

STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:

CASE NO. 9489  
ORDER NO. R-8763

APPLICATION OF BLACKWOOD &  
NICHOLS CO., LTD. FOR SALT  
WATER DISPOSAL, SAN JUAN  
COUNTY, NEW MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on September 28, 1988, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 12th day of October, 1988, 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, Blackwood & Nichols Co., Ltd., is the owner and operator of the Northeast Blanco Unit Well No. 206, located 790 feet from the South line and 1190 feet from the West line (Unit M) of Section 10, Township 31 North, Range 7 West, NMPM, San Juan County, New Mexico.

(3) The applicant proposes to utilize said well to dispose of produced water from Fruitland Coal Gas Wells in the applicant's Northeast Blanco Unit into the Nacimiento formation, with injection into the perforated interval from approximately 1798 feet to 2250 feet.

(4) The State Engineer, by letter dated April 13, 1967, has designated, pursuant to Section 70-2-12(15), NMSA, (1978), all underground water in the State of New Mexico containing less than 10,000 parts per million or less of dissolved solids as fresh water to be afforded reasonable protection against contamination.

(5) Water in the Nacimiento formation from the subject well tested 6370 parts per million of total dissolved solids.

(6) Applicant presently has five wells producing Coal Gas from the South Los Pinos Fruitland-Pictured Cliffs Pool. Listed below for each well is an analysis of the water to be disposed into the subject injection well:

<u>Well Name &amp; No.</u>	<u>Location</u> (U-S-T-R)	<u>Date of First</u> <u>Gas Production</u>	<u>Total Dissolved</u> <u>Solids (PPM)</u>	<u>Date of</u> <u>Water Analysis</u> (if known)
NEBU No. 212	O- 1-31N-7W	1-15-86	9410	--
NEBU No. 213	D-12-31N-7W	1-14-86	8223	--
NEBU No. 214	I-22-31N-7W	1-14-86	10190	--
NEBU No. 215	D-26-31N-7W	1-14-86	7260	--
NEBU No. 218	D-16-31N-7W	1-15-86	8600	2-4-86

(7) In each case the total dissolved solids from the producing wells is higher than the water in the proposed disposal formation.

(8) The applicant presented testimony at the hearing on the characteristics of "Coal Gas" and its associated water production, which indicates that the quantity of water decreases with time; however, the applicant failed to show whether the quality of the water remains constant or changes with time.

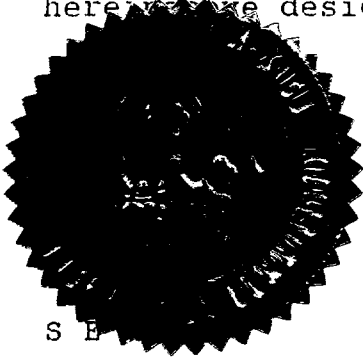
(9) This application should therefore be denied.

IT IS THEREFORE ORDERED THAT:

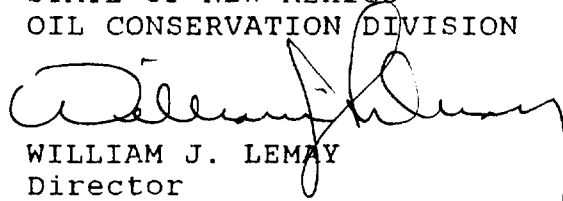
(1) The application of Blackwood & Nichols Co., Ltd. to dispose of produced salt water into the Nacimiento formation in the perforated interval from approximately 1798 feet to 2250 feet in its Northeast Blanco Unit Well No. 206 located 790 feet from the South line and 1190 feet from the West line (Unit M) of Section 10, Township 31 North, Range 7 West, NMPM, San Juan County, New Mexico, is hereby denied.

(2) 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  
hereinafter designated.



STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
WILLIAM J. LEMAY  
Director