

Entered August 16, 1979
JJK

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 6593
Order No. R-6082

APPLICATION OF DYCO PETROLEUM
CORPORATION FOR SALT WATER DISPOSAL,
LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on July 11, 1979, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 16th day of August, 1979, the Division Director, 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 Division has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Dyco Petroleum Corporation, is the owner and operator of the C. S. Stone Well No. 3, located in Unit F of Section 22, Township 15 South, Range 38 East, NMPM, Medicine Rock-Devonian Pool, Lea County, New Mexico.
- (3) That the applicant proposes to utilize said well to dispose of produced salt water into the San Andres, Glorieta and Tubb formations, with injection into the open-hole interval from approximately 4894 feet to 8725 feet.
- (4) That the applicant expects essentially all of the injected water to enter porous zones within the San Andres formation from a depth of approximately 4894 feet to 6100 feet.
- (5) That said C. S. Stone Well No. 3 should be plugged back to an approximate depth of 6100 feet prior to initiation of injection.

-2-

Case No. 6593

Order No. R-6082

(6) That the 5 1/2-inch casing should be cemented across the 9 5/8-inch casing shoe in order to isolate the casing-casing annulus from the injected fluid.

(7) That the injection should be accomplished through 2 7/8-inch fiber glass tubing installed in a packer set at approximately 4850 feet; that the casing-tubing annulus should be filled with an inert fluid; and 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.

(8) That the injection well or system should be equipped with a pressure limiting device or acceptable substitute which will limit the wellhead pressure on the injection well to no more than 980 psi.

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

(10) 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.

(11) 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, Dyco Petroleum Corporation, is hereby authorized to utilize its C. S. Stone Well No. 3, located in Unit F of Section 22, Township 15 South, Range 38 East, NMPM, Medicine Rock-Devonian Pool, Lea County, New Mexico, to dispose of produced salt water into the San Andres formation, injection to be accomplished through 2 7/8-inch fiber glass tubing installed in a packer set at approximately 4850 feet, with injection into the open-hole interval from approximately 4894 feet to 6100 feet;

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

-3-

Case No. 6593
Order No. R-6082

PROVIDED FURTHER, that prior to initiation of injection the applicant shall plug back said C. S. Stone Well No. 3 to an approximate depth of 6100 feet and shall cement the 5 1/2-inch casing across the 9 5/8-inch casing shoe both in accordance with Division-approved programs.

(2) That the injection well or system shall be equipped with a pressure limiting device or acceptable substitute which will limit the wellhead pressure on the injection well to no more than 980 psi.

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

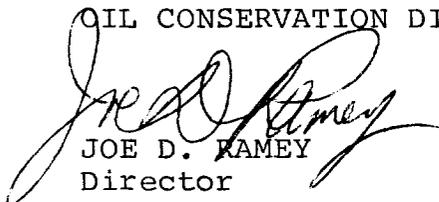
(4) That the operator shall immediately notify the supervisor of the Division's Hobbs district office of the failure of the tubing, casing, or packer, in said well or the leakage of water from or around said well and shall take such steps as may be timely and necessary to correct such failure or leakage.

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

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

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY
Director

S E A L

fd/