

Entered March 29, 1983
JLR

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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. 7812
Order No. R-7241

APPLICATION OF APOLLO ENERGY, INC.
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 March 16, 1983, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 29th day of March, 1983, 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, Apollo Energy, Inc, is the owner and operator of the Aztec 36 State Well No. 1, located in Unit I of Section 36, Township 22 South, Range 35 East, NMPM, Lea County, New Mexico.
- (3) That the applicant proposes to utilize said well to dispose of produced salt water into the Yates and Seven Rivers formations, with injection in the perforated interval from 3740 feet to 3838 feet.
- (4) That the injection should be accomplished through 2 3/8 -inch plastic lined tubing installed in a packer set at approximately 3500 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.

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(5) That the injection well or system should be equipped with a pressure limiting switch or other acceptable device which will limit the wellhead pressure on the injection well to no more than 750 psi.

(6) That the Director of the Division should be authorized to administratively approve an increase in the injection pressure upon a proper showing by the operator that such higher pressure will not result in migration of the injected waters from the injection interval.

(7) 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.

(8) 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.

(9) 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, Apollo Energy Inc., is hereby authorized to utilize its Aztec 36 State Well No. 1 located in Unit I of Section 36, Township 22 South, Range 35 East, NMPM, Lea County, New Mexico, to dispose of produced salt water into the Yates and Seven Rivers formations, injection to be accomplished through 2 3/8-inch tubing installed in a packer set at approximately 3500 feet, with injection into the perforated interval from approximately 3740 feet to 3838 feet;

PROVIDED HOWEVER, that the tubing shall be plastic-lined; 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.

(2) That the injection well or system shall be equipped with a pressure limiting switch or other acceptable device which will limit the wellhead pressure on the injection well to no more than 750 psi.

(3) That the Director of the Division may authorize an increase in injection pressure upon a proper showing by the

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operator of said well that such higher pressure will not result in migration of the injected fluid from the injection interval.

(4) 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.

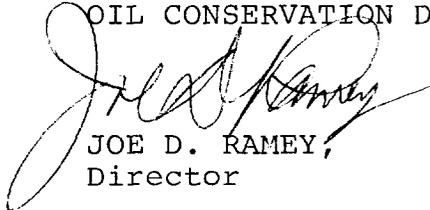
(5) That the operator shall immediately notify the supervisor of the Division's Hobbs district office of the failure of the tubing, casing, or packer, in said well or the leakage of water from or around said well and shall take such steps as may be timely and necessary to correct such failure or leakage.

(6) That the applicant shall submit monthly reports of its disposal operations in accordance with Rules 702, 703, 704, 705, 706, 708, and 1120 of the Division Rules and Regulations.

(7) 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

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