Entered October 31, 1967 (2.1.1?

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. 3664 Order No. R-3332

APPLICATION OF WILLIAM A. AND EDWARD R. HUDSON FOR SALT WATER DISPOSAL, EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on October 18, 1967, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this <u>31st</u> day of October, 1967, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, and being fully advised in the premises,

FINDS:

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

(2) That the applicants, William A. and Edward R. Hudson, are the owners and operators of the Puckett "A" Well No. 16, located 2180 feet from the North line and 660 feet from the East line of Section 24, Township 17 South, Range 31 East, NMPM, Maljamar Pool, Eddy County, New Mexico.

(3) That the subject well is within the area of a waterflood project operated by the applicants on their Puckett "A" and Puckett "B" Leases in Sections 13, 24, and 25, Township 17 South, Range 31 East, NMPM, Maljamar Pool, Eddy County, New Mexico. -2-CASE No. 3664 Order No. R-3332

(4) That large amounts of water are produced in conjunction with the production of oil from the aforementioned waterflood project.

(5) That the applicants propose to utilize said well to dispose of said produced salt water into the Lower San Andres formation, with injection through perforations in the interval from approximately 4125 feet to 4905 feet.

(6) That the applicants plan to recycle the aforesaid produced water into the formation being flooded as soon as practicable plans for so doing are formulated.

(7) That it is in the interest of good conservation practices, including the conservation of fresh water, to recycle water produced or used in connection with the producing of oil or gas, or both, in water injection projects, whenever recycling is feasible and performed in a manner that will afford reasonable protection against contamination of fresh water supplies designated by the state engineer.

(8) That in order to allow the applicants sufficient time in which to formulate practicable plans for the recycling of the aforesaid produced water, and to otherwise prevent waste and protect correlative rights, the applicants should be authorized to utilize the subject well to dispose of produced water for a temporary period of one year.

(9) That the injection should be accomplished through internally plastic-coated tubing installed in a packer set at or below 4100 feet; that the casing-tubing annulus should be filled with an inert fluid; and that a pressure gauge should be attached to the annulus or the annulus left open at the surface in order to determine leakage in the tubing or packer.

IT IS THEREFORE ORDERED:

(1) That the applicants, William A. and Edward R. Hudson, are hereby authorized, for a temporary period of one year from the date of this order, to utilize their Puckett "A" Well No. 16, located 2180 feet from the North line and 660 feet from the East line of Section 24, Township 17 South, Range 31 East, NMPM, Maljamar Pool, Eddy County, New Mexico, to dispose of produced salt water into the Lower San Andres formation, injection to be -3-CASE No. 3664 Order No. R-3332

accomplished through tubing installed in a packer set at or below 4100 feet, with injection through perforations in the interval from approximately 4125 feet to 4905 feet;

<u>PROVIDED HOWEVER</u>, that the tubing shall be internally plastic-coated; that the casing-tubing annulus shall be filled with an inert fluid; and that a pressure gauge shall be attached to the annulus or the annulus left open at the surface in order to determine leakage in the tubing or packer.

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

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

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

STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

DAVID F. CARGO, Chairman

GUYTON B. HAYS, Member

U'X Joiter A. L. PORTER, Jr., Member & Secretary

SEAL

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