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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. 4223 Order No. R-3868

APPLICATION OF RESLER AND SHELDON FOR TWO WATERFLOOD PROJECTS, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on October 22, 1969, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this <u>29th</u> day of October, 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 applicants, Resler and Sheldon, seek authority to inject produced salt water into the Grayburg formation in the perforated interval from approximately 3555 feet to 3617 feet in their Kelly Well No. 3 and into the Queen and Grayburg formations in the perforated interval from approximately 3439 feet to 3689 feet in their Steeler Well No. 1, said wells being located, respectively, in Unit M of Section 16 and Unit I of Section 20, both in Township 23 South, Range 37 East, NMPM, Langlie-Mattix Pool, Lea County, New Mexico.

(3) That the Kelly Well No. 3 should be classified as a pilot waterflood project injection well.

(4) That the Steeler Well No. 1 should be classified as a salt water disposal well.

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(5) That injection through said Kelly Well No. 3 should be accomplished through 2-inch tubing set just above the uppermost perforation in said well.

(6) That injection through said Steeler Well No. 1 should be accomplished through 2-inch tubing installed in a packer set at approximately 3400 feet in said well; that the casing-tubing annulus should be filled with an inert fluid; that a pressure gauge should be attached to the annulus in order to determine leakage in the casing, tubing, or packer.

(7) That approval for the injection of produced salt water as described above will prevent the drilling of unnecessary wells, prevent waste, and will not violate correlative rights.

(8) That Administrative Order No. SWD-102 should be superseded.

IT IS THEREFORE ORDERED:

(1) That the applicants, Resler and Sheldon, are hereby authorized to institute a pilot waterflood project by utilizing their Kelly Well No. 3, located in Unit M of Section 16, Township 23 South, Range 37 East, NMPM, Langlie-Mattix Pool, Lea County, New Mexico, to inject produced salt water into the Grayburg formation in the perforated interval from approximately 3555 feet to 3617 feet through 2-inch tubing set just above said perforated interval.

(2) That the above-described waterflood project is hereby designated the Resler and Sheldon Langlie Mattix Kelly Waterflood Project and shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

(3) That the applicants are hereby authorized to utilize their Steeler Well No. 1, located in Unit I of Section 20, Township 23 South, Range 37 East, NMPM, Langlie-Mattix Pool, Lea County, New Mexico, to dispose of produced salt water into the Queen and Grayburg formations in the perforated interval from approximately 3439 feet to 3689 feet through 2-inch tubing installed in a packer set at approximately 3400 feet in said well;

PROVIDED HOWEVER, that the casing-tubing annulus shall be filled with an inert fluid and that a pressure gauge shall be

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attached to the annulus at the surface in order to determine leakage in the casing, tubing, or packer.

(4) That the applicants shall submit monthly reports of the waterflood project and the disposal operation authorized herein in accordance with Rules 704 and 1120 of the Commission Rules and Regulations.

(5) That Administrative Order No. SWD-102 is hereby superseded.

(6) 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

Inno 1 ARMIJO, ALEX J Member

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

SEAL

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