

Case No.

386

Application, Transcript,
Small Exhibits, Etc.

BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO

TRANSCRIPT OF HEARING

Case No. 386

July 24, 1952.

CASE 386

In the matter of the application of Magnolia Petroleum Company for permission to use for salt-water injection purposes (in accordance with Rule 701 of the Commission's Rules and Regulations) a well to be drilled on its E. C. Carson lease, projected well to be 660 feet north of the south line and 600 feet east of the No. 5 well already drilled on said Carson lease in Section 33, Township 21 South, Range 37 East, Lea County, New Mexico.

BEFORE: Hon. H. H. Spurrier, Secretary and Member.

R E G I S T E R

R. S. Christie, Amerada Petroleum Co., Tulsa, Okla.

Ed. McKellar, Jr., Magnolia Petroleum Co., Dallas, Tex.

W. L. Morris, ditto Eunice, N. M.

Bob Murphy, ditto Roswell, N. M.

Bill Macey, Oil Conservation Commission, Santa Fe., N. M.

MR. SPURRIER: The record should show that the minutes show a meeting of Governor Mecham and Commissioner Spurrier. And since Commissioner Shepard is not in town, and the Governor is busy, Commissioner Spurrier will sit and take the record in the case. Therefore, there can be no order issued until we get the record back.

Mr. McKellar.

MR. MC KELLAR: Mr. Spurrier, these two men that are going to testify I thought maybe you had better swear them.

(Witnesses sworn)

MR. MC KELLAR: I would like to have the record show that the hearing notice has been read. There is no use reading it I don't think. I will give a copy to the reporter.

MR. SPURRIER: All right.

MR. MC KELLAR: Now, Mr. Murphy will be the first witness. And he will have a copy of the testimony which will be the substance of what he will give.

R. E. MURPHY, having been first duly sworn, testified as follows:

DIRECT EXAMINATION BY MR. MC KELLAR:

Q There is a copy of the map. This will be our exhibit 1. Mr. Murphy, will you examine that map, please sir, and I will ask you -- first, state your name, please sir, for the record.

A R. E. Murphy.

Q And are you employed by Magnolia Petroleum Co.?

A Yes, sir.

Q In what capacity?

A District Geologist at Roswell, N. M.

Q Are you familiar with the Eunice field?

A I am.

Q Was this map prepared under your supervision and direction?

A It was.

Q I would like to have this map marked as Petitioner's Exhibit 1 and introduced as part of the record. It has already been marked. Mr. Murphy, please tell the Commission exactly what this map shows in regard to this salt water

disposal well we are petitioning for?

A There is a widespread zone of lost circulation, in porosity or lost circulation, in the upper part of the San Andres formation throughout the area of this field. And the fact that the many wells which have drilled through it have lost circulation or partial return indicates a high permeability and capacity to take water. It is also true to the best of our knowledge there is no commercial production in this part of the San Andres formation anywhere in this field. And it is proposed to use this zone for the injection of salt water waste from the Magnolia wells.

The vertical communication with the Penrose-Skelly pay above will be cut off by the -- by setting casing through it and cementing back. Vertical communication through the multiple pays will be cut off by the presence of dense dolomite in the areas between the proposed zone of injection and the next pay, which is the Paddock.

It is true this zone is already in use -- is used for salt water injection -- and is the same zone for which we are applying.

Q Mr. Murphy, what is this well -- this interpretive sample log in the column shown on the right-hand part of the chart? Is that the closest well Magnolia has to this proposed location?

A Yes. That is a sample log there to show the sub-

surface geology as it is in the nearest well, and defines the formations and the position of the proposed zone of injection.

Q And from your study of this A. O. Carson Well No. 11 and other Magnolia wells in the vicinity you anticipate that the well log of this proposed well once completed will be similar to the one shown here on your chart?

A Yes, sir. All these wells right close in this vicinity show essentially the same sub-surface section.

Q It is your opinion from your studies there are impermeable formations between this proposed zone of injection and the pay zone below to completely prevent any contamination there?

A Yes, sir. There are several zones of from 50 to 100 ft. of solid, massive dolomite and no porosity showing in samples taken.

MR. MC KELLAR: Any questions, Mr. Commissioner, you or the Commission's engineer would like to ask the geologist?

MR. MACEY: The only thought I have is that you are going to drill the well according to the information right exactly on the 40-acre unit line.

MR. MC KELLAR: Well, the proposed location -- yes, I think that would be approximately correct. It was to be 660 ft. north of our south lease line and 660 ft. west of our well No. 5, which would place it -- I don't know

THE WITNESS: It is right there by that Carson No. 11.

MR. MC KELLAR: That would place it 1980 ft. from the north line of Sec. 33 and 2640 ft. from the east line of Sec. 33.

MR. MACEY: The reason I mentioned it was if at any time, supposedly years from now, after your water volume may be down to nothing, it is perfectly possible you might want to do something else with the well.

MR. MC KELLAR: Re-complete it as a producer --

MR. MACEY: -- and in that case --

MR. MC KELLAR: -- it wouldn't be on a pattern location.

MR. MACEY: It wouldn't be a definite 40-acre location. Move it 25 ft. either way

MR. SPURRIER: Make sure it is on one lease or the other.

MR. MC KELLAR: It is all on the Carson lease.

MR. SPURRIER: On the E. A. Carson lease?

MR. MC KELLAR: On the E. A. Carson lease, so I don't believe that would be too great a factor.

MR. SPURRIER: Probably not exactly on the line, if you surveyed it.

MR. MC KELLAR: Bob, do you know why they set it right where they did?

A It puts it 660 from any boundary line or any other well.

MR. MC KELLAR: I think that is why they wanted it there.

MR. MACEY: It is something that might come up in the future. You would have to put it in one proration unit or the other to produce the well.

MR. MC KELLAR: It is all E. A. Carson lease. Maybe the other consideration --

A There was one more consideration. I believe Leo can check me on this. It is the lowest spot on the lease for gravity drainage.

MR. SPURRIER: Five feet would do it one way or the other.

MR. MORRIS: I imagine it would be that much off.

MR. MC KELLAR: Any other -- Mr. Murphy, you are excused. Mr. Morris, will you please take the stand.

W. L. MORRIS, having been first duly sworn, testified as follows:

DIRECT EXAMINATION BY MR. MC KELLAR:

Q For the record, Mr. Morris, will you state your name?

A W. L. Morris.

Q And you are employed by Magnolia Petroleum Co.?

A Yes, sir.

Q In what capacity?

A Petroleum engineer.

Q How long have you been employed in that capacity?

A Four years.

Q Are you a graduate petroleum engineer?

A Yes, sir.

Q From what school?

A Texas Tech.

Q Are you familiar with the Eunice field?

A Yes, sir,

Q Have you made a study of this proposed injection plan into this E. A. Carson well?

A Yes, sir.

Q How does Magnolia intend to complete the surface casing string?

A Intend to complete -- set pipe to 4100 and complete as open hole approximately down to 4600.

Q Approximately from 4100 to 4600. Complete as open hole if and where you find the porosity?

A Yes, sir.

Q And you intend to set casing all the way down to the porosity?

A Yes, sir.

Q What size pipe will you set?

A Seven inch.

Q And you plan to cement and test before you start the injection program?

A Yes, sir.

Q At what pressure do you ordinarily test your casing?

A Between 1500 and 2000.

Q And what formation pressure does your study reflect you will find here in this San Andres?

A Approximately 100 lbs.

Q You are going to inject salt water under gravity or pressure?

A Under gravity.

Q What capacity do you think your injection program will be initially?

A 535 barrels.

Q Approximately 535 barrels per day?

A Yes, sir.

Q Building up eventually so far as your plans now reflect to approximately what?

A Approximately 10,000 barrels a day.

Q Approximately 10,000 barrels a day. That is about -- off the record.

(Off the record)

MR. SPURRIER: If there are no further questions, the witness may be excused.

MR. MC KELLAR: Mr. Commissioner, there has been an order entered in the Gulf's application in this matter which I will be glad -- I didn't bring an order prepared. This order will be satisfactory to me, or if you would like, I will draft one and send out to the Commission similar to this one.

MR. SPURRIER: That is all right.

MR. MC KELLAR: I would like to have marked as an exhibit and have introduced as a part of the record Mr. Murphy's statement also.

MR. SPURRIER: Without objection, it will be received -- both Exhibits 1 and 2.

MR. MC KELLAR: That is all we have on this case.

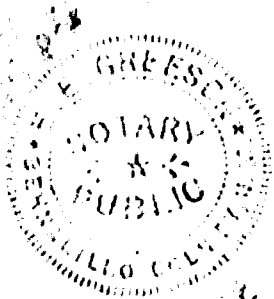
STATE OF NEW MEXICO

ss

COUNTY OF BERNALILLO

I HEREBY CERTIFY That the foregoing transcript is a true record of the matters therein contained.

DONE at Albuquerque, N. M., July 26, 1952.



E. E. Greeson
E. E. Greeson

Notary Public

My Commission Expires: 8-4-52

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF THE STATE OF NEW
MEXICO FOR THE PURPOSE OF CON-
SIDERING:

CASE NO. 386
ORDER NO. R-183

THE APPLICATION OF MAGNOLIA
PETROLEUM COMPANY FOR AN ORDER
GRANTING PERMISSION TO USE FOR
SALT-WATER DISPOSAL PURPOSES A
WELL TO BE DRILLED ON ITS E. O. CARSON
LEASE, 660 FEET FROM THE SOUTH LINE
AND 2640 FEET FROM THE EAST LINE OF
SECTION 33, TOWNSHIP 21 SOUTH, RANGE
37 EAST, NMPM, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This matter came on for hearing at Santa Fe, New Mexico, at 9 o'clock am. July 24, 1952, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 12th day of August, 1952, the Commission, a quorum being present, having considered the testimony adduced and the exhibits received at said hearing, and being otherwise fully advised in the premises,

FINDS:

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

(2) That it would be in the interests of conservation and the protection of correlative rights, and would prevent injury to neighboring leases or properties to permit the applicant to use for salt-water disposal purposes a well to be drilled to the upper San Andres formation to be located 660 feet from the South line and 2640 feet from the East line of Section 33, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico.

IT IS THEREFORE ORDERED:

(1) That the Magnolia Petroleum Company be, and the same hereby is given authority to drill a well to be known as the E. O. Carson, SWD-1, to be located 660 feet from the South line and 2640 feet from the East line of Section 33, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico; that said well is to be used for salt-water disposal purposes, the water to be injected into the San Andres formation at an approximate depth of 4100 to 4600 feet.

Case No. 386
Order No. R-183

(2) That the effectiveness of this order is conditioned upon the compliance of the applicant with the following requirements:

(a) That the E. O. Carson, Well No. 1-SWD, be drilled to an approximate depth of 4600 feet.

(b) That casing be cemented at an approximate depth of 4100, leaving an open-hole section only in the San Andres formation, to properly prevent any vertical communication of the salt water with the Penrose-Skelly oil-producing zone above.

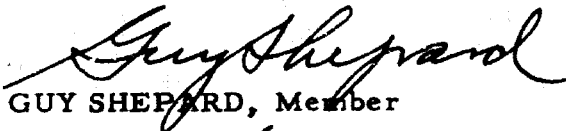
Nothing in this order shall be deemed to relieve Magnolia Petroleum Company from liability to any person, firm or corporation due to damage occasioned by its salt-water disposal operations.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



EDWIN L. MECHEM, Chairman



GUY SHEPARD, Member



R. R. SPURRIER, Secretary

S E A L

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF THE STATE OF NEW
MEXICO FOR THE PURPOSE OF CON-
SIDERING:

CASE No. ~~333~~ *183*
ORDER No. ~~R-183~~

THE MAGNOLIA PETROLEUM COMPANY, ON 12th Street, Santa Fe, New Mexico, TO USE FOR SALT-WATER DISPOSAL PURPOSES A WELL TO BE DRILLED ON THE E.O. CARSON LEASE, 660 FEET FROM THE SOUTH LINE AND 2640 FEET FROM THE EAST LINE OF SECTION 33, TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This matter came on for hearing at Santa Fe, New Mexico, at ~~10~~ *7* o'clock a. m. ~~October 23, 1951~~, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this ~~12th~~ *August 1952* day of ~~June~~, the Commission, a quorum being present, having considered the testimony adduced and the exhibits received at said hearing, and being otherwise fully advised in the premises,

FINDS:

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

(2) That it would be in the interests of conservation and the protection of correlative rights, and would prevent injury to neighboring leases or properties to permit the applicant to use for Salt-Water disposal purposes a well to be drilled to the upper San Andres Formation to be located 660 feet from the South line and 2640 feet from the East line of Section 33, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico.

IT IS THEREFORE ORDERED:

(1) That the Magnolia Petroleum Company be, and the same hereby is given authority to drill a well to be known as the E.O. Carson, SWD-1, to be located 660 feet from the South line and 2640 feet from the East line of Section 33, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico; that said well is to be used for Salt-Water disposal purposes, the water to be injected into the San Andres formation at an approximate depth of 4100 to 4600 feet.

(2) That the effectiveness of this order is conditioned upon the compliance of the applicant with the following requirements:

(a) That the E.O. Carson, Well No. 1-SWD, be drilled to an approximate depth of 4600 feet.

(b) That casing be cemented at an approximate depth of 4100, ~~leaving an open-hole section only in the San Andres formation, subjecting to properly prevent any vertical communication of the Salt Water with the Penrose-Skelley Oil-producing zone above.~~

Nothing in this order shall be deemed to relieve Magnolia Petroleum Company from liability to any person, firm or corporation due to damage occasioned by its salt-water disposal operations.

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

(Usual Conclusion)

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

July 1, 1952

C
O
P
Y

Mr. W. E. McKellar, Jr.
Magnolia Petroleum Company
Dallas, Texas

Dear Ed:

This is in reply to your letter of June 30, which we received July 1.

It is a bare two weeks until the July 15 hearing, and our policy, as you well know, is to set a hearing at least 30 days after an application has been received. Your application will, therefore, be scheduled for the regular August hearing which is August 19. However, should you care for a special hearing, it could be set for July 24.

Please wire which you prefer.

Very truly yours,

RRS:W

Secretary and Director

Case 386

MAGNOLIA PETROLEUM COMPANY

A SOCONY-VACUUM COMPANY
LEGAL DEPARTMENT

DALLAS 1, TEXAS

June 30, 1952

EARL A. BROWN
ROY C. LEBETTER
RAYMOND M. MYERS
CHAS. B. WALLACE
R. T. WILKINSON JR.
FRANK C. BOLTON JR.
JACK VICKREY
SAM M. FELD
ROY STARK
LEON BARNES
W. E. MCKELLAR JR.

Request for Application to Drill and Use
SWD Well - Eunice Area, New Mexico

Mr. R. R. Spurrier, Director
New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Dear Dick:

In accordance with Rule 701 of the New Mexico Oil Conservation Commission, we are hereby requesting permission to inject salt water in a well to be drilled on our E. O. Carson Lease. This well is to be drilled 660 feet North of the south line and 660 feet west of Well No. 5 on Magnolia Petroleum Company's E. O. Carson Lease, Section 33-T21S-R37E, Lea County, New Mexico. Attached is the detailed information required by Rule 701.

I realize that this application is submitted a bare three weeks before the scheduled July 15th hearing of your Commission. However, our Company is really in a bind in this Eunice Area with our salt water, and I would sincerely appreciate every effort being made to include this application on the July Docket.

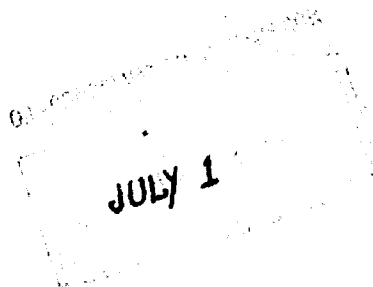
Yours very truly,

W. E. McKellar, Jr.

W. E. McKellar, Jr.

WEMckjr:ec
enclosures

Air Mail



Case 386

In accordance with New Mexico Rule No. 701, the following information is supplied:

1. Attached please find three plats of the area involved. The offset operators within one-half mile of the proposed well are Amerada Petroleum Company, Gulf Oil and Refining Company, and The Stanolind Oil and Gas Company.
2. Commercial production of oil and gas is presently being obtained from the following formations: Ellenburger, Simpson (McKee), Montoya, Abo, Clearfork, Blinberry, Tubb, Glorietta, Queen and Grayburg.
3. It is proposed that injection will be into a highly permeable zone in the San Andres dolomite. It is expected that this zone will occur 300 to 600 feet below the top of the San Andres formation at a depth of approximately 4600 feet. The proposed injection zone contains only sulphur water and is not productive of oil or gas in the area.
4. A log of the proposed well will be furnished after the well is drilled.
5. It is proposed that the following casing program will be used: 13-3/8" O.D. to be set at 360 feet, 9-5/8" O.D. to be set at 2800 feet, and 7" O.D. to be set at 4600 feet. All casing will be tested in conformance with the test procedures as promulgated by the New Mexico Oil and Gas Conservation Commission.
6. Salt water is to be injected into this well. It is anticipated that ultimate daily injection may approach 10,000 barrels of salt water produced from the various reservoirs in the Eunice, New Mexico Area.
7. Magnolia Petroleum Company will be sole operator of this salt water injection well; its address is as follows:

Magnolia Petroleum Company
P. O. Box 727
Kermit, Texas

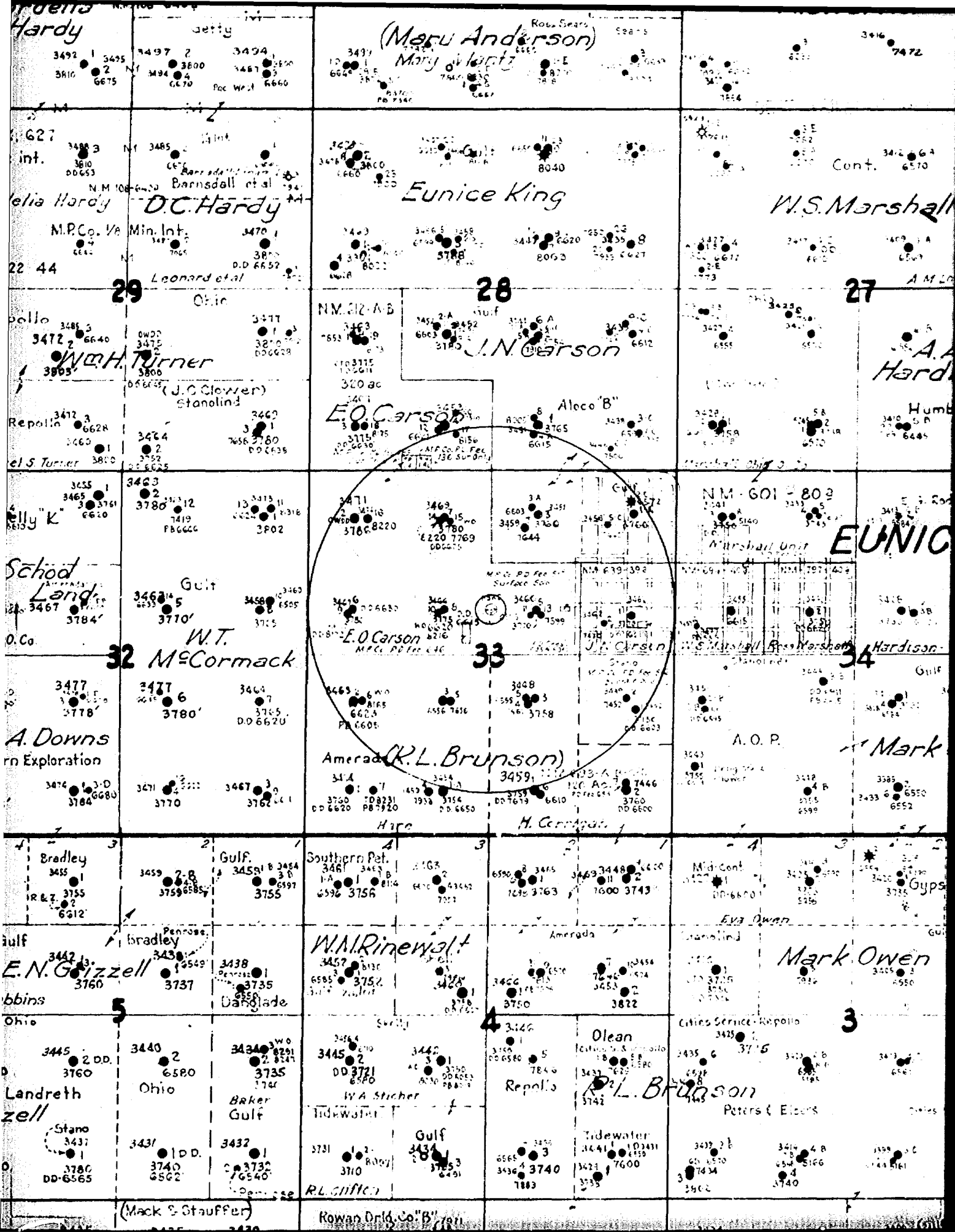
In accordance with New Mexico Rule No. 701, the following information is supplied:

1. Attached please find three plats of the area involved. The offset operators within one-half mile of the proposed well are Amerada Petroleum Company, Gulf Oil and Refining Company, and The Stanolind Oil and Gas Company.
2. Commercial production of oil and gas is presently being obtained from the following formations: Ellenburger, Simpson (McKee), Montoya, Abo, Clearfork, Blinbry, Tubb, Glorietta, Queen and Grayburg.
3. It is proposed that injection will be into a highly permeable zone in the San Andres dolomite. It is expected that this zone will occur 300 to 600 feet below the top of the San Andres formation at a depth of approximately 4600 feet. The proposed injection zone contains only sulphur water and is not productive of oil or gas in the area.
4. A log of the proposed well will be furnished after the well is drilled.
5. It is proposed that the following casing program will be used: 13-3/8" O.D. to be set at 360 feet, 9-5/8" O.D. to be set at 2800 feet, and 7" O.D. to be set at 4600 feet. All casing will be tested in conformance with the test procedures as promulgated by the New Mexico Oil and Gas Conservation Commission.
6. Salt water is to be injected into this well. It is anticipated that ultimate daily injection may approach 10,000 barrels of salt water produced from the various reservoirs in the Eunice, New Mexico Area.
7. Magnolia Petroleum Company will be sole operator of this salt water injection well; its address is as follows:

Magnolia Petroleum Company
P. O. Box 727
Kermit, Texas

The map displays a grid of oil fields and production data in the Gulf of Mexico. Each section is labeled with a number and a name, often followed by a company name in parentheses. The names include: (Maru Anderson), Mary, Eunie King, W.S. Marshall, J.N. Carson, E.O. Carson, A.A. Hardy, W.H. Turner, J.C. Clowen, Standand, W.T. McCormack, Amerada (R.L. Brunson), H. Carrigan, Mark Owen, W.N. Rinewalt, Skelly, Olean, Repollo, Tidewater, and others. The map also shows various oil fields, including: Bradley, Gulf, Southern Pet., W.N. Rinewalt, Skelly, Olean, Repollo, Tidewater, and others. The map includes a scale bar and a north arrow.

The map displays a grid of oil fields and production data in the Gulf of Mexico region. Each section is labeled with a name and a number, indicating a specific field or well. The names include: Hardy, D.C. Hardy, Eunie King, W.S. Marshall, J.N. Carson, E.O. Carson, A.O.P., Mark Owen, W.N. Rinewalt, R.L. Brunson, H. Carrigan, A. Downs, Bradley, E.N. Grizzell, and others. The numbers are likely production rates or well identifiers. The map also shows various geographical features like 'Gulf of Mexico', 'Gulf of Mexico', 'Gulf of Mexico', and 'Gulf of Mexico'. The map is a technical drawing with a grid and various labels.



MEMORANDUM

From: R. R. SPURRIER BEST AVAILABLE COPY

To: _____

Dear Mr. [unclear]
I have the honor to
acknowledge the receipt of
your letter of the 25th
and in reply to inform
you that the same has
been forwarded to the
proper authorities for
their consideration.
Very respectfully,
R. R. Spurrer

MINISTERIO DE OBRAS PUBLICAS

CONCERNING THE APPLICATION BY MAGNOLIA PETROLEUM
COMPANY FOR THE INJECTION OF SALT WATER
DISPOSAL UNIT OF THE N. O. GARRON LEASE, SECTION
28-21S-37E, TOWNSHIP 21S, RANGE 37E,
LEA COUNTY, NEW MEXICO, SUBMITTED FOR PUBLIC HEARING JULY 24,
1952.

0. 2 586

PROPOSED WELL - MAGNOLIA - N. O. GARRON 21S-1
C 5 $\frac{1}{2}$ N $\frac{1}{2}$ of section 33-21S-37E
LEA COUNTY, NEW MEXICO

Attached herewith is a geological map showing the location and pertinent data supporting the Magnolia Petroleum Company application for a Salt Water Disposal Unit.

The location of the proposed well is in an area where the upper part of the San Andres dolomite carries a wide spread development of porosity from 4100' to 4600' accompanied by high permeabilities providing a zone that is recommended for the subsurface disposal of salt water.

The upper San Andres dolomite porosity in the Eunice area is already being utilized for salt water injection by the Gulf-Eunice King No. 2, Section 28-21S-37E, as shown on the attached map.

The San Andres formation is commercially non-productive of oil or gas in the field where the Garcon lease is located. Available well records all show sulphur water recovery (see map) when the zone is drill stem tested.

The widespread occurrence of lost circulation encountered by the many wells that have drilled through the upper San Andres zone indicates extremely high permeabilities, and consequent high intake capacity.

BEST AVAILABLE COPY

CASE 386 CONT'D. - GEOLOGICAL REPORT

Vertical communication of the salt water with the Laurese-shelly oil producing zone above will be prevented by setting pipe through into the San Andres formation. Communication of salt water below with the multiple pays of the Fallock, Blinbry, Drinkard, Hure and Aranson pools will be effectively cut off by the non-porous dense dolomite of the San Andres formation occurring immediately below the proposed 4600' Total Depth.

H. E. Murphy, District Geologist
MAGELLAN PETROLEUM COMPANY
Roswell, New Mexico

MAGNOLIA PETROLEUM COMPANY

A SOCONY-VACUUM COMPANY
LEGAL DEPARTMENT

DALLAS 1, TEXAS

July 28, 1952

EARL A. BROWN
GENERAL COUNSEL
ROY C. LEDBETTER
RAYMOND M. MYERS
CHAS. B. WALLACE
R. T. WILKINSON, JR.
FRANK C. BOLTON, JR.
JACK VICKREY
SAM H. FIELD
ROSS MADOLE
FLOYD B. PITTS
W. E. MCKELLAR, JR.
ASSISTANTS

Mr. R. R. Spurrier
Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Re: Order in Case No. 386

Dear Dick:

Attached is the original and two copies of a proposed order which I have drafted in the above case. This order follows basically Order No. R-116 promulgated in Case No. 310, authorizing Gulf Oil Corporation to inject salt water in the same field and formation.

I believe that you will find the attached order satisfactory since it does follow the pattern of your previous order in a similar case and does embody only the facts presented at the July 24th hearing.

I would like to take this opportunity to again express my sincere appreciation for your assistance and cooperation in this matter.

Yours very truly,

W. E. McKellar, Jr.
W. E. McKellar, Jr.

WEMckJr:ec
enclosures (3)

OK RS
7/30/52

JUL 29 1952
RECEIVED

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. 386
ORDER NO. _____

THE APPLICATION OF MAGNOLIA PETROLEUM
COMPANY FOR AUTHORITY TO USE FOR SALT
WATER DISPOSAL PURPOSES, ITS E. O. CARSON
SWD-1, C. S. $\frac{1}{2}$ N. $\frac{1}{2}$ OF SECTION 33, TOWNSHIP
21S., RANGE 37E, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9:00 a.m., July 24, 1952, at Santa Fe, New Mexico, before Mr. R. R. Spurrier, acting as examiner for the Oil Conservation Commission of New Mexico.

NOW, on this the _____ day of _____, 1952, the Oil Conservation Commission, a quorum being present, having fully considered the testimony adduced and the exhibits received at said hearing, 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, the subject matter thereof, and the persons interested therein.

(2) That it would be in the interests of conservation and the protection of correlative rights, and would prevent injury to neighboring leases or properties to permit applicant to use for salt water disposal purposes its E. O. Carson SWD#1, located 1980' from the North line and 2640' from the East line of Section 33, Township 21S, Range 37E, Lea County, New Mexico.

IT IS THEREFORE ORDERED:

(1) That the Magnolia Petroleum Company be, and said company hereby is given authority to use its E. O. Carson SWD Well #1, located 1980' from the North line and 2640' from the East line of Section 33, Township 21S, Range 37E, Lea County, New Mexico for the disposal of Salt Water through open hole between the depths of 4050 feet and 4600 feet in the San Andres formation.

(2) That the effectiveness of this order is conditioned upon the applicant complying with the following requirements:

-2-

Case No. 386

Order No. _____

(a) That sufficient liner be set at approximately 4100 feet to properly prevent any vertical communication of the salt water with the Penrose-Skelly oil producing zone above.

(b) That the well be completed so as to leave an open hole section only in the San Andres formation.

Nothing in this order shall be deemed to relieve Magnolia Petroleum Company from liability to any person, firm or corporation due to damage occasioned by its salt water disposal operations.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Edwin L. Mechem, Chairman

Guy Shepard, Member



R. R. Spurrier, Secretary

S E A L

MAGNOLIA PETROLEUM COMPANY

A SOCONY-VACUUM COMPANY
LEGAL DEPARTMENT

DALLAS 1, TEXAS

July 31, 1952

EARL A. BROWN
GENERAL COUNSEL
ROY C. LEBETTER
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R. T. WILKINSON, JR.
FRANK C. BOLTON, JR.
JACK VICKREY
SAM H. FIELD
ROSS MADOLE
FLOYD B. PITTS
W. E. MCKELLAR, JR.
ASSISTANTS

Mr. R. R. Spurrier
Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Re: Order in Case No. 386

Dear Dick:

Supplementing my letter of July 28th regarding the above, I wish to advise that in the original order which I submitted in paragraph 2(a) I inadvertently used the term "liner" instead of "casing". One or two other minor changes were requested by my producing people and consequently I have redrafted an order in this case and am submitting the original and two copies, together with this letter. Please disregard the proposed drafts which were submitted with my letter of July 28th.

I sincerely appreciate your assistance and cooperation in this matter.

Yours very truly,

W. E. McKellar, Jr.
W. E. McKellar, Jr.

WEMckjr:ec
enclosures (3)

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. 386
ORDER NO. _____

THE APPLICATION OF MAGNOLIA PETROLEUM
COMPANY FOR AUTHORITY TO USE FOR SALT
WATER DISPOSAL PURPOSES, ITS E. O. CARSON
SWD-1, C. S $\frac{1}{2}$ N $\frac{1}{2}$ OF SECTION 33, TOWNSHIP
21S, RANGE 37E, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9:00 a.m., July 24, 1952, at Santa Fe, New Mexico, before Mr. R. R. Spurrier, acting as examiner for the Oil Conservation Commission of New Mexico.

NOW, on this the _____ day of _____, 1952, the Oil Conservation Commission, a quorum being present, having fully considered the testimony adduced and the exhibits received at said hearing, 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, the subject matter thereof, and the persons interested therein.

(2) That it would be in the interests of conservation and the protection of correlative rights, and would prevent injury to neighboring leases or properties to permit applicant to use for salt water disposal purposes its E. O. Carson SWD#1, located 1980' from the North line and 2640' from the East line of Section 33, Township 21S, Range 37E, Lea County, New Mexico.

IT IS THEREFORE ORDERED:

(1) That the Magnolia Petroleum Company be, and said company hereby is given authority to use its E. O. Carson SWD Well #1, located 1980' from the North line and 2640' from the East line of Section 33, Township 21S, Range 37E, Lea County, New Mexico for the disposal of Salt Water through open hole in the San Andres formation.

(2) That the effectiveness of this order is conditioned upon the applicant complying with the following requirements:

-2-

Case No. 386

Order No. _____

(a) That casing be set at least 100 feet below the top of the San Andres formation.

(b) That the well be completed so as to prevent salt water from entering any formation other than the San Andres.

Nothing in this order shall be deemed to relieve Magnolia Petroleum Company from liability to any person, firm or corporation due to damage occasioned by its salt water disposal operations.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Edwin L. Mechem, Chairman

Guy Shepard, Member

R. R. Spurrier, Secretary

SEAL

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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OIL CONSERVATION COMMISSION

Edwin L. Mechem, Chairman

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SEAL

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STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Edwin L. Mechem, Chairman

Guy Shepard, Member

R. R. Spurrier, Secretary

SEAL

COPY

NOTICE OF PUBLICATION
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

The State of New Mexico by its Oil Conservation Commission hereby gives notice pursuant to law and the rules and regulations of said Commission promulgated thereunder of the following special public hearing to be held at 9 o'clock a.m., on July 24, 1952, at Mabry Hall, State Capitol, in the City of Santa Fe, New Mexico.

STATE OF NEW MEXICO TO:

All named parties and persons
having any right, title, interest
or claim in the following case,
and notice to the public.

CASE 386:

In the matter of the application of Magnolia Petroleum Company for permission to use for salt-water injection purposes (in accordance with Rule 701 of the Commission's Rules and Regulations) a well to be drilled on its E. O. Carson lease, projected well to be 660 feet north of the south line and 660 feet west of the No. 5 well already drilled on said Carson lease in Section 33, Township 21 South, Range 37 East, Lea County, New Mexico.

GIVEN under the seal of the Oil Conservation Commission of New Mexico
this 7th day of July, 1952.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

R. R. SPURRIER, Secretary

(SEAL)

NEW MEXICO OIL & GAS ENG. COMM.
JULY 9, 1952
HOBBS, NEW MEXICO.

JUL 27 1952

In accordance with New Mexico Rule No. 701, the following information is supplied:

1. Attached please find three plats of the area involved. The offset operators within one-half mile of the proposed well are Amerada Petroleum Company, Gulf Oil and Refining Company, and The Stanolind Oil and Gas Company.
2. Commercial production of oil and gas is presently being obtained from the following formations: Ellenburger, Simpson (Mcbee), Montoya, Abo, Clearfork, Blinberry, Tubb, Glorieta, Queen and Grayburg.
3. It is proposed that injection will be into a highly permeable zone in the San Andres dolomite. It is expected that this zone will occur 300 to 600 feet below the top of the San Andres formation at a depth of approximately 4600 feet. The proposed injection zone contains only sulphur water and is not productive of oil or gas in the area.
4. A log of the proposed well will be furnished after the well is drilled.
5. It is proposed that the following casing program will be used: 13-3/8" O.D. to be set at 360 feet, 9-5/8" O.D. to be set at 2800 feet, and 7" O.D. to be set at 4600 feet. All casing will be tested in conformance with the test procedures as promulgated by the New Mexico Oil and Gas Conservation Commission.
6. Salt water is to be injected into this well. It is anticipated that ultimate daily injection may approach 10,000 barrels of salt water produced from the various reservoirs in the Eunice, New Mexico Area.
7. Magnolia Petroleum Company will be sole operator of this salt water injection well; its address is as follows:

Magnolia Petroleum Company
P. O. Box 727
Hermit, Texas

NOTICE OF PUBLICATION
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION
SANTA FE - NEW MEXICO

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GIVEN under the seal of the Oil Conservation Commission of New Mexico
this 7th day of July, 1952.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

R. R. Spurrier,
Secretary

SEAL

Sent to New Mexican
Hobbs News-Sun } July 7,
1952

CASE 386: SPECIAL HEARING JULY 24 - 1952
Magnolia application for salt-water dis-
posal well on E. O. Carson lease 33-21S-37E
Lea County, N. M.