CASE 5727: BIG "6" DRILLING CORP.
FOR SALT WATER DISPOSAL, LEA
COUNTY, NEW MEXICO

# CASE NO.

5727

APPlication, Transcripts, Small Exhibits,

ETC.

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#### BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION Santa Fe, New Mexico August 4, 1976

#### EXAMINER HEARING

6 IN THE MATTER OF: Application of Big "6" Drilling Corpora-) CASE tion for salt water disposal, 5727 Lea County, New Mexico.

BEFORE: Daniel S. Nutter, Examiner

#### TRANSCRIPT OF HEARING

#### APPEARANCES

For the New Mexico Oil William F. Carr, Esq. Legal Counsel for the Commission Conservation Commission: State Land Office Building Santa Fe, New Mexico For the Applicant: Jason W. Kellahin, Esq. KELLAHIN & FOX Attorneys at Law 500 Don Gaspar Santa Fe, New Mexico

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MR. NUTTER: We will call next Case Number 5727.

MR. CARR: Case 5727, application of Big "6" Drilling Corporation for salt water disposal, Lea County, New Mexico.

MR. KELLAHIN: If the Examiner please, Jason Kellahin, Kellahin and Fox, appearing for the applicant and we have one witness to be sworn.

(THEREUPON, the witness was duly sworn.)

#### BOB SCHMUCKER

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

#### DIRECT EXAMINATION

#### BY MR. KELLAHIN:

- Q. Would you state your rame, please?
- A. Bob Schmucker.
- Q. What business are you engaged in, Mr. Schmucker?
- A. I'm a Petroleum Engineer associated with Foy Boyd Associates, a consulting firm out of Midland, Texas.
  - Q. F-o-y B-o-y-d?
  - A. That is correct.
- Q. In connection with your work as a consultant, have you been employed by Big "6" Drilling Corporation?
  - A. As a consultant, yes.
- Q In this case?

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A. Yes.

Q. Are you familiar with the application of Big "6" in Case 5727?

A. Yes, sir.

Q. Mr. Schmucker, have you ever testified before the Oil Conservation Commission?

A. No, sir, I haven't.

Q. For the benefit of the Examiner would you please outline your education and experience as a petroleum engineer?

A. I have a Bachelor of Science degree in Petroleum Engineering from the University of Houston. I have fifteen years since that time as a production engineer with Cities Service Oil Company and I have been three years with my present company. All of these years I have been involved in drilling and production work, both in the field and in the office, planning and carrying out this type of work.

MR. KELLAHIN: Are the witness' qualifications acceptable?

MR. NUTTER: Yes, they are.

Q. (Mr. Kellahin continuing.) Mr. Schmucker, what is proposed by Big "6" Drilling Corporation in this case?

A. They propose to convert the Ora Jackson "A" No. 1
Well in Lea County, New Mexico from a producing well to a
salt water disposal well in the Bone Springs-Scharb Field.

Q. What is the present state of this well?

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- Q. Has it been shut in for any period of time?
- A. About three years.
- Q. Now referring to what has been marked as Exhibit.

  Number One would you identify that exhibit, please?
- A. This is an ownership map showing all of the wells that are completed or have produced from Bone Springs marked in blue with the proposed injection well marked in red.
- Q. Now, there is Bone Springs production offsetting the particular well?
  - A. That is correct.
- Q. Referring to Exhibit Number Two would you identify that exhibit?
- A. This is a plat showing the ownership and the perforations on this well and the offsetting wells.
  - Now, who operates the offsetting wells?
- A. Hondo operates one to the west and Atlantic one to the northeast and Big "6" has three other offsetting wells.
- Q. How far away is the Hondo well from the proposed injection well?
  - A. This looks like almost a half a mile.
  - Q. How about the Atlantic one?
  - A. About the same distance.
- Q. Now, referring to what has been marked as Exhibit
  Number Three would you identify that exhibit, please?

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A. This is a structure map showing the proposed injection well and the other Bone Springs wells that we have been referring to with structure on top of the Bone Springs in the Scharb Field indicating this well to be high on the structure.

- Q. Higher than the offsetting wells?
- A. Yes.

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- Q Did this well make water in the Bone Springs?
- A. Yes, it did.
- Q. It watered out?
- A. It became uneconomical to produce.
- Q. Now, referring to what has been marked as Exhibit
  Number Four would you identify that exhibit, please?
- A. This is a water analysis of the Gene Dalmont Well operated by Big "6", the northwest offset. Could I refer to Number Five, also, at the same time?
  - Q. Yes, sir.
- A. Both of these are water analyses of offsetting wells operated by Big "6". This is Bone Springs water which will be going back into the Bone Springs zone as proposed. These two waters are compatibile and would be compatible with what had previously produced from the Bone Springs in this proposed well.
  - Q What volume of water would you inject in this well?
  - A. About a hundred and seventy-five barrels a day.

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Ç).	And	what	pressure	will	be	required	to	get	the
formation	to i	take 1	the water	?					

- A. All indications are that it should go on a vacuum.
- Q. The hydrostatic head of the water would put it back into the formation?
- A. That is correct. The last bottom-hole pressures that were run in this field were run in 1964 and they were about thirty-one hundred pounds and the hydrostatic from this is going to be forty-nine hundred so this should be adequate to put it on a vacuum. It would be somewhat lower now, the bottom-hole pressure, than it was in '64.
- Q. In your opinion will using this well as an injection well or a disposal well as proposed, cause any damage to the reservoir?
- A. No, sir, it should be helpful in restoring some of the pressure.
- Q. You think it might enhance recovery from some of the offsetting wells?
- A. It's possible that it would. This volume is probably not going to be enough to be noticeable but it certainly would not be detrimental.
  - Q It will replace some of it that is gone?
  - A. That is correct.
- Q. Now, referring to what has been marked as Exhibit
  Number Six would you identify that exhibit?

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A. Well, this is a diagrammatic sketch of the well as it is proposed to be completed as a disposal well, showing thirteen-and-three-eighths set at three hundred and ninety-eight feet and the eight-and-five at thirty-nine, eighty-nine, the four-and-a-half set through the pay, ten thousand a hundred and sixty-five. It indicates that there will be a packer at nine thousand feet. This water will be disposed of through plastic lined tubing with inhibited fluid on the back side.

- Q Will you put a pressure gauge at the surface?
- A. Yes, sir.
- Q. Now, there was a hearing on a similar application involving this same well several years ago, wasn't there?
  - A. That is correct.
  - Q. Has there been any change in conditions since then?
- A. Well, Arco opposed at that time but they are not now opposing it.
- Q. Referring to what has been marked as Exhibit Number Seven, is that a waiver from Arco?
  - A. Yes.
  - Q They have no objection to the disposal well?
  - A. That is correct.
- Q Now, referring to what has been marked as Exhibit Number Eight, would you identify that exhibit?
  - A This is a radioactive log of the proposed injection

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well with the perforations marked in the Bone Springs zone.

- Q Did I ask you what volume of water you are going to put in this?
  - A. Yes, sir, about a hundred and seventy-five barrels.
- Q In your opinion is the approval of this application in the interest of conservation and the prevention of waste?
  - A. Yes, sir.
- 0. What is presently being done with the produced water?
  - A. It is being trucked out at considerable expense.
- Q. Would continued trucking require premature abandonment of those two wells?
  - A. Yes, without a doubt.
- Q And will approval of this disposal well prolong the producing life of those two wells?
  - A. Yes, sir.
- Q Were Exhibits One through Eight prepared by you or under your supervision, with the exception of Seven?
- A. They were prepared by Donna Holler with the firm in Hobbs, all reports.
  - Q Have you personally examined these exhibits?
  - A Yes, sir.
- Q In your opinion do they reflect the information purported to be in them?
  - A. Yes, sir.

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Ω.	And	Exhibit	Seven	is	a	сору	of	the	letter	from
Arco?										

A. That's correct.

MR. KELLAHIN: At this time we will offer Exhibits
One through Eight, inclusive.

MR. NUTTER: Applicant's Exhibits One through Eight will be admitted.

(THEREUPON, Applicant's Exhibits One through Eight were admitted into evidence.)

MR. KELLAHIN: That's all we have, Mr. Nutter.

#### CROSS EXAMINATION

BY MR. NUTTER:

One, Two or Three exactly which of the wells are still producing in the pool. Referring to your Exhibit Number Two, which would be the producing wells?

A. I believe that all of these wells that are shown on this plat are Bone Springs -- oh, which ones are shut in?

Q. Yes, and which ones are still producing?

A. The ones with the little cross mark are the shut-in wells, with the exception of the abandoned wells, either temporarily or as for example in the C. B. Reed Hooper, just south of Big "6", that would be a shut-in well.

Q. Okay.

A. And the others are marked similarly.

Q. What about this Big "6" Well in the northeastnortheast of 7, is it a producer or not?

A. Yes, sir.

Q It appears to have a little hachure mark across it as a TA or abandoned well on Exhibit Number Three and you mentioned the Big "6" was operating three wells and I see four wells on Exhibit Two that don't have that hachure mark, the one straight north of your disposal well, the one northwest, the one southwest and the one southeast.

A. All right, I will have to stand corrected in one instance, the one that is proposed as an injection well does not have the little hachure marks and it is shut in. It should have those too.

Q. What about the other four Big "6" producing wells that are shown, are they all producing?

A. Wait a minute now, I see the one you are referring to up in Section 5.

Do you have a copy of the up-dated exhibit? I do not, mine is an older copy of Exhibit Two.

This well I'm sure is shut in also. The Ora Jackson l up in the --

Q. A half-a-mile north of the disposal well?

A. Yes. The producing wells are the Gene Dalmont, the Hooper B and the Ora Jackson No. 2.

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Q.	Those	axe	producing	wells?
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A. Yes, sir.

- Q. And also the Hondo Well that is straight west?
- A. Yes, sir.
- Q. And those are the only four producing wells in the unit now? Atlantic has one?
  - A. Yes, sir.
- Q To the northeast, so you've got five producing wells in the pool?
- A. I'm not sure about the total number of wells in the pool.
- Q. Now, you said you were going to be disposing of a hundred and ninety-five barrels of water a day, is that the amount of water the Big "6" wells make or does that include water from other leases, from other operators?
- A. No, sir, this is water from the Gene Dalmont No. 1 and the Hooper B No. 1. The Ora Jackson No. 2 does not produce any water.
- Q. And it's the lowest well on the structure according to Exhibit Number Three?
  - A. That is correct and I cannot explain this.
- Q. I guess the water comes from the top of the structure here and you are going to put it in the top of the structure.
- A. I'm aware that these were the figures as reported to me by Big "6". This down-structure well makes no water.

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MR. NUTTER: Are there any other questions of the witness?

MR. RAMEY: I would like to ask a question, Mr. Nutter.

MR. NUTTER: Yes, sir.

MR. RAMEY: Do you know whether Big "6" would be willing to lower the packer on this tubing in this well to someplace below the top of the cement?

THE WITNESS: I'm sure they would. I'm sure they would.

MR. RAMEY: I don't have anything else.

MR. NUTTER: Are there any further questions? The witness may be excused.

(THEREUPON, the witness was excused.)

MR. NUTTER: Do you have anything further,

Mr. Kellahin?

MR. KELLAHIN: That's all, Mr. Nutter.

MR. NUTTER: Does anyone have anything to offer in Case Number 5727? We will take the case under advisement.

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#### REPORTER'S CERTIFICATE

I, SIDNEY F. MORRISH, a Certified Shorthand 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.

Sidney F. Morrish, C.S.R.

New Mexico Oil Conservation Commission



#### **OIL CONSERVATION COMMISSION**

STATE OF NEW MEXICO P. O. BOX 2088 - SANTA FE 87501

LAND COMMISSIONER



DIRECTOR JOE D. RAMEY

PHIL R. LUCERO August 12, 1976

Mr. Jason Kellahin Kellahin & Fox	Re:	CASE NOORDER NO		
Attorneys at Law Post Office Box 1769 Santa Fe, New Mexico 875	501	Applicant:		
		Big "6"	Orilling (	Corp.
Dear Sir:			•	
Enclosed herewith are Commission order rece  Yours very truly,  JGE D. RAMEY  Director				
JDR/fd			-	
Copy of order also se	ent to:	•		
Hobbs OCC x Artesia OCC Aztec OCC				

### 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. 5727 Order No. R-5255

APPLICATION OF BIG "6" DRILLING COMPANY FOR SALT WATER DISPOSAL, LEA COUNTY, NEW MEXICO.

#### ORDER OF THE COMMISSION

#### BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on August 4, 1976, at Santa Fe, New Mexico, before Examiner, Daniel S. Nutter.

NOW, on this <a href="lith">11th</a> day of August, 1976, 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, Big "6" Drilling Company, is the owner and operator of the Ora Jackson "A" Well No. 1, located in Unit M of Section 5, Township 19 South, Range 35 East, NMPM, Scharb-Bone Springs Pool, Lea County, New Mexico.
- (3) That the applicant proposes to utilize said well to dispose of produced salt water into the Bone Springs formation, with injection into the perforated interval from approximately 10,062 feet to 10,119 feet.
- (4) That the injection should be accomplished through 2 3/8-inch plastic lined tubing installed in a packer set at approximately 10,000 feet; that the casing-tubing annulus should be filled with an inert fluid; and that a pressure gauge or approved leak detection device should be attached to the annulus in order to determine leakage in the casing, tubing, or packer.
- (5) That the injection well or system should be equipped with a pop-off valve or acceptable substitute which will limit the wellhead pressure on the injection well to no more than 800 psi.

-2-Case No. 5727 Order No. R-5255

- (6) That the operator should notify the supervisor of the Hobbs district office of the Commission of the date and time of the installation of disposal equipment so that the same may be inspected.
- (7) That the operator should take all steps necessary to ensure that the injected water enters only the proposed injection interval and is not permitted to escape to other formations or onto the surface.
- (8) That approval of the subject application will prevent the drilling of unnecessary wells and otherwise prevent waste and protect correlative rights.

#### IT IS THEREFORE ORDERED:

(1) That the applicant, Big "6" Drilling Company, is hereby authorized to utilize its Ora Jackson "A" Well No. 1, located in Unit M of Section 5, Township 19 South, Range 35 East, NMPM, Scharb-Bone Springs Pool, Lea County, New Mexico, to dispose of produced salt water into the Bone Springs formation, injection to be accomplished through 2 3/8-inch tubing installed in a packer set at approximately 10,000 feet, with injection into the perforated interval from approximately 10,062 feet to 10,119 feet;

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

- (2) That the injection well or system shall be equipped with a pop-off valve or acceptable substitute which will limit the wellhead pressure on the injection well to no more than 800 psi.
- (3) That the operator shall notify the supervisor of the Hobbs district office of the Commission of the date and time of the installation of disposal equipment so that the same may be inspected.
- (4) That the operator shall immediately notify the supervisor of the Commission's Hobbs district office of the failure of the tubing, casing, or packer, in said well or the leakage of water from or around said well and shall take such steps as may be timely and necessary to correct such failure or leakage.
- (5) That the applicant shall submit monthly reports of its disposal operations in accordance with Rules 704 and 1120 of the Commission Rules and Regulations.

-3-Case No. 5727 Order No. R-5255

(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.

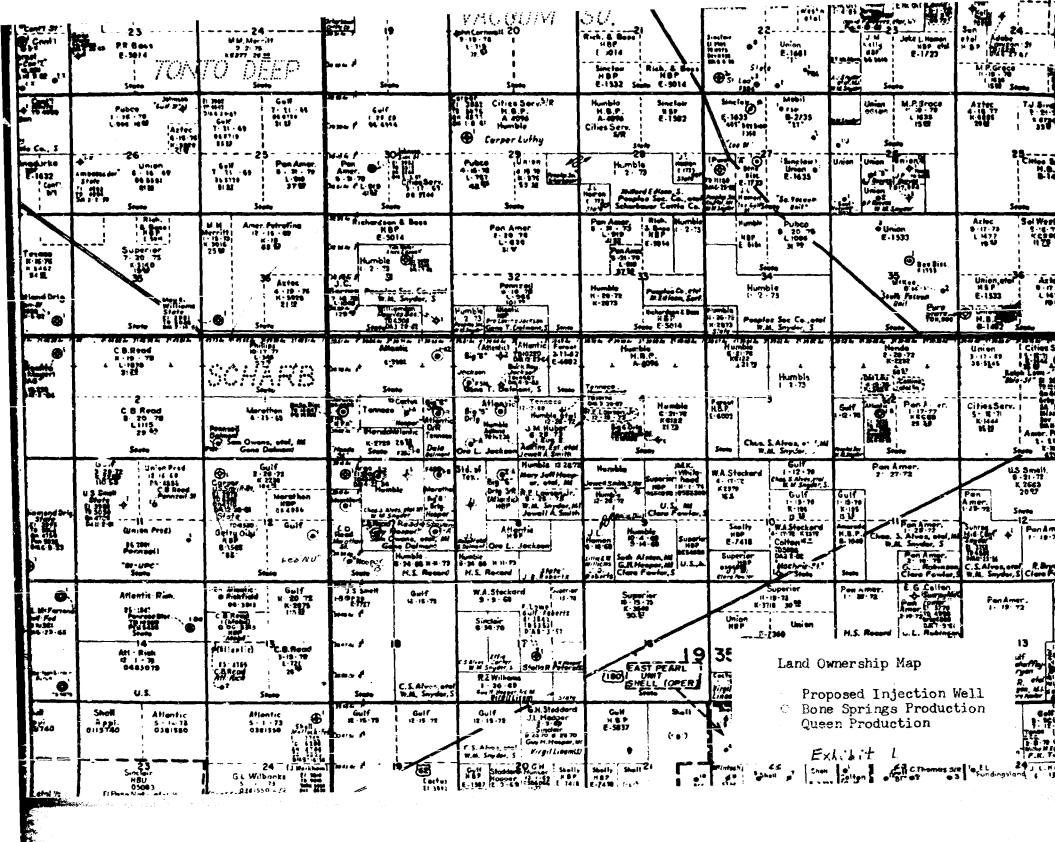
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

PHIL R. LUCERO, Chairman

EMERY Q. ARNOLD Member

JOE D. RAMEY, Member & Secretary

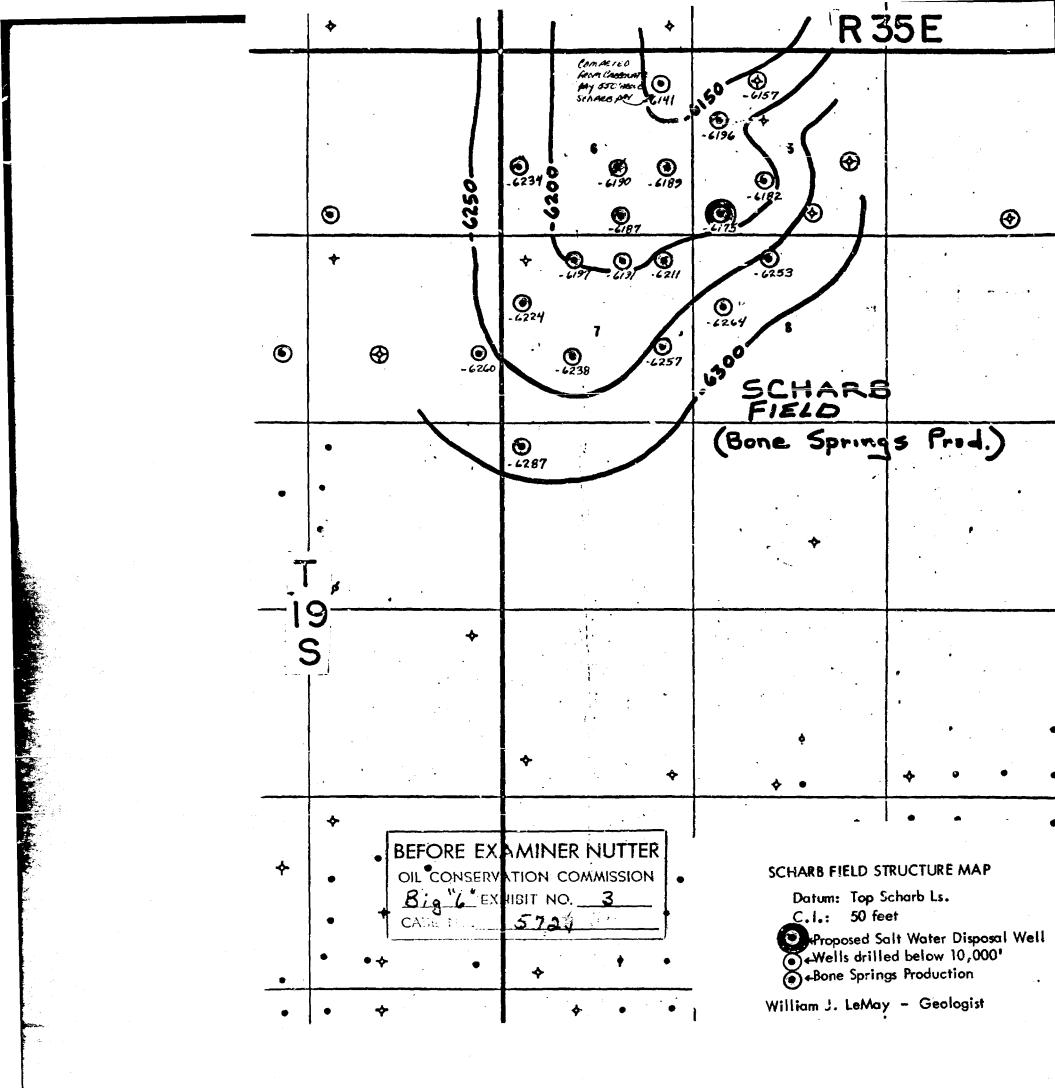
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	Guy			I				
	Hooper			<b>.</b>		1		<u> </u>

Scharb Bone Springs Perforation Depths Not to Scale

BEFORE	<b>EXAMINER NUTTER</b>
	ERVATION COMMISSION
Big "6"	EXHISIT NO. 2
CASE NO	5727





## TRETOLITE DIVISION 369 Maishall Avenue / Spint Louis, Missouri 63119 (314) WO 1-3500/TWX 910-760-1660/Telez 46-2417

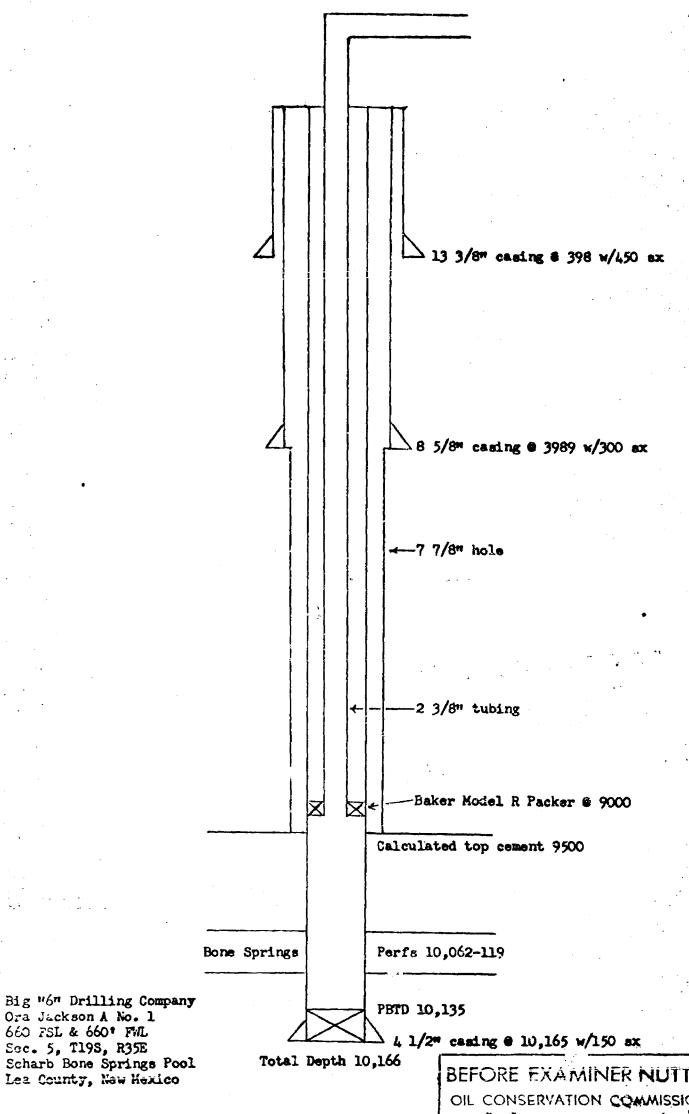
#### WATER ANALYSIS REPORT

URCE	Hooper "B" B Analysis	one Springs D	ormation.	_DATE SAM	PLED_	7-20-76 Mg/L	ANALYSIS —— NO, ——— •Meq/L	11840
1.	PH	7.2	_	•				
2.	H <sub>2</sub> S (Qualitative)	3.0 000						
3.	Specific Gravity	1.130	_					
4.	Dissolved Solids			-	17	0.424		
5.	Suspended Solids			_				
6.	Phenolphthalein Al	kalinity (CaCO,)		<u></u>				
7.	Methyl Orange Alka			<u>.</u>		120		
8.	Bicarbonate (HCC	93)		HCO: -		<u>146</u> ÷61	2.4	HCO1
Ŷ.	Chlorides (CI)			CI _	_11	<u>0,000                                 </u>	. <b>5</b> _ 3,099	CI
10.	Sulfates (SO <sub>4</sub> )			so, _		750 ÷48	16	\$O.
11.	Calcium (Ca)			Ca _		7,200 ÷ <b>20</b>	360	Co
12.	Magnesium (Mg)			Mg _		2,381÷12.	2195	Мд
13.	Total Hardness (	CaCO <sub>1</sub> )		-	2	7,800		
14.	Total Iron (Fe)			_	3	O ppm		
15.	Barium (Qualitati	ve)			P	08•		
16. •Mil	li equivalents per l		BLE MINE	RAL COM	POSIT	TON		••
	Ca 4	—— нсо₃ Г		Compound	1	Equiv. W1.	X Meq/L	= Mg/L
<u>_360</u>	-		2.4	Ca (HCO <sub>3</sub> )	2	81.04	2.4	
195	Mg	→ 5O <sub>4</sub>	16	Ca SO <sub>4</sub>		68.07	16	
562	No -	—→ CI [	3,029	Ca Cl <sub>2</sub>		55.50	342	18,981
Sati	uration Values E	sistilled Water 20°	'C	Mg (HCO <sub>3</sub> )	2	73.17	<del></del>	
	Ca CO <sub>3</sub>	13 Mg/L		Mg SO4		60.19	<u> </u>	<del></del>
	Ca \$0, • 2H,0	2,090 Mg/l		Mg Cl <sub>2</sub>	• .	47.62	195	9,282
	Mg CO <sub>3</sub>	103 Mg/L		Na HCO3		84.00	<del> </del>	
				Na <sub>2</sub> SO <sub>4</sub>		71.03		
				Na Cl		58.46	2,562	<u> 149,877</u>
MARKS	l - Ur, Holl	er_Box 6482	, Odessa ,	Texas	797	60		• .
·	1 - Eps. Dep	t 1000 Wes	t Broadwa	y, Hobbs	ملاء	88240	•	
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						1.	v Shatfner	

### WATER ANALYSIS REPORT

	iene Dalmont B	one Oprings Format	Lion DATE SAMPLED	•	ANALYSIS	1841
	Analysis			Mg/L	NO <sup>1</sup> *Meq/l	
1.	PH	7.1				
2.	H <sub>2</sub> S (Qualitative)	3.0 ppm				
3.	Specific Grovity	1.130				
4.	Dissolved Solids		1	66.870		
5.	Suspended Solids		<u></u> _			
6.	Phenolphtholein Alk	colinity (CoCO.)				
7.	Methyl Orange Alka			100		
8.	Bicarbonate (HCO	•	HCO:		2.0	HCO1
Ģ.	Chlorides (CI)	•		02,000 ±35.		
10.	Sulfates (SO <sub>4</sub> )		so,	630 + 48	•	
11.	Calcium (Ca)		Co	7.440 -20	372	Co
12.	Magnesium (Mg)		Mg	1,312 ÷ 12.	_ ,	
13.	Total Hardness (C	CaCO()	-	24.000		
14.	Total Iron (Fe)			2.5 ppm		
15.		vel		los.		
	illi equivalents per li •		INERAL COMPOSI	TION		
	Ca (	PROBABLE M	Compound	TION Equiv. Wt.	X Meq/L =	≕ Mg/L
372	Ca (	HCO <sub>3</sub>	<del></del>	<del></del>	X Meq/L =	_
372 108	•	PROBABLE M	Compound	Equiv. Wt.	•	162
108	Ca (	HCO <sub>3</sub> 2.U	Compound Co (HCO <sub>3</sub> ) <sub>2</sub>	Equiv. Wt. 81.04	2.0	162 885
108 .408	Ca 4	PROBABLE N  HCO₃  SO₄  13	Compound Co(HCO <sub>3</sub> ) <sub>2</sub> Co SO <sub>4</sub>	Equiv. Wt. 81.04 68.07	2.0	162 885
108 .408	Ca 4————————————————————————————————————	PROBABLE N  HCO <sub>3</sub> 2.0  SO <sub>4</sub> 13  CI 2.873  istilled Water 20°C  13 Mg/L	Compound Co (BCO <sub>3</sub> ) <sub>2</sub> Co SO <sub>4</sub> Ca Cl <sub>2</sub>	Equiv. Wt. 81.04 68.07 55.50	2.0	162 885
108 .408	Mg Na No No Ca CO <sub>3</sub> Ca SO <sub>4</sub> • 2H <sub>2</sub> O	PROBABLE N  HCO <sub>3</sub> 2.0  SO <sub>4</sub> 13  Cl 2.873  istilled Water 20°C  13 Mg/L  2,090 Mg/L	Compound Co (HCO <sub>3</sub> ) <sub>2</sub> Co SO <sub>4</sub> Ca Cl <sub>2</sub> A = (HCO <sub>3</sub> ) <sub>2</sub>	Equiv. Wt. 81.04 68.07 55.50 73.17	2.0	162 885 19,814
108 .408	Ca 4————————————————————————————————————	PROBABLE N  HCO <sub>3</sub> 2.0  SO <sub>4</sub> 13  CI 2.873  istilled Water 20°C  13 Mg/L	Compound Co (HCO <sub>3</sub> ) <sub>2</sub> Co SO <sub>4</sub> Ca Cl <sub>2</sub> A = (HCO <sub>3</sub> ) <sub>2</sub> M <sub>2</sub> SO <sub>4</sub>	Equiv. Wt. 81.04 68.07 55.50 73.17 60.19		162 885 19,814
108 .408	Mg Na No No Ca CO <sub>3</sub> Ca SO <sub>4</sub> • 2H <sub>2</sub> O	PROBABLE N  HCO <sub>3</sub> 2.0  SO <sub>4</sub> 13  Cl 2.873  istilled Water 20°C  13 Mg/L  2,090 Mg/L	Compound  Co (HCO <sub>3</sub> ) <sub>2</sub> Co SO <sub>4</sub> Ca Cl <sub>2</sub> A = (HCO <sub>3</sub> ) <sub>2</sub> M <sub>3</sub> SO <sub>4</sub> Mg Cl <sub>2</sub>	Equiv. Wt. 81.04 68.07 55.50 73.17 60.19		162 885 19,814
108 408	Mg Na No No Ca CO <sub>3</sub> Ca SO <sub>4</sub> • 2H <sub>2</sub> O	PROBABLE N  HCO <sub>3</sub> 2.0  SO <sub>4</sub> 13  Cl 2.873  istilled Water 20°C  13 Mg/L  2,090 Mg/L	Compound Co (HCO <sub>3</sub> ) <sub>2</sub> Co SO <sub>4</sub> Co Cl <sub>2</sub> A = (HCO <sub>3</sub> ) <sub>2</sub> M <sub>y</sub> SO <sub>4</sub> Mg Cl <sub>2</sub> I to HCO <sub>3</sub>	Equiv. Wt. 81.04 68.07 55.50 73.17 60.19 47.62 84.00		162 885 19,814
108 ,408 Sat	Mg  Na  Auration Values Di Ca CO <sub>3</sub> Ca SO <sub>4</sub> • 2H <sub>2</sub> O  Mg CO <sub>3</sub>	PROBABLE N  HCO <sub>3</sub> 2.0  SO <sub>4</sub> 13  Cl 2.873  istilled Water 20°C  13 Mg/L  2,090 Mg/L	Compound Co (HCO <sub>3</sub> ) <sub>2</sub> Co SO <sub>4</sub> Ca Cl <sub>2</sub> A = (HCO <sub>3</sub> ) <sub>2</sub> M <sub>3</sub> SO <sub>4</sub> Mg Cl <sub>2</sub> I = HCO <sub>3</sub> N = CO <sub>4</sub> No Cl <sub>2</sub>	Equiv. Wt. 81.04 68.07 55.50 73.17 60.19 47.62 84.00 71.03 58.46		
108 ,408 Sat	Mg Na	PROBABLE N  HCO3  2.0  SO4  13  2.873  istilled Water 20°C  13 Mg/L  2,090 Mg/L  103 Mg/L	Compound  Co (HCO <sub>3</sub> ) <sub>2</sub> Co SO <sub>4</sub> Ca Cl <sub>2</sub> A (HCO <sub>3</sub> ) <sub>2</sub> M <sub>3</sub> SO <sub>4</sub> Mg Cl <sub>2</sub> I a HCO <sub>3</sub> N CO <sub>4</sub> NA Cl  SSA, Tomas 7976	Equiv. Wt. 81.04 68.07 55.50 73.17 60.19 47.62 84.00 71.03 58.46		
108 ,408 Sat	Mg  Na  Na  Na  Na  Na  Na  Na  Na  Na  N	PROBABLE N  HCO3  2.0  304  13  CI 2.873  istilled Water 20°C  13 Mg/L  2,090 Mg/L  103 Mg/L  103 Mg/L	Compound  Co (HCO3)2  Co SO4  Ca Cl2  A (HCO3)2  My SO4  Mg Cl2  I a HCO3  Na Cl  Na Cl  Isa, Tomic 7976  Idway, 10bbs, N. E	Equiv. Wt.  81.04  68.07  55.50  73.17  60.19  47.62  84.00  71.03  58.46		

Exhibit 4



BEFORE EXAMINER NUTTER OIL CONSERVATION COMMISSION Big "6" EXHIBIT NO. 6

CASE NO.

AtlanticRichfieldCompany

North American Producing Division Permian District Post Office Box 1610 Midland, Texas 79701 Telephone 915 682 8631



July 29, 1976

Oil Conservation Commission Box 2088 Santa Pe, NM 87501

Re: Commission Hearing August 4, 1976
Case No. 5727
Application of Big "6" Drilling Company
for Salt Water Disposal in the Bone
Springs Formation, Scharb Field,
Lea County, New Mexico

#### Gentlemen:

In reference to Case No. 5727, application of Big "6" Drilling Co. for approval to dispose of produced water into the Bone Springs formation in Scharb Field, Lea County, New Mexico: The proposed salt water disposal well, Big "6" - Ora Jackson A No. 1 is an offset to one of the wells Atlantic Richfield operates in this field. Atlantic Richfield waivers any objection to this application.

Very truly yours,

of I tweet

JRK/hkc

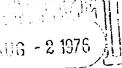
ec: Mr. Bud Ham
Big "6" Drilling Co.
P. O. Box 6485
Odessa, TX 79760

Mrs. Donna Holler Oil Reports and Gas Services, Inc. P. O. Box 763 Hobbs, NM 88240

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
819 "6" EXHISIT NO
CAS NO. 5727

#### **AtlanticRichfieldCompany**

North American Producing Division **Permian District** Post Office Box 1610 Midland, Texas 79701 Telephone 915 682 8631



July 29, 1976

OF COMSERVATION COMM. Oil Conservation Commission Box 2088 Santa Fe, NM 87501

Re: Commission Hearing August 4, 1976 Case No. 5727 Application of Big "6" Drilling Company for Salt Water Disposal in the Bone Springs Formation, Scharb Field, Lea County, New Mexico

#### Gentlemen:

In reference to Case No. 5727, application of Big "6" Drilling Co. for approval to dispose of produced water into the Bone Springs formation in Scharb Field, Lea County, New Mexico: The proposed salt water disposal well, Big "6" - Ora Jackson A No. 1 is an offset to one of the wells Atlantic Richfield operates in this field. Atlantic Richfield waivers any objection to this application.

Very truly yours,

JRK/hkc

cc: Mr. Bud Ham
Big "6" Drilling Co. P. O. Box 6485 Odessa, TX 79760

> Mrs. Donna Holler Oil Reports and Gas Services, Inc. P. O. Box 763 Hobbs, NM 88240

Dockets Nos. 23-76 and 24-76 are tentatively set for hearing on August 18 and September 1, 1976. Applications for hearing must be filed at least 22 days in advance of hearing date.

#### DOCKET: EXAMINER HEARING - WEDNESDAY - AUGUST 4, 1976

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:

CASE 5726: Application of Cities Service Oil Company for downhole commingling, Eddy County, New Mexico.

Applicant, in the above-styled cause, seeks authority to commingle production from the North
Burton Flats-Wolfcamp Gas Pool and an undesignated Canyon pool in the wellbore of its State CT
Well No. 1, located in Unit I of Section 16, Township 20 South, Range 28 East, Eddy County, New
Mexico.

CASE 5727:

Application of Big "6" Drilling Corporation for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Bone Springs formation through the perforated interval from 10,062 feet to 10,119 feet in its Ora Jackson "A" Well No. 1 located in Unit M of Section 5, Township 19 South, Range 35 East, Scharb-Bone Springs Pool, Lea County, New Mexico.

Application of Pennzoil Company for an exception to Order No. R-3221, Lea County, New Mexico.

Applicant, in the above-styled cause, seeks, as an exception to the provisions of Commission Order No. R-3221, permission to dispose of, in an unlined pit, produced salt water from its Mescalero Ridge Unit Well No. 1, located in Unit M of Section 20, Township 19 South, Range 34 East, Quail Ridge-Morrow Pool, Lea County, New Mexico.

Application of Penroc Oil Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cauce, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the N/2 of Section 33, Township 19 South, Range 28 East, Eddy County, New Mexico, to be dedicated to applicant's Angell Ranch Well No. 1 to be drilled at an orthodox location in Unit B of said Section 33 to test the Morrow formation. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 5730: Southeastern New Mexico nomenclature case calling for the creation and extension of certain pools in Eddy, Chaves, and Lea 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 Mid Bell Lake-Morrow Gas Pool. The discovery well is the Continental Cil Company Bradley "A" Well No. 1 located in Unit F of Section 19, Township 23 South, Range 34 East, NATM. Said pool would comprise:

#### TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM Section 19: W/2

b) CPEATE a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the East Burton Flat-Morrow Gas Pool. The discovery well is the Texas Oil and Gas Corporation Superior Federal Well No. 1 located in Unit G of Section 8, Township 20 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 29 EAST, NMPM Section 4: W/2
Section 8: All Section 9: All Section 16: All Section 17: All Section 18: All

c) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Strawn production and designated as the East Burton Flat-Strawn Gas Pool. The discovery well is the Texas Oil and Gas Corporation Yates Federal Well No. 1 located in Unit N of Section 8, Township 20 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 29 EAST, NMPM Section 8: S/2

# KELLAHIN AND FOX ATTORNEYS AT LAW 500 DON GASPAR AVENUE POST OFFICE 60X 1769 SANTA FE, NEW MEXICO 87501

JASON W. KELLAHIN ROBERT E. FOX W. THOMAS KELLAHIN

July 12, 1976

TELEPHONE 982-4315 AREA CODE 505

Mr. Bill Carr Oil Conservation Commission P. O. Box 2088 Santa Fe, New Mexico 87501

Re: Big "6" Drilling Company

Dear Bill:

Please have the enclosed application scheduled for hearing on August 4, 1976.

Very truly yours

W. Thomas Kellahin

WTK:kjf

Enclosure



#### BEFORE THE

#### OIL CONSERVATION COMMISSION OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF BIG "6" DRILLING COMPANY FOR SALT WATER DISPOSAL, LEA COUNTY, NEW MEXICO.

#### APPLICATION

Comes now Big "6" Drilling Company, by its attorneys,
Kellahin & Fox, and applies to the Oil Conservation Commission
of New Mexico for approval of a salt water disposal well and
in support thereof would show:

- 1. That applicant seeks authority to utilize its Ora
  Jackson "A" Well No. 1, located in Unit M of Section 5,
  Township 19 South, Range 35 East, N.M.P.M., Scharb-Bone Springs
  Pool, Lea County, New Mexico to dispose of produced salt water
  into the Bone Springs formation in the perforated interval
  from 10,062 feet to 10,119 feet.
- 2. That this matter was considered by the Commission in Case No. 4527 and on May 13, 1971 entered its order No. R-4145 denying the requested application.
- 3. That subsequent production has largely depleted recoverable reserves in the subject section.
- 4. That there has been a substantial change in circumstances which now justify approval of this application.

WHEREFORE applicant prays that this application be set

ans 5727

for hearing before the Commission's Examiner and after notice and hearing as required by law, the Commission authorized the salt water disposal as requested.

Respectfully submitted,

BIG "6" DRILLING COMPANY

KELLAHIN & FOX
P. O. Box 1769
Santa Fe, New Mexico 87501

Attorneys for Applicant

### 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. 5727

Order No. R- 5255

APPLICATION OF BIG "6" DRILLING COMPANY CORPORATION FOR SALT WATER DISPOSAL. LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

#### BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on August 4, 1976, at Santa Fe, New Mexico, before Examiner, Daniel S. Nutter

NOW, on this <u>day of August</u>, <u>1976</u>, 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, Big "6" Drilling Corporation, is the owner and operator of the Ora Jackson "A" Well No. 1 , located in Unit M of Section 5 , Township 19 South , Range 35 East , NMPM, Scharb-Bone Springs Pool , Lea County, New Mexico.
- (3) That the applicant proposes to utilize said well to dispose of produced salt water into the <u>Bone Springs</u>

  formation, with injection into the <u>perforated</u> interval from approximately 10,062 feet to 10,119 feet.

annulus in order to determine leakage in the casing, tubing, or packer.

- (4) That the injection well or system should be equipped with a pop-off valve or acceptable substitute which will limit the wellhead pressure on the injection well to no more than 200 psi.
- (5) That the operator should notify the supervisor of the Hobbs district office of the Commission of the date and time of the installation of disposal equipment so that the same may be inspected.
- (6) That the operator should take all steps necessary to ensure that the injected water enters only the proposed injection interval and is not permitted to escape to other formations or onto the surface.
- (7) That approval of the subject application will prevent the drilling of unnecessary wells and otherwise prevent waste and protect correlative rights.

#### IT IS THEREFORE ORDERED:

(1) That the applicant, Big "6" Drilling Corporation	,
is hereby authorized to utilize itsOra Jackson "A" Well No. 1	r
located in Unit M of Section 5 , Township 19 South	_,
Range 35 East , NMPM, Scharb-Bone Springs Pool	_,
Lea County, New Mexico, to dispose of produced salt	
water into the Bone Springs formation, injection	z-
tion to be accomplished throughinch	n.
tubing installed in a packer set at approximately 10,000 feet,	
with injection into the perforated interval from approximately	
10,062 feet to 10,119 feet;	

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

- (2) That the injection well or system shall be equipped with a pop-off valve or acceptable substitute which will limit the wellhead pressure on the injection well to no more than 900 psi.
- (3) That the operator shall notify the supervisor of the Hobbs district office of the Commission of the date and time of the installation of disposal equipment so that the same may be inspected.
- (4) That the operator shall immediately notify the supervisor of the Commission's Hobbs district office of the failure of the tubing, casing, or packer, in said well or the leakage of water from or around said well and shall take such steps as may be timely and necessary to correct such failure or leakage.
- (5) That the applicant shall submit monthly reports of its disposal operations in accordance with Rules 704 and 1120 of the Commission Rules and Regulations.
- (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.

### Memo

**Trom**D. S. NUTTER

To Florine:

Letter of transmittal wy order should contain this remark.

Please nace that the packer setting depth Prescribed by this order is different from them that proposed one your Exhibit 30.6.