

CASE 5238: Application of YATES
PETROLEUM FOR SALT WATER DISPOSAL,
EDDY COUNTY, NEW MEXICO.

CASE No.

5238

Application,
Transcripts,
Small Exhibits

ETC.



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

October 30, 1984

TONEY ANAYA
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

Yates Petroleum Corporation
207 South 4th Street
Artesia, New Mexico 88210

Re: SWD Injection Permit
Federal BZ No. 6
Unit N, Sec. 21,
T-17-S, R-25-E
Eddy County, N.M.

5038

Gentlemen:

In an effort to update our files regarding Salt Water Disposal Permits, we are requesting some information on the above-mentioned well. Our records show that your company was issued a SWD Injection Permit No. R-4787 by us on May 21, 1974. Our records also show that since that time, this well has not been used for salt water disposal. Since a great deal of time has passed since your injection permit was granted, we assume that it is no longer your intention to use this well for water disposal purposes.

We are requesting information on the present status of this well, and whether or not your company intends to utilize this well for water disposal purposes at this time or in the near future. We would appreciate a response to this letter within thirty days. If we have not had a written response within that period of time, the injection permit granted by us will be rescinded.

Thank you for your cooperation in this matter.

Sincerely,

David Catanach

DAVID CATANACH
Petroleum Engineer

DC/dr



TONEY ANAYA
GOVERNOR

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

October 30, 1984

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STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

Yates Petroleum Corporation
207 South 4th Street
Artesia, New Mexico 88210

Re: SWD Injection Permit
Ingram Jackson BV No 2
Unit D, Sec. 26,
T-17-S, R-25-E,
Eddy County, N.M.

5238

Gentlemen:

In an effort to update our files regarding Salt Water Disposal Permits, we are requesting some information on the above-mentioned well. Our records show that your company was issued a SWD Injection Permit No. R-4787 by us on May 21, 1974. Our records also show that since that time, this well has not been used for salt water disposal. Since a great deal of time has passed since your injection permit was granted, we assume that it is no longer your intention to use this well for water disposal purposes.

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Thank you for your cooperation in this matter.

Sincerely,

David Catanach

DAVID CATANACH
Petroleum Engineer

DC/dr

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
May 8, 1974

EXAMINER HEARING

IN THE MATTER OF:

Application of Yates Petroleum
Corporation for salt-water disposal,
Eddy County, New Mexico.

Case No.
5238

BEFORE: Richard L. Stamets, Examiner.

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil
Conservation Commission:

Thomas Derryberry, Esq.
Legal Counsel for the
Commission
State Land Office Bldg.
Santa Fe, New Mexico

For the Applicant:

A.J. Losee, Esq.
Losee & Carson
Artesia, New Mexico

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SANTA FE, NEW MEXICO 87501
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CASE 5238

Page..... 2

I N D E X

PAGE

PEYTON YATES

Direct Examination by Mr. Losee	3
Cross Examination by Mr. Stamets	13
Redirect Examination by Mr. Losee	18
Recross Examination by Mr. Stamets	19

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YATES-DIRECT

CASE 5238

Page.....3

MR. STAMETS: Call the next case, Case 5238.

MR. DERRYBERRY: Case 5238. Application of
Yates Petroleum Corporation for salt-water disposal,
Eddy County, New Mexico.

(Whereupon, a discussion was held
off the record.)

MR. LOSEE: A.J. Losee, Losee & Carson, Artesia,
New Mexico, appearing for the Applicant, Yates Petroleum
Corporation. I have one witness, Mr. Peyton Yates.

(Witness sworn.)

PEYTON YATES

called as a witness, having been first duly sworn, was
examined and testified as follows:

DIRECT EXAMINATION

BY MR. LOSEE:

Q Would you state your name, residence and occupa-
tion?

A My name is Peyton Yates, I live in Artesia, New
Mexico, I'm employed at Yates Petroleum Corporation, and
I'm a Petroleum Engineer.

Q Have you previously testified before the Commis-
sion and had your qualifications accepted?

A Yes, sir.

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MR. STAMETS: The Witness is qualified.

BY MR. LOSEE:

Q Would you state the purpose of this Application?

A The purpose is to obtain additional water disposal facilities for our Eagle Creek-San Andres Fields. We are presently at the injection capacity of our one disposal well which had previously been approved and we need to have additional wells for disposal. We have an accelerated drilling program in the Eagle Creek-San Andres Field right now, and also have produced water problems from a recent Canyon completion in Unit D of 35 of 17-24, that is State DF No. 1. We would also like a provision for administrative approval without hearing or notice for additional disposal wells as deemed necessary within the Eagle Creek Field.

Q How many wells are there approximately in the Eagle Creek Field?

A As of today there are 63 producing wells. When we started our drilling program, approximately two months ago, we had 55 producing wells and we have drilled eight new additional wells.

Q Do you know how many more you plan to drill?

A It would depend on the development of the porosity

throughout the area; we anticipate 10 to 15 more additional wells.

Q What capacity do you anticipate for these disposal wells?

A We estimate a maximum of 200 to 250 barrels per day per well at injection pressures of 600, 650 pounds. We are limited by the shallow nature of the formation, being 1200 to 1400 feet, which has a fracture pressure, surface fracture pressure, at 900 to 1100 pounds, which for practical limits our injection.

Q Would you explain how you are completing these new wells?

A Presently we are completing a well about every five days. We sand water frac the well approximately 200 barrels of 1 percent kcl water; approximately 700 barrels of 1 to 1-1/2-percent salt water is flowed back to the pits the first two days before we obtain the oil. Then wells are put on pump and turned into the tank batteries. Pump capacity is 50 to 60 barrels of water per day and by the tenth day water production is usually less than 20 barrels a day per well, and at that time, when we reach about a 20-barrel-per-day figure, the salt content of the water is approximately 60,000 parts per million;

it steadily gets saltier as we bring back our load water. After a year of production the wells give up about a 1/2 to 2 barrels of water per day of formation water, which runs about 160,000 parts per million. It is a very salty, typical San Andres associated water. We also treat the wells weekly with about two barrels per day average of fresh water with corrosion and scale inhibitors and, of course, we then reproduce these two barrels a day, so the production will run 2-1/2 to 4 barrels a day per well after we have established about a year's production.

Q Now, you mentioned that you have had prior approval for a disposal well which is the AV Gissler No. 2, authorized by Order R-3603. What is the present status of this well?

A Presently we are injecting approximately 320 barrels of water per day at 700 to 850 psi and we are crowding the fracture pressure and are concerned about fracturing into off-set wells. This is the only well we have presently under water disposal.

Q Please refer to what has been marked as Exhibit 1 and explain what is portrayed by this Exhibit?

A Exhibit 1 is a land-ownership map of the Eagle-Creek Field in Township 17, 25, and shows the 3 proposed new disposal wells; the DZ No. 6 in the southeast of the

YATES-DIRECT

CASE 5238

Page..... 7

southwest of 21 of 17-25, the BV No. 2 in the northwest northwest of 26 of 17-25 and the AV No. 1 in the northeast of the northwest of Section 23 of 17-25. These wells are indicated by the red arrows drawn through the well dot. We also show the AV No. 2 in the northwest of the northeast of Section 23 of 17-25. It is indicated by a green arrow drawn through the well dot.

Q Mr. Yates, is Yates Petroleum Corporation the only operator within a half mile radius of any of these proposed disposal wells?

A That is correct.

(Whereupon, a discussion was held off the record.)

BY MR. LOSEE:

Q Would you please refer then to what has been marked as Exhibit 2 and explain what is shown on this Exhibit?

A Exhibit No. 2 is the NMOCC Form C-108, Application to Dispose of Salt Water by Injection into Porous Formation. It is prepared for the Federal BZ No. 6, which is in Unit N of Section 21, 17-25.

Q Mr. Yates, also attached and included as part of this Exhibit is a log and a diagrammatic sketch of this

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proposed disposal well?

A That is correct.

Q Now, will the same thing be shown for each of the three disposal wells?

A Yes.

Q Now, one question with respect to the information shown on this C-108; the maximum error anticipated daily volume is 150 barrels. Do you really intend that that be 250?

A Yes, sir. It should be 250. The figure 150 was the discussed figure of what we expected an average rate to be over the life of the well, but the maximum figure should be 250; I don't know how to refer to that line.

Q Well, we have already covered it in the question. Now, with the exception of this well, is it proposed in all of the injection wells, disposal wells, to dispose of San Andres produced water?

A That is correct.

Q Now, in this well, being the most westerly of the disposal wells, do you anticipate injecting water from any other horizon?

A Yes. We anticipate injecting water from, as I

mentioned previously, the Yates Petroleum Corporation State DF No. 1 in Unit B, 35, 17-24, which is a recent Canyon completion.

Q Okay. What is the salt content in the Canyon Well?

A The salt content in the Canyon Well is approximately 71,000 total parts per million.

Q And that is more fresh water than the San Andres, which levels out at 160,000 parts per million?

A That is correct.

Q Okay. Referring now to the log portion of it, would you explain what is shown on that?

A The log portion shows the top of the San Andres formation, which as a rule comes in around 700 feet in the area; it shows the base of the Artesian zone, which is the producing water zone in the area west of Artesia; it shows the top of the Slaughter zone, which is the producing pay from which we are producing; it shows the perforations which are presently in the well.

Q Now, turning to the diagrammatic sketch of this, explain how you propose to convert it to a disposal well?

A Basically we will pull the present tubing and production string and run in tubing on a packer, set the

packer at approximately 1160 feet, put inhibited-fresh water in the annulus; we will install at the surface a pressure gauge on the injection stream and also a valve and meter to meter the daily input. On the annulus side we will have a wing-valve installed, possibly a ball and C type in order to prevent air and obstacles or dust from blowing down into the casing, but it will be a type of valve if the leak were to occur we would be able to detect it at the surface. The wells will be, of course, metered daily, and they are also on nearby, adjacent to main traveled roads, so any leaks would be easily detected. I notice that we failed to put down that the tubing would be coated, either cement lined or plastic lined, on the Exhibit, but we will do that under the compliance with the memorandum that was put out not too long ago on injection wells.

Q I believe that you also mentioned that your produced water has been treated with corrosion inhibitors and scale inhibitors, hasn't it?

A That is correct. We have even add bacteria side at the injection wells to take care of sulfide producing bacteria and slime forming bacteria.

Q Please refer to Exhibit 3, being a similar

set of documents for BV No. 2, in connection with the C-108, do you wish to make the same corrections as to the anticipated daily volume?

A That is correct; it should be 250 maximum.

Q And this log also attached to it shows the same information as the preceding log?

A That is correct.

Q Now, your diagrammatic sketch, your completion as a disposal well will be identical to the prior well?

A Yes.

Q Okay. Please turn to what has been marked as Exhibit 4.

A Exhibit No. 4 is the 108 Form, the log, and the diagrammatic sketch for the Gissler AV No. 1 in Section 23, 17-25.

Q Now, you wish to make the same correction on your C-108; 250 barrels anticipated maximum volume?

A That is correct.

Q Now, is your log information portrayed on there substantially the same as for the other data?

A Yes.

Q The other two wells?

A Yes.

Q Now, turn to your diagrammatic sketch on this well. This is not proposed to be completed the same as the other two, is that correct?

A That is correct. Presently this well has a string of 2-3/8th inch tubing cemented at 1450 feet. We, in the past, attempted an open-hole completion with 4-1/2 casing set at 1151 feet. We fracture treated the well, open-hole, with 13,550 gallons of acid, 100,000 pounds of sand, 70,000 gallons of treated water. We obtained very poor production, eventually declining enough to feel that if we could cement some form of casing across the first producing zones and obtain a selected interval treatment, rather than just a gross interval treatment, we would be able to increase the production in the well. In the process of attempting to set 3-1/2 inch oil string, they went in to recement the zone with 2-3/8th inch tubing, and in the process cemented the 2-3/8th inch tubing in the well. As is shown on the diagram, it was cemented with 50 sacks, the calculated top of cement is approximately 485 feet from the surface in the tubing casing annulus. After that point, after inadvertantly cementing the tubing in, we then went in and perforated the producing zones from 1295 down to 1372 feet and treated the well with 3000 gallons

YATES-DIRECT
CROSS

CASE 5238

Page..... 13

of 15-percent acid. The well dropped off again and we did not obtain adequate production, economic production, and the well is now abandoned, temporarily abandoned. We propose to inject water down the tubing; we propose to set a meter, pressure gauge and valve on the tubing at the surface.

Q Mr. Yates, what is the present production? I believe you mentioned that that well is temporarily abandoned?

A That is correct.

Q The BZ 6, what is its present production or most recent production of numbers?

A BZ 6 is to 24 barrels in the month of March, '74, BV 2 made 39 barrels of oil in the month of March, '74.

Q Were these Exhibits prepared under your supervision?

A Yes.

MR. LOSEE: That's all we have on direct, Mr. Examiner.

CROSS EXAMINATION

BY MR. STAMETS:

Q Mr. Yates, would it be possible and advisable to equip the injection pump with a high pressure shut-off

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of some sort to keep the pressure in the well from exceeding fracture pressure or some safe pressure, 850 pounds or 700 pounds?

A Yes, this is quite feasible. By-passes are very commonly installed, in fact they should be installed in all injection wells just for safety purposes, and we can set at the fracture pressure.

Q What would "at the fracture pressure" be, appropriate of some pressure less than fracture pressure, would you propose 800, 900 pounds?

A We are presently injecting 700 to 850 pounds. Fracture pressure, of course, varies somewhat throughout the reservoir, depending upon the depth of completion. If we were to set it at 850 pounds, I think that would be adequate. Fracture pressure, I think, we had at 900 to 1100 pounds, so it would be somewhat less.

MR. LOSEE: Is that a pop valve?

MR. YATES: Pop-off valve.

BY MR. STAMETS:

Q Mr. Yates, are there some drilling rules extant in this area, to your knowledge, that differ from possibly other places in Eddy County?

A With respect to produced water completion?

Q In drilling a new well in there, if you were to drill a new well in there, are there some requirements that they might not have in other places?

A Concerning the artesian water zone?

Q Yes, the number of strings, of casing.

A All right. There are three strings, well actually I guess there are two main strings required, the intermediate string that goes across the artesian water zone, which is required to be circulated, and then the producing string has to be circulated also, the 4-1/2 or 5-1/2 string. We also run in addition to that a 10-3/4 string to handle shallow surface problems, boulders and things that is a problem. Again this is circulated, all strings of casing are circulated.

Q So in any new completion that you have in there there are two strings of casing at least through the artesian water zone?

A That is correct.

Q Is this to provide adequate protection, or excellent protection to the artesian waters in the area?

A The purpose of it is to provide as good a protection as possible to the artesian water zone.

Q On the Gissler AV Well, the one that you discussed

at length , there is a single string of casing through the artesian zone, and then the tubing, and some cement behind it, indicates that this cement wasn't perfect around the tubing and there was a hole in the tubing and a hole in the casing; it would be possible to pump some salt water out into the artesian water would it not?

A Yes, if there were holes it would be possible to do so, of course this is true even in the others if there were holes it would be possible to pump into. We propose, and I did not mention this and failed to do so although it is written here, we propose to monitor, we know that there is a monitor problem here which is different from the other two wells in the leak detection problem, and we propose to, of course, the best immediate monitoring is the daily well-injection pressure and injection rates. If we were to break through and be injecting water into the artesian zone, of course the pressure would drop considerably, considering the permeability and the porosity of the artesian zone. We also propose to monitor injection by use of annual surveys to confirm, downhole surveys, to confirm and trace the water injection.

Q This well was also fractured in the open-hole

from the base of the casing, 1151 feet into the open-hole?

A Yes, sir.

Q Is it possible that that fracture treatment could have opened up some fractures from this point up into the artesian water?

A This is a very good question. It was my question immediate to, I was not, of course, here at the time that the treatment took place. The production history of the well, after the treatment, was very poor, including both water and oil production, and I believe in 1969, the early part of '69, the well was making approximately 10 barrels of water per day and had dropped off to 3 barrels of water per day. This was in the open-hole after the fracture treatment. So, from the production performance, the water was reported to be salty by the pumpers, and from the production performance, every indication is that we did not fracture up into the artesian water zone. The same, I might point out, can be said after the cementation of the tubing and treating with 3000 gallons of acid; the well just would not give off any fluid to speak of. In fact, I'm hopeful that we can inject into it. The well is practically useless as a producing well in terms of its producing capability.

MR. STAMETS: Are there any other questions of Mr. Yates?

MR. LOSEE: Just one question.

REDIRECT EXAMINATION

BY MR. LOSEE:

Q You've drilled and completed 55, I believe fractured most of them, do you have any evidence of any vertical fracture in the Slaughter?

A No, we have not experienced any vertical fracturing. In fact, we would be very pleased with respect to the producing formation, if we could obtain vertical fracturing. We are obtaining horizontal fracturing, and of course it takes a lot more fracturing fluid to do the same amount of work, and it just isn't as an efficient process. We have on numerous occasions fractured zones and straddle tested them, pumped into them, checked for circulation, and have not achieved circulation, so we feel quite confident that we -- and also, based on fracture pressure gradient calculations that we are obtaining horizontal fractures -- so we don't feel that we are creating vertical fractures and we don't see any signs of vertical, native vertical fracturing in the formation.

MR. LOSEE: I have nothing further.

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MR. STAMETS: A couple of points here.

RECROSS EXAMINATION

BY MR. STAMETS:

Q You have asked for an administrative procedure to convert additional wells in this area, and these would be wells which comply with the same requirements that we would have for the wells in here that we discussed today?

A That is correct. We feel that by the very nature of producing formation over a short interval, short distance, that it is very likely that we could propose to continue or expand in-field drilling operations in the future, of course depending on the price of oil, and we wanted to have this flexibility to handle the anticipated increased volumes of water.

Q Will we have a central injection plant here or will it be an isolated plant?

A At the moment we are planning a central injection plant, but if we expand to the west more, it's going to be unfeasible to pump all the water to one plant and then pump it back out to the west. We do have one plant at the moment.

Q How about your flow lines? Are those plastic coated? Are you having any problems with your flow lines?

A No, we haven't had any problems. We rely upon inhibitors that we inject at the producing well. We don't use plastic flow lines; there are too many cattle out there and we would have to bury them and burying them in that rock, it's granite.

MR. STAMETS: Are there any other questions of the Witness? He may be excused. If there is nothing further we will take the case under advisement.

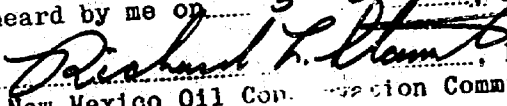
CASE 5238

Page.....21.....

STATE OF NEW MEXICO)
)
COUNTY OF SANTA FE) SS.

I, RICHARD L. NYE, Court Reporter, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me, and the same is a true and correct record of the said proceedings, to the best of my knowledge, skill and ability.


RICHARD L. NYE, Court Reporter

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing Case No. 5238 heard by me on 5-8 19 74
, Examiner
New Mexico Oil Conservation Commission

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OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

P. O. BOX 2088 - SANTA FE

87501

I. R. TRUJILLO

CHAIRMAN

LAND COMMISSIONER

ALEX J. ARMIJO

MEMBER

STATE GEOLOGIST

A. L. PORTER, JR.

SECRETARY - DIRECTOR

May 21, 1974

Mr. A. J. Losee
Losee & Carson
Attorneys at Law
Post Office Box 239
Artesia, New Mexico 88210

Re: CASE NO. 5238

ORDER NO. R-4787

Applicant:

Yates Petroleum Corporation

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.

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC X
Artesia OCC X
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. 5238
Order No. R-4787

APPLICATION OF YATES PETROLEUM
CORPORATION FOR SALT WATER DISPOSAL
AND AN ADMINISTRATIVE PROCEDURE,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on May 8, 1974,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 21st day of May, 1974, 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, Yates Petroleum Corporation, seeks
authority to dispose of produced salt water into the San Andres
formation through three wells in the Eagle Creek-San Andres
Pool, Eddy County, New Mexico, as follows:

through 2 3/8-inch plastic or cement-lined tubing set
in a packer at approximately 1160 feet, with perforations
from 1286 to 1456 feet in applicant's Federal B2 Well No. 6,
located in Unit N of Section 21, Township 17 South, Range
25 East, NMPM, Eddy County, New Mexico.

through 2 3/8-inch plastic or cement-lined tubing set in
a packer at approximately 1200 feet with perforations from
1270 to 1440 feet in applicant's Ingram Jackson BV Well
No. 2, located in Unit D of Section 26, Township 17 South,
Range 25 East, NMPM, Eddy County, New Mexico.

through 2 3/8-inch uncoated tubing set in cement at 1450
feet with perforations from 1295 to 1372 feet in applicant's
Gissler AV Well No. 1, located in Unit C of Section 23,
Township 17 South, Range 25 East, NMPM, Eddy County, New
Mexico.

-2-

CASE NO. 5238
Order No. R-4787

(3) That applicant further requests the establishment of a procedure whereby additional disposal wells in the Eagle Creek-San Andres Pool may be approved by the Commission without the necessity for notice and hearing.

(4) That the mechanics of the proposed conversion to disposal of applicant's Federal BZ Well No. 6 and its Ingram Jackson BV Well No. 2 are sound and in accord with good conservation practices provided that maximum injection pressure at the surface shall be no more than 850 psi.

(5) That the mechanics of the proposed conversion to disposal of applicant's Gissler AV Well No. 1 are unacceptable for the following reasons: the setting of the tubing string in cement rather than in a packer within a string of casing does not provide adequate assurance that injection of salt water will be confined to the perforated interval; the subject well does not have two strings of casing through the artesian water zone as required by the Special Pool Rules for the Eagle Creek-San Andres and Penasco Draw-San Andres-Yeso Pools; the subject well, having no annular space, does not provide for an adequate method to detect and measure tubing leakage; the uncoated tubing proposed to be used would be vulnerable to salt water corrosion.

(6) That applicant's request to convert its Federal BZ Well No. 6 and its Ingram Jackson BV Well No. 2 to disposal should be granted.

(7) That applicant's request to convert its Gissler AV Well No. 1 to disposal should be denied.

(8) That an administrative procedure should be established whereby additional disposal wells within the Eagle Creek-San Andres Pool may be approved by the Commission without the necessity for notice and hearing.

IT IS THEREFORE ORDERED:

(1) That the applicant is hereby authorized to convert to salt water disposal its Federal BZ Well No. 6, located in Unit N of Section 21, and its Ingram Jackson BV Well No. 2, located in Unit D of Section 26, both in Township 17 South, Range 25 East, NMPM, Eagle Creek-San Andres Pool, Eddy County, New Mexico.

(2) That disposal in each well shall take place through 2 3/8-inch plastic or cement-lined tubing set in a packer at approximately 1160 feet in the case of applicant's Federal BZ Well No. 6, and at approximately 1200 feet in the case of applicant's Ingram Jackson BV Well No. 2. The casing-tubing annulus of each well shall be filled with an inert fluid and equipped with a pressure gauge or other attention-attracting leak detection device.

-3-

CASE NO. 5238
Order No. R-4787

(3) That the applicant's request for authorization to convert to disposal its Gissler AV Well No. 1, located in Unit C of Section 23, Township 17 South, Range 25 East, NMPM, Eagle Creek-San Andres Pool, Eddy County, New Mexico, is hereby denied.

(4) That the Secretary-Director may approve additional disposal wells within the Eagle Creek-San Andres Pool upon proper application in accordance with the appropriate provisions of Rule 701.b and 701.c of the Commission Rules and Regulations.

(5) That any injection well authorized by this order or administratively under Order (4) of this order shall be equipped with an acceptable pressure regulating device to ensure that wellhead injection pressure shall not exceed 850 psi.

(6) 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
I. R. TRUJILLO, Chairman

ALEX J. ARMIJO, Member

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

S E A L

jr/

DOCKET: EXAMINER HEARING - WEDNESDAY - MAY 8, 1974

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

The following cases will be heard before Richard L. Stamets, Examiner, or Daniel S. Nutter, Alternate Examiner:

CASE 4790: (Reopened) (Continued from April 10, 1974, Examiner Hearing)

In the matter of Case No. 4790 being reopened pursuant to the provisions of Order No. R-4370, which order established temporary rules for the Dublin-Ellenburger Gas Pool, Lea County, New Mexico, including a provision for 640-acre spacing. All interested parties may appear and show cause why said pool should not be developed on 320-acre spacing units.

CASE 5220: (Continued from the April 25, 1974, Examiner Hearing)

Application of Atlantic Richfield Company for an unorthodox gas well location and non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its McDonald State WN Well No. 24 located 1780 feet from the North line and 660 feet from the West line of Section 25, Township 22 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico, to be dedicated to a 320-acre non-standard gas proration unit comprising the N/2 of said Section 25.

CASE 5229: Application of Texas International Petroleum Corporation for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its Lower-Federal Well No. 1 located in Unit H of Section 31, Township 20 South, Range 30 East, Golden Lane Field, Eddy County, New Mexico, in such a manner as to produce Strawn and Morrow gas through parallel strings of tubing.

CASE 5230: Application of Gulf Oil Corporation for the amendment of Order No. R-4079, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-4079 which authorized the commingling of Hobbs Grayburg-San Andres and Hobbs-Blinbry production from its W. D. Grimes "A" and "B" leases in Sections 32 and 33, Township 18 South, Range 38 East, Lea County, New Mexico, to include in said commingling authority Bowers-Seven Rivers production.

CASE 5231: Application of Mesa Petroleum Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Nash Unit Area comprising 5,124 acres, more or less, of State, Federal and fee lands in Township 23 South, Ranges 29 and 30 East, Eddy County, New Mexico.

CASE 5232: Application of Texas Pacific Oil Company, Inc. for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Phantom Draw Unit Area comprising 8,465 acres, more or less, of Federal, State and fee lands in Township 26 South, Range 31 East, Eddy County, New Mexico.

- CASE 5233: Application of Burleson & Huff for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests down to and including the Queen formation underlying the SW/4 of Section 29, Township 25 South, Range 37 East, Langlie-Mattix Pool, Lea County, New Mexico, to be dedicated to its Jenkins Well No. 3 located 760 feet from the South line and 1980 feet from the West line of said Section 29. Also to be considered will be the cost of recompleting and equipping 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 charge for risk involved in recompleting and equipping said well.
- CASE 5234: Application of Atlantic Richfield for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 320-acre non-standard gas proration unit comprising the S/2 of Section 14, Township 22 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico, to be simultaneously dedicated to its McDonald WN State Wells Nos. 1 and 27 located in Units L and O, respectively, of said Section 14.
- CASE 5235: Application of Atlantic Richfield Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the N/2 of Section 9, Township 21 South, Range 26 East, Eddy County, New Mexico, to form a standard 320-acre unit to be dedicated to a well to be drilled at a standard location for said unit, and pooling all mineral interests in the Pennsylvanian formation underlying the S/2 of said Section 9 to form a standard 320-acre unit to be dedicated to a well to be drilled at a standard location for said unit, if it is determined that said Section 9 should be developed on 320-acre spacing. Applicant further seeks a provision in said order that would pool all mineral interests in the Pennsylvanian formation underlying all of said Section 9 to form a standard 640-acre unit to be dedicated to a well to be drilled at a standard location for said unit if it is determined that said Section 9 should be developed on 640-acre spacing. Also to be considered will be the cost of drilling and completing said well, or wells, 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, or wells, and a charge for risk involved in drilling said well, or wells.
- CASE 5236: Application of Atlantic Richfield Company for five unorthodox oil well locations and an administrative procedure, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of five oil wells in the Horseshoe-Gallup Oil Pool in Township 31 North, Range 16 West, San Juan County, New Mexico, to be drilled at the following points:

(Case 5236 continued from Page 1)

1975 feet from the North line and 890 feet from the West line of Section 28; 150 feet from the North line and 1375 feet from the East line of Section 33; 2580 feet from the South line and 295 feet from the West line of Section 35; 2605 feet from the North line and 2580 feet from the East line of Section 32; and 2549 feet from the South line and 2570 feet from the East line of Section 30.

Applicant further seeks an administrative procedure for the approval without notice and hearing of additional unorthodox locations for infill wells to be drilled within the Atlantic Horseshoe-Gallup Unit Area.

CASE 5237: Application of General American Oil Company of Texas for sixteen unorthodox oil well locations and an administrative procedure, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of sixteen oil wells in the Grayburg-Jackson Pool, Eddy County, New Mexico, to be drilled at the following points: 1295 feet from the South line and 1345 feet from the East line of Section 13; 1345 feet from the North line and 25 feet from the East line, 1295 feet from the North line and 2615 feet from the East line, 1295 feet from the North and East lines, 1295 feet from the South line and 2615 feet from the West line, 1345 feet from the South line and 25 feet from the East line, and 2615 feet from the South line and 1345 feet from the East line of Section 23; 1345 feet from the North and West lines, 2615 feet from the South line and 25 feet from the West line, 2615 feet from the South line and 1295 feet from the West line, 2615 feet from the South and West lines, 1345 feet from the South line and 2615 feet from the East line, and 1295 feet from the South line and 1345 feet from the West line of Section 24; and 25 feet from the North line and 2615 feet from the East line of Section 26, all in Township 17 South, Range 29 East, and 1295 feet from the North line and 2665 feet from the East line and 25 feet from the North line and 2615 feet from the East line of Section 30, Township 17 South, Range 30 East.

Applicant further seeks the adoption of an administrative procedure whereby additional infill wells at unorthodox locations could be drilled on its leases in this area without notice and hearing.

CASE 5238: Application of Yates Petroleum Corporation for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation through the indicated perforated interval of the following wells in Township 17 South, Range 25 East, Eagle Creek-San Andres Pool, Eddy County, New Mexico: from 1286 feet to 1456 feet in its Federal B2 Well No. 6 located in Unit N of Section 21; from 1270 feet to 1440 feet in its Ingram Jackson BV Well No. 2 located in Unit D of Section 26; and from 1295 feet to 1372 feet in its Gissler AV Well No. 1 located in Unit C of Section 23. Applicant further seeks an administrative procedure for approval of additional salt water disposal into the San Andres formation in the subject pool without notice and hearing.

CASE 5239: Southeastern nomenclature case calling for the creation and extension of certain pools in Lea and Eddy Counties, New Mexico.

(a) Create a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the Ojo Chiso-Morrow Gas Pool. The discovery well is the Brunson & McKnight, Inc. Ojo Chiso Unit Well No. 1 located in Unit E of Section 23, Township 22 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 34 EAST, NMPM
Section 23: W/2

(b) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Delaware production and designated as the Washington Ranch-Delaware Gas Pool. The discovery well is the Black River Corporation BR 4 Federal Well No. 3 located in Unit H of Section 4, Township 26 South, Range 24 East, NMPM. Said pool would comprise:

TOWNSHIP 26 SOUTH, RANGE 24 EAST, NMPM
Section 4: NE/4

(c) Extend the West Atoka-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 25 EAST, NMPM
Section 1: All
Section 2: E/2
Section 12: All

(d) Extend the Atoka-Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM
Section 12: W/2

(e) Extend the Burton Flat-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM
Section 27: S/2
Section 35: W/2

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM
Section 7: All
Section 11: All

(f) Extend the Burton Flat-Strawn Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM
Section 35: W/2

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM
Section 11: All

- (g) Extend the Cabin Lake-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 30 EAST, NMPM
Section 11: N/2

- (h) Extend the Crossroads-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 36 EAST, NMPM
Section 26: NE/4

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

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 6: SE/4

- (j) Extend the Fowler-Devonian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 37 EAST, NMPM
Section 10: NE/4

- (k) Extend the Indian Basin-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 25 EAST, NMPM
Section 31: All
Section 32: All

- (l) Extend the Penasco Draw San Andres-Yeso Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM
Section 12: NW/4

- (m) Extend the Quail Ridge-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM
Section 17: E/2

- (n) Extend the Rocky Arroyo-Wolfcamp Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 22 EAST, NMPM
Section 7: E/2
Section 8: SW/4

- (o) Extend the Sand Dunes-Cherry Canyon Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 31 EAST, NMPM
Section 26: NW/4 SE/4

- (p) Extend the North Vacuum-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM
Section 1: NE/4

- (q) Extend the Vada-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 33 EAST, NMPM
Section 13: NE/4

- (r) Extend the Wantz-Granite Wash Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 26: NE/4

- (s) Extend the Washington Ranch-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 26 SOUTH, RANGE 24 EAST, NMPM
Section 12: N/2

- (t) Extend the White City-Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 26 EAST, NMPM
Section 17: All

- (u) Extend the Wilson-Pennsylvanian Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 34 EAST, NMPM
Section 13: E/2

- (v) Extend the Winchester-Strawn Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM
Section 35: S/2

Examiner Hearing - Wednesday - May 8, 1974

Dockets Nos. 12-74 and 13-74

-7-

(w) Extend the Winchester-Wolfcamp Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM
Section 35: S/2

CASE 5208: (Continued from the April 25, 1974, Examiner Hearing)

Application of S. P. Yates for an exception to Order No. R-3221, as amended, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks, as an exception to Order No. R-3221, as amended, authority to dispose of produced salt water in an unlined surface pit on its Federal LC 065598 lease in the SW/4 SW/4 of Section 4, and the NE/4 of Section 5, Township 17 South, Range 30 East, Square Lake Pool, Eddy County, New Mexico.

Docket No. 13-74

DOCKET: EXAMINER HEARING - WEDNESDAY - MAY 15, 1974

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

The following cases will be heard before Daniel S. Nutter, Examiner or Richard L. Stamets, Alternate Examiner:

- ALLOWABLE: (1) Consideration of the allowable production of gas from seventeen prorated pools in Lea, Eddy, Roosevelt, and Chaves Counties, New Mexico, for June, 1974;
- (2) Consideration of the allowable production of gas from five prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico, for June, 1974.

Memo

From

A. GRESSETT SUPER.
& OIL & GAS INSP.

To Dick

Carl 5238
File

Re: case 5238
5-8-74

Wester AV #1-C-23-17-25
might not be a very good well for
for injection, see attached C-103

Bill

NO. OF COPIES RECEIVED	3
DISTRIBUTION	
SANTA FE	1
FILE	1
U.S.G.S.	
LAND OFFICE	
OPERATOR	1

RECEIVED
NEW MEXICO OIL CONSERVATION COMMISSION

JAN 19 1972

Form C-103
Supersedes Old
C-102 and C-103
Effective 1-1-65

SUNDY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		5a. Indicate Type of Lease State <input type="checkbox"/> Fee <input checked="" type="checkbox"/>
1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>	2. Name of Operator Yates Petroleum Corporation	5. State Oil & Gas Lease No.
3. Address of Operator 207 South 4th Street - Artesia, NM 88210	4. Location of Well UNIT LETTER C 990 FEET FROM THE North 2310 THE West LINE, SECTION 23 TOWNSHIP 17S RANGE 25E NMPM.	7. Unit Agreement Name
15. Elevation (Show whether DF, RT, GR, etc.) 3496 DF	12. County Eddy	8. Form or Lease Name Gissler "AV"
		9. Well No. 1
		10. Field and Pool, or Wildcat Eagle Creek SA

16. Check Appropriate Box To Indicate Nature of Notice, Report or Other Data			
NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input checked="" type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	OTHER <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>	OTHER <input type="checkbox"/>

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 103.

On June 24, 1971, pulled rods and tubing, cleaned hole to 1450', ran 2" tubing open-ended and spotted 50 sx retarded Incor Neat cement, unable to complete displacement, tubing stuck and cemented in place. Ran 1" tubing and washed out cement from inside tubing. Well temporarily abandoned.

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

SIGNED Eddie L. Smith TITLE Engineer DATE 1-17-72
APPROVED BY W. A. Gissler TITLE OIL AND GAS INSPECTOR DATE JAN 24 1972
CONDITIONS OF APPROVAL, IF ANY:

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

OPERATOR Yates Petroleum Corporation		ADDRESS 207 So. 4th St., Artesia, N.M. 88210			
LEASE NAME Gissler AV	WELL NO. 1	FIELD Eagle Creek S.A.	COUNTY Eddy		
LOCATION UNIT LETTER <u>C</u> WELL IS LOCATED <u>990</u> FEET FROM THE <u>North</u> LINE AND <u>2310</u> FEET FROM THE West LINE, SECTION <u>23</u> TOWNSHIP <u>17S</u> RANGE <u>25E</u> NMPM.					
CASING AND TUBING DATA					
NAME OF STRING	SIZE	SETTING DEPTH	SACKS CEMENT	TOP OF CEMENT	TOP DETERMINED BY
SURFACE CASING	4½	1152	974	Surface	Circulated
INTERMEDIATE					RECEIVED
LONG STRING	2-3/8	1450	50	Surface	APR 19 1974
TUBING			NAME, MODEL AND DEPTH OF TUBING PACKER O. C. C. ARTESIA, OFFICE		
NAME OF PROPOSED INJECTION FORMATION San Andres (Slaughter)		TOP OF FORMATION 1221		BOTTOM OF FORMATION 1557	
IS INJECTION THROUGH TUBING, CASING, OR ANNULUS? 2" Slim hole		PERFORATIONS OR OPEN HOLE? Perforations		PROPOSED INTERVAL(S) OF INJECTION 1295 - 1372	
IS THIS A NEW WELL DRILLED FOR DISPOSAL? No		IF ANSWER IS NO, FOR WHAT PURPOSE WAS WELL ORIGINALLY DRILLED? Oil well		HAS WELL EVER BEEN PERFORATED 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 N.A.					
DEPTH OF BOTTOM OF DEEPEST FRESH WATER ZONE IN THIS AREA 1051		DEPTH OF BOTTOM OF NEXT HIGHER OIL OR GAS ZONE IN THIS AREA 1092		DEPTH OF TOP OF NEXT LOWER OIL OR GAS ZONE IN THIS AREA 1388	
ANTICIPATED DAILY INJECTION VOLUME (BBL/D)	MINIMUM 25	MAXIMUM 100	OPEN OR CLOSED TYPE SYSTEM Closed	IS INJECTION TO BE BY GRAVITY OR PRESSURE? Pressure	APPROX. PRESSURE (PSI) 600 psi
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 -			WATER TO BE DISPOSED OF Yes		NATURAL WATER IN DISPOSAL ZONE Yes
NAME AND ADDRESS OF SURFACE OWNER (OR LESSEE, IF STATE OR FEDERAL LAND) J. W. (Bill) Gissler, P.O. Box 987, Artesia, N. Mex. - Fee Minerals					
LIST NAME AND ADDRESSES OF ALL OPERATORS WITHIN ONE-HALF (½) MILE OF THIS INJECTION WELL Yates Petroleum Corporation is sole Operator within 1/2 mile radius.					
HAVE COPIES OF THIS APPLICATION BEEN SENT TO EACH OF THE FOLLOWING?		SURFACE OWNER Yes		EACH OPERATOR WITHIN ONE-HALF MILE OF THIS WELL N.A.	
ARE THE FOLLOWING ITEMS ATTACHED TO THIS APPLICATION (SEE RULE 701-B)		PLAT OF AREA Yes		ELECTRICAL LOG Yes	
				THE NEW MEXICO STATE ENGINEER 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.

Eddy M. Martinez
(Signature)Engineer
(Title)4/12/74
(Date)

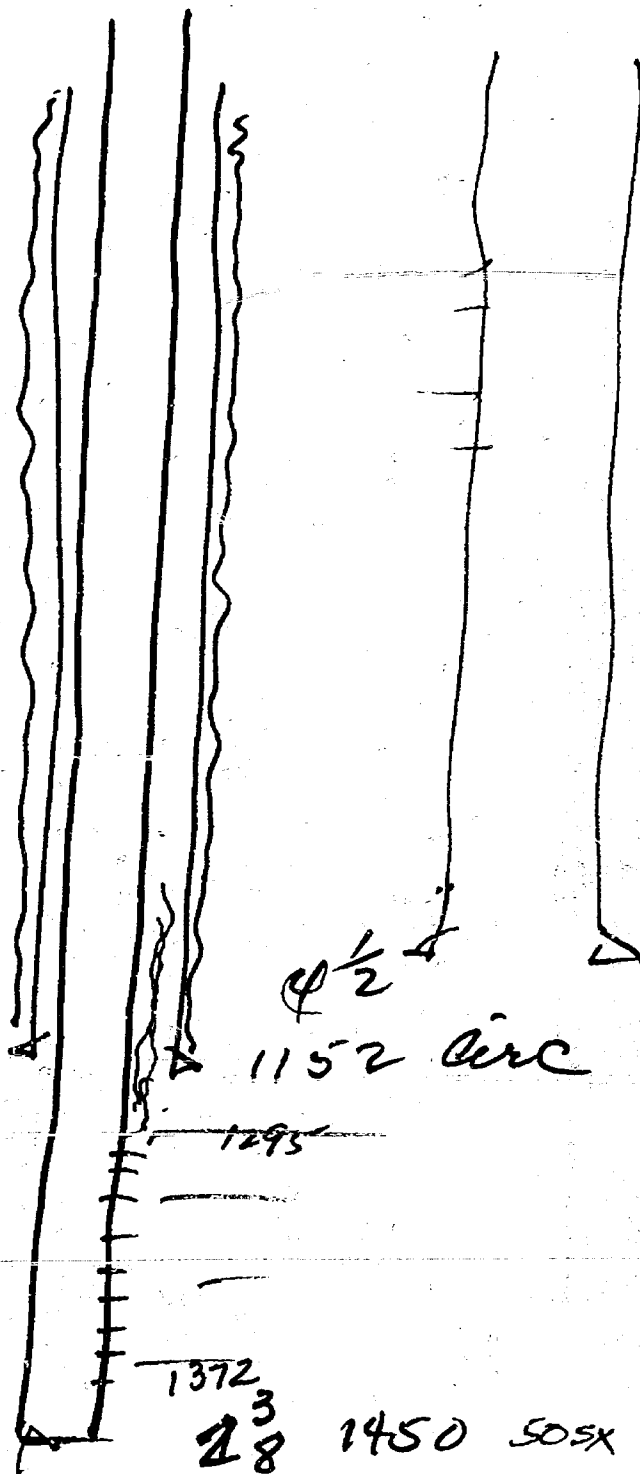
NOTE: Should waivers from the State Engineer, the surface owner, and all operators within one-half mile of the proposed injection well, not accompany this application, the New Mexico Oil Conservation Commission will hold the application for a period of 15 days from the date of receipt by the Commission's 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.

Memo

To

From

CARL ULVOG
SENIOR
PETROLEUM GEOLOGIST



NEW MEXICO OIL CONSERVATION COMMISSION

APPLICATION TO DISPOSE OF SALT WATER BY INJECTION INTO A POROUS FORMATION

OPERATOR Yates Petroleum Corporation		ADDRESS 207 So. 4th St., Artesia, N.M. 88210			
LEASE NAME Federal BZ	WELL NO. 6	FIELD Eagle Creek S.A.	COUNTY Eddy		
LOCATION UNIT LETTER N WELL IS LOCATED 330 FEET FROM THE South LINE AND 2310 FEET FROM THE West LINE, SECTION 21 TOWNSHIP 17S RANGE 25E NMPM.					
CASING AND TUBING DATA					
NAME OF STRING	SIZE	SETTING DEPTH	SACKS CEMENT	TOP OF CEMENT	TOP DETERMINED BY
SURFACE CASING	10-3/4	142	60	Circulated	
INTERMEDIATE	7"	1074	400	Circulated	
LONG STRING	5 1/2 & 4 1/2	1560	125	Circulated	
TUBING	2-3/8	NAME, MODEL AND DEPTH OF TUBING PACKER Approx 1160' Baker Lokset @ 1160			
NAME OF PROPOSED INJECTION FORMATION San Andres (Slaughter)		TOP OF FORMATION 1165		BOTTOM OF FORMATION 1474	
IS INJECTION THROUGH TUBING, CASING, OR ANNULUS? Tubing		PERFORATIONS OR OPEN HOLE? Perforations		PROPOSED INTERVAL(S) OF INJECTION 1286 - 1456	
IS THIS A NEW WELL DRILLED FOR DISPOSAL? No		IF ANSWER IS NO, FOR WHAT PURPOSE WAS WELL ORIGINALLY DRILLED? Oil well		HAS WELL EVER BEEN PERFORATED 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 1286-1312/12, 1324-1356/8, 1444-1456/4 not squeezed					
DEPTH OF BOTTOM OF DEEPEST FRESH WATER ZONE IN THIS AREA 972		DEPTH OF BOTTOM OF NEXT HIGHER OIL OR GAS ZONE IN THIS AREA 1160		DEPTH OF TOP OF NEXT LOWER OIL OR GAS ZONE IN THIS AREA 1528	
ANTICIPATED DAILY INJECTION VOLUME (BBLs.)	MINIMUM 25	MAXIMUM 250	OPEN OR CLOSED TYPE SYSTEM Closed	IS INJECTION TO BE BY GRAVITY OR PRESSURE? Pressure	APPROX. PRESSURE (PSI) 600 psi
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 -			WATER TO BE DISPOSED OF Yes	NATURAL WATER IN DISPOSAL ZONE Yes	ARE WATER ANALYSES ATTACHED?
NAME AND ADDRESS OF SURFACE OWNER (OR LESSEE, IF STATE OR FEDERAL LAND) W. E. McIlhaney, Box 38, Rt. 1, Artesia, N. Mex. - Federal Minerals					
LIST NAMES AND ADDRESSES OF ALL OPERATORS WITHIN ONE-HALF (1/2) MILE OF THIS INJECTION WELL Yates Petroleum Corporation is sole Operator within 1/2 mile radius.					
HAVE COPIES OF THIS APPLICATION BEEN SENT TO EACH OF THE FOLLOWING?		SURFACE OWNER Yes		EACH OPERATOR WITHIN ONE-HALF MILE OF THIS WELL N.A.	
ARE THE FOLLOWING ITEMS ATTACHED TO THIS APPLICATION (SEE RULE 701-B)?		PLAT OF AREA Yes		ELECTRICAL LOG Yes	
				THE NEW MEXICO STATE ENGINEER 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.

Edwin M. McIlhaney
(Signature)

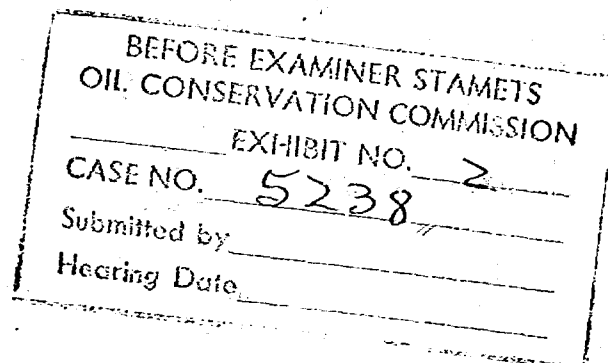
Engineer

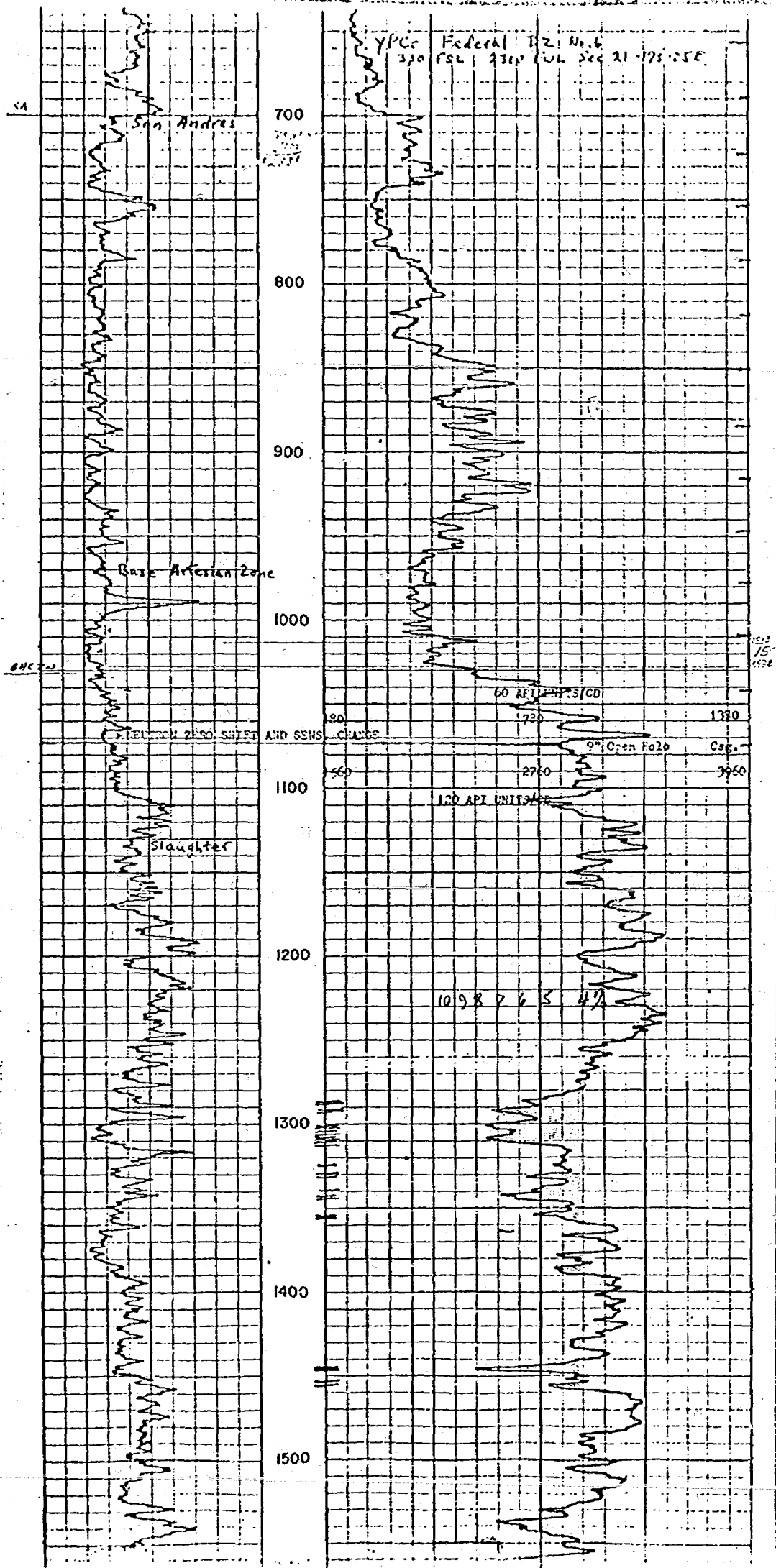
(Title)

4/12/74

(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 OF PROPOSED DISPOSAL WELL

YATES PET. CORP.
Fed. BZ No 6
330/S 2310/W
Sec. 21-17s-25e
EAGLE CREEK (S.A.)
Eddy County, N.M.

Elev. 3568' GL

SPUD: 9-9-71
TD: 9-13-71
COMPL.: 10-6-71
IP: 8 BOPD

Lost circ. @ 535' but
regained circ. w/LCM

Top of San Andres @ 700'

Base of Artesian Zone
@ 972'

Top of Slaughter @ 1165'

Dolomite w/ scattered
porosity w/D & G shows

Total Depth 1560' KB

PRESS GAUGE
VALVE
METER
INPUT

WING VALVE OPEN

all csg. strings cmtd. to surf.

13 3/4" hole to 142' w/ 130'
10 3/4" 32# csg. @ 142'

PROPOSED:
P.C. w/ Guiberson Shinty Tension Pkr.
2 3/8" tbg. on Baker Lokset Pkr.
set at approx 1160' with
inhibited fresh water in annulus,
wing valve open above gr. level

9 7/8" hole to 1074' w/ 1061' of 7"
23# J-55 csg. @ 1074' cmtd.
w/ 350 sx. CLC Neet 2% CaCl
+ 50 sx. CLC 4% CaCl & 3 yds.
ready mix

Perf: 1286-1356/20, 1444-56/4
Trtd. 6000 gal. 15% NEA & SWF
40000# 20/40 sd. in 80000 gal.
treated water

6 1/4" hole to 1560' w/ 526' 4 1/2"
10.6# J-55 & 1019' 5 1/2" 15.5#
J-55 csg. FC. & shoe @ 1560'
cmtd. w/ 125 sx. CLC

NEW MEXICO OIL CONSERVATION COMMISSION

APPLICATION TO DISPOSE OF SALT WATER BY INJECTION INTO A POROUS FORMATION

OPERATOR Yates Petroleum Corporation		ADDRESS 207 So. 4th St., Artesia, N.M. 88210	
LEASE NAME Ingram-Jackson BV	WELL NO. 2	FIELD Eagle Creek S.A.	COUNTY Eddy
LOCATION UNIT LETTER <u>D</u> WELL IS LOCATED <u>990</u> FEET FROM THE <u>North</u> LINE AND <u>990</u> FEET FROM THE <u>West</u> LINE, SECTION <u>26</u> TOWNSHIP <u>17S</u> RANGE <u>25E</u> N.M.P.M.			

CASING AND TUBING DATA

NAME OF STRING	SIZE	SETTING DEPTH	SACKS CEMENT	TOP OF CEMENT	TOP DETERMINED BY
SURFACE CASING	10-3/4	226'	80 sx	Circulated	
INTERMEDIATE	7"	1165'	350 sx	Circulated	
LONG STRING	4 1/2" - 5 1/2"	1452	125 sx	Circulated	
TUBING	2-3/8	Approx 1200'	NAME, MODEL AND DEPTH OF TUBING PACKER Baker Lokset @ 1200'		
NAME OF PROPOSED INJECTION FORMATION San Andres (Slaughter)			TOP OF FORMATION 1232		BOTTOM OF FORMATION 1472
IS INJECTION THROUGH TUBING, CASING, OR ANNULUS? Tubing		PERFORATIONS OR OPEN HOLE? Perforations	PROPOSED INTERVAL(S) OF INJECTION 1270 - 1440		
IS THIS A NEW WELL DRILLED FOR DISPOSAL? No	IF ANSWER IS NO, FOR WHAT PURPOSE WAS WELL ORIGINALLY DRILLED? Oil well		HAS WELL EVER BEEN PERFORATED 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 1270-72, 1311-15, 1350-55, 1375-98, 1405-08, 1425, 1436-40					
DEPTH OF BOTTOM OF DEEPEST FRESH WATER ZONE IN THIS AREA 1057		DEPTH OF BOTTOM OF NEXT HIGHER OIL OR GAS ZONE IN THIS AREA 1093		DEPTH OF TOP OF NEXT LOWER OIL OR GAS ZONE IN THIS AREA NP	
ANTICIPATED DAILY INJECTION VOLUME (BBL/S.) 25	MINIMUM 25	MAXIMUM 250 125	OPEN OR CLOSED TYPE SYSTEM Closed	IS INJECTION TO BE BY GRAVITY OR PRESSURE? Pressure	APPROX. PRESSURE (PSI) 600 psi
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 Yes		NATURAL WATER IN DISPOSAL ZONE Yes	ARE WATER ANALYSES ATTACHED? Yes
NAME AND ADDRESS OF SURFACE OWNER (OR LESSEE, IF STATE OR FEDERAL LAND) J. S. (Bill) Gissler, Box 987, Artesia, N. Mex. - Fee Minerals					
LIST NAMES AND ADDRESSES OF ALL OPERATORS WITHIN ONE-HALF (1/2) MILE OF THIS INJECTION WELL Yates Petroleum Corporation is sole Operator within 1/2 mile radius.					
HAVE COPIES OF THIS APPLICATION BEEN SENT TO EACH OF THE FOLLOWING?		SURFACE OWNER Yes		EACH OPERATOR WITHIN ONE-HALF MILE OF THIS WELL N.A.	
ARE THE FOLLOWING ITEMS ATTACHED TO THIS APPLICATION (SEE RULE 701-B)		FLAT OF AREA Yes		ELECTRICAL LOG Yes	
				THE NEW MEXICO STATE ENGINEER 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.

Eddie M. Neal
(Signature)

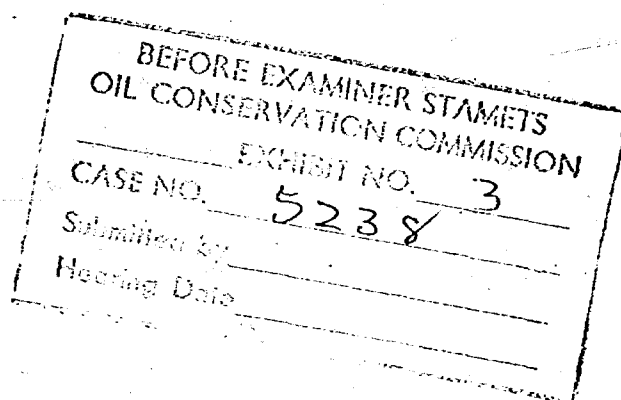
Engineer

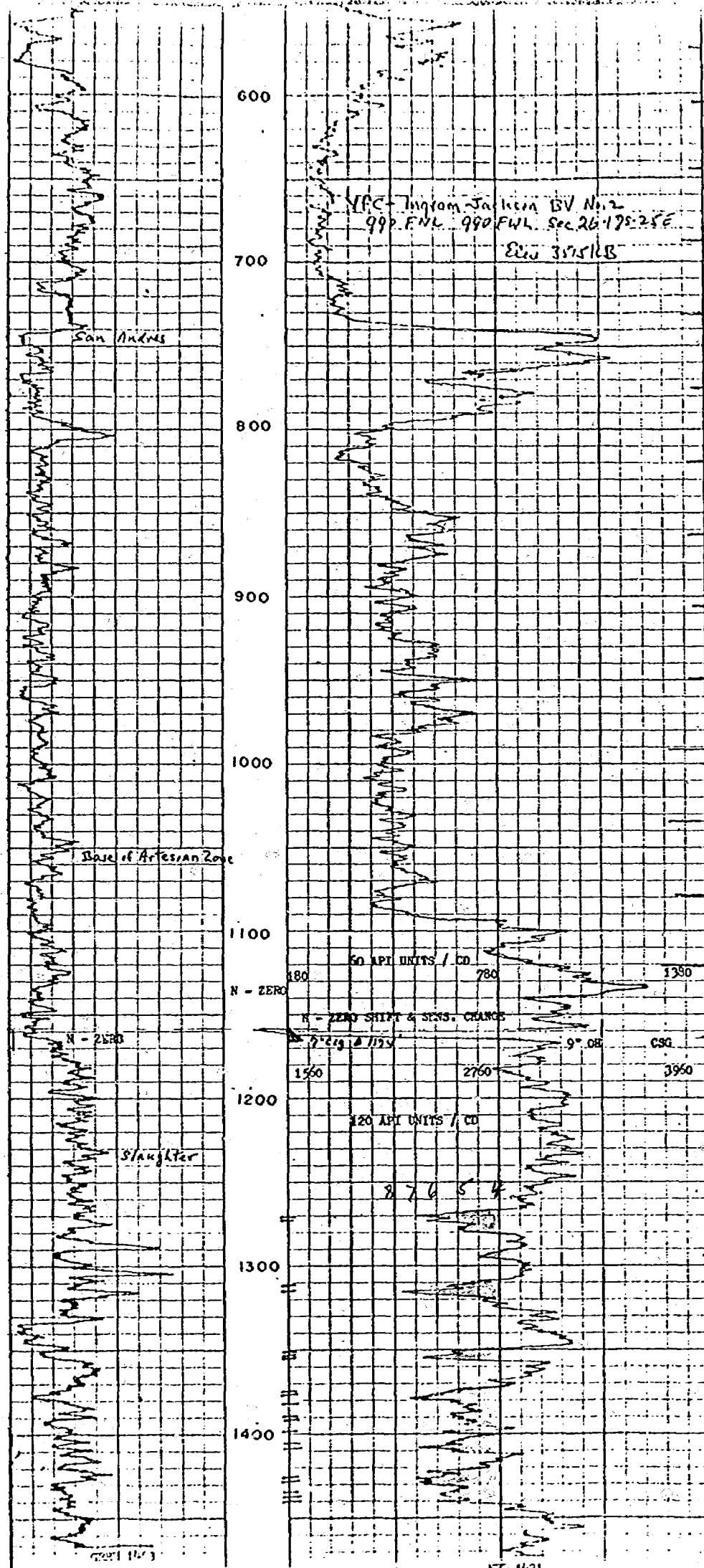
(Title)

4/12/74

(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 OF PROPOSED DISPOSAL WELL

YATES PET. CORP.
Ingram-Jackson BV #2
990/N 990/W
Sec. 26-17s-25E
EAGLE CREEK (S.A.)
Eddy County, N.M.

Elev. 3502 GL

SPUD: 5-20-71
TD: 5-29-71
COMPL.: 6-9-71
IP: 40 BOPD

PRESS GAUGE
VALVE
METER
INPUT

WING VALVE OPEN

all csg. strings cmtd. to surf.

13 3/4" hole to 251' KB w/ 212'
10 3/4" 32# csg. @ 226' cmtd.
w/ 80 sx. CLC 4% CaCl₂ circ.

Top of San Andres @ 740'

PROPOSED p.c. w/ Guiberson Shanty Tension Pkr
2 3/8" tbg. ~~at Baker Locket Pkr.~~
@ approx. 1200' with inhibited
fresh water in annulus, wing
valve open above ground.

Base of Artesian Zone
@ 1057'

9 7/8" hole to 1165' KB w/ 1153'
7" 20#, 23" J-55 csg. @ 1165'
cmtd. w/ 300 sx. CLC 2% CaCl₂
f 50 sx. CLC 4% CaCl₂ at top.

Top of Slaughter @ 1232'

Dolomite w/ scattered
porosity f O f G shows

Perfd. 1270-1470/20 jets
Trtd. w/ 1000 gal. 15% NEA f
SWF 40000# 20/40 sd. in
80000 gal. trtd. wtr.

6 1/8" hole to 1475', PBTD 1465'
513' 4 1/2" 9.5# f 939' 5 1/2" 15.5#
J-55 csg. F.C. f shoe @ 1465';
cmtd. w/ 125 sx. CLC Neat.

APPLICATION TO DISPOSE OF SALT WATER BY INJECTION INTO A POROUS FORMATION

OPERATOR Yates Petroleum Corporation		ADDRESS 207 So. 4th St., Artesia, N.M. 88210	
LEASE NAME Gissler AV	WELL NO. 1	FIELD Eagle Creek S.A.	COUNTY Eddy
LOCATION UNIT LETTER <u>C</u> WELL IS LOCATED <u>990</u> FEET FROM THE <u>North</u> LINE AND <u>2310</u> FEET FROM THE <u>West</u> LINE, SECTION <u>23</u> TOWNSHIP <u>17S</u> RANGE <u>25E</u> NMPM.			

CASING AND TUBING DATA					
NAME OF STRING	SIZE	SETTING DEPTH	SACKS CEMENT	TOP OF CEMENT	TOP DETERMINED BY
SURFACE CASING	4½	1152	974	Surface	Circulated
INTERMEDIATE					
LONG STRING	2-3/8	1450	50	Surface	
TUBING			NAME, MODEL AND DEPTH OF TUBING PACKER		
NAME OF PROPOSED INJECTION FORMATION San Andres (Slaughter)			TOP OF FORMATION 1221	BOTTOM OF FORMATION 1557	
IS INJECTION THROUGH TUBING, CASING, OR ANNULUS? 2" Slim hole		PERFORATIONS OR OPEN HOLES Perforations	PROPOSED INTERVAL(S) OF INJECTION 1295 - 1372		
IS THIS A NEW WELL DRILLED FOR DISPOSAL? No	IF ANSWER IS NO, FOR WHAT PURPOSE WAS WELL ORIGINALLY DRILLED? Oil well		HAS WELL EVER BEEN PERFORATED 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 N.A.					
DEPTH OF BOTTOM OF DEEPEST FRESH WATER ZONE IN THIS AREA 1051		DEPTH OF BOTTOM OF NEXT HIGHER OIL OR GAS ZONE IN THIS AREA 1092		DEPTH OF TOP OF NEXT LOWER OIL OR GAS ZONE IN THIS AREA 1388	
ANTICIPATED DAILY INJECTION VOLUME (BBLs.) 25	MINIMUM 150	MAXIMUM 150	OPEN OR CLOSED TYPE SYSTEM Closed	IS INJECTION TO BE BY GRAVITY OR PRESSURE? Pressure	APPROX. PRESSURE (PSI) 600 psi
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 Yes		
NAME AND ADDRESS OF SURFACE OWNER (OR LESSEE, IF STATE OR FEDERAL LAND) J. W. (Bill) Gissler, P.O. Box 987, Artesia, N. Mex. - Fee Minerals			NATURAL WATER IN DISPOSAL ZONE Yes		
LIST NAMES AND ADDRESSES OF ALL OPERATORS WITHIN ONE-HALF (½) MILE OF THIS INJECTION WELL Yates Petroleum Corporation is sole Operator within 1/2 mile radius.					
HAVE COPIES OF THIS APPLICATION BEEN SENT TO EACH OF THE FOLLOWING? Yes					
SURFACE OWNER Yes		EACH OPERATOR WITHIN ONE-HALF MILE OF THIS WELL N.A.		THE NEW MEXICO STATE ENGINEER Yes	
ARE THE FOLLOWING ITEMS ATTACHED TO THIS APPLICATION (SEE RULE 701-B) 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.

Eddy M. Gissler

(Signature)

Engineer

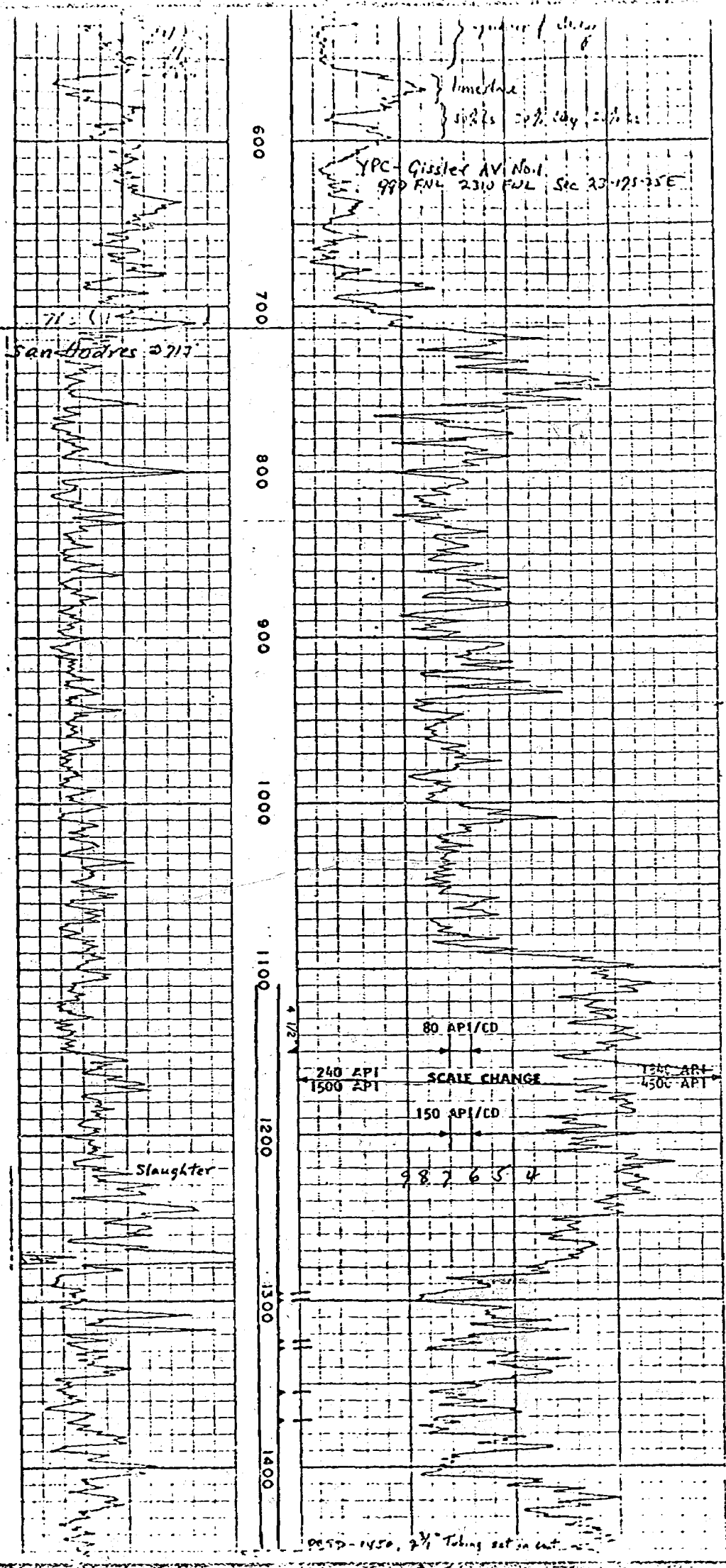
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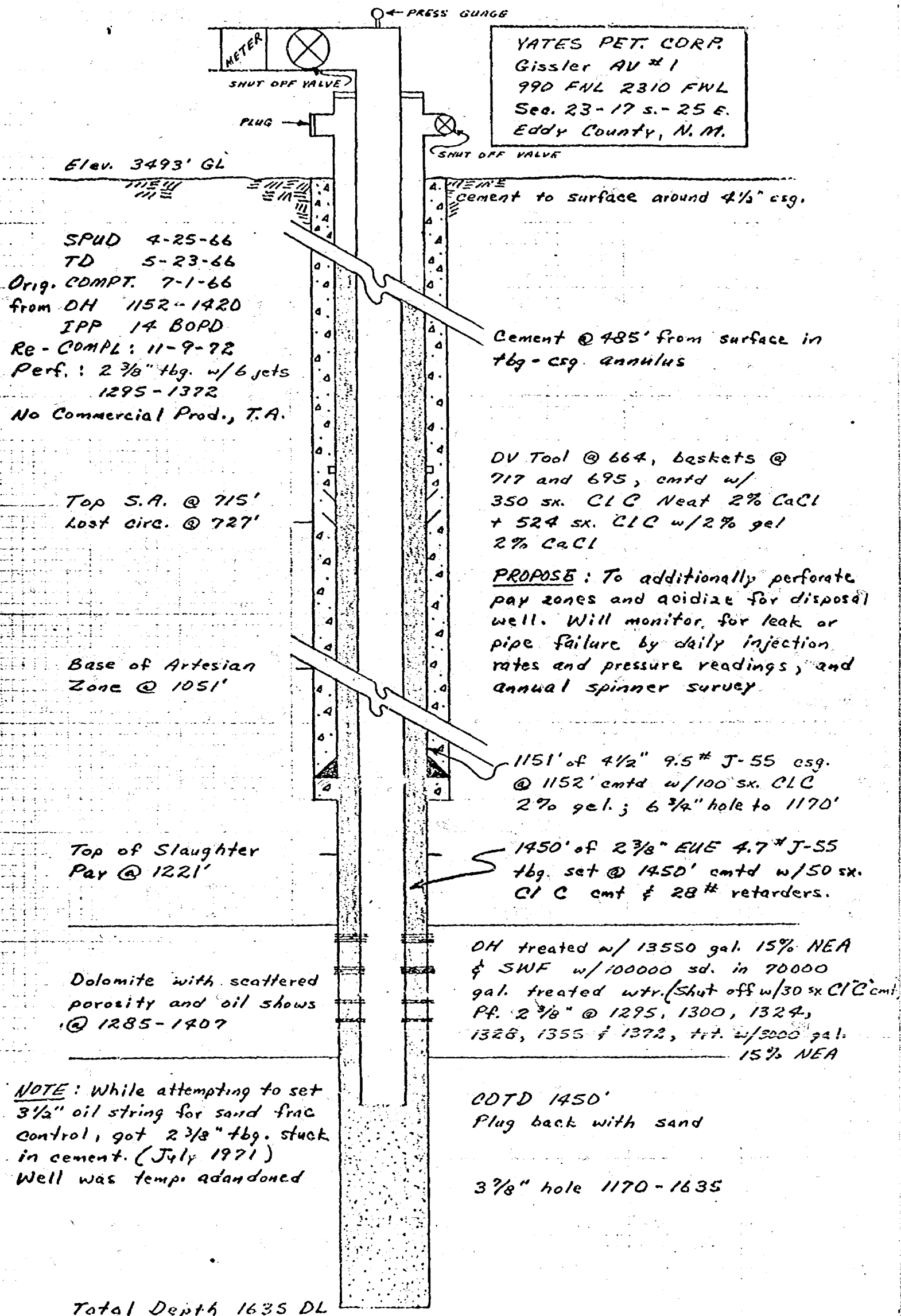
(Date)

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.

BEFORE EXAMINER STAMETS OIL CONSERVATION COMMISSION	
EXHIBIT NO.	4
CASE NO.	5238
Submitted by	
Hearing Date	



DIAGRAMMATIC SKETCH SALT WATER DISPOSAL WELL





YATES BUILDING - 207 SOUTH 4TH ST.
ARTESIA, NEW MEXICO - 88210

April 12, 1974

Mr. A. L. Porter, Jr.
Secretary-Director
New Mexico Oil Conservation Commission
P.O. Box 2088
Santa Fe, New Mexico 87501

Dear Mr. Porter:

Herewith is Application for Permit to Dispose of Produced Water in three (3) additional wells in Eagle Creek (San Andres) Field. We are currently engaged in further development of the field and will have excessive water production from water frac-ing the new wells for completion. The proposed wells are low volume producers and will not constitute any substantial loss of production by converting to water disposal.

Yours truly,

YATES PETROLEUM CORPORATION

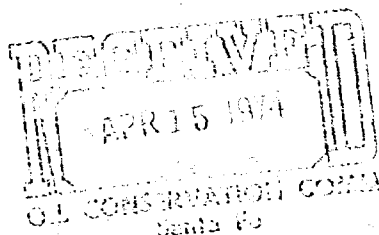
Eddie M. Mahfood
Eddie M. Mahfood
Petroleum Engineer

EMM/jg
Enclosures

*Set for hearing
5/8/74*

S. P. YATES
PRESIDENT
MARTIN YATES, III
VICE PRESIDENT
JOHN A. YATES
VICE PRESIDENT
B. W. HARPER
SEC. - TREAS.

Case 5238



OPERATOR Yates Petroleum Corporation		ADDRESS 207 So. 4th St., Artesia, N.M. 88210	
LEASE NAME Federal BZ	WELL NO. 6	FIELD Eagle Creek S.A.	COUNTY Eddy
LOCATION UNIT LETTER <u>N</u> ; WELL IS LOCATED <u>330</u> FEET FROM THE <u>South</u> LINE AND <u>2310</u> FEET FROM THE <u>West</u> LINE, SECTION <u>21</u> TOWNSHIP <u>17S</u> RANGE <u>25E</u> NMPM.			

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

Engineer

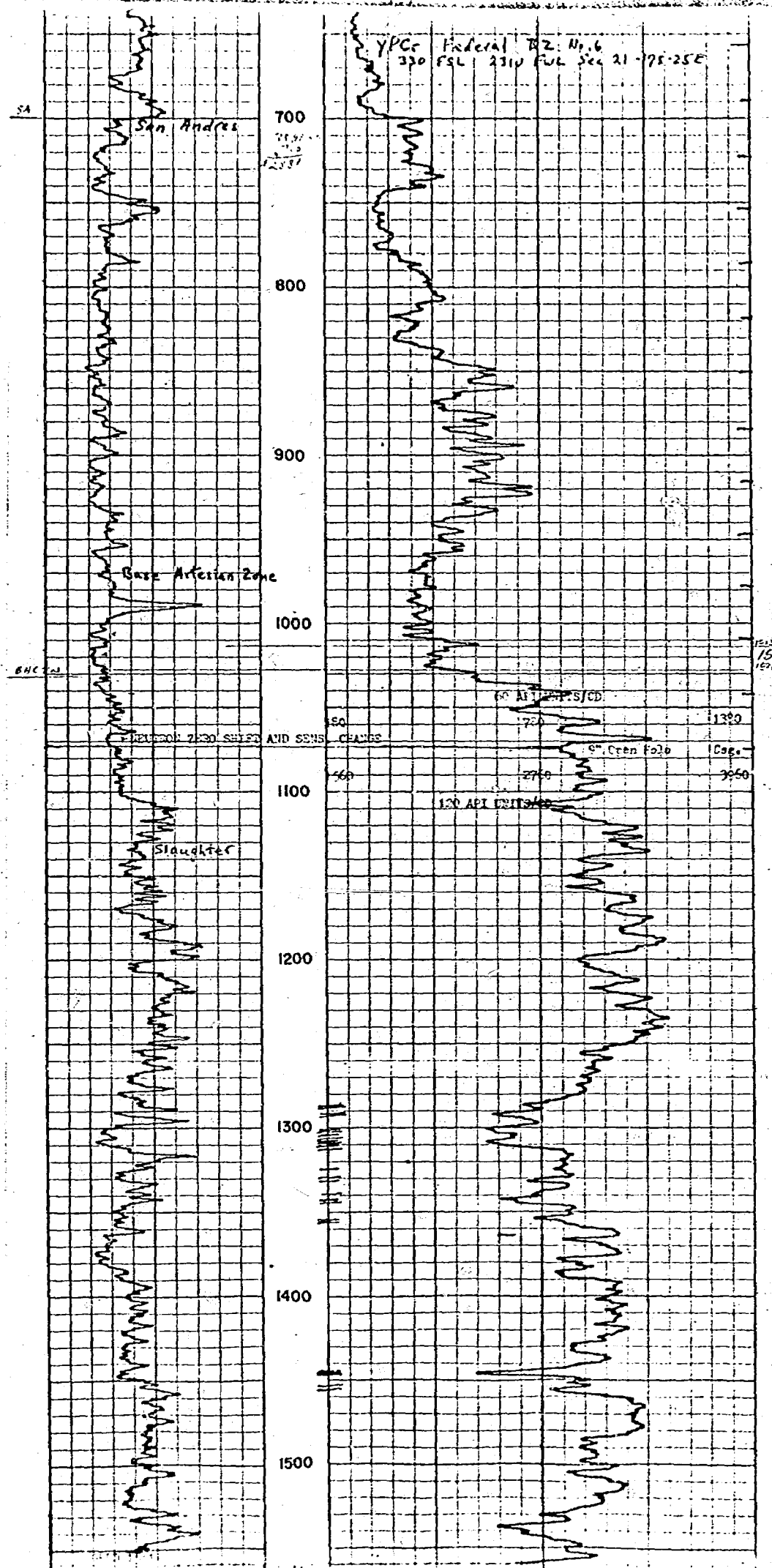
4/12/74

(Signature)

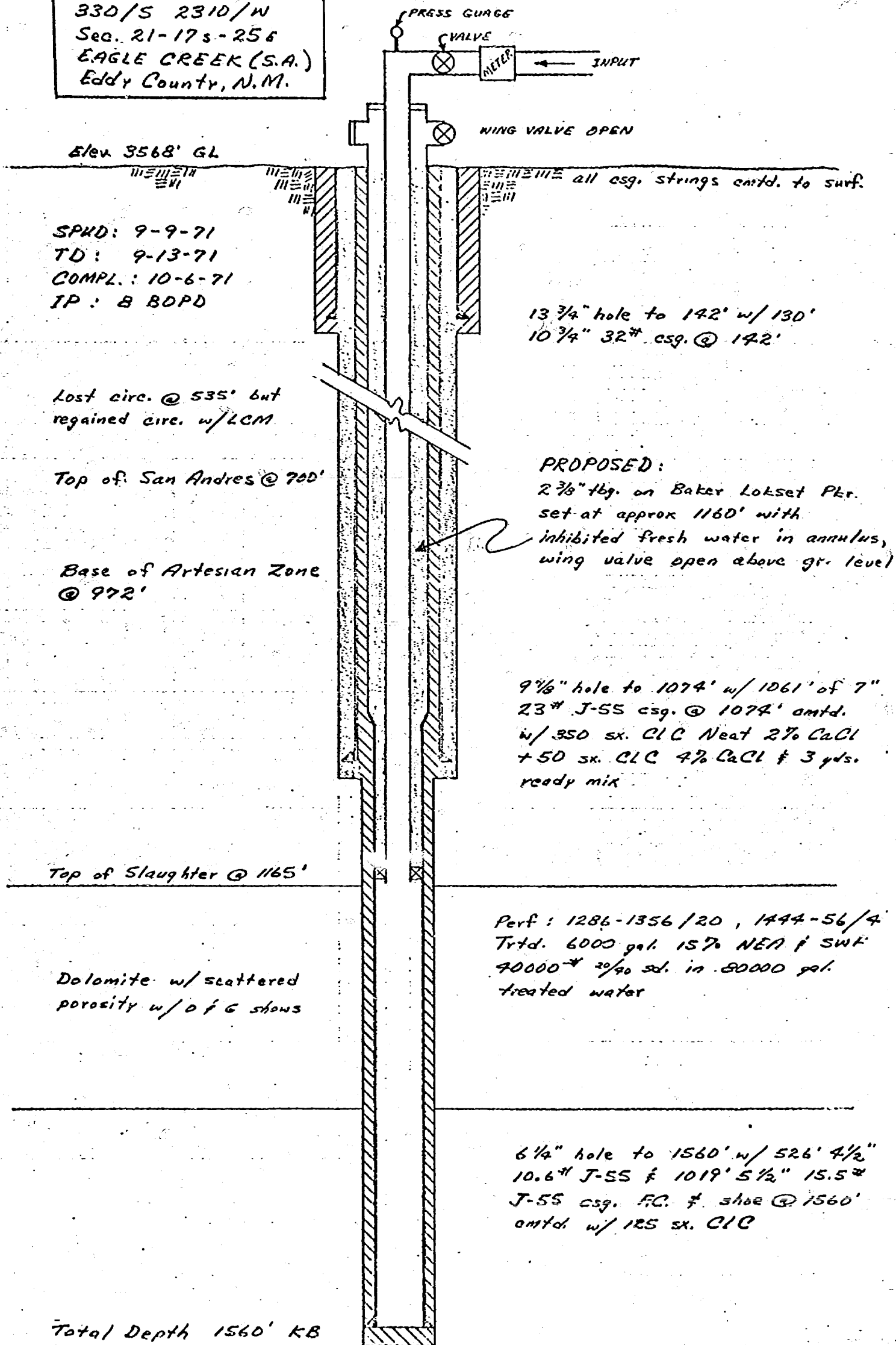
(Title)

(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.



YATES PET. CORP.
Fed. BZ N° 6
330/S 2310/W
Sec. 21-17s-256
EAGLE CREEK (S.A.)
Eddy County, N.M.



DRAFT

jr/

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. 5238

Order No. R-4787

APPLICATION OF YATES PETROLEUM
CORPORATION FOR SALT WATER DISPOSAL
AND AN ADMINISTRATIVE PROCEDURE,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on May 8, 19 74,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this day of May, 1974, 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, Yates Petroleum Corporation, seeks
authority to dispose of produced salt water into the San Andres
formation through three ~~disposal~~ wells in the Eagle Creek-San Andres
Pool, Eddy County, New Mexico, as follows:

Through 2 3/8-inch plastic or cement-^{lined} coated tubing set
in a packer at approximately 1160 feet, with perforations
from 1286 to ~~1356 feet and from 1444 to~~ 1456 feet in
applicant's Federal B 2 Well No. 6, located in Unit N
of Section 21, Township 17 South, Range 25 East, NMPM
Eddy County, New Mexico.

-2-
CASE NO. 5238
Order No. R-

Through 2 3/8-inch plastic or cement-^{lined} coated tubing set in a packer at approximately 1200 feet with perforations from 1270 to 1440 feet in applicant's Ingram Jackson BV Well No. 2, located in Unit D of Section 26, Township 17 South, Range 25 East, NMPM, Eddy County, New Mexico.

Through 2 3/8-inch uncoated tubing set in cement at 1450 feet with perforations ^{from} ~~at~~ 1295, ~~1300, 1324, 1328, 1355~~ to ~~and~~ 1372 feet in applicant's Gissler AV Well No. 1, located in Unit C of Section 23, Township 17 South, Range 25 East, NMPM, Eddy County, New Mexico.

(3) That applicant further requests the establishment of a procedure whereby additional disposal wells in the Eagle Creek-San Andres Pool may be approved by the Commission without the necessity for notice and hearing.

(4) That the mechanics of the proposed conversion to disposal of applicant's Federal BZ Well No. 6 and its Ingram Jackson BV Well No. 2 are sound and in accord with good conservation practices. *provided that maximum injection pressure ^{at the surface} shall be no more than 850 P.S.I.*

(5) That the mechanics of the proposed conversion to disposal of applicant's Gissler AV Well No. 1 are unacceptable for the following reasons: the setting of the tubing string in cement rather than in a packer within a string of casing does not provide adequate assurance that injection of salt water will be confined to the perforated interval; the subject well does not have two strings of casing through the artesian water zone as required by the Special Pool Rules for the Eagle Creek-San Andres and Penasco Draw-San Andres-Yeso Pools; the subject well, having no annular space, does not provide for an adequate method to detect

-3-
CASE NO. 5238
Order No. R-

and measure tubing leakage; the uncoated tubing to be used is ^{proposed} ^{would be} vulnerable to salt water corrosion.

(6) That applicant's request to convert its Federal BZ Well No. 6 and its Ingram Jackson BV Well No. 2 to disposal should be granted.

(7) That applicant's request to convert its Gissler AV Well No. 1 to disposal should be denied.

(8) That an administrative procedure should be established whereby additional disposal wells within the Eagle Creek-San Andres Pool may be approved by the Commission without the necessity for notice and hearing.

IT IS THEREFORE ORDERED:

Salt water disposal injection
(1) That the applicant is hereby authorized to convert to disposal its Federal BZ Well No. 6, located in Unit N of Section 21, and its Ingram Jackson BV Well No. 2, located in Unit D of Section 26, both in Township 17 South, Range 25 East, NMPM, Eagle Creek-San Andres Pool, Eddy County, New Mexico.

That
(2) Disposal in each well shall take place through 2 3/8-inch plastic or cement-^{lined} tubing set in a packer at approximately 1160 feet in the case of applicant's Federal BZ Well No. 6, and at approximately 1200 feet in the case of applicant's Ingram Jackson BV Well No. 2. The casing-tubing annulus of each well shall be filled with an inert fluid and equipped with a pressure gauge or other attention-attracting leak detection device.

(3) That the applicant's request for authorization to convert to disposal its Gissler AV Well No. 1, located in Unit C of Section 23, Township 17 South, Range 25 East, NMPM, Eagle Creek-San Andres Pool, Eddy County, New Mexico, is hereby denied.

(4) That the Secretary-Director may approve additional disposal wells within the Eagle Creek-San Andres Pool upon ^{The appropriate provisions of Rule 701, B, and 701, C} proper application in accordance with ~~Rule 701~~ of the Commission Rules and Regulations.

-4-

CASE NO. 5238
Order No. R-

(6) 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.

(5) That any injection well authorized by this order or administratively under Order (4) of this order shall be ~~equipped~~ equipped with an ~~acceptable~~ acceptable pressure regulating device to ensure that ~~injection~~ wellhead injection pressure shall not exceed 850 p.s.i.

