

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. 8757
Order No. R-8115

APPLICATION OF CIBOLA ENERGY
CORPORATION FOR SALT WATER
DISPOSAL, CHAVES COUNTY, NEW
MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on November 21, 1985, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 6th day of January, 1986, 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, Cibola Energy Corporation, is the owner and operator of the Plains 29 Well No. 9, located 990 feet from the North and West lines (Unit D) of Section 29, Township 10 South, Range 28 East, NMPM, Undesignated Race Track-San Andres Pool, Chaves County, New Mexico.

(3) The applicant proposes to utilize said well to dispose of produced salt water into the San Andres formation, with injection into the perforated interval from approximately 2209 feet to 2241 feet.

(4) The operator of said well 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 either by the proposed injection well or via surrounding injection, production, and/or plugged and abandoned wells.

(5) The applicant is also the operator of the J.P. White "D" Well No. 11, located 990 feet from the South line and 330 feet from the West line (Unit M) of Section 20, Township 10 South, Range 28 East, NMPM, Chaves County, New Mexico, which is within one-half mile of the proposed injection well and is presently temporarily abandoned at a total depth of approximately 2295 feet. Subsequent to the hearing, Cibola Energy Corporation filed a notice of intent to plug and abandon this well.

(6) The Coronado Exploration Corporation J. P. White "D" Well No. 4 located 660 feet from the South line and 1980 feet from the West line (Unit N) of said Section 20 is also within one-half mile of the proposed injection well and was previously plugged and abandoned from a total depth of 2375 feet.

(7) Prior to commencement of injection into said Plains 29 Well No. 9, the operator should demonstrate that both wells as described in Finding Paragraphs Nos. (5) and (6) above, have been plugged and abandoned in such a manner as to ensure that they do not provide an avenue of escape for fluid from the proposed injection zone and in accordance with a program that is satisfactory to the supervisor of the Division's district office at Artesia.

(8) 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.

(9) The injection should be accomplished through 2 3/8-inch plastic lined tubing installed in a packer set at approximately 2150 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 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 442 psi.

(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 San Andres formation.

(12) The operator should give advance notification to the supervisor of the Artesia district office of the Division of

the date and time of the installation of disposal equipment and of the mechanical integrity pressure test in order that the same may be witnessed.

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

IT IS THEREFORE ORDERED THAT:

(1) The applicant, Cibola Energy Corporation, is hereby authorized to utilize its Plains 29 Well No. 9, located 990 feet from the North and West lines (Unit D) of Section 29, Township 10 South, Range 28 East, NMPM, Undesignated Race Track-San Andres Pool, Chaves County, New Mexico, to dispose of produced salt water into the San Andres formation, injection to be accomplished through 2 3/8-inch tubing installed in a packer set at approximately 2150 feet, with injection into the perforated interval from approximately 2209 feet to 2241 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.

PROVIDED FURTHER THAT, 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.

PROVIDED FURTHER THAT, injection into the San Andres formation through said Plains 29 Well No. 9 shall not commence until the applicant's J. P. White "D" Well No. 11 located 990 feet from the South line and 330 feet from the West line (Unit M) of Section 20, Township 10 South, Range 28 East, NMPM, Chaves County, New Mexico, has been adequately plugged and abandoned in a manner that is satisfactory to the supervisor of the Division's district office at Artesia; nor until the Coronado Exploration Corporation J.P. White "D" Well No. 4 located 660 feet from the South line and 1980 feet from the West line (Unit N) of said Section 20 has either been re-plugged or shown to have been adequately plugged and

abandoned in a manner that is satisfactory to the supervisor of the Division's district office at Artesia.

(2) 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 442 psi.

(3) The Director of the Division 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 San Andres formation.

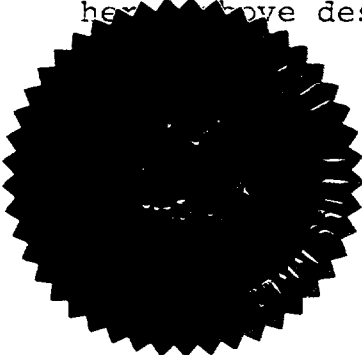
(4) The operator shall notify the supervisor of the Artesia district office of the Division in advance of the date and time of the installation of disposal equipment and of the mechanical integrity pressure test in order that the same may be witnessed.

(5) 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.

(6) 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.

(7) 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 hereabove designated.



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

R. L. Stamets
R. L. STAMETS,
Director