

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
Santa Fe, New Mexico

23 October 1986

COMMISSION HEARING

IN THE MATTER OF:

Cases 9009, 9010, 9011, 9012, 9013,
and 9014, all of which are concern-
ing proposed rule changes.

CASES
9009-9010
9011-9012
9013-9014

*Transcript in
Case 9009*

BEFORE: Richard L. Stamets, Chairman
Ed Kelley, Commissioner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Division:

Jeff Taylor
Legal Counsel to the Division
Oil Conservation Division
State Land Office Bldg.
Santa Fe, New Mexico

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 9013
Order No. R-8337

IN THE MATTER OF THE HEARING CALLED BY
THE OIL CONSERVATION DIVISION ON ITS
OWN MOTION TO CONSIDER THE AMENDMENT
OF RULE 704.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on October 23, 1986, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 4th day of November, 1986, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, and being fully advised in the premises,

FINDS THAT:

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

(2) The Oil Conservation Division seeks the amendment of its Rule 704 to read in its entirety as shown on Exhibit "A" attached to this order.

(3) The proposed amendment of this rule would provide for pressure testing of the mechanical integrity of injection wells any time the tubing is pulled or the packer is unseated, notice prior to conducting step rate tests, and for filing procedures for increasing authorized injection well pressure limits.

(4) The proposed amendment of this rule will further the protection of fresh water and clarify the process for obtaining injection well pressure limit increases and should be adopted.

(5) The effective date of the order should be November 10, 1986.

IT IS THEREFORE ORDERED THAT:

(1) Effective November 10, 1986, Oil Conservation Division Rule 704 is hereby amended to read in its entirety as shown on Exhibit "A" attached to this order.

(2) Jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

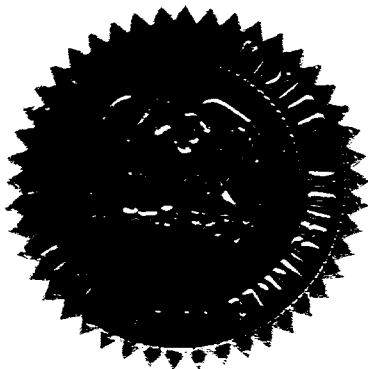
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JIM BACA, Member

Ed Kelley
ED KELLEY, Member

R. L. Stamets
R. L. STAMETS,
Chairman and Secretary



S E A L

RULE 704. TESTING, MONITORING, STEP-RATE TESTS, NOTICE TO THE DIVISION,
REQUESTS FOR PRESSURE INCREASES

A. Testing

Prior to commencement of injection and any time tubing is pulled or the packer is resealed, wells shall be tested to assure the integrity of the casing and the tubing and packer, if used, including pressure testing of the casing-tubing annulus to a minimum of 300 psi for 30 minutes or such other pressure and/or time as may be approved by the appropriate district supervisor. A pressure recorder shall be used and copies of the chart shall be submitted to the appropriate Division district office within 30 days following the test date.

At least once every five years thereafter, injection wells shall be tested to assure their continued mechanical integrity. Tests demonstrating continued mechanical integrity shall include the following:

- (a) measurement of annular pressures in wells injecting at positive pressures under a packer or a balanced fluid seal; or,
- (b) pressure testing of the casing-tubing annulus for wells injecting under vacuum conditions; or,
- (c) such other tests which are demonstrably effective and which may be approved for use by the Division.

Notwithstanding the test procedures outlined above, the Division may require more comprehensive testing of the injection wells when deemed advisable, including the use of tracer surveys, noise logs, temperature logs, or other test procedures or devices.

In addition, the Division may order special tests to be conducted prior to the expiration of five years if conditions are believed to so warrant. Any such special test which demonstrates continued mechanical integrity of a well shall be considered the equivalent of an initial test for test scheduling purposes, and the regular five-year testing schedule shall be applicable thereafter.

The injection well operator shall advise the Division of the date and time any initial, five-year, or special tests are to be commenced in order that such tests may be witnessed.

B. Monitoring

Injection wells shall be so equipped that the injection pressure and annular pressure may be determined at the wellhead and the injected volume may be determined at least monthly.

Injection wells used for storage shall be so equipped that both injected and produced volumes may be determined at any time.

C. Step-Rate Tests, Notice to the Division, Requests for Injection
Pressure Limit Increases

Whenever an operator shall conduct a step-rate test for the purpose of increasing an authorized injection or disposal well pressure limit, notice of the date and time of such test shall be given in advance to the appropriate Division district office.

Copies of all injection or disposal well pressure-limit increase applications and supporting documentation shall be submitted to the Division Director and to the appropriate district office.

CASE NO. 9013

ORDER NO. R-8337

EXHIBIT "A"