Conteres Accorder 9, 1968 all

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. 3981 Order No. R-3624

APPLICATION OF TEXACO INC. 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 December 2, 1968, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this <u>9th</u> day of December, 1968, 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, Texaco Inc., is the owner and operator of the B. V. Lynch "A" Federal Well No. 8, located in Unit I, and the B. V. Lynch "A" Federal Well No. 11, located in Unit G, both in Section 34, Township 20 South, Range 34 East, NMPM, Lynch Yates-Seven Rivers Pool, Lea County, New Mexico.

(3) That the applicant proposes to utilize said wells to dispose of produced salt water into the Yates and Seven Rivers formations, with injection into the intervals as follows:

The open-hole interval from approximately 3690 feet to 3753 feet in the B. V. Lynch "A" Federal Well No. 8; and

The perforated interval from approximately 3538 feet to 3617 feet in the B. V. Lynch "A" Federal Well No. 11.

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(4) That the injection should be accomplished through:

2 7/8-inch plastic-lined tubing installed in a packer set at approximately 3550 feet in the B. V. Lynch "A" Federal Well No. 8; and

2 7/8-inch plastic-lined tubing installed in a packer set at approximately 3500 feet in the B. V. Lynch "A" Federal Well No. 11;

and that the casing-tubing annulus of each well should be filled with an inert fluid; and that a pressure gauge should be attached to the annulus of each well at the surface in order to determine leakage in the casing, tubing, or packer.

(5) 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, Texaco Inc., is hereby authorized to utilize its following-described wells in Section 34, Township 20 South, Range 34 East, NMPM, Lynch Yates-Seven Rivers Pool, Lea County, New Mexico, to dispose of produced salt water into the Yates and Seven Rivers formations, with injection to be accomplished as follows:

> B. V. Lynch "A" Federal Well No. 8, located in Unit I, injection to be accomplished through 2 7/8-inch tubing installed in a packer set at approximately 3550 feet, with injection into the open-hole interval from approximately 3690 feet to 3753 feet; and

B. V. Lynch "A" Federal Well No. 11, located in Unit G, injection to be accomplished through 2 7/8-inch tubing installed in a packer set at approximately 3500 feet, with injection into the perforated interval from approximately 3538 feet to 3617 feet;

<u>PROVIDED HOWEVER</u>, that in each well 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 at the surface in order to determine leakage in the casing, tubing, or packer. -3-CASE No. 3981 Order No. R-3624

(2) 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) 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 DAVID F. CARGO, Chairman GUYTON B. HAYS Member PORTER, Jr., Member & Secretary

SEAL