Enteret Capil 15, 1969 ALP.

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. 4097 Order No. R-3730

APPLICATION OF WESTERN STATES PRODUCING COMPANY FOR A DUAL COMPLETION AND 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 April 9, 1969, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this <u>15th</u> day of April, 1969, 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, Western States Producing Company, seeks authority to complete its Smelting-State Well No. 1, located in Unit F of Section 9, Township 12 South, Range 34 East, NMPM, East Bagley-Pennsylvanian Pool, Lea County, New Mexico, as a dual completion to produce oil from the East Bagley-Pennsylvanian Pool through 5 1/2-inch casing and to dispose of produced salt water down the annulus between the 5 1/2-inch production casing string and the 9 5/8-inch intermediate casing string into the San Andres, Glorieta, Tubb, and Abo formations in the open-hole interval from approximately 4199 feet to 8931 feet.

(3) That the produced salt water should be continuously treated prior to injection to prevent casing corrosion and coupon corrosion tests should be conducted continuously on said well and the results thereof filed quarterly with the Commission until further notice from the Secretary-Director of the Commission. -2-CASE No. 4097 Order No. R-3730

(4) That approval of the dual completion and salt water disposal as set out above will prevent the drilling of unnecessary wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Western States Producing Company, is hereby authorized to complete its Smelting-State Well No. 1, located in Unit F of Section 9, Township 12 South, Range 34 East, NMPM, East Bagley-Pennsylvanian Pool, Lea County, New Mexico, as a dual completion to produce oil from the East Bagley-Pennsylvanian Pool through 5 1/2-inch casing and to dispose of produced salt water down the annulus between the 5 1/2-inch production casing string and the 9 5/8-inch intermediate casing string into the San Andres, Glorieta, Tubb, and Abo formations in the openhole interval from approximately 4199 feet to 8931 feet;

<u>PROVIDED HOWEVER</u>, that the produced salt water shall be continuously treated prior to injection to prevent casing corrosion; that coupon corrosion tests shall be conducted continuously on said well and the results thereof filed quarterly with the Commission until further notice from the Secretary-Director of the Commission;

<u>PROVIDED FURTHER</u>, that the applicant shall submit monthly reports of its disposal operations in accordance with Rules 704 and 1120 of the Commission Rules and Regulations.

(2) 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 CARGO, Chairman DAVID

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

SEAL

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