

Entered November 30, 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. 5800
Order No. R-5322

APPLICATION OF YATES PETROLEUM
CORPORATION FOR SALT WATER DISPOSAL
WELL, EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on November 10, 1976, at Santa Fe, New Mexico, before Examiner, Richard L. Stamets.

NOW, on this 30th day of November, 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, Yates Petroleum Corporation, is the owner and operator of the Bob Gushwa Well No. 1, located in Unit J of Section 21, Township 18 South, Range 26 East, NMPM, Atoka-Pennsylvanian Gas Pool, Eddy County, New Mexico.

(3) That the applicant proposes to utilize said well to dispose of produced salt water into the Morrow formation, with injection into the perforated interval from approximately 8,983 feet to 9,129 feet.

(4) That the injection should be accomplished through 3-inch plastic lined tubing installed in a packer set at approximately 8,950 feet; that the casing-tubing annulus should be filled with an inert fluid; that a pressure gauge or approved leak detection device should be attached to the annulus in order to determine leakage in the casing, tubing, or packer; and that the well should be equipped to facilitate the periodic testing of the annular space between production and surface casing.

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(5) That 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 1800 psi.

(6) That the operator should notify the supervisor of the Artesia district office of the Commission of the date and time of 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, Yates Petroleum Corporation, is hereby authorized to utilize its Bob Gushwa Well No. 1, located in Unit J of Section 21, Township 18 South, Range 26 East, NMPM, Atoka-Pennsylvanian Gas Pool, Eddy County, New Mexico, to dispose of produced salt water into the Morrow formation, injection to be accomplished through 3-inch tubing installed in a packer set at approximately 8,950 feet, with injection into the perforated interval from approximately 8,983 feet to 9,129 feet;

PROVIDED HOWEVER, that the tubing shall be plastic-lined; that the casing-tubing annulus shall be filled with an inert fluid; that a pressure gauge shall be attached to the annulus or the annulus shall be equipped with an approved leak detection device in order to determine leakage in the casing, tubing, or packer; and that the casing-casing annulus shall be equipped with a riser to facilitate periodic testing of the bradenhead for pressure or fluid production.

(2) That 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 1800 psi.

(3) That the operator shall notify the supervisor of the Artesia 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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(4) That the operator shall immediately notify the supervisor of the Commission's Artesia district office of the failure of the tubing, casing, or packer, in said well or the leakage of water from or around said well or any other evidence of fluid migration from the injection well and shall take such steps as may be timely and necessary to correct such failure or leakage.

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

(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

PHIL R. LUCERO, Chairman



EMERY C. ARNOLD, Member



JOE D. RAMEY, Member & Secretary

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