STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

TONEY ANAYA
GOVERNOR

September 4, 1986

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

Mr. Scott Hall
Campbell & Black
Attorneys at Law
Post Office Box 2208
Santa Fe, New Mexico

Re: CASE NO. 8973
ORDER NO. R-8294

Applicant:

Mobil Producing Texas and New Mexico, Inc

Dear Sir:

Enclosed herewith are two copies of the above-referenced Division order recently entered in the subject case.

Sincerely,

R. L. STAMETS
Director

RLS/fd

Copy of order also sent to:

Hobbs OCD x
Artesia OCD x
Aztec OCD

Other Daniel Nutter

50 YEARS

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

1935 - 1985

TONEY ANAYA
GOVERNOR

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SANTA FE, NEW MEXICO 87501
(505) 827-5800

July 23, 1986

Mobil Producing Texas &
New Mexico Inc.
P. O. Box 633
Midland, Texas 79702

Case 8973

Attention: G.E. Tate

Re: Injectivity Test
Government "D" No. 4 Well
Eddy County, New Mexico

Dear Sir:

Reference is made to your request of July 22, 1986, for authorization to conduct a 60 day Delaware formation injectivity test on your Government "D" No. 4 Well, a proposed salt water disposal well. This request is based on information presented by Mobil to the Division at a meeting held on July 22, 1986. As per Division Rules and Regulations, this application for water disposal will be set for the Examiner Hearing on August 20, 1986. Pending approval of the application at the hearing, Mobil will be granted a temporary test period for this well.

You are therefore authorized to conduct a 60 day Delaware formation injectivity test on the Government "D" No. 4 Well located in Section 1, Township 21 South, Range 27 East, NMPM, Eddy County, New Mexico, subject to the following conditions:

(1) At no time during this test period will the injection pressure exceed .2 psi. per foot of depth to the uppermost perforation unless approval has been given by the Division's Artesia district office.

(2) Should the application for disposal well be denied by the Division at the hearing on August 20, 1986, Mobil will cease all injection operations into the well after receipt of the Division order.

(3) Prior to commencing injection test operations into the well, the proposed disposal zone shall be swab tested for a period of time to be determined after consultation with the Division.

(4) All such testing operations shall comply with all Division Rules and Regulations regarding injection operations.

Sincerely

R. L. Stamets
Director

RLS/DRC/et

xc: Case File
D. Catanach

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO

20 August 1986

EXAMINER HEARING

IN THE MATTER OF:

Application of Mobil Producing Texas and New Mexico, Inc. for salt water disposal, Eddy County, New Mexico. CASE 8973

BEFORE: David R. Catanach, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation Division: Jeff Taylor
Attorney at Law
Legal Counsel to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

For Mobil Producing: Scott Hall
Attorney at Law
CAMPBELL & BLACK P. A.
P. O. Box 2208
Santa Fe, New Mexico 87501

I N D E X

E X H I B I T S

MR. CATANACH: Call next Case 8973.

MR. TAYLOR: The application of Mobil Producing Texas and New Mexico, Incorporated, for salt water disposal, Eddy County, New Mexico.

MR. CATANACH: Are there appearances in this case?

MR. HALL: Mr. Examiner, my name is Scott Hall from the Campbell & Black law firm at Santa Fe, on behalf of the applicant.

MR. CATANCH: Are there other appearances in this case?

MR. NUTTER: Dan Nutter, Bass Enterprises.

MR. HALL: I have two witnesses to be sworn this morning.

MR. CATANACH: Any witnesses, Mr. Nutter?

MR. NUTTER: No, sir.

MR. CATANACH: Will the two witnesses please stand and be sworn in at this time?

(Witnesses sworn.)

GEORGE ANDERSON,

being called as a witness and being duly sworn upon his oath, testified as follows, to-wit:

DIRECT EXAMINATION

BY MR. HALL:

Q For the record state your name, please.

A My name is George Anderson.

Q And by whom are you employed and in what capacity?

A I'm employed by Mobil Producing Texas and New Mexico, Incorporated.

I'm employed as a geologist in the Production Geology Department.

Q All right. What is the area of your responsibility?

A Eddy County, New Mexico.

Q Okay. Have you previously testified before the examiner?

A No, I haven't.

Q All right. Why don't you give a brief summary of your educational and work background?

A I graduated with a Bachelor's degree in geology in 1969 from Juniata College in Pennsylvania.

I earned my Master's degree in geology in 1972 from Rensselaer Polytechnic Institute in Troy, New York.

I've been employed as a geologist by Mobil since 1974 to the current date.

Q Are you familiar with this application and the subject well?

A Yes, I am.

MR. HALL: At this point, Mr. Examiner, we would ender the witness as a qualified geologist.

MR. CATANACH: Mr. Anderson is considered qualified.

Q Mr. Anderson, if you would, please, briefly state what Mobil is seeking by this application?

A Mobil seeks the authority to inject -- to inject salt water disposal, to inject salt water into a -- into a zone in the Delaware formation that's currently being produced in the Northwest Fenton Delaware Field.

Q All right, and what is the identification of the well proposed to be used for injection?

A It's the Government "D" No. 4, Superios Government "D" No. 4.

Q All right, at this time I'd like you to refer to what's been marked as Exhibit Number One and

identify that and explain what it is intended to show.

A Exhibit Number One is the New Mexico Oil Conservation Division Form C-108. It is the Application for Authorization to Inject for the subject well, dated 6-26-86, with supporting documents.

It includes 32 pages in all.

Q All right, again what formation do you propose to inject with water?

A We propose to inject into the lower part of the Cherry Canyon formation in the Delaware Mountain Group.

Q Will the injection be limited to that specific interval?

A The injection zone is limited to that particular interval noted in the Form C-108.

Q All right. What is the present status of the Government "D" No. 4 Well?

A The Government "D" No. 4 was drilled to the Bone Springs in 1984. It was an unsuccessful completion in that interval.

The well is currently temporarily abandoned and with a cast iron bridge plug at approximately 5590 feet with 35 feet of cement cap on top of the bridge plug.

Q All right, and if you'd refer to page six of Exhibit One, the C-108, are those matters reflected on

that schematic?

A Yes, they are.

Q All right.

At this time I'd like for you to refer to Exhibit Number Two and explain what that's intended to show.

A All right.

Q And if you want to get up there next to the exhibit, you're free to do so.

A Okay. Let me review that initially from right here, if I may, please.

The Exhibit Number Two is a plat. It contains two maps. The map on the left is a scale of one inch to 2000 feet. It's a base map used by Mobil for mapping purposes. It's had extraneous information removed to remove an uncluttered base map.

It shows the subject well, the Government -- the Superior Government "D" No. 4, located at the center of two circles, a circle of 2-mile radius and a half mile radius circle.

Within the 2-mile radius all the wells -- all the wells within the 2-mile radius are color coded by completion zone or in the dry holes they're color coded by the intended objective interval, and the legend at the bottom provides the key to -- to the code.

The half mile radius circle, of course,

shows the area of review, and the yellow colored area in the 2-mile radius shows those properties operated by Mobil within that 2-mile radius area.

On the right is an index map. It's a portion of a Midland Map Company land map, which provides information on lease ownership within two miles of the subject well. The scale of this map is one inch to 4000 feet.

And that basically shows what that -- what that exhibit includes.

Q All right. Now, within the 2-mile radius are you aware of any other completions through those wells in the injection interval?

A No, there are none.

Q Okay. All right, at this time I'd like you to refer back to the C-108, Exhibit One, again, and using that in conjunction with Exhibit Number Two, I'd like you to summarize the tabular data on the wells.

A Okay.

Q I believe that's page nine of Exhibit One.

A Right. If you'll note on the -- on Exhibit Two, you can see that in addition to the proposed disposal well there are four wells in the area of review and these four wells are included in the tabular data.

The tabular data includes information on

the operator of each well, the lease, the well number, location of the well, the well type, date the well was drilled, to total depth of each well, and the completion interval of each well.

I will -- I will read the information on the tabular data sheet.

Mobil Oil Producing Texas and New Mexico in the Burton Flat Lease, Well No. 1, loated 2950 feet from the north line, 1700 feet from the east line of Section 1, Township 21 South, Range 27 East.

It's a producing well. It was drilled the 24th of June -- July, rather, 1985, to a depth of 5722 feet and was completed in the Bone Springs formation from 5604 to 5622 feet.

Mobil Producing Texas and New Mexico Burton Flat No. 2, 3300 feet from the south line, 1980 feet from the east line, in Section 1, Township 21 South, Range 27 East.

It's a producing well. It was drilled 29th of November, 1984, to a depth of 5745 feet. It's completed in the Bone Springs from 5552 feet to 5574 feet.

Two wells in the area of review are operated by Exxon, the Stott Federal No. 2, located 1980 feet from the west line, 1392 feet from the north line of Section 1, Township 21 South, Range 27 East.

It's a producing well; was drilled 17th of June, 1984, to a depth of 5670 feet. It was completed in the Bone Springs formation from 5537 feet to 5560 feet.

The Exxon operated Stott Federal No. 3 is also in the area of review. It's located 1980 feet from the west line, 2912 feet from the north line of Section 1, Township 21 South, Range 27 East.

It's a producing well. It was drilled July 13th, 1984, to a depth of 5630 feet. It's completed in the Bone Springs formation from 5488 feet to 5516 feet.

Q Mr. Anderson, does Exhibit One have appended to it C-105 forms showing the mechanical construction for the four wells within the area of review?

A Yes, it does.

Q All right. Are there any plugged and abandoned wells in the area of review?

A No.

Q Okay, at this time I'd like you to refer to Exhibits Three and Four, which we've placed on the wall, and simply explain to the examiner what those reflect.

A Okay. Exhibits Number Three and Four are cross sections, which carry across the area included in the 2-mile radius around the Government "D" No. 4 Well.

The cross sections show the intervals in this area included in the 2-mile radius that are currently

completed above and below the proposed disposal zone, and it shows that zone of porosity which has been selected for the proposed disposal well.

I'm going to refer to the plat. The producing zone above -- I should have been more clear but producing intervals are color coded yellow and the proposed disposal interval is color coded in blue.

The producing interval in yellow is the Northwest Fenton Delaware pay which is the pay zone for the Northwest Fenton Delaware Field, which falls in this area, of the area of review. It's in the southern part of the 2-mile area included in the 2-mile radius around the Government No. 4 Well.

All the wells color coded in green are the wells that belong to the Northwest Fenton Delaware Field and are in fact completed in the zone color coded in yellow on both cross sections.

The producing zone, colored in yellow below the first disposal zone is the East Avalon Bone Springs pay and is the pay zone for the wells coded in red, which essentially fall just to the north of the Northwest Fenton in this area of the area around -- the 2-mile radius around the Government "D" No. 4 Well.

Let me begin by -- by talking about cross section B-B'. The cross section is a -- includes a series

of density neutron gamma ray logs. The neutron log is recorded in porosity units based on limestone matrix. The density, and it's the dashed curve on all these logs.

The density curve is recorded as bulk density and it is the solid curve. The scales for the neutron porosity are -10 to 30 percent porosity and the bulk density goes from 2 to 3 grams per cc across the -- across the track.

The proposed disposal well on this cross section is located right here, Government "D" No. 4. It shows the proposed disposal zone; it's a zone approximately 200 feet thick and includes -- the porosity interval ranges from, log calculated porosity, ranges from 18 to 21 percent. The zone calculates wet and to the best of our knowledge, we've investigated completion reports in Artesia and there are no wells, based on that information there are no wells currently completed in this zone within the 2-mile -- within the 2-mile area around the -- around the Government "D" No. 4 Well.

This porosity zone carries porosity -- I'm sorry, let me show you where the location of this cross section is.

This cross section runs from north to south and essentially crosses the Northwest Fenton Field and the East Avalon Bone Springs Field, and as I was saying, the

zone of porosity that we propose as a disposal zone does carry across this particular area from north to south.

The interval separating the proposed disposal zone and the Northwet Fenton Delaware pay, is about 600 to 700 feet thick. It includes several tight streaks and it includes shaley zones that would be effective barriers to communication between the -- between the disposal zone and the overlying Northwest Fenton Delaware Field pay.

I want to point out, as well, that as we move -- on this cross section, as we move to the north, to the far north, the Government "D" No. 4 Well, located here on the cross section and here on the map, carried the cross section to the north, to the Liberty No. 5-Y Well. There's a scale break on the map because it's such a long distance compared to the other -- other wells, but I want to indicate that that well is also completed and has a Delaware completion, the Scanlon Delaware Field, located approximately 12-1400 feet below the proposed disposal zone and it occurs in -- in these three wells colored green on the -- on the plat.

So it's located approximately a mile and a half north of the proposed disposal well and interval, the pay interval is approximately 1200 the proposed disposal zone.

Cross Section A-A' shows essentially the same thing as B-B', the only difference is that it is a

northwest/southeast cross section running across the -- across the field. I can show you better on here. It runs across the field to the disposal well, goes south, and then comes out to the extreme southeastern end of the Northwest Fenton Field.

And it shows essentially the same thing. The Northwest Fenton Delaware Field pay lies approximately 6-to-700 feet above the proposed disposal zone. There are several tight streaks and shaly intervals that -- that -- such as these, that do carry across the zone of interest, or the area of interest, and would serve as effective vertical barriers to communication.

I guess that's really what I wanted to show, and likewise, to the Bone Springs East Avalon Field. There's about 1500 feet separating the disposal zone from the pay zone, and we do not expect any communication between -- between the zone of porosity we propose to dispose in and the porosity currently produced in this East Avalon Bone Springs Field.

Q Let me ask you with respect to Exhibit Four and the Government "D" No. 4 again, are the perforations reflected for that well on that exhibit?

A I haven't drawn the perforations on the -- the actual perforated intervals -- sorry, here's the well. The actual perforated intervals fall within this zone,

which is approximately 200 feet thick. The perforated intervals are 3,849 to 3856; 3869 to 3880; 3884 to 3888; 3898 to 3918; 3922 to 3934; and 3964 to 4010.

The actual zone is -- this is the zone we propose to dispose in. The actual perforations are modified slightly from those listed in the -- in the C-108. The zone has been reduced by about -- the perforated has been reduced by about 10 feet. The zone remains unchanged.

Q And those would be the perforations shown on page seven of Exhibit One?

A Yes.

Q And these perforations are indeed, the actual perforations are indeed within the advertised interval, is that correct?

A Yes, they are.

Q Okay. Have you examined the general geologic data in this area?

A Yes.

Q And what conclusions did you draw from that?

A That we've selected a zone of porosity for disposal that is isolated from the current production zones in the area; that the zone carries across the area that we -- that would be included in the 2-mile radius; that there are no wells, according to the records filed with the

NMOCD that indicate there are any completions in this zone; and that we are effectively isolated from the Northwest Fenton Field pay and East Avalon Bone Springs Field pay.

Q All right. So there there is no commercial production within the Delware injection interval?

A Not within the -- not within the 2-mile radius.

Q All right. Do you know what the water saturation is in the area?

A The water saturation that -- calculated water saturation in this -- in the disposal well, is on the order of 65 to 67 percent.

Q All right. Let me ask, as a result of your examination have you discovered any evidence of open faults or other hydrologic connection between the disposal interval and any other intervals?

A No, I have not.

Q Okay. Are there any fresh water zones in the area at all?

A Yes, there are. There are two fresh water zones, the Rustler formation, which has fresh water down to a depth of about plus or minus 400 feet in the overall area, and the Capitan Reef, which contains low salinity water down to a depth of about 2400 feet.

Q Are those intervals referenced on page 20

of Exhibit One?

A They're referenced in Exhibit One, page 20, yes.

Q Okay. Are there any fresh water wells within a mile of the injection well?

A Yes. There is one fresh water well and it's located in Section 1, Township 21 South, Range 27 East, Unit P.

Q Okay. In your opinion will the granting of this application be in the best interest of conservation, the prevention of waste, and the protection of correlative rights?

A Yes.

Q Is Exhibit One a copy of the application that Mobil Producing Texas and New Mexico, Inc. has submitted for authority to dispose of produced water in the subject well?

A Yes, it is.

Q Were Exhibits Two through Four compiled by you or at your direction?

A Yes.

MR. HALL: At this time we'd offer Exhibits One through Five and state to the examiner we intend to call a geologic -- I'm sorry, an engineering witness following Mr. Anderson.

MR. CATANACH: Exhibits One through Five will be admitted into evidence.

MR. HALL: I'm sorry that was Exhibits One through Four. Five is not in yet.

MR. CATANACH: Exhibits One through Four, then.

I have no questions for the witness. He may be excused.

MR. HALL: At this time we call Mr. Jack Hamner.

JACK HAMNER,

being called as a witness and being duly sworn upon his oath, testified as follows, to-wit:

DIRECT EXAMINATION

BY MR. HALL:

Q For the record state your name and place of residence.

A My name is Jack Hamner. I live in Midland, Texas.

Q By who are you employed and in what capacity?

A I'm employed by Mobil Producing Texas and New Mexico, Incorporated. I work as a reservoir engineer.

Q Does your area of responsibility include the Permian Basin in New Mexico?

A That is correct.

Q Have you previously testified before the Division?

A No.

Q Why don't you give a brief summary of your education and work backgrounds for the examiner?

A Okay. I graduated from the University of Texas at Austin in May of 1980; BS degree in petroleum engineering.

I've worked as an engineer for Mobil ever since.

Q Okay. At this point let me ask you, are you familiar with the application in this case and the subject well?

A Yes, I am.

MR. HALL: At this point, Mr. Examiner, we tender Mr. Hamner as a qualified petroleum engineer.

MR. CATANACH: Mr. Hamner is considered qualified.

Q Mr. Hamner, what is the source of the water you propose to inject into the Government "D" No. 4?

A It is the produced water from the Mobil

operated Northwest Fenton Delaware Field and the East Avalon Bone Spring Field.

Q All right. What are you presently doing with the water produced from those fields?

A We're presently trucking the water off the lease at this time.

Q Okay. Do you know what your cost is for that trucking?

A Yes. It's approximately 82 cents a barrel.

Q All right. What are the volumes that Mobil proposes to injection into the well?

A We are proposing an average injection rate of 1000 barrels a day.

Q All right, what will be the maximum daily rate you propose to inject?

A 3,300 barrels.

Q Will the system be an open system or closed?

A It will be a closed system.

Q All right. Will the injection be under pressure or by gravity?

A It will be under pressure.

Q I'd like you to refer to Exhibit One, the C-108 and the schematic of the injection well; I believe

that's page seven, and if you would simply explain the mechanical make-up of the well shown on that page.

A Okay. We have production string and 5-1/2 inch casing set down to a TD of 5,712 feet. As was mentioned, presently the well is TA'ed. We have a cast iron bridge plug set in the well cap with 35 feet, approximately, of cement; approximately at 5590 feet.

We have currently perforated the Delaware pay, as mentioned, 3849 through 4022 feet.

We have a packer in the well at this point in time set at approximately 3,754 feet, with 2-7/8ths inch tubing and the back side, or the annulus space is loaded with water, and that's basically the condition that the well is at at this point in time.

Q Will there be a leak detection system set up in the well?

A Correct. We will definitely put a pressure gauge on the well to monitor the back side at all times.

Q Okay. What is the maximum injection pressure you propose to utilize?

A The maximum injection pressure at this time is unknown. We need to run a step rate test of some sort to determine this.

Q Okay. Is the pressure, the standard

pressure limitation of 0.2 of a pound per foot of depth to the top of the injection interval satisfactory for the volumes you seek to inject?

A Probably not. Based on information from our recent acid stimulation additional pressure will be required to inject at the proposed rates; however, a step rate test can be -- can be run to determine the fracture pressure of the formation.

Q Okay, and you will run that test, if necessary?

A Yes.

Q All right. At this time I'd like you to refer to pages 14 and 15 of Exhibit One, and explain what those pages reflect.

A Okay. Page fourteen of Exhibit One, first off, goes through and mentions the fact of the maximum amount of water that we intend to inject. It also goes into detail of the relative amounts of water that we're talking abut injecting via which zone. In this particular exhibit we're talking about roughly 20 barrels of water per day that we would inject into this well as Bone Spring water. The remainder amount would be Delaware produced water.

It goes on to say that -- that basically in calculating that we're looking at approximately one percent of Bone Spring water will be injected into the

proposed Delaware zone.

In addition it goes on to say that the waters are incompatible; that we feel that at the ratios that the waters are mixed that this compatibility problem is not a problem.

Q Okay, and that carries on over to page 15. Is that also a water analysis?

A Yes. Page fifteen is a water analysis performed by Core Laboratories and it supports what was said on page fourteen, and it -- the mixtures that were run for the compatibility test for this particular water analysis was done on a mixture of 75 percent Delaware water and 25 percent Bone Spring water.

Again I'd like to point out that we're looking at a volume of Bone Spring water, one percent as opposed to 25 percent.

Q And it is not a significant amount in your view?

A No.

Q All right. Why don't you refer to page twenty-one of Exhibit One? Is that also a water analysis for fresh water?

A Yes, it is. The analysis on page twenty-one is an analysis of the Spears (sic) fresh water well that's located in Section 1, and basically showing that the

chlorides in the well are about 500. It is a slightly -- slightly brackish fresh water well.

Q All right, at this point I'd like you to refer to pages four and five of Exhibit One and let me ask you, do those pages reflect any sort of stimulation program that was implemented on this well?

A Yes, they do. On page five of Exhibit One the proposed stimulation was just that; it was proposed stimulation. We have actually done a stimulation which was slightly differing from that.

Q Okay, well let me ask you if you'd refer to Exhibit Five now, is Exhibit Five reflective of any changes to the stimulation program that was actually implemented?

A Yes, it is.

Q Okay, would you explain what those changes were, briefly?

A Okay. I will just read the exhibit since it's -- will tell exactly what the changes were.

A packer was set at 3,754 feet. The well was loaded and the annulus was loaded and pressure tested. The Delaware perfs 3849 through 4,010 were acidized with 11,800 gallons of 10 percent NEFE hydrochloric acid; 180 ball sealers were used in the job; tubing treating pressure ranged from 2800 pounds to 3,400 pounds; average injection

pressure was 2800 pounds. Our average injection rate was 9.5 barrels per minute. We had good ball action during stimulation and we balled out the well at 4,200 pounds.

We had an instantaneous shut-in pressure on the well of 1,100 pounds. We shut the well in for one hour. We opened the well; at that time we flowed it back 36 barrels of load water in one and a half hours. The well died. We started swabbing operations at that point and swabbed 88 barrels total fluid from the well; no show of oil; 100 percent water.

Q Okay, at this point I'd like you to refer to Exhibit Six. Does Exhibit Six consist of copies of the certified notices given to offsetting property owners of this application?

A That is correct.

Q Have you examined the available engineering data on the subject area and well?

A Yes, I have.

Q As a result of this examination have you found any evidence of any open faults or hydrologic connection between the disposal zone and any other source of drinking water?

A No, I have not.

Q Okay. In your opinion will the granting of this application prevent waste, protect correlative

rights, and be in the best interest of conservation?

A Yes, I do. The ability to dispose of water in the Government "D" 4 Well will anable Mobil to operate wells which are shut in and uneconomical to produce at current disposal costs.

It will also significantly reduce operating costs, considering approximately 1000 barrels a day of produced water being trucked off lease at 82 cents a barrel, and it will also extend the productive life of wells which make high volumes of water.

Q Okay. Were Exhibits Five and Six prepared at your direction?

A Yes, they were.

MR. HALL: At this point we would offer into evidence Exhibits Five and Six.

MR. CATANACH: Exhibits Five and Six will be admitted into evidence.

MR. HALL: That concludes our direct of this witness.

CROSS EXAMINATION

BY MR. CATANACH:

Q Mr. Hamner, at this time you're not proposing to exceed the .2 psi per foot of injection limitation?

A No, sir, I am not. I feel that it would be necessary to run a step rate test to determine the true frac pressure of the reservoir and upon that information collected and submitted to the State to make that recommendation at that time.

Q Let me get the proposed perforations right. From 3849 to 4010?

A That's correct. That's the top and the bottom perfs.

Q And you said that you did test this zone and it tested completely wet with water, no oil.

A That is correct, and also with the recovery fluids from our swabbing operations we did not detect any -- any oil.

MR. CATANACH: Mr. Nutter, do you have any questions of the witness?

MR. NUTTER: No questions; a statement.

MR. CATANACH: I have no further questions.

MR. HALL: Mr. Examiner, for the record we believe this is a -- time is of the essence in this matter and we would accordingly request an expedited order.

We might also request that the

order allow for the present time that the injection to be at the .2 pound standard pressure with a provision that the pressure may be increased upon submission of additional evidence to the Examiner in order to avoid the necessity of separate application and additional hearing.

MR. CATANACH: Very well.

MR. HALL: That's all we have.

MR. CATANACH: Mr. Nutter, you may make your statement.

MR. NUTTER: Yes, sir. Bass Enterprises has no objection to the disposal of water into the zones as advertised, nor to the zones as amended at this hearing this morning.

However, we would like to be apprised of the step rate tests that are run and any application that would be made for injection pressures in excess of the standard .2 of a pound per foot of depth.

Other than that Bass has no objections.

MR. CATANACH: Mr. Hamner, I would direct you to submit the step rate test to Bass Enterprises at the same time that you send it to the State.

MR. HAMNER: I will.

MR. CATANACH: Thank you.

Is there anything further in

Case 8973?

If not, it will be taken under advisement.

(Hearing concluded.)

C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that the foregoing Transcript of Hearing before the Oil Conservation Division (Commission) was reported by me; that the said transcript is a full, true, and correct record of the hearing prepared by me to the best of my ability.

Sally W. Boyd CSR

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 8973 heard by me on August 20, 1986.

David R. Catanach, Examiner
Oil Conservation Division