Case Number

Application Transcripts.

Small Exhibits

243.6691 . ALBUQUERQUE,

1120 SIMMS BLDG. . P. O. BOX 1092 .

BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION Santa Fe, New Mexico January 7, 1970

EXAMINER HEARING

IN THE MATTER OF:

Application of Atlantic Richfield) Case No. 4291 Company for salt water disposal, Lea County, New Mexico.

))

BEFORE: Daniel S. Nutter, Examiner.

TRANSCRIPT OF HEARING



MR. NUTTER: Call Case 4291.

MR. HATCH: Case 4291. Application of Atlantic Richfield Company for salt water disposal, Lea County, New Mexico.

MR. HINKLE: Clarence Hinkle, Hinkle, Bondurant and Christy, Roswell, representing Atlantic Richfield.

MR. HATCH: I think the record will show he has already been sworn.

(Witness sworn).

(Whereupon, Applicant's Exhibits 1 through 5 were marked for identification).

JERRY TWEED

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

DIRECT EXAMINATION

BY MR. HINKLE:

- Q State your name, residence, by whom you are employed.
- A Jerry Tweed and I reside in Roswell, New Mexico, and I am employed by Atlantic Richfield Company as petroleum engineer.
 - Q Are you familiar with the application of Atlantic

Richfield in this case?

- A Yes, I am.
- Q You have previously testified and qualified as a petroleum engineer before the Commission?
 - A Yes, I have.
- Q What is Atlantic Richfield seeking to accomplish by this application?
- A We are proposing to convert to salt water disposal our Hannigan, W. F. Hannigan No. 4, located some two thousand one hundred seventy-three feet from the south line and two thousand one hundred seventy-three feet from the west line of Section 12, Township 25 South, Range 36 East, to disposal well in the Jalmat Formation.
- Q Have you prepared or have there been prepared under your direction certain exhibits for introduction into this case?
 - A Yes, there has.
- Q Refer to Exhibit No. 1 and explain what this is and what it shows.
- A Exhibit No. 1 shows the location of our Hannigan No. 4, being a left hand red circle there. Also shows the location of Tenneco's No. 2 Well, the right hand red circle, which has previously been approved for salt water disposal

in the Jalmat Formation.

Also shown here are all producing wells within a two-mile radius.

- Q Does it also show the acreage of ownership in the area?
 - A Yes, it does.
- Q Now, refer to Exhibit 2 and explain what that is.
- A Exhibit 2 is a log of the proposed disposal well, Gamma Ray Neutron.
- Q Do you have any particular comments with respect to the log?
 - A No. This will be covered on the next exhibit.
- Q This is a copy of the log that was filed with the application?
 - A Yes, it is.
 - Ω Now, refer to Exhibit 3.
- A This is a cross section as shown on the Exhibit

 No. 1 plat map in red. From our Atlantic Richfield Company,

 W. F. Hannigan No. 4 to Tenneco Oil Company's E. J. Wells

 No. 2.

Shown here is the proposed injection interval for our well and it is in between the two solid blue lines,

which is an interval 2892 to 3164. Also shown is

Tenneco's -- the log of Tenneco's Wells along with the

perforations that are open.

This Tenneco Well currently being a disposal well.

Q Now, refer to Exhibit 4 and explain this to the Commission.

A Exhibit 4 is a schematic drawing of our intended completion of the Hannigan No. 4, as disposal well. It shows the perforated interval, the setting depth of the casing along — the two casing strings, along with the amount of cement and top of cement and the open hole interval.

As shown here, we propose to dispose of water down two and three eighths inch plastic-lined tubing with a packer set at approximately 2850 feet in the perforation, 2892 to 2914 and open hole 2917 to 3164.

We plan to install a non-corrosive fluid in the anulus between the tubing and casing.

- Q Will you have a guage at the top of the well?
- A Yes, we will.
- Q In your opinion, completing this well as an

injection well in the manner you have testified will confine injected water to the formation indicated?

- A It will.
- Q What is the source of the water that you propose to inject into this well?
- A The source of the water is our W. F. Hannigan No. 3. This well is located some 330 feet north and 990 feet from the west line of Section 12, Township 25 South, Range 36 East.

This well currently makes some twenty-nine barrels of oil and one hundred fifty barrels of water per day.

- Q Is that the maximum water that you intend to dispose of in this well?
- A That is our current plans. Mr. LaNear contacted us when we sent him a waiver and expressed an interest in the disposing of his water in our well, also.

We told him that at this time we could not comment one way or the other, that we would have to see how good of a disposal well our well would be and what it would take before we could commit to the taking of additional water.

 Ω But, if the well will take it, then you might be disposed to take his water, too?

- A Yes. We will dispose of it.
- Q In your opinion, will the disposal of water in this proposed well tend to violate correlative rights in any way?
 - A No, it will not.
- Q Will it, in your opinion, damage any of the wells in the vicinity?
 - A No.
- Q Have you notified all of the offset owners of your intention to use this well as a disposal?
- A Yes, sir, we have. We have notified all of the offset operators, owners. Shown as Exhibit 5 are waivers that we received from Continental Oil Company, Sidney LaNear and Tenneco Oil Company. We have had no response from Low Petroleum Company one way or another.
 - Q But, you did send him a copy?
 - A Yes, sir. We sent him a waiver.

MR. HINKLE: We would like to offer in evidence Exhibits 1 through 5.

MR. NUTTER: Applicant's Exhibits 1 through 5 will be admitted in evidence.

MR. HINKLE: Do you have any further testimony?

THE WITNESS: No.

MR. HINKLE: That's all.

MR. NUTTER: Does anyone have any questions of Mr. Tweed? He may be excused.

(Witness excused).

MR. NUTTER: Do you have anything further, Mr. Hinkle?

MR. HINKLE: That's all.

MR. NUTTER: Does anyone have anything else they wish to offer in Case 4291? We will take the case under advisement.

$\overline{\textbf{I}} \ \overline{\textbf{N}} \ \overline{\textbf{D}} \ \overline{\textbf{E}} \ \overline{\textbf{X}}$

WITNESS

JERRY TWEED

Direct Examination by Mr. Hinkle 2

 $\underline{\mathbf{E}} \ \underline{\mathbf{X}} \ \underline{\mathbf{H}} \ \underline{\mathbf{I}} \ \underline{\mathbf{B}} \ \underline{\mathbf{I}} \ \underline{\mathbf{T}} \ \underline{\mathbf{S}}$

Applicant's Exhibits 1 through 5

2

STATE OF NEW MEXICO)

SS COUNTY OF BERNALILLO)

I, GLENDA BURKS, 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.

Notary Public

My Commission Expires:

March 12, 1973

a complete record of the governodiscs of the Examiner hearing of Casa Co. 427, beard by se on 19.73.

New Mexico Oil Conservation Communion



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO P. O. BOX 2006 - SANTA FE 67801 GOVERNOR
DAVID F. CARGO
GHAIRMAN

LAND COMMISSIONER ALEX J. ARMIJO

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

January 14, 1970

	Re:	Case No.	4291
Mr. Clarence Hinkle Hinkle, Bondurant & Christy Attorneys at Law Post Office Box 10		Order No	R-3908
	Applicant:		
		Atlantic Richfield Co.	
Roswell, New Mexico 88201			

Dear Sir:

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

A. L. PORTER, Jr.
Secretary-Director

ALP/ir	
copy of ord	er also sent to:
Hobbs OCC	<u>x</u>
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. 4291 Order No. R-3908

APPLICATION OF ATLANTIC RICHFIELD COMPANY 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 January 7, 1970, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 14th day of January, 1970, 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, Atlantic Richfield Company, is the owner and operator of the W. F. Hanagan Well No. 4, located 2173 feet from the South line and 2173 feet from the West line of Section 12, Township 25 South, Range 36 Rast, NMPM, Jalmat Pool, Lea County, New Mexico.
- (3) That the applicant proposes to utilize said well to dispose of produced salt water into the Yates and Seven Rivers formations, with injection into the perforated and open-hole interval from approximately 2892 feet to 3164 feet.
- (4) That the injection should be accomplished through 2 3/8-inch plastic-lined tubing installed in a packer set at approximately 2850 feet; that the casing-tubing annulus should be filled with an inert fluid; and that a pressure gauge should

-2-CASE No. 4291 Order No. R-3908

be attached to the annulus 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, Atlantic Richfield Company, is hereby authorized to utilize its W. F. Hanagan Well No. 4, located 2173 feet from the South line and 2173 feet from the West line of Section 12, Township 25 South, Range 36 East, NMPM, Jalmat Pool, Lea County, New Mexico, to dispose of produced salt water into the Yates and Seven Rivers formations, injection to be accomplished through 2 3/8-inch tubing installed in a packer set at approximately 2850 feet, with injection into the perforated and open-hole interval from approximately 2892 feet to 3164 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

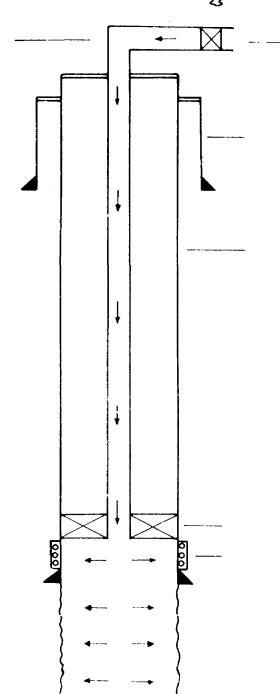
DAVID F. CARGO, Chairman

ALEX J ARMIJO, Member

. L. PORTER, Jr., pomber & Secretary

ATLANTIC RICHFIELD COMPANY
W. F. HANAGAN NO. 4
PROPOSED SALT WATER DISPOSAL WELL
JALMAT FIELD
LEA COUNTY, NEW MEXICO
2173' FSL & 2173' FWL
Sec. 12-TIS-R36E

Tubing 2-3/8" OD Plastic Lined.



Disposal Water,

Surface Casing 13-3/8" OD set at 260' with 250 sacks of cement circulated to surface.

Casing 7" OD set at 2917' with 500 sacks of cement. Top of cement at 935'.

Packer to be set at about 2850'.

Perforated 2892'-2914' w/4 jspf.

Open hole 2917 to 3164 ,

Total depth 316:1.

.ichfieldCompany

North American Producing Division New Mexico-Arizona District Post Office Box 1978 Roswell, New Mexico 88201 Telephone 505 622 4041

W. P. Tomlinson District Engineer

December 23, 1969

Continental Oil Company P.O. Box 460

Hobbs, New Mexico 88240 Attention: Mr. L. P. Thompson

Mr. Sidney Lanier P.O. Box 3284 Midland, Texas 79701

Lowe Petroleum Company P.O. Box 832 Midland, Texas 79701 Attention: Mr. D. H. Rose

Tenneco Oil Company P.O. Box 1031 Midlend, Texas 79701 Attention: Mr. F. J. McDonald

Proposed Salt Water Disposal Well W.F. Hanagan No. 4 2173 FSL & 2173 FWL Section 12-185-31E Lea County, New Mexico

Gentlemen:

Atlantic Richfield Company plans to convert the above described well to a salt water disposal well in the Jalmat Pool in the interval from 2892' to 3164'. This well is currently a gas well in the Jalmat Pool. We expect to inject approximately 140 BWPD with a surface pressure of about 300 psi. This water will be produced water from the ARCo W.F. Hanagan No. 3, a Langlie Mattix oil well.

Enclosed for your convenience are copies of the exhibits which we plan to present at the January 7, 1970 hearing of the New Mexico Oil Conservation Commission. As you will note these exhibits include a base map of the area, a wellbore diagram showing the proposed completion, and a cross section correlating our proposed SWD well with Tenneco's SWD well. Tenneco obtained authorization to use the E. J. Wells Well No. 2 as a SWD well in November, 1968 by Commission Order No. R-3567 and has been disposing of water in this well for several months.

If you have no objections to this application, we would appreciate your signing and returning one copy of this waiver to the undersigned for presentation at the hearing.

W. P. Tomlinson

Continental Oil Company Company Date

December 31, 1969

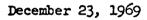
Signed by Title

Asst. Division Manager

Atlanuc Richfield Company

North American Producing Division New Mexico-Arizona District Post Office Box 1978 Roswell, New Mexico 88201 Telephone 505 622 4041

W. P. Tomlinson District Engineer



P.O. Box 460
Hobbs, New Mexico 88240
Attention: Mr. L. P. Thompson

Mr. Sidney Lanier P.O. Box 3284 Midland, Texas 79701 Lowe Petroleum Company P.O. Box 832 Midland, Texas 79701 Attention: Mr. D. H. Rose

Tenneco Oil Company
P.O. Box 1031
Midland, Texas 79701
Attention: Mr. F. J. McDonald

Re: Proposed Salt Water Disposal Well
W.F. Hanagan No. 4
2173 FSL & 2173 FWL Section 12-18S-31E
Lea County, New Mexico

Gentlemen:

Atlantic Richfield Company plans to convert the above described well to a salt water disposal well in the Jalmat Pool in the interval from 2892' to 3164'. This well is currently a gas well in the Jalmat Pool. We expect to inject approximately 140 BWPD with a surface pressure of about 300 psi. This water will be produced water from the ARCo W.F. Hanagan No. 3, a Langlie Mattix oil well.

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If you have no objections to this application, we would appreciate your signing and returning one copy of this waiver to the undersigned for presentation at the hearing.

Respectfully yours,

W. P. Tomlinson

Company Sidney Lanier

Date December 29, 1969

Signed b

Owner-Operator

AtlanticRichfieldCompany

North American Producing Division New Mexico-Arizona District Post Office Box 1978 Roswell, New Mexico 88201 Telephone 505 622 4041

W. P. Tomlinson District Engineer



December 23, 1969

Continental Oil Company P.O. Box 460 Hobbs, New Mexico 88240 Attention: Mr. L. P. Thompson

Mr. Sidney Lanier P.O. Box 3284 Midland, Texas 79701

Lowe Petroleum Company P.O. Box 832 Midland, Texas 79701 Attention: Mr. D. H. Rose

Tenneco Oil Company P.O. Box 1031 Midland, Texas 79701 Attention: Mr. F. J. McDonald

Re: Proposed Salt Water Disposal Well W.F. Hanagan No. 4 2173 FSL & 2173 FWL Section 12-18S-31E Lea County, New Mexico

Gentlemen:

Atlantic Richfield Company plans to convert the above described well to a salt water disposal well in the Jalmat Pool in the interval from 2892' to 3164'. This well is currently a gas well in the Jalmat Pool. We expect to inject approximately 140 BWPD with a surface pressure of about 300 psi. This water will be produced water from the ARCo W.F. Hanagan No. 3, a Langlie Mattix oil well.

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If you have no objections to this application, we would appreciate your signing and returning one copy of this waiver to the undersigned for presentation at the hearing.

Respectfully yours

W. P. Tomlinson

Signed by

Title

LAW OFFICES

OEC 30 1969 MIDLAND, TEXAS OFFICE

CLARENCE E.HINKLE W. E. BONDURANT, JR. S. B. CHRISTY IV LEWIS C. COX.JR. PAUL W. EATON, JR.

CONRAD E. COFFIELD HAROLD L. HENSLEY, JR. STUART D.SHANOR

C.D. MARTIN PAUL J. KELLY, JR. HINKLE, BONDURANT & CHRISTY

600 HINKLE BUILDING

ROSWELL, NEW MEXICO 66201

December 29, 1969

TELEPHONE (505) 622-6510

521 MIDLAND TOWER (915) MU 3-4691

Oil Conservation Commission Box 2088 Santa Fe, New Mexico 87501

Gentlemen:

We enclose herewith in triplicate application of Atlantic Richfield Company for salt water disposal in the Jalmat Pool, Lea County.

We have discussed this matter with Dan Nutter and it appears on the docket for January 7 as Case No. 4**2**91.

Yours very truly,

HINKLE, BONDURANT & CHRISTY

CEH:cs Enc.

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

APPLICATION OF ATLANTIC RICHFIELD

COMPANY FOR SALT WATER DISPOSAL IN

THE JALMAT POOL, LEA COUNTY, NEW

MEXICO. APPLICANT SEEKS AUTHORITY

TO DISPOSE OF PRODUCED SALT WATER

INTO THE YATES FORMATION IN ITS

W. F. HANAGAN NO. 4 WELL LOCATED

2173 FEET FROM THE SOUTH LINE AND

2173 FEET FROM THE WEST LINE OF

SECTION 12, TOWNSHIP 25 SOUTH, RANGE

36 EAST INTO THE PERFORATED INTERVAL

FROM 2892 FEET TO 2914 FEET AND IN

THE OPEN HOLE INTERVAL BETWEEN 2917

FEET AND 3164 FEET

Oil Conservation Commission Box 2088 Santa Fe, New Mexico 87501

Comes Atlantic Richfield Company, acting by and through the undersigned attorneys, and hereby makes application for authority to dispose of produced salt water into the Yates formation in its W. F. Hanagan No. 4 well located 2173 feet from the south line and 2173 feet from the west line of Section 12, Township 25 South, Range 36 East into the perforated interval from 2892 feet to 2914 feet and in the open hole interval between 2917 feet and 3164 feet, and in support thereof respectfully shows:

1. There is attached hereto, made a part hereof, and for purposes of identification marked Exhibit "A", a plat showing the location of the proposed injection well above referred to which is now producing as a marginal gas well from the Yates formation. The proposed injection well is circled in red and there is also circled in red a similar well which has heretofore been approved by the Commission as a salt water disposal well on a lease owned by Tenneco Oil Company. Said plat also shows all of the producing wells and wells which have been drilled within a radius of 2 miles of the proposed injection well.

- 2. There is also attached log of the proposed injection well, together with a diagrammatic sketch of the proposed injection well showing all casing strings, including diameters and setting depths, quantities used and tops of cement, perforated and open hole intervals, as well as tubing string, including diameters and setting depths and the location of the packer to be used.
- 3. Applicant proposes to dispose of salt water being produced from applicant's Hanagan No. 3 well located in the $\mathrm{NW}_4^1\mathrm{SW}_4^1$ said Section 12 in the Langlie Mattix pool and it is estimated that approximately 150 barrels of water per day will be diposed of.
- 4. Applicant requests that this matter be set down to be heard at the examiner's hearing to be held on January 7, 1970.

Respectfully submitted,

ATLANTIC RICHFIELD COMPANY

Member of the Firm of

HINKLE, BONDURANT & CHRISTY

Box 10

Roswell, New Mexico Attorneys for Applicant 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:

AND	CASE No. 4291 Order No. R-3908
APPLICATION OF ATLANTIC RICHFIELD FOR SALT WATER DISPOSAL, LEA COUNT MEXICO. ORDER OF THE	Y, NEW
BY THE COMMISSION:	
This cause came on for heari at Santa Fe, New Mexico, before E	ng at 9 a.m. on <u>January 7</u> , 19 <u>670,</u> xaminer <u>Daniel S. Nutter</u> .
NOW, on this day of quorum being present, having cons and the recommendations of the Exit in the premises,	
FINDS:	
(1) That due public notice law, the Commission has jurisdict matter thereof.	having been given as required by ion of this cause and the subject
(2) That the applicant, A	tlantic Richfield Company ,
is the owner and operator of the 2173 feet from the South li located/kmxNmxkxxxx of Section 12	ne and 2173 feet from the West line
36 East NMPM, Jalmat Poo	ol,Lea
County, New Mexico.	

- (3) That the applicant proposes to utilize said well to dispose of produced salt water into the Yates Allesca Carrier of perforated and open-hole interval from approximately 2892 feet to 3164 feet.
- (4) That the injection should be accomplished through

 2 3/6 -inch plastic-lined tubing installed in a packer set at

approximately <u>2850</u> 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, Atlantic Richfield Company
is hereby authorized to utilize its <u>W. F. Hanagan Well No. 4</u> 2173 feet from the South line and 2173 feet from the West line located/inxHaxidaxxxx of Section <u>12</u> , Township <u>25 South</u> , Range
36 East, NMPM, Jalmat Pool , Lea
County, New Mexico, to dispose of produced salt water into the Yates Aud formations injection to be accomplished through
238 -inch tubing installed in a packer set at approximately
2850 feet, with injection into the perforated and open-hole interval
from approximately 2892 feet to 3164 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 hereinable designated.

SWD W.F. Hame on # 4
2173' FSL 2173 FWL
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Jacob Poul Loa

perf 5 2892 to 2914' of

your hace 291743164'

your hace 291743164'