

Case Number.

4 / 48

Application

Transcripts.

Small Exhibits

ETC.

dearnley-meier reporting service, inc.

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

1120 SIMMS BLDG. • P. O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO



BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION

Santa Fe, New Mexico

June 4, 1969

EXAMINER HEARING

IN THE MATTER OF:

Application of Fannie Lee
Mitchell, Inc. for salt
water disposal, Lea County,
New Mexico.

Case 4148

BEFORE: DANIEL S. NUTTER, Examiner

TRANSCRIPT OF HEARING

JUL 14 AM 8 26

MR. HATCH: Case 4148, application of Fannie Lee Mitchell, Inc. for salt water disposal, Lea County, New Mexico.

MR. KELLAHIN: If the Examiner please, Jason Kellahin appearing for the Applicant, and I have one witness I would like to have sworn.

(Thereupon, Applicant's Exhibits 1, 2 and 3 were marked for identification.)

ROBERT J. KIRBY

called as a witness by the Applicant, having been first duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q State your name, please?

A Robert J. Kirby.

Q What business are you engaged in?

A Oil Field Trucking Transportation.

Q Where are you located?

A Lovington, New Mexico.

Q Are you connected with the Applicant, Fannie Lee Mitchel, Incorporated?

A Yes, sir.

Q What is your position?

A President.

Q Does the operation of this Company come under your supervision?

A Yes.

Q Are you familiar with the application that has been filed on behalf of the corporation in Case 4148?

A I am.

Q What is proposed by Fannie Lee Mitchell, Incorporated, in this Case?

A To purchase and use this well as a salt water disposal well.

Q When you say purchase this well, what well are you talking about?

A This well is a Southern Petroleum Exploration, Incorporated, Machris State 36-3 Well, in the southwest quarter of the southeast quarter of Section 3, 16 South, 35 east.

Q Does Fannie Lee Mitchell presently own this well?

A No, we have a tentative agreement subject to approval of the Oil Commission, plus the Land Department

on surface use.

Q Have you made an application to the Commissioner of Public Lands for an easement for use of this well as a salt water disposal well?

A Yes, I have the forms. I have not sent them back in pending the outcome of this Hearing here.

Q And in the event that this application is approved, what do you propose to do with this well?

A We propose to use it for a salt water disposal well.

Q And where will the water you will dispose of come from?

A The water will come from various locations, well sites, where they do not have their own disposal set up and no longer are able to use surface pits, and they will come from many locations.

Q As I understand, Fannie Lee Mitchell, Incorporated, is actually in the trucking business?

A That's correct.

Q Do you have trucks capable of hauling water?

A Yes, we do. We have transports, as well as oil field trucks.

Q Is this what you propose is to haul water to this well site and dispose of it in this well?

A This is correct.

Q And you would not limit the area, then, from which you would take the water?

A No, we would not limit the area.

Q What area does your authority cover?

A It covers Eddy, Lea, Chaves, and Roosevelt Counties, and we also have ICC Authority into Texas, and RRC Authority into Texas, also.

Q Would you be available to pick up water and truck it to your disposal well from any area where it was economical to do so?

A Yes, Of course, the economics would depend on the man that we are hauling for, I am sure. The economics of the distance, as the gentleman earlier in another Case stated, that the rate of hauling does coincide with the distance this water is hauled.

Q Now, referring to what has been marked as Exhibit No. 1, would you identify that exhibit?

A This is the Township map giving the location -- is that the one you marked as No. 1?

Q Yes.

A This is the lease map which I have copied one township of, showing marked in red the proposed disposal well in Section 3.

Q There are some offsetting wells which are marked with a slash. What is the significance of that?

A These wells marked with a slash are abandoned, pulled wells.

Q Do you know what formation they were completed in?

A They were in the same formation, Wolfcamp, I believe is what this is classed.

Q And those were Wolfcamp wells which have been abandoned?

A Yes, sir.

Q Are there Wolfcamp wells in the area producing?

A Yes, there are still Wolfcamp wells in the area producing.

Q Who are the operators?

A There are many operators. It lists on here a Shell being right to the west, although this most recently has been purchased by Cunard Oil and Gas. Also, the Shell production right in Section 2 to the east has been purchased by Cunard. That is the TA lease and the

TB lease. Across the road, I say road, but that is a highway right below that, but in Section 10, Pan-American had two wells on there AG lease. Pure, which is now Union, has four wells in the northwest quarter of Section 10 that are producing. All other surrounding wells or near surrounding wells have been abandoned.

Q Now, referring to what has been marked as Exhibit No. 2, would you identify that exhibit?

A Exhibit No. 2 is the original well record, a copy is recorded, filed in the Office here with the Oil Commission, stating the depth and the drilling contractor, location of the well, type and kinds of pipe run, cementing setting, and such.

Q Now, on the basis of the information contained on Exhibit No. 2, have you prepared a schematic diagram showing the completion date on this well, and your proposed completion for injection purposes?

A Yes, sir. In Exhibit 3, I have shown here the 13 3/8 casing run, and the circulated cement on it, 300 sacks; 8 5/8 casing at 4,667, with 1,500 sacks of cement circulated; and then the 5 1/2 inch casing run to 10,600 feet, with 150 sacks. Top of the cement is 10,005 feet. Perforations are now 10,450 to 10,550

being four shots per foot.

We propose to run in this plastic lined tubing, 2,664 feet of 2 7/8 inch plastic lined tubing, setting a packer at 10,440 feet, and squeezing of salt water through the tubing into the perforations.

Q You will not change the perforations, that will be --

A No, this will be the injection interval.

Q Have you made any test of the well?

A Yes, we have run a ten-day test on the well starting May 24th running through June 2nd, the amounts of water disposed being anywhere from 550 barrels up to a maximum of 1,260 barrels, a ten-day total of over 810 barrels average per day. This well will, of course, take more water than this at any given time. It never loaded up, it continued to take all water on a vacuum. There is no gas pressure fluid level on it, it is evidently at the bottom of the perforations, and the well does take oil fluid on a vacuum.

Q On your completion, you testified you will use a plastic coated, internally coated tubing, is that correct?

A Yes, this is correct.

Q Would you fill the casing tubing annulus with treated water?

A Yes, we will fill the back side with treated water.

Q Will you put a pressure gauge at the surface?

A Yes.

Q Were Exhibits 1, 2, and 3 prepared by you or under your supervision?

A Under my supervision. The well record is only a copy of the well record, and the map is, but they were prepared under my supervision.

MR. KELLAHIN: At this time, I offer Applicant's Exhibits 1, 2, and 3.

MR. NUTTER: Applicant's Exhibits 1 through 3 will be admitted in evidence.

(Thereupon, Applicant's Exhibits 1 through 3 were admitted in evidence.)

MR. KELLAHIN: That is all I have. If the Examiner please, we do not have available a log of the well. If the Commission does not have one, we will obtain it from the present owner and submit it as desired.

MR. NUTTER: I think it would be appropriate if we had a copy of the log of the well.

MR. KELLAHIN: Get a copy and send it to Mr. Nutter.

CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. Kirby, have you discussed this proposed disposal of salt water into the Wolfcamp formation with any of the operators who offset this well with production from the Wolfcamp formation?

A In Section 2, you will notice a little arrow. It is the same color as this, the markings on there, but TB Well No. 2 is now being used by Cunard as a disposal for their accumulated salt water from their TB lease.

Q You have an arrow, and it says SWD.

A Yes, sir. And then to the southwest over here in -- well, it would be the northeast quarter of Section 8, Ashman Hilliard, which Smith and McGrath is their operator, have a well as a salt water well. It takes the disposal well, it takes off their lease.

Q Are those wells both going into the Wolfcamp formation?

A Yes, sir.

Q But you have got Union to the southwest, Pan-American to the south, Cunard to the west. Have you discussed the proposition with them?

A Yes. Now, I talked only with the field man, Ward Grayson with Pan-American, and asked him what effect this might have or what effect our testing that well did have, and he stated no change in the amounts of water or oil on their AG lease which is directly to the south. He also stated he saw no way this would hurt them.

Q How long has it been since this subject well produced oil?

A It has been -- now, this is an estimate on my part -- about 15 days.

Q So it is just now being taken off production?

A Yes, it was a very marginal well, I think something like 3 barrels. I think I have something here that gives the production for March at 111 barrels, I think. 111 barrels for March.

Q Of oil?

A Yes.

Q How much water?

A 3 barrels of water. Very minute on the water.

MR. NUTTER: Any other questions of the witness? You may be excused. Do you have anything further, Mr. Kellahin?

MR. KELLAHIN: That is all.

MR. NUTTER: We will take the Case under advisement, and call Case 4149.

I N D E XWITNESSPAGE

ROBERT J. KIRBY

Direct Examination by Mr. Kellahin

2

Cross Examination by Mr. Nutter

10

EXHIBITSMARKEDADMITTED IN
EVIDENCEApplicant's Exhibits
1 through 3

2

9

STATE OF NEW MEXICO)
) SS.
COUNTY OF BERNALILLO)

I, SAMUEL MORTELETTE, Court Reporter in and
for the County of Bernalillo, State of New Mexico, do
hereby certify that the foregoing and attached Transcript
of Hearing before the New Mexico Oil Conservation
Commission was reported by me, and that the same is a
true and correct record of the said proceedings, to the
best of my knowledge, skill and ability.

Samuel R. Mortelette

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 4148
heard by me on 6-4, 1969.
[Signature] Examiner
New Mexico Oil Conservation Commission



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

P. O. BOX 2088 - SANTA FE

87501

GOVERNOR
DAVID F. CARGO
CHAIRMAN

LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

June 10, 1969

Mr. Jason Kellahin
Kellahin & Fox
Attorneys at Law
Post Office Box 1769
Santa Fe, New Mexico

Re: Case No. 4148
Order No. R-3776
Applicant:
Fannie Lee Mitchell, Inc.

Dear Sir:

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

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC X

Artesia OCC

Aztec OCC

Other State Engineer Office

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE No. 4148
Order No. R-3776

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

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 4, 1969,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 10th day of June, 1969, the Commission, a
quorum being present, having considered the testimony, the record,
and the recommendations of the Examiner, and being fully advised
in the premises,

FINDS:

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

(2) That the applicant, Fannie Lee Mitchell, Inc., seeks
authority to utilize the Southern Petroleum Exploration Co., Inc.,
Machris State 36-3 Well No. 1, located in Unit W of Section 3,
Township 16 South, Range 35 East, NMPM, Townsend-Wolfcamp Pool,
Lea County, New Mexico, to dispose of produced salt water into
the Wolfcamp formation, with injection into the perforated
interval from approximately 10,450 feet to 10,550 feet.

(3) That the injection should be accomplished through
plastic-lined tubing installed in a packer set at approximately
10,440 feet; that the casing-tubing annulus should be filled
with an inert fluid; and that a pressure gauge should be
attached to the annulus at the surface in order to determine
leakage in the casing, tubing, or packer.

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CASE No. 4148

Order No. R-3776

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

IT IS THEREFORE ORDERED:

(1) That the applicant, Fannie Lee Mitchell, Inc., is hereby authorized to utilize the Southern Petroleum Exploration Co., Inc., Machris State 36-3 Well No. 1, located in Unit W of Section 3, Township 16 South, Range 35 East, NMPM, Townsend-Wolfcamp Pool, Lea County, New Mexico, to dispose of produced salt water into the Wolfcamp formation, injection to be accomplished through tubing installed in a packer set at approximately 10,440 feet, with injection into the perforated interval from approximately 10,450 feet to 10,550 feet;

PROVIDED HOWEVER, that the tubing shall be plastic-lined; that the casing-tubing annulus shall be filled with an inert fluid; and that a pressure gauge shall be attached to the annulus at the surface in order to determine leakage in the casing, tubing, or packer.

(2) That the applicant shall submit monthly reports of its disposal operations in accordance with Rules 704 and 1120 of the Commission Rules and Regulations.

(3) That 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


DAVID F. CARGO, Chairman


ALEX J. ARMILLO, Member


A. L. PORTER, Jr., Member & Secretary



esr/

DOCKET: EXAMINER HEARING - WEDNESDAY - JUNE 4, 1969

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

The following cases will be heard before Daniel S. Nutter, Examiner, or
Elvis A. Utz, Alternate Examiner:

CASE 4121: (Continued from the May 7, 1969, Examiner Hearing)
Application of Roger C. Hanks for special pool rules, Lea County,
New Mexico. Applicant, in the above-styled cause, seeks the
promulgation of special pool rules for the Bar U-Pennsylvanian
Pool, Lea County, New Mexico, including a provision for 160-
acre spacing and proration units and the assignment of 80-acre
allowables.

CASE 4143: (Continued from the May 21, 1969, Examiner Hearing)
Application of Amerada Petroleum Corporation for downhole
commingling and special gas-oil ratio limitation, Lea County,
New Mexico. Applicant, in the above-styled cause, seeks
authority to commingle production from the Eumont Gas Pool and
the Skaggs-Grayburg Pool in the wellbore of its Fred Turner,
Jr., "A" Well No. 2, the Eumont completion of which is presently
classified as a gas completion, located in Unit K of Section 18,
Township 20 South, Range 38 East, Lea County, New Mexico. Appli-
cant, further seeks the establishment of a special gas-oil ratio
limitation for the subject well.

CASE 3796: (Reopened)
In the matter of Case No. 3796 being reopened pursuant to the
provisions of Order No. R-3452, which order established 160-
acre spacing units for the Cerca-Upper Pennsylvanian Pool, Lea
County, New Mexico, for a period of one year. All interested
parties may appear and show cause why said pool should not be
developed on 40-acre or 80-acre spacing units.

CASE 4093: (Reopened)
Application of BTA Oil Producers for salt water disposal, Lea
County, New Mexico. Order No. R-3727, dated April 15, 1969,
authorized the applicant to dispose of produced salt water into
the Devonian formation in the intervals from approximately
12,233 feet to 12,275 feet in its Max Pray State "E" Well No. 1
and from approximately 12,088 to 12,164 feet in its Max Pray
State "E" Well No. 2 located, respectively, in Units F and C of
Section 5, Township 10 South, Range 36 East, adjacent to the
West Crossroads-Devonian Pool, Lea County, New Mexico. Applicant
now seeks authority to extend said Devonian zones of disposal
to 12,233 feet to 12,500 feet in said Well No. 1 and 12,088
feet to such depth as is necessary in said Well No. 2.

Examiner Hearing
June 4, 1969
-3-

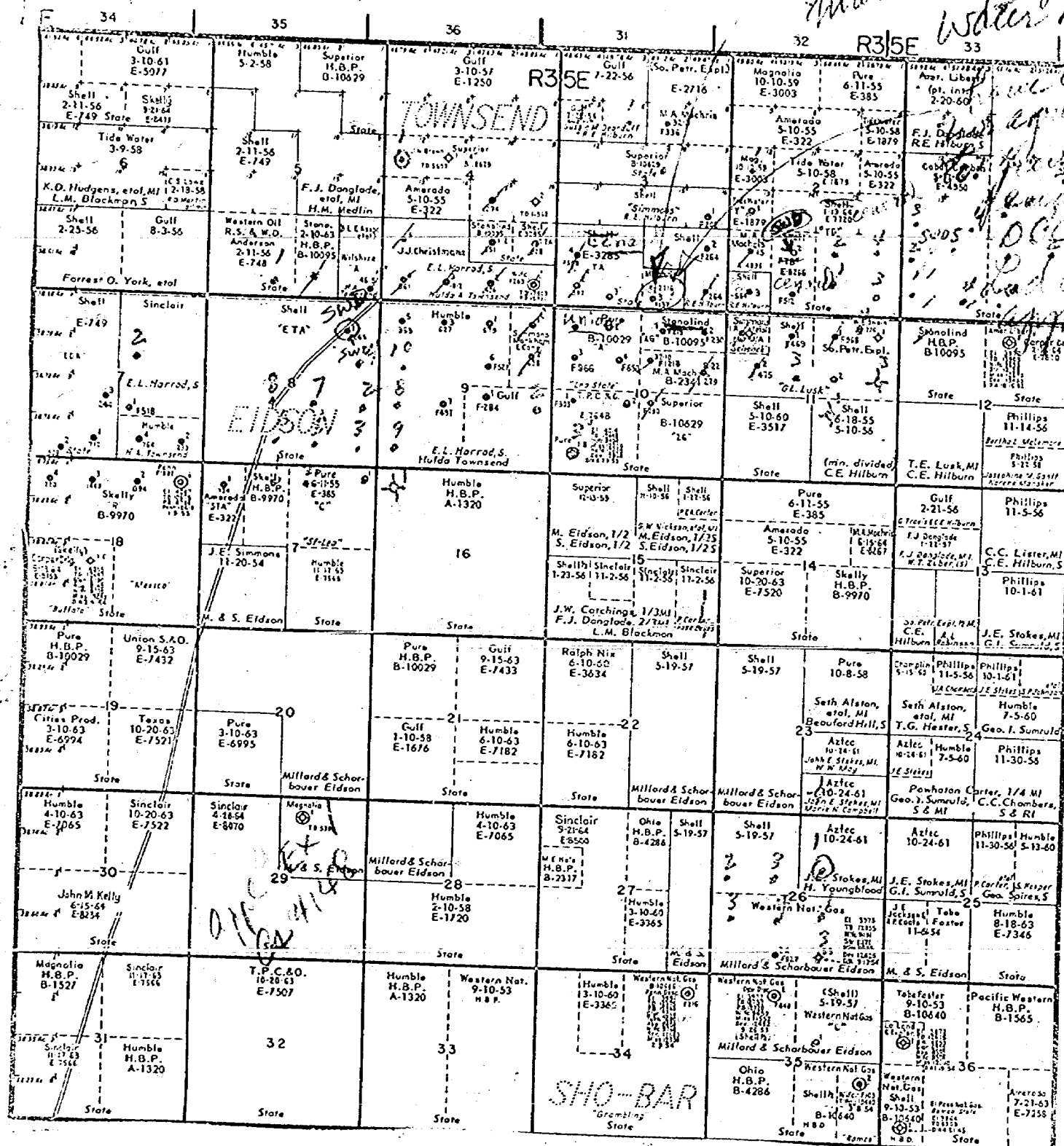
Docket No. 16-69

CASE 4147: Application of Mobil Oil Corporation for pool reclassification, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to have the North Vacuum-Morrow Pool, Lea County, New Mexico, reclassified from an oil pool to a gas pool.

CASE 4148: Application of Fannie Lee Mitchell, Inc. for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Wolfcamp formation in the perforated interval from approximately 10,450 feet to 10,550 feet in the former Southern Petroleum Exploration Co., Inc. Machris State 36-3 Well No. 1 located in Unit W of Section 3, Township 16 South, Range 35 East, Townsend-Wolfcamp Pool, Lea County, New Mexico.

CASE 4149: Application of Jack L. McClellan for an exception to Order No. R-3221, as amended, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221, as amended, which order prohibits the disposal of water produced in conjunction with the production of oil on the surface of the ground in Lea, Eddy, Chaves and Roosevelt Counties, New Mexico, after January 1, 1969. Said exception would be for applicant's Harris Well No. 1 located in Unit P, Section 5, Township 16 South, Range 30 East, West Henshaw-Grayburg Pool, Eddy County, New Mexico. Applicant seeks authority to dispose of salt water produced by said well in unlined surface pits in the vicinity of the well.

32 03/65 23
H H 10/10/10
made of negligible
water.



BEFORE EXAMINER NUTTER

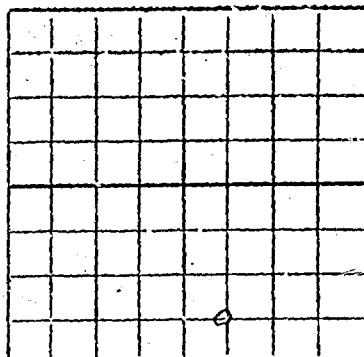
OIL CONSERVATION COMMISSION

Applied LABEL NO. 444-2

CASE NO. 4148

NEW MEXICO OIL CONSERVATION COMMISSION

Santa Fe, New Mexico

(Revised 7/1/53)
(Form C-105)AREA 640 ACRES
LOCATE WELL CORRECTLY

WELL RECORD

Mail to District Office, Oil Conservation Commission, to which Form C-101 was sent not later than twenty days after completion of well. Follow instructions in Rules and Regulations of the Commission. Submit in QUINTUPPLICATE.

U. A. Macario (Company or Operator) State (Lease)
Well No. 3143, in SW 1/4 of SE 1/4, of Sec. 3, T. 13-N, R. 30-E, NMPM.
Laramie-Holbrook Pool, 100 County.
Well is 330 feet from South line and 2310 feet from East line
of Section 3. If State Land the Oil and Gas Lease No. is 1. 2135.
Drilling Commenced May 22, 1954 Drilling was Completed July 20, 1954
Name of Drilling Contractor: Drilling Company, Inc.
100 Capitol Building, Miami, Texas
Elevation above sea level at Top of Tubing Head 1000'. The information given is to be kept confidential until
1954.

OIL SANDS OR ZONES

No. 1, from 10,500 to 10,520 No. 4, from to
No. 2, from to No. 5, from to
No. 3, from to No. 6, from to

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from None to feet.
No. 2, from to feet.
No. 3, from to feet.
No. 4, from to feet.

CASING RECORD

SIZE	WEIGHT PER FOOT	NEW OR USED	AMOUNT	KIND OF SHOE	CUT AND POLED FROM	PERFORATIONS	PURPOSE
12 3/8	100	New	200	Taper In	-	-	Casing
8 5/8	100	New	100	Blow	-	-	Coll. string
5 1/2	17.000	New	10,000	Blow	-	10,400-50	Oil string

MUDDING AND CEMENTING RECORD

SIZE OF HOLE	SIZE OF CASING	WHERE SET	NO. SACKS OF CEMENT	METHOD USED	MUD GRAVITY	AMOUNT OF MUD USED
12 3/8	12 3/8	300	300	WAGO	6.5 / gal	WAGO
11 3/4	11 3/4	400	1000	WAGO	6.5 / gal	WAGO
7 7/8	7 7/8	10,000	100	WAGO	9.0 / gal	WAGO

Top of Cement at 10,005'

RECORD OF PRODUCTION AND STIMULATION

(Record the Process used, No. of Qts. or Gals. used, interval treated or shot.)

(1) Sealing with 500 GPM
(2) Sealing with 1000 gal hot acid; 300 gal gel; 200 gal gel; 2000 gal. hot acid
Result of Production Stimulation (1) Flowed 80 to 10 in 1 hr. 1/2" choke
(2) Flowed 50.00 20 in 10 hours at 1/2" choke

Appl Ex 2
4148

10,500

RECORD OF WELL

If drill-stem or other special tests or deviation surveys were made, submit report on separate sheet and attach hereto

TOOLS USED

Rotary tools were used from 0 feet to 10,000 feet, and from feet to feet.
Cable tools were used from feet to feet, and from feet to feet.

PRODUCTION

Put to Producing July 20, 1924

OIL WELL: The production during the first 24 hours was 100 barrels of liquid of which 99.8% was oil; 0.2% was emulsion; % water; and % was sediment. A.P.I. Gravity 32.70

GAS WELL: The production during the first 24 hours was M.C.F. plus barrels of liquid Hydrocarbon. Shut in Pressure lbs.

Length of Time Shut in

PLEASE INDICATE BELOW FORMATION TOPS (IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE)

Southeastern New Mexico

Northwestern New Mexico

T. Anhy. 1,800	T. Devonian	T. Ojo Alamo
T. Salt. 1,800	T. Silurian	T. Kirtland-Fruitland
B. Salt. 1,800	T. Montoya	T. Farmington
T. Yates. 1,800	T. Simpson	T. Pictured Cliffs
T. 7 Rivers	T. McKee	T. Menefee
T. Queen	T. Ellenburger	T. Point Lookout
T. Grayburg 1,800	T. Gr. Wash	T. Mancos
T. San Andres 1,800	T. Granite	T. Dakota
T. Glorieta 1,800	T.	T. Morrison
T. Drinkard	T.	T. Penn
T. Tubbs 7,200	T.	T.
T. Abou 8,200	T.	T.
T. Penn. 10,000	T.	T.
T. Miss.	T.	T.

FORMATION RECORD

From	To	Thickness in Feet	Formation	From	To	Thickness in Feet	Formation
0	170	170	surface sands				
170	2000	1830	red beds				
2000	2500	500	arky				
2500	3000	500	calc				
3000	4000	1000	arky and shale				
4000	4500	500	arky and calc				
4500	5112	612	dolo				
5112	5700	588	dolo and shale				
5700	6000	300	lime, arky, dolo				
6000	10,000	4000	lime, dolo and shale				
10,000	10,000	0	lime				
10,000	10,000	0	lime and shale T.D.				

ATTACH SEPARATE SHEET IF ADDITIONAL SPACE IS NEEDED

I hereby swear or affirm that the information given herewith is a complete and correct record of the well and all work done on it so far as can be determined from available records.

Company or Operator H. A. HUGHES

Name Carl W. Smith

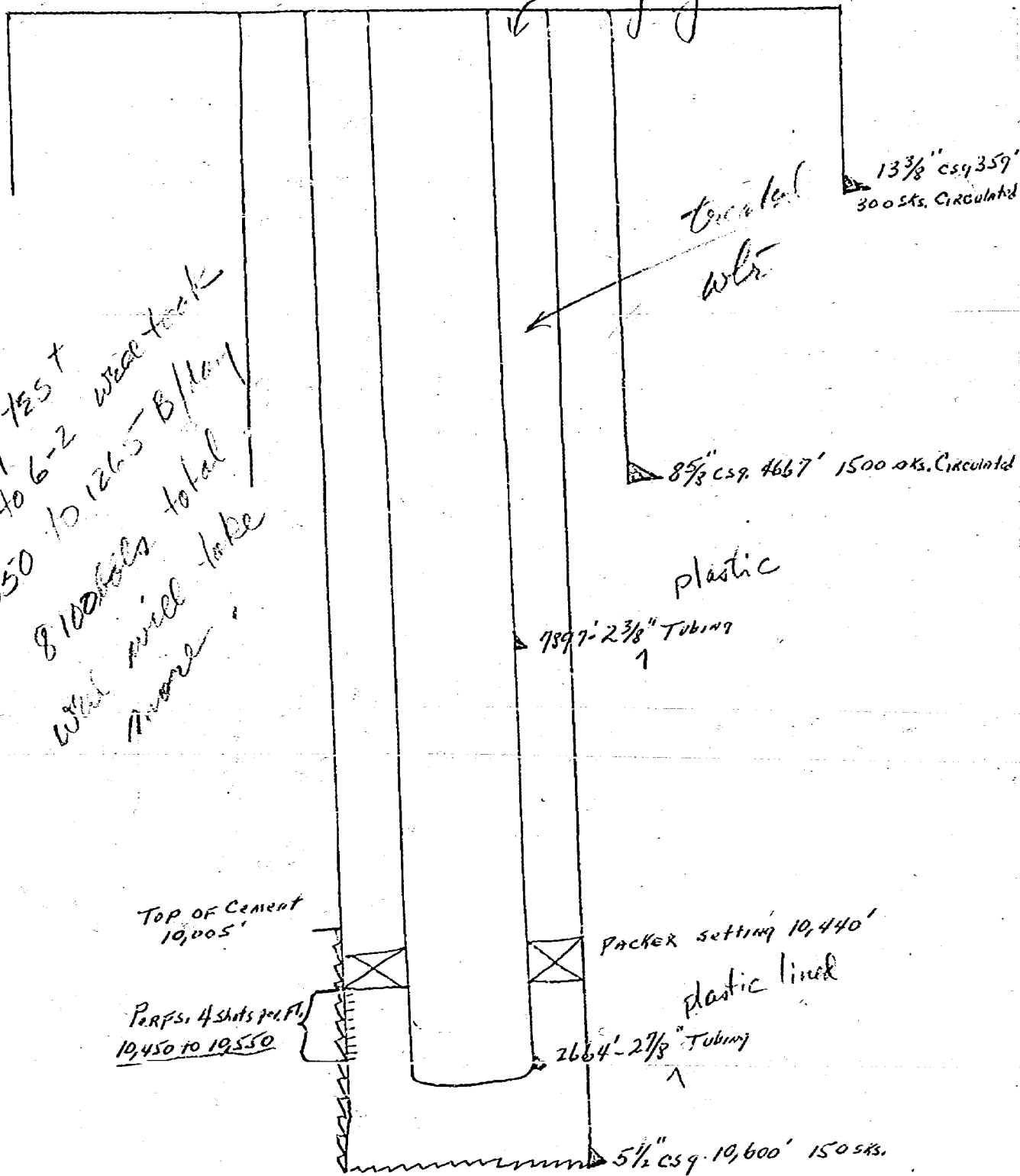
Address

Position or Title

Carl W. Smith
301 Longest Building, Midland, Texas
7-1000

FANNIE LEE MITCHELL, INC.
 Southern Petroleum Exploration, Inc.
 MacRae State 36-3 SW 1/4 SE 1/4 Sec. 3 T-16S R-35E
 Lea County, New Mexico

10 day test
 5-24 to 6-2 well took
 350 to 1265 B/day
 8100 bbls total
 well will take
 more



BEFORE EXAMINED NUTTER
 OIL CONSERVATION COMMISSION
 apphant EXHIBIT NO. 3
 CASE NO. 4148

OFFICE 505 396-2620
PHONES 505 396-2271

FANNIE LEE MITCHELL, Inc.

TRUCKS AND TRANSPORTS

P. O. Box 1327
LOVINGTON, NEW MEXICO 88260

May 13, 1969

PHONE 505 396-2024
505 396-4138
505 396-3134

MAY 15 PM 32

Case 4:48

New Mexico Oil Conservation Commission
Box 2088
Santa Fe, New Mexico 87501

Gentlemen:

I would like to request a hearing regarding disposing of formation water into Wolfcamp formation in the Townsend Oil Pool by using existing well purchased from Southern Exploration Company, well Machris State 36-3, location SW SE Sec. 3-16S-35E.

I have discussed the possibilities of the above proposed issue with Mr. Joe Ramey, of your Hobbs office, and he advised me that the request to your office would be the starting place. Also, Mr. Ramey said that if the date of June 4th, 1969, was not full it might be possible to be heard on that date. If this date were to be chosen it would be quite satisfactory with our company.

Your attention given this matter will be greatly appreciated, and if further information is needed by your office please advise and it will be forthcoming.

Yours very truly,

FANNIE LEE MITCHELL, INC.

Robert J. Kerby
Robert J. Kerby - President

RJK/gb
cc: Joe Ramey
NMOCC, Hobbs

perf. 10,450 to 10,550

DOCKET MARKED

Date 5-22-69

DRAFT

GMH/esr

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE No. 4148

Order No. R-3776

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

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 4, 1969,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter

NOW, on this day of June, 1969, the Commission, a
quorum being present, having considered the testimony, the record,
and the recommendations of the Examiner, and being fully advised
in the premises,

FINDS:

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

(2) That the applicant, Fannie Lee Mitchell, Inc.
seeks authority to utilize the southern Petroleum Exploration Co., Inc.,
Machine State 36-3 well no. 1,
~~is the owner and operator of the~~

located in Unit W of Section 3, Township 16 South, Range
35 East, NMPM, Townsend-Wolfcamp Pool, Lea
County, New Mexico,

~~(3) That the applicant proposes to utilize said well to~~
dispose of
~~dispose of~~ produced salt water into the Wolfcamp
formation, with injection into the perforated interval
from approximately 10,450 feet to 10,550 feet.

(4) That the injection should be accomplished through

~~3-inch~~ 2-inch plastic-lined tubing installed in a packer set at

approximately 10,440 feet; that the casing-tubing annulus should be filled with an inert fluid; and that a pressure gauge should be attached to the annulus ~~or the annulus left open~~ at the surface in order to determine leakage in the casing, tubing, or packer.

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

IT IS THEREFORE ORDERED:

(1) That the applicant, Fannie Lee Mitchell, Inc., is hereby authorized to utilize the Southern Petroleum Exploration Co., Inc., ~~its~~ Machris State 36-3 Well No. 1 located in Unit W of Section 3, Township 16 South, Range 35 East, NMPM, Townsend-Wolfcamp Pool, Lea County, New Mexico, to dispose of produced salt water into the Wolfcamp formation, injection to be accomplished through inch tubing installed in a packer set at approximately 10,440 feet, with injection into the perforated interval from approximately 10,450 feet to 10,550 feet;

PROVIDED HOWEVER, that the tubing shall be plastic-lined; that the casing-tubing annulus shall be filled with an inert fluid; and that a pressure gauge shall be attached to the annulus ~~or the annulus left open~~ at the surface in order to determine leakage in the casing, tubing, or packer.

(2) That the applicant shall submit monthly reports of its disposal operations in accordance with Rules 704 and 1120 of the Commission Rules and Regulations.

(3) That 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.

CASE 4149: Application of JACK L.
McCLELLAN FOR EXCEPTION TO ORDER
R-3221, AS AMENDED, EDDY COUNTY.