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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. 5035 Order No. R-4612

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 July 25, 1973, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this <u>13th</u> day of August, 1973, 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. 1, located in Unit J of Section 34 and its B. V. Lynch "A" Federal Well No. 10, located in Unit C of Section 34, both in 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-Seven Rivers formation, with injection into the open-hole interval from approximately 3,373 feet to 3,731 feet in its B. V. Lynch "A" Federal Well No. 1 and 3,712 feet to 3,734 feet in its B. V. Lynch "A" Federal Well No. 10.

(4) That the injection should be accomplished through 2 7/8-inch plastic-lined tubing installed in a packer set at approximately 3,320 feet in its B. V. Lynch "A" Federal Well No. 1 and injection should be accomplished through 2 7/8-inch plastic-lined tubing installed in a packer set at approximately 3,665 feet in its B. V. Lynch "A" Federal Well No. 10; that the casing-tubing annulus of each well should be filled with an inert fluid; and that an approved pressure gauge or leak detection device should be attached to the annulus of each well in order -2-Case No. 5035 Order No. R-4612

to determine leakage in the casing, tubing, or packer; that the operator shall take such other steps as may be necessary to ensure that the injected water enters only the formation proposed for injection.

(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 B. V. Lynch "A" Federal Well No. 1, located in Unit J of Section 34 and its B. V. Lynch "A" Federal Well No. 10, located in Unit C of Section 34, both in 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-Seven Rivers formation, injection to be accomplished through 2 7/8-inch tubing installed in a packer set at approximately 3,320 feet in its B. V. Lynch "A" Federal Well No. 1 and injection to be accomplished through 2 7/8-inch tubing installed in a packer set at approximately 3,665 feet in its B. V. Lynch "A" Federal Well No. 10, with injection into the open-hole interval from approximately 3,373 feet to 3,731 feet in its B. V. Lynch "A" Federal Well No. 1 and from approximately 3,712 feet to 3,734 feet in its B. V. Lynch "A" Federal Well No. 10;

PROVIDED HOWEVER, that the tubing in each well shall be plastic-lined; that the casing-tubing annulus of each well shall be filled with an inert fluid; and that a pressure gauge or approved leak detection device shall be attached to the annulus of each well in order to determine leakage in the casing, tubing, or packer.

(2) That the operator shall immediately notify the supervisor of the Commission's Hobbs district office of the failure of the tubing or packer in either of said injection wells, the leakage of water or oil from around any nearby producing well, or the leakage of water or oil from any plugged and abandoned well within the B. V. Lynch "A" lease and shall take such timely steps as may be necessary or required to correct such failure or leakage.

(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.

-3-Case No. 5035 Order No. R-4612

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO OIL CONSERVATION COMMISSION ť _ TRUJILLO, Chairman R. 1. Chm. X J ARMIJO, Member A. L. PORTER, Jr., Member & Secretary

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