

Entered February 14, 1984
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STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 7993
Order No. R-3255-A

APPLICATION OF HARVEY E. YATES
COMPANY FOR SALT WATER DISPOSAL,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on November 9, 1983, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 14th day of February, 1984, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

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

(2) That the applicant, Harvey E. Yates Company, is the owner and operator of the Stebbins Deep Federal Well No. 1, located 1980 feet from the North line and 990 feet from the East line of Section 30, Township 20 South, Range 29 East, NMPM, Eddy County, New Mexico.

(3) That Division Order No. R-3255, dated June 8, 1967, authorized the applicant to complete said Stebbins Deep Federal Well No. 1 in such a way as to produce oil from the Scanlon-Delaware Pool through one string of tubing and to selectively produce undesignated Strawn and undesignated Morrow gas production through a second parallel string of tubing. Separation of the zones was accomplished by packers set at 3304 feet, 10,476 feet, 11,250 feet, a choke plug in the oil production short tubing string, and a sliding side door and an Otis "PN" plug installed in the gas production long tubing string.

-2-

Case No. 7993

Order No. R-3255-A

(4) That the applicant proposes to continue producing oil from the Scanlon-Delaware Pool through the existing short tubing string and to dispose of produced salt water into the Strawn and Morrow formations, with injection into the existing perforated intervals from approximately 10,501 feet to 10,577 feet in the Strawn formation and 11,276 feet to 11,333 and 11,401 feet to 11,411 feet in the Morrow formation.

(5) That the applicant proposes to pull the long gas production assembly with the exception of the two permanent packers set at 10,476 feet and 11,250 feet.

(6) That the injection should be accomplished through 2 3/8-inch plastic lined tubing installed in the existing two lower packers; 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 packers.

(7) That the injection assembly or system should be equipped with a pressure limiting switch or other acceptable device which will limit the wellhead pressure on the injection well to no more than 2100 psi.

(8) That the Director of the Division should be authorized to administratively approve an increase in the injection pressure upon a proper showing by the operator that such higher pressure will not result in migration of the injected waters from the Strawn and Morrow formations.

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

(10) 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.

(11) 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, Harvey E. Yates Company, is hereby authorized to re-complete its Stebbins Deep Federal Well No. 1, located 1980 feet from the North line and 990 feet from the East line of Section 30, Township 20 South, Range 29 East,

NMPM, Eddy County, New Mexico, as a dual completion to continue producing oil from the Scanlon-Delaware Pool through the existing short tubing string, and to dispose of produced salt water into the Strawn and Morrow formations through a parallel long tubing string, injection to be accomplished through 2 3/8-inch plastic-lined tubing installed in the two existing permanent packers set at 10,476 feet and 11,250 feet with injection into the perforated intervals from 10,501 feet to 10,577 feet in the Strawn formation and 11,276 feet to 11,333 feet and 11,401 feet to 11,411 feet in the Morrow formation;

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 packers.

(2) That the injection assembly or system shall be equipped with a pressure limiting switch or other acceptable device which will limit the wellhead pressure on the injection well to no more than 2100 psi.

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

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

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

(6) That the applicant shall submit monthly reports of its disposal operations in accordance with Rules 702, 703, 704, 705, 706, 708, and 1120 of the Division Rules and Regulations.

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

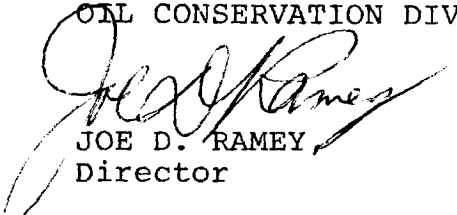
-4-

Case No. 7993

Order No. R-3255-A

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY
Director

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