

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
Case No. 12622 & 12908
Exhibit # **A-4**
Submitted By: Redrock Operating
Hearing Date: October 21 & 22, 2002

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 4896
Order No. R-4491

APPLICATION OF LLANO, INC.,
FOR GAS INJECTION, LEA
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 17, 1973, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 16th day of March, 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, Llano, Inc., is the operator of the Grama Ridge Morrow Unit Area comprising some 1280 acres, more or less, of lands in Section 34, Township 21 South, Range 34 East, NMPM, and Section 3, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico.

(3) That the applicant proposes to inject purchased gas for storage purposes into its State GRA Well No. 1 located in Unit E of the aforesaid Section 3 and its State GRB Well No. 1 located in Unit L of the aforesaid Section 34, injection to be into the perforated intervals from 12,827 to 12,847 feet, 12,984 to 12,985 feet, and 13,010 to 13,021 feet in said State GRA Well No. 1, and the perforated intervals from 12,921 to 12,934 feet, 13,020 to 13,022 feet, and 13,051 to 13,073 feet in said State GRB Well No. 1, all of said perforations being into irregular and non-continuous sands embedded in the shale matrix of the Morrow formation, Grama Ridge Morrow Gas Pool.

(4) That while there are other wells than the aforesaid State GRA Well No. 1 and State GRB Well No. 1 producing from the Morrow formation of said Grama Ridge-Morrow Gas Pool, the evidence indicates that said other wells are producing from separate sand stringers not in communication with the proposed injection zones.

(5) That the applicant proposes to initiate and conduct its gas storage operations in the subject wells in accordance with a 3-phase plan as follows:

Phase I - General conditioning of downhole well equipment and installation of surface, testing and metering facilities. Pilot test in order to determine by pressure analysis the limits of the Morrow reservoir and the compatability for gas storage.

Phase II - First installation of permanent compression equipment to expedite fill-up operation after soundness of underground Morrow reservoir is established.

Phase III - Installation of additional compression after evaluation of Phase II has corroborated the reservoir limits as determined in the Phase I evaluation and final fill-up to 2500 psig surface pressure.

(6) That the injection of gas into the subject wells for gas storage purposes, and the subsequent withdrawal of such gas for transportation to market, will not cause waste nor violate correlative rights, and should be approved.

IT IS THEREFORE ORDERED:

(1) That the applicant, Llano, Inc., is hereby authorized to inject gas for storage purposes, and to subsequently withdraw such gas, in the perforated intervals from 12,827 to 12,847 feet, 12,984 to 12,985 feet, and 13,010 to 13,021 feet in its State GRA Well No. 1 located in Unit E of Section 3, Township 22 South, Range 34 East, NMPM, and in the perforated intervals from 12,921 to 12,934 feet, 13,020 to 13,022 feet, and 13,051 to 13,073 feet in its State GRB Well No. 1 located in Unit L of Section 34, Township 21 South, Range 34 East, NMPM, Grama Ridge-Morrow Gas Pool, Lea County, New Mexico.

(2) That the applicant shall notify the Santa Fe and Hobbs offices of the Commission and the Commissioner of Public Lands for the State of New Mexico upon commencement of each phase of operations as outlined in Finding No. (5) above. Further, that the applicant shall file monthly reports of gas injected and gas withdrawn as required by Rule 405 of the Commission Rules and Regulations.

-3-

Case No. 4896
Order No. R-4491

(3) 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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

BRUCE KING, Chairman

S E A L

ALEX J. ARMIJO, Member

A. L. PORTER, Jr., Member & Secretary

dr/