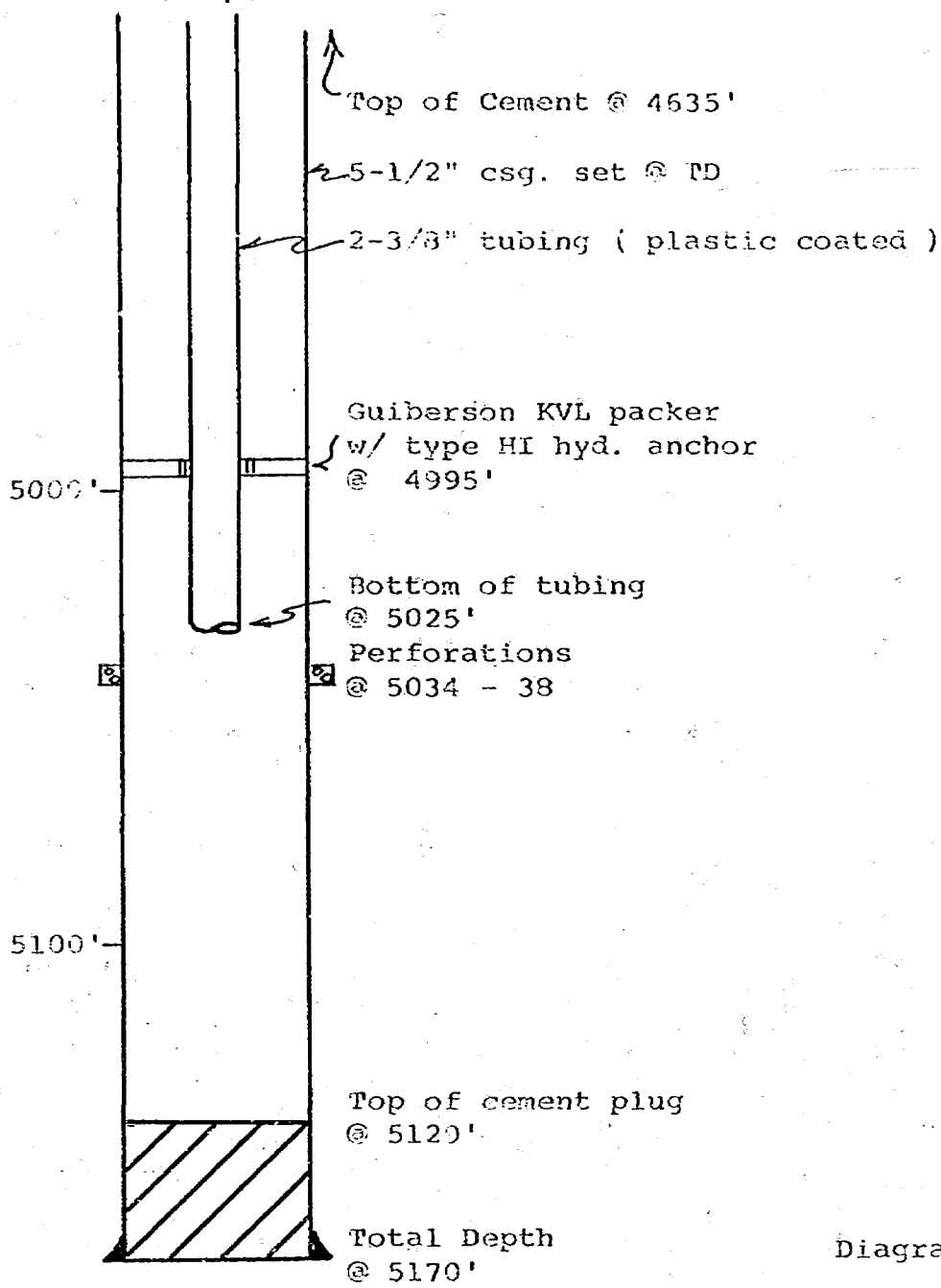
OPERATOR Hondo Drilling Company		ADDRESS Box 116 Midland, Texas 79701	
LEASE NAME Gulf "NW" State	WELL NO. 2	FIELD Triple "X" Delaware	COUNTY Lea
LOCATION UNIT LETTER <u>L</u> ; WELL IS LOCATED <u>1980</u> FEET FROM THE <u>South</u> LINE AND <u>660</u> FEET FROM THE <u>West</u> LINE, SECTION <u>6</u> TOWNSHIP <u>24 S</u> RANGE <u>33 E</u> NMPM.			

CASING AND TUBING DATA					
NAME OF STRING	SIZE	SETTING DEPTH	SACKS CEMENT	TOP OF CEMENT	TOP DETERMINED BY
SURFACE CASING	8-5/8"	402'	275	Surface	Circulated
INTERMEDIATE					
LONG STRING	5-1/2"	5168'	200	4635'	Calculated
TUBING	Plastic Coated 2-3/8"	5025'	NAME, MODEL AND DEPTH OF TUBING PACKER Guiberson KVL w/ Type HI Hyd. Anchor		
NAME OF PROPOSED INJECTION FORMATION Upper Delaware- Bell Canyon			TOP OF FORMATION 5005	BOTTOM OF FORMATION Below TD 5170'	
IS INJECTION THROUGH TUBING, CASING, OR ANNULUS? Tubing		PERFORATIONS OR OPEN HOLES? Perforations	PROPOSED INTERVAL(S) OF INJECTION 5034 - 5038		
IS THIS A NEW WELL DRILLED FOR DISPOSAL? No	IF ANSWER IS NO, FOR WHAT PURPOSE WAS WELL ORIGINALLY DRILLED? Producing Well		HAS WELL EVER BEEN PERFORMED IN ANY ZONE OTHER THAN THE PROPOSED INJECTION ZONE? No		
LIST ALL SUCH PERFORATED INTERVALS AND SACKS OF CEMENT USED TO SEAL OFF OR SQUEEZE EACH					
DEPTH OF BOTTOM OF DEEPEST FRESH WATER ZONE IN THIS AREA 325'		DEPTH OF BOTTOM OF NEXT HIGHER OIL OR GAS ZONE IN THIS AREA None		DEPTH OF TOP OF NEXT LOWER OIL OR GAS ZONE IN THIS AREA Unknown	
ANTICIPATED DAILY INJECTION VOLUME (BBL'S.)	MINIMUM 60	MAXIMUM 85	OPEN OR CLOSED TYPE SYSTEM Closed	IS INJECTION TO BE BY GRAVITY OR PRESSURE? Pressure	APPROX. PRESSURE (PSI) 300
ANSWER YES OR NO WHETHER THE FOLLOWING WATERS ARE MINERALIZED TO SUCH A DEGREE AS TO BE UNFIT FOR DOMESTIC, STOCK, IRRIGATION, OR OTHER GENERAL USE yes			WATER TO BE DISPOSED OF Brackish	NATURAL WATER IN DISPOSAL ZONE Brackish	ARE WATER ANALYSES ATTACHED? No
NAME AND ADDRESS OF SURFACE OWNER (OR LESSEE, IF STATE OR FEDERAL LAND) Carl Johnson Box 787 Lovington, New Mexico 88260					
LIST NAMES AND ADDRESSES OF ALL OPERATORS WITHIN ONE-HALF (1/2) MILE OF THIS INJECTION WELL					
Gulf Oil Company Box 1150 Midland, Texas 79701					
Union Oil of California Security National Bank Bldg. Roswell, New Mexico					
Tom Ingram Box 1757 Roswell, New Mexico 88201					
Continental Oil Company Box 460 Hobbs, New Mexico 88240					
HAVE COPIES OF THIS APPLICATION BEEN SENT TO EACH OF THE FOLLOWING?		SURFACE OWNER Yes	EACH OPERATOR WITHIN ONE-HALF MILE OF THIS WELL Yes	THE NEW MEXICO STATE ENGINEER Yes	
ARE THE FOLLOWING ITEMS ATTACHED TO THIS APPLICATION (SEE RULE 701-B)		PLAT OF AREA Yes	ELECTRICAL LOG Yes	DIAGRAMMATIC SKETCH OF WELL Yes	

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

W. C. Outland President May 23, 1973  
(Signature) (Title) (Date)

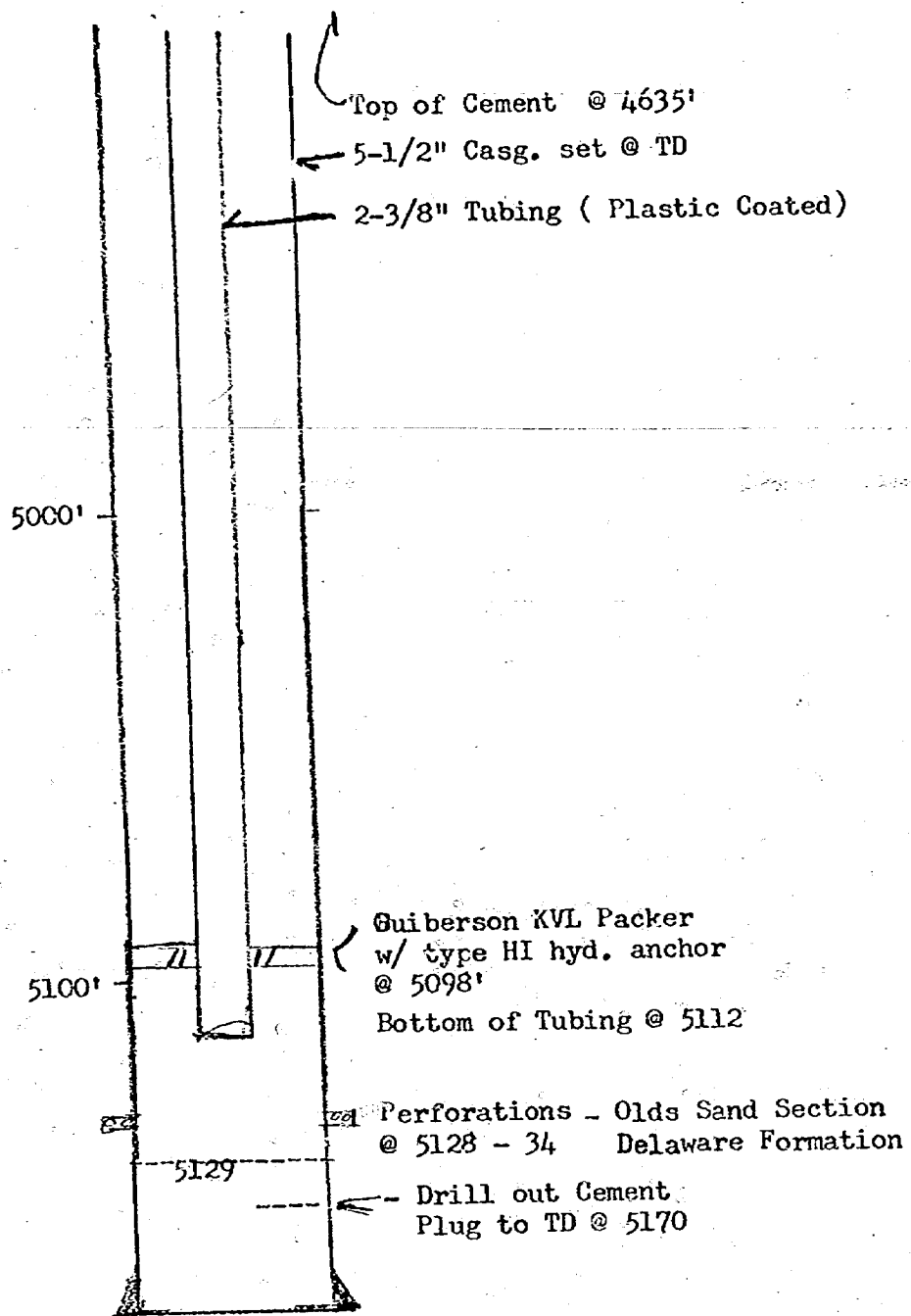
NOTE: Should waivers from the State Engineer, the surface owner, and all operators within one-half mile of the proposed injection well, not accompany this application, the New Mexico Oil Conservation Commission will hold the application for a period of 15 days from the date of receipt by the Commission's Santa Fe office. If at the end of the 15-day waiting period no protest has been received by the Santa Fe office, the application will be processed. If a protest is received, the application will be set for hearing, if the applicant so requests. SEE RULE 701.



Diagrammatic Sketch

Hondo Drilling Company  
No. 2 Gulf "NW" State  
Sec. 6, T-24-S, R-33-E  
Lea County, N.M.

Alternative Plan for Disposal of Salt Water



Diagrammatic Sketch

Hondo Drilling Company  
No 2 Gulf "NW" State  
Sec. 6, T-24S, R-33-E  
Lea County New Mexico

To Accompany Plan 1 - Form C-108

DRAFT

ac/

*(dw)*

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

*W/K*

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:

*W/K*

CASE No. 5008

Order No. R- 4588

APPLICATION OF HONDO DRILLING COMPANY  
FOR SALT WATER DISPOSAL, LEA COUNTY,  
NEW MEXICO.

*[Handwritten signatures]*

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 27, 1973,  
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this July day of July, 1973, the Commission, a  
quorum being present, 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 Commission has jurisdiction of this cause and the subject  
matter thereof.

(2) That the applicant, Hondo Drilling Company  
is the owner and operator of the Gulf "NW" State Well No. 2  
located in Lot 6 of Section 6, Township 24 South, Range  
33 East, NMPM, Triple "X" Delaware Pool, Lea  
County, New Mexico.

(3) That the applicant proposes to utilize said well to  
dispose of produced salt water into the Ramsey Sand section of the  
formation, with injection into the Delaware  
perforated 5034 interval  
from approximately 5128 feet to 5134 feet.

(4) That the injection should be accomplished through  
2 3/8-inch plastic-lined tubing installed in a packer set at

approximately 4995 feet; that the casing-tubing annulus should be filled with an inert fluid; and that a pressure gauge should be attached to the annulus ~~[or the annulus left open at the surface]~~ in order to determine leakage in the casing, tubing, or packer.

(5) 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, Hondo Drilling Company, is hereby authorized to utilize its Gulf "NW" State Well No. 2, located in Lot Unit 6 of Section 6, Township 24 South, Range 33 East, NMPM, Triple "X" Delaware Pool, Lea

County, New Mexico, to dispose of produced salt water into the Fansley sand section of the Delaware formation, injection to be accomplished through 2 3/8 <sup>plastic coated</sup> inch tubing installed in a packer set at approximately 4995 feet, with injection into the perforated interval from approximately 5034 feet to 5038 feet;

PROVIDED HOWEVER, that the tubing shall be plastic-lined; 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 left open at the surface]~~ in order to determine leakage in the casing, tubing, or packer.

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

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

5008.

Recd. 6-27-73

Recd. 6-27-73

Grand, I would a SWD  
well in the Triple & Delaware  
pool, Ramsey. Some sections  
connections should be thru int-  
ernally plastic coated tubing  
under a packer & into the  
~~Ramsey~~ Delaware from Des-  
posal shall be from wells in  
the pool.

— The O.P.

P.S. I suggest Super  
& Great Plus than an-  
nulus.

— C.J.

Exam Hrg 6/27/73

Jerry Losee

Honda Drilg Co

Salt water disposal

Delaware formation

perf interval 5034-5038 or in the ?

alternative thru perf int 5128-5134

G "NW" Staer Well No 2

Lot 6 Section 6 T24S, R33E

Triplex X - Delaware Pea County.