Entered may 20, 1970 A.I.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. 4345 Order No. R-3967

APPLICATION OF YATES DRILLING COMPANY 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 April 29, 1970, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this <u>20th</u> day of May, 1970, 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, Yates Drilling Company, is the owner and operator of the Galvin Well No. 8 and the Galvin Well No. 14, both located in Unit N of Section 12, Township 20 South, Range 26 East, NMPM, West McMillan-Seven Rivers Pool, Eddy County, New Mexico.

(3) That the applicant proposes to utilize said wells to dispose of water produced by its Galvin Well No. 7 located in said Unit N into the Seven Rivers formation, with injection by gravity into the intervals as follows:

The open-hole interval from approximately 68 feet to 100 feet in its Galvin Well No. 8, and

The open-hole interval from approximately 68 feet to 90 feet in its Galvin Well No. 14.

-2-CASE No. 4345 Order No. R-3967

(4) That the injection should be accomplished through tubing installed in a packer set at approximately 67 feet in each well and that the casing-tubing annulus of each of the subject wells should be filled with an inert fluid.

(5) That approval of the subject application will prevent the drilling of unnecessary wells and otherwise prevent waste and protect correlative rights, provided only water produced from the West McMillan-Seven Rivers Pool is disposed of into the subject wells.

IT IS THEREFORE ORDERED:

(1) That the applicant, Yates Drilling Company, is hereby authorized to utilize its following-described wells in Unit N of Section 12, Township 20 South, Range 26 East, NMPM, West McMillan-Seven Rivers Pool, Eddy County, New Mexico, to dispose of water produced from said pool into the Seven Rivers formation:

Galvin Well No. 8, injection to be accomplished by gravity through tubing installed in a packer set at approximately 67 feet, with injection into the open-hole interval from approximately 68 feet to 100 feet, and

Galvin Well No. 14, injection to be accomplished by gravity through tubing installed in a packer set at approximately 67 feet, with injection into the open-hole interval from approximately 68 feet to 90 feet;

<u>PROVIDED HOWEVER</u>, that the casing-tubing annulus of each of the subject wells shall be filled with an inert fluid.

(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 O ŃEW MEXICO TION COMMISSION CARGO. DAVIĎ Chairman AKBX J ARMITO, Memk Member & Secretary Jr.,

SEAL

esr/