

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. 8592
Order No. R-7954

APPLICATION OF FANNIE LEE MITCHELL,
INC. FOR SALT WATER DISPOSAL,
LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on May 8, 1985, at Santa Fe, New Mexico, before Examiner Gilbert P. Quintana.

NOW, on this 17th day of June, 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, Fannie Lee Mitchell, Inc., is the owner and operator of the Caudill SWD Well No. G-32, located 1980 feet from the North line and 1830 feet from the East line of Section 32, Township 15 South, Range 36 East, NMPM, Lea County, New Mexico.

(3) Administrative Order SWD-17, dated October 22, 1958, authorized Shell Oil Company to use said well to dispose of produced water in the Devonian formation from 14,200 feet to 14,433 feet.

(4) The applicant now proposes to utilize said well to dispose of produced salt water into the injection interval from 4,950 feet to 14,480 feet encompassing parts of the San Andres, Glorieta, Clearfork, Tubb, Abo, Hueco, Pennsylvanian, Mississippian, Woodford, and Devonian Formations.

(5) The casing in said well is in poor mechanical condition.

(6) The applicant plans to remove the old 6 5/8-inch casing from the surface to 5,050 feet and then replace it with a new string of 7-inch casing cemented back to the surface.

(7) Said 7-inch casing should be hydrostatically tested, subsequent to its installation, in accordance with procedures prescribed by the Division's Hobbs district office.

(8) The injection well should be equipped to prevent the application of any surface injection pressure (all water disposal should be accomplished through means of natural hydrostatic water pressure, "vacuum").

(9) Injection should be accomplished through 2 7/8-inch plastic lined tubing installed in a packer set at approximately 4,900 feet; the casing-tubing annulus should be filled with an inert fluid; and 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.

(10) 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.

(11) 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.

(12) The applicant should have 120 days from the date of this order to complete the recasing of the well as described in Finding No. (6).

(13) The applicant may not inject into said well prior to recompletion of the well unless it is as a direct result of the recompletion operations.

(14) Should the applicant fail to recomplete the well, as described in the previous findings, within 120 days, the well should be plugged and abandoned in accordance with Division standards.

(15) The Division Director may grant an extension to the 120 day time limit upon a proper showing.

(16) Approval of the subject application will prevent the drilling of unnecessary wells and otherwise prevent waste and protect correlative rights.

(17) Administrative Order SWD-17 should be superseded.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, Fannie Lee Mitchell, Inc., is hereby authorized to utilize its Caudill SWD Well No. 32, located 1980 feet from the North line and 1830 feet from the East line of Section 32, Township 15 South, Range 36 East, NMPM, Lea County, New Mexico, to dispose of produced salt water into the San Andres, Glorieta, Clearfork, Tubb, Abo, Hueco, Pennsylvanian, Mississippian, Woodford, and Devonian formations, injection to be accomplished through 2 3/8-inch tubing installed in a packer set at approximately 4900 feet, with injection into the interval from approximately 5,050 feet to 14,480 feet;

PROVIDED HOWEVER THAT, the tubing shall be plastic-lined; the casing-tubing annulus shall be filled with an inert fluid; and 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) Prior to injection, the applicant shall remove the old 6 5/8-inch casing, in the subject well, from the surface to 5,050 feet and replace it with new 7-inch casing cemented back to the surface.

(3) The applicant shall not inject into said well prior to recompletion of the well unless it is as a direct result of the recompletion operations.

(4) The new 7-inch casing shall be hydrostatically pressure tested in accordance with procedures prescribed by the Division's Hobbs district office.

(5) The applicant has 120 days from the date of this order to complete the installation of the new 7-inch casing or plug and abandon the well in accordance with Division standards.

(6) The Division Director may grant an extension to the 120 daytime limit upon a proper showing.

(7) No surface injection pressure may be applied to the well (all disposal of water must be accomplished by means of natural hydrostatic water head pressure "vacuum").

(8) The operator shall notify the supervisor of the Hobbs district office of the Division of the date and time of the

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installation of disposal equipment so that the same may be inspected.

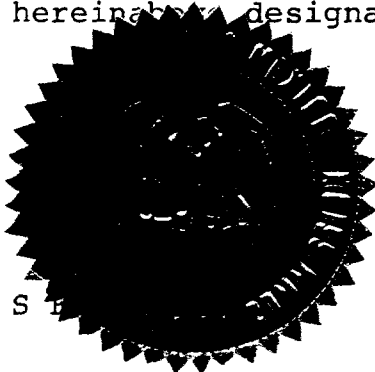
(9) The operator shall immediately notify the supervisor of the Division's Hobbs district office of the failure of the tubing, casing, or packer, in said well or the leakage of water from or around said well and shall take such steps as may be timely and necessary to correct such failure or leakage.

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

(11) Administrative Order SWD-17 is hereby superseded.

(12) 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

Handwritten signature of R. L. Stamets

R. L. STAMETS,
Director

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