

Entered March 10, 1976
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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. 5635
Order No. R-5176

APPLICATION OF SUNDANCE OIL COMPANY
FOR SALT WATER DISPOSAL, CHAVES
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on March 3, 1976, at Santa Fe, New Mexico, before Examiner, Richard L. Stamets.

NOW, on this 10th day of March, 1976, 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, Sundance Oil Company, is the owner and operator of the Ingram Federal Well No. 2, located in Unit I of Section 5, Township 8 South, Range 31 East, NMPM, Tom Tom-San Andres Pool, Chaves County, New Mexico.

(3) That the applicant proposes to utilize said well to dispose of produced salt water into the San Andres formation, with injection into the perforated interval from approximately 3,852 feet to 3,858 feet.

(4) That the injection should be accomplished through 2 3/8-inch internally coated tubing installed in a packer set at approximately 3799 feet; that the casing-tubing annulus should be filled with an inert fluid; and that measures should be taken in order to determine leakage in the casing, tubing, or packer.

(5) That if the pressure is used the injection well or system should be equipped with a pop-off valve or acceptable substitute which will limit the wellhead pressure on the injection well to no more than one half psi for each foot of depth to the uppermost perforation.

(6) That the operator should notify the supervisor of the Hobbs district office of the Commission of the date and time of

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the installation of disposal equipment so that the same may be inspected.

(7) That the operator should take all steps necessary to ensure that the injected water enters only the proposed injection interval and is not permitted to escape to other formations or onto the surface.

(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, Sundance Oil Company, is hereby authorized to utilize its Ingram Federal Well No. 2, located in Unit I of Section 5, Township 8 South, Range 31 East, NMPM, Tom Tom-San Andres Pool, Chaves County, New Mexico, to dispose of produced salt water into the San Andres formation, injection to be accomplished through 2 3/8-inch tubing installed in a packer set at approximately 3799 feet, with injection into the perforated interval from approximately 3,852 feet to 3,858 feet;

PROVIDED HOWEVER, that the tubing shall be internally coated and that the casing-tubing annulus shall be filled with an inert fluid.

(2) That the disposal well shall be equipped and/or tested to determine leakage in the casing, tubing, or packer in the manner described under (a) or (b) below:

(a) If injection is by pressure system, the annulus shall be equipped with a pressure gauge or other approved leak detection device.

(b) If injection takes place with no measurable surface pressure or a negative pressure, the operator shall test the annulus with positive pressure within 30 days of initial injection and annually thereafter. The supervisor of the Hobbs district office of the Commission shall be notified of the date and time of such tests in order that they may be witnessed.

(3) That if injection is by pressure the injection well or system shall be equipped with a pop-off valve or acceptable substitute which will limit the wellhead pressure on the injection well to no more than one half psi for each foot of depth to the uppermost perforation.

(4) That the operator shall notify the supervisor of the Hobbs district office of the Commission of the date and time of the installation of disposal equipment so that the same may be inspected.

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(5) That the operator shall immediately notify the supervisor of the Commission's Hobbs district office of the failure of the tubing, casing, or packer, in said well or the leakage of water from or around said well and shall take such steps as may be timely and necessary to correct such failure or leakage.

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

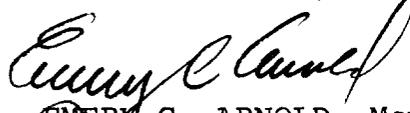
(7) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



PHIL R. LUCERO, Chairman



EMERY C. ARNOLD, Member



JOE D. RAMEY, Member & Secretary

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