

Entered June 13, 1969

A.S.P.

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. 4136
Order No. R-3779

APPLICATION OF MALLARD PETROLEUM, 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 June 13, 1969,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 13th day of June, 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, Mallard Petroleum, Inc., is the
owner and operator of the Milner Federal Well No. 4, located in
Unit C of Section 35, Township 20 South, Range 34 East, NMPM,
Lynch Pool, Lea County, New Mexico.

(3) That the applicant proposes to deepen said well to
approximately 3850 feet and to utilize the well to dispose of
produced salt water into the Lower Seven Rivers formation,
with injection into selected perforated intervals below the
estimated original oil-water contact at 3758 feet.

(4) That injection should be limited to that portion of
the Lower Seven Rivers formation between a point 20 feet below

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the aforesaid estimated original oil-water contact and the expected new total depth of approximately 3850 feet.

(5) That a 4-inch liner should be installed in said well extending from 3500 feet to the new total depth and that cement should be circulated on said liner.

(6) That the injection should be accomplished through 2 3/8-inch plastic-lined tubing installed in a packer set at approximately 3550 feet; that the casing-tubing annulus should be filled with an inert fluid; and that a pressure gauge should be attached to the annulus at the surface in order to determine leakage in the casing, tubing, or packer.

(7) That an administrative procedure should be provided to permit deepening said well in the Seven Rivers formation beyond 3850 feet if insufficient porosity has been encountered to that point.

(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, Mallard Petroleum, Inc., is hereby authorized to deepen its Milner Federal Well No. 4, located in Unit C of Section 35, Township 20 South, Range 34 East, NMPM, Lynch Pool, Lea County, New Mexico, to approximately 3850 feet, and to utilize said well to dispose of produced salt water into the Lower Seven Rivers formation, injection to be accomplished through 2 3/8-inch tubing installed in a packer set at approximately 3550 feet, with injection into selected perforated intervals between 3778 feet and total depth.

(2) That a 4-inch liner shall be installed from 3500 feet to total depth, and cement circulated around said liner;

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 at the surface in order to determine leakage in the casing, tubing, or packer;

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PROVIDED FURTHER, that the Secretary-Director of the Commission may authorize deepening said well in the Seven Rivers formation below 3850 feet if insufficient porosity to permit disposal of produced salt water has been encountered to that point.

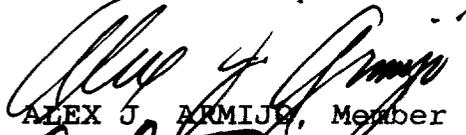
(3) That the applicant shall submit monthly reports of its disposal operations in accordance with Rules 704 and 1120 of the Commission Rules and Regulations.

(4) 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


ALEX J. ARMIJO, Member


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

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