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. 8480
Order No. R-7872

APPLICATION OF BLANCO ENGINEERING, INC. FOR SALT WATER DISPOSAL, EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on February 13, 1985, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 11th day of April, 1985, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, Blanco Engineering, Inc., seeks authority to dispose of produced salt water into the Abo and Wolfcamp formations in the C. E. LaRue & B. N. Muncy, Jr. Nix & Curtis Well No. 1 located 1980 feet from the North line and 660 feet from the West line (Unit E) of Section 25, Township 18 South, Range 26 East, NMPM, Eddy County, New Mexico.

(3) At the time of the hearing the applicant requested and received approval to amend the application to limit salt water disposal to the Wolfcamp formation only in the above-described well.

(4) The subject well was spudded on August 8, 1958 and has been temporarily abandoned in the following manner since 1975:

HOLE DIMENSIONS	SIZE OF CASING	WHERE SET	NO. SACKS OF CEMENT
11-inch to 1200 feet	8 5/8-inch	1155 feet	650
7 7/8-inch to 5400 feet	5 1/2-inch	5373 feet	100
4 3/4-inch to 6531 feet	4-inch liner	5293 feet to 5408 feet	20

top of Wolfcamp formation 6302 feet.

(5) At the time of the hearing the applicant proposed to recomplete the subject well as an injection well by running a combination string of 2 7/8-inch and 2-inch plastic-lined tubing installed in a Lynes Production-Injection Packer with inflation capabilities to be set at approximately 6200 feet in the open hole portion of the wellbore to seal off and isolate the Wolfcamp formation.

(6) The above-described recompletion technique may not provide an effective seal in the open hole interval and migration of the injected waters could occur; said packer cannot be tested appropriately; does not provide for determination of mechanical integrity; and this procedure should therefore be denied.

(7) An alternate recompletion method for said well which provides for confinement of the injected fluids to the Wolfcamp interval and determination of mechanical integrity may be approved by the supervisor of the Artesia district office of the Division and the Director of the Division upon the submittal by the applicant to the Artesia district office and to the Santa Fe office of the Division of a detailed schematic and summary of the proposed recompletion procedure.

(8) The alternate recompletion procedure for said well should utilize plastic-lined tubing, a casing-tubing annulus filled with an inert fluid, and a pressure gauge or approved leak detection device attached to the annulus to detect leakage in the casing, tubing, and/or packer.

(9) After an alternate injection procedure has been approved and prior to commencing injection operations, the casing in the subject well should be pressure tested throughout the interval from the surface down to the proposed packer setting depth to assure the integrity of such casing.

(10) The subsequently approved 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 0.2 psi per foot of depth to the uppermost perforation.

(11) 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 Wolfcamp formation.

(12) The operator should notify the supervisor of the Artesia district office of the Division of the date and time of the installation of the approved disposal equipment and of the mechanical integrity pressure test in order that the same may be inspected.

(13) 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.

(14) Final approval of the subject application and amended recompletion of the subject well will prevent the drilling of unnecessary wells and otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, Blanco Engineering, Inc., is hereby authorized to utilize the C. E. LaRue & B. N. Muncy, Jr. Nix & Curtis Well No. 1 located 1980 feet from the North line and 660 feet from the West line (Unit E) of Section 25, Township 18 South, Range 26 East, NMPM, Eddy County, New Mexico, to dispose of produced salt water into the Wolfcamp formation.

(2) The applicant's proposed recompletion procedure for said well, as described in Finding Paragraph No. (5) of this Order, is hereby denied.

(3) The applicant shall seek approval from the supervisor of the Artesia district office of the Division and the Director of the Division for an alternate recompletion procedure for said well.

(4) The application for an alternate recompletion procedure for said well shall be submitted to the Artesia district office and to the Santa Fe office of the Division and shall consist of a detailed schematic and summary describing the proposed recompletion plans for said well; said recompletion plans shall utilize plastic-lined tubing, a casing-tubing annulus filled with an inert fluid, and a pressure gauge or approved leak detection device attached to the annulus to detect leakage of the casing, tubing, and/or packer.

(5) After an alternate injection procedure has been approved and prior to commencing injection operations, the casing in the subject well shall be pressure tested to assure the integrity of such casing in a manner that is satisfactory to the supervisor of the Division's district office at Artesia.

(6) The subsequently approved 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 0.2 psi per foot of depth to the uppermost perforation.

(7) The Director of the Division upon proper application may authorize an increase in injection pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the injected fluid from the Wolfcamp formation.

(8) The operator shall notify the supervisor of the Artesia district office of the Division of the date and time of the installation of the approved disposal equipment and of the initial mechanical integrity pressure test in order that the same may be inspected.

(9) The operator shall immediately notify the supervisor of the Division'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 and shall take such steps as may be timely and necessary to correct such failure or leakage.

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

(11) 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.

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STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

R. L. STAMETS
Director

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