

Case. Number.

4441

Application,
Transcripts.

Sm all Exhibts.

ETC.

1

EXAMINER HEARING

Application of Texaco Inc. for
salt water disposal, Lea County,
New Mexico.

Case No. 4441

TRANSCRIPT OF HEARING

MR. NUTTER: Call next case, No. 4441.

MR. HATCH: Application of Texaco Inc. for salt water disposal, Lea County, New Mexico.

MR. BATEMAN: Mr. Examiner, I am Ken Bateman of the firm of White, Gilbert, Koch & Kelly, in Santa Fe, appearing on behalf of the Applicant, Texaco.

I have one witness and request that he be sworn.

(Witness sworn.)

(Whereupon, Applicant's Exhibits 1 through 4 were marked for identification.)

DALE McCARTER,

having been first duly sworn according to law, upon his oath, testified as follows:

DIRECT EXAMINATION

BY MR. BATEMAN:

Q State your name and by whom you are employed.

A I am Dale McCarter, employed by Texaco Incorporated, as division proratio engineer in Midland, Texas.

Q Have you previously testified before the Commission?

A I have.

MR. BATEMAN: Are the witness' qualifications acceptable?

MR. NUTTER: Yes, they are.

Q (By Mr. Bateman) Would you refer to your Exhibit 1

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
1203 FIRST NATIONAL BANK EAST • PHONE 256-1294 • ALBUQUERQUE, NEW MEXICO

and describe it and state what Texaco seeks by its application?

A Texaco seeks permission to dispose of produced salt water into the Seven Rivers Formation in the open hole interval from 3620 feet to 3415 feet in its C. E. Penny Federal NCT-4 Well No. 2 located in Unit "F" of Section 19, Township 25 South, Range 37 East.

On Texaco's Exhibit No. 1 the well is indicated by a red arrow. The map shows the completions in the interval color coated with a legend.

MR. HATCH: May I interrupt just a minute? What did you say the location of the disposal well was?

MR. NUTTER: "F" 19, 25, 38.

THE WITNESS: "F" 19.

MR. HATCH: I thought he said Range 38. Excuse me.

MR. NUTTER: He did.

MR. RAMEY: 37.

THE WITNESS: No, it's 38.

MR. NUTTER: 38.

THE WITNESS: Texaco proposes to inject into this open hole interval the water which is produced from the C. E. Penny Federal NCT-4 lease which water is produced

from the Blinebry, Ellenburger, Fusselman and Langlie Mattix-Seven Rivers and Justice-Tubb Drinkard Pools.

Q (By Mr. Bateman) What is the present status of the well?

A The C. E. Penny Well No. 2 is currently shut in.

Q Refer to your Exhibit No. 2 and state what that relates.

A Exhibit No. 2 is a map of the same area showing the structure in the area which is actually contoured on the top of the Yates which is a structural marker in the area. Only the Langlie Mattix-Seven Rivers Queen completions are color coated on this exhibit.

It does show that the well is -- the subject well is on the edge of the structure and the field.

Q Now, how much water do you expect to dispose of per day?

A Currently, we are producing approximately 300 barrels of water per day. I think we anticipate a maximum of somewhere in the range of 600 barrels of water per day.

Q How will it be disposed of?

It will be disposed of under pressure. We estimate the original pressure to be encountered at approximately 400 pounds.

Q Now, there are other wells producing from the Langlie

Mattix Zone in the area, is that correct?

A There are, yes, sir. There are two other wells, Wells No. 1 and 3 on Texaco's NCT-4 lease which are producing. Number 1 produces 2 barrels a day and number 3 produces 1 and a half barrels a day.

Also to the south of us on the -- this is the Byrum Buckingham lease, there are two wells and both wells produce 2 barrels of oil per day with no water.

Q Do you expect any difficulty from the injection of water into the Langlie Mattix at this area?

A No, I do not. We may get pressures higher than that 400 pounds later on in the life, but I'm sure we can handle it.

MR. NUTTER: What was that rate, 400 to 500?

THE WITNESS: No, 600. The rate -- anticipated maximum rate of injection would be 600.

MR. NUTTER: 400 to 600 or 500 to 600?

THE WITNESS: 500 to 600. It's 300 now.

MR. NUTTER: Thank you.

THE WITNESS: The majority of this produced water will come from the Ellenburger Formation which is a water-drive formation.

Q (By Mr. Bateman) Now, is there any surface water in

the area?

A There is some. It is scattered in this area. There is some Ugalalla or probably you should say this is tertiary or alluvial water. There is also some deeper water in the Santa Rosa, which in this area I believe occurs around 650 feet.

Now, this is not fresh water. The surface water is fresh water.

Q Do you expect any problem with migration of the saline water?

A No, sir. I think the well is completed and will be so equipped that there will be no danger of any fresh water supplies.

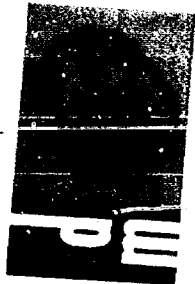
Q Refer to your Exhibit No. 3.

A Exhibit No. 3 is a diagrammatic sketch of the well as proposed, installation. It shows eight and five-eighths inch casing set at 948 feet, cemented with a thousand sacks of cement and the cement did circulate back to the surface.

Five and a half-inch casing set at 3260 feet and cemented with 400 sacks. The calculated cement top is 2500 feet. The open hole interval is from 3260 to 3415, which is our proposed injection interval.

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
1203 FIRST NATIONAL BANK EAST • PHONE 256-1294 • ALBUQUERQUE, NEW MEXICO



PAGE 7

Plastic coated two and seven-eighths inch tubing will be installed in the well, set on a tension packer at 3,230 feet and the tubing-casing annulus will be loaded with an inhibited fluid.

Q Do you expect any problems with corrosion?

A No, sir, I do not.

Q Refer to your Exhibit No. 4.

A Exhibit No. 4 is a gamma ray neutron log of the subject well. I don't believe I have the interval marked on it -- on the log.

Q What does it relate concerning the capacity of the well to take the proposed rate of injection?

A This is the producing formation which is produced and it actually is a depleted zone. Texaco has made this application in the name of salt water disposal. There could be some response to water injection at which time if this does occur, then we would have to change the classification of the well.

Q Will the injection have any adverse effect on correlative rights?

A No, sir.

Q Were Exhibits 1 through 4 prepared by you or under your direction?



A Yes, they were.

MR. BATEMAN: I move the admission of Exhibits 1 through 4.

MR. NUTTER: Texaco's Exhibits 1 through 4 will be admitted in evidence.

MR. BATEMAN: Do you have anything further to add?

THE WITNESS: No.

CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. McCarter, while you're putting this project in to get rid of this water, it is the nature of the Langlie Mattix that it has been flooded in some areas and expect possibly since you are down-structure here, you may enhance the production at which time you may want to re-classify this from salt water disposal into a waterflood or a repressuring project?

A That is correct. This is an edge -- a well on the edge of the oil field and history or experience does indicate that your pattern even in unitized floods are not the best along the edge. So, like I testified previously, if there is any increase in production, we would have to change the classification of the project.

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
1203 FIRST NATIONAL BANK EAST • PHONE 256-1294 • ALBUQUERQUE, NEW MEXICO

However, I would hate to sell the project as a waterflood to my management. I don't believe I could base it on this.

MR. NUTTER: Thank you. Are there any further questions of Mr. McCarter? He may be excused.

(Witness excused).

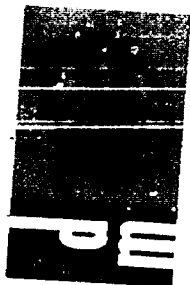
MR. NUTTER: Do you have anything further, Mr. Bateman?

MR. BATEMAN: Nothing further.

MR. NUTTER: Does anyone have anything they wish to offer in Case 4441? We will take the case under advisement.

dearnley-meier reporting service, inc.

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS
1120 SIMMS BLDG. • P.O. BOX 1092 • PHONE 243-4691 • ALBUQUERQUE, NEW MEXICO
1203 FIRST NATIONAL BANK EAST • PHONE 256-1294 • ALBUQUERQUE, NEW MEXICO



I N D E X

WITNESS

PAGE

DALE McCARTER

Direct Examination by Mr. Bateman

2

Cross Examination by Mr. Nutter

8

E X H I B I T S

Applicant's 1 through 4

2

dearnley-meier reporting service, inc.

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

1120 SIMMS BLDG. • P.O. BOX 1092 • PHONE 245-6691 • ALBUQUERQUE, NEW MEXICO
1203 FIRST NATIONAL BANK EAST • PHONE 256-1214 • ALBUQUERQUE, NEW MEXICO

PAGE 11

STATE OF NEW MEXICO)
COUNTY OF BERNALILLO) ss

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.

Glenda Burks
Court Reporter

I do hereby certify that the foregoing is a complete record of the hearing of Case No. 4441, New Mexico Oil Conservation Commission, held by me on 10/14/70.

[Signature] Reporter
New Mexico Oil Conservation Commission



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE
87501

October 27, 1970

GOVERNOR
DAVID F. CARGO
CHAIRMAN
LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER

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

Mr. Ken Bateman
White, Gilbert, Koch & Kelly
Attorneys at Law
Post Office Box 787
Santa Fe, New Mexico

Re: Case No. 4441
Order No. R-4048
Applicant:
Texaco 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 and the Bureau of Land Management

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. 4441
Order No. R-4048

APPLICATION OF TEXACO INC.
FOR SALT WATER DISPOSAL,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9:30 a.m. on October 14, 1970, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 27th day of October, 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, Texaco Inc., is the owner and operator of the C. E. Penny Federal (NCT-4) Well No. 2, located in Unit F of Section 19, Township 25 South, Range 38 East, NMPM, Langlie Mattix-Seven Rivers Pool, Lea County, New Mexico.

(3) That the applicant proposes to utilize said well to dispose of produced salt water into the Seven Rivers formation, with injection into the open-hole interval from approximately 3260 feet to 3415 feet.

(4) That the injection should be accomplished through 2 7/8-inch plastic-lined tubing installed in a packer set at approximately 3230 feet; that the casing-tubing annulus should be filled with an inert fluid; and that a pressure gauge should

-2-

CASE No. 4441
Order No. R-4048

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, Texaco Inc., is hereby authorized to utilize its C. E. Penny Federal (NCT-4) Well No. 2, located in Unit F of Section 19, Township 25 South, Range 38 East, NMPM, Langlie Mattix-Seven Rivers Pool, Lea County, New Mexico, to dispose of produced salt water into the Seven Rivers formation, injection to be accomplished through 2 7/8-inch tubing installed in a packer set at approximately 3230 feet, with injection into the open-hole interval from approximately 3260 feet to 3415 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 T. ARRIAGA, Member


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


esr/

DOCKET: REGULAR HEARING - WEDNESDAY - OCTOBER 14, 1970

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

- ALLOWABLE: (1) Consideration of the oil allowable for November and December, 1970;
- (2) Consideration of the allowable production of gas for November, 1970, from fifteen prorated pools in Lea, Eddy, Roosevelt and Chaves Counties, New Mexico. Consideration of the allowable production of gas from nine prorated pools in San Juan, Rio Arriba and Sandoval Counties, New Mexico, for November, 1970.

CASE 4436: (THIS CASE WILL BE HEARD BEFORE THE FULL COMMISSION OR BY EXAMINER DANIEL S. NUTTER)

Application of El Paso Natural Gas Company for the amendment of the General Rules and Regulations governing the prorated gas pools of New Mexico and the amendment of the Special Rules and Regulations governing the Tapacito-Pictured Cliffs and Basin-Dakota Gas Pools located in Rio Arriba, San Juan, and Sandoval Counties, New Mexico. Applicant, in the above-styled cause, seeks the amendment of the General Rules and Regulations governing the prorated gas pools of Northwest and Southeast New Mexico and the Special Rules and Regulations governing the Tapacito-Pictured Cliffs and Basin-Dakota Gas Pools located in Rio Arriba, San Juan, and Sandoval Counties, to permit substantial changes in the method of classifying marginal wells, and the assignment of allowable to marginal wells governed by the aforesaid rules and regulations, as well as a substantial change in the balancing of production procedure required by said rules. Copies of the proposed amendments will be circulated by way of the Commission's general mailing list and will be available upon request made to the Commission at its Santa Fe office.

* * * * *

THE FOLLOWING CASES WILL BE HEARD BEFORE DANIEL S. NUTTER, EXAMINER, OR ELVIS A. UTZ, ALTERNATE EXAMINER, IN THE OIL CONSERVATION COMMISSION CONFERENCE ROOM ON THE SECOND FLOOR OF SAID BUILDING AT 9:30 A.M.

CASE 4437: Southeastern New Mexico nomenclature case calling for the creation, abolishment and extension of certain pools in Lea and Roosevelt Counties, New Mexico.

- (a) Create a new pool in Lea County, New Mexico, classified as an oil pool for Wolfcamp production and designated as the East Corbin-Wolfcamp Pool. The discovery well is the Phillips Petroleum Company Lea No. 23 located in Unit P of Section 30, Township 17 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM
SECTION 30: SE/4

(Case 4437 continued)

(b) Create a new pool in Rossevelt County, New Mexico, classified as a gas pool for Pennsylvanian production and designated as the East New Hope-Pennsylvanian Gas Pool. The discovery well is the H. L. Brown, Jr., Mary Martin No. 1 located in Unit P of Section 29, Township 6 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 6 SOUTH, RANGE 34 EAST, NMPM
SECTION 29: S/2

(c) Abolish the Warren-Abo Pool in Lea County, New Mexico, described as:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
SECTION 25: S/2
SECTION 26: SE/4
SECTION 35: NE/4
SECTION 36: N/2

TOWNSHIP 20 SOUTH, RANGE 39 EAST, NMPM
SECTION 30: S/2

(d) Extend the Dk-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
SECTION 25: S/2
SECTION 26: SE/4
SECTION 35: NE/4
SECTION 36: N/2

TOWNSHIP 20 SOUTH, RANGE 39 EAST, NMPM
SECTION 30: S/2

(e) Extend the North Baum-Upper Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 13 SOUTH, RANGE 32 EAST, NMPM
SECTION 25: SE/4

(f) Extend the Lea-Bone Springs Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM
SECTION 36: SW/4

(Case 4437 continued)

(g) Extend the Townsend-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM
SECTION 8: SW/4

(h) Extend the Tres Papalotes-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 34 EAST, NMPM
SECTION 34: NW/4

(i) Extend the Tulk-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 14 South, Range 32 East, NMPM
SECTION 33: SE/4
SECTION 34: S/2

CASE 4438: Application of Eastland Oil Company 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 leases comprising the NW/4 NW/4 of Section 5 and the NE/4 NE/4 of Section 6, Township 18 South, Range 31 East, Grayburg-Jackson Field area, Eddy County, New Mexico.

CASE 4439: Application of Shenandoah Oil Corporation for an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox Pennsylvanian well location 1980 feet from the South line and 660 feet from the West line of Section 22, Township 6 South, Range 27 East, undesignated Pennsylvanian gas pool, Chaves County, New Mexico. The S/2 of said Section 22 to be dedicated to the well.

CASE 4440: Application of Moran Oil Producing & Drilling Corporation for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pilot waterflood project in the Hobbs Pool by the injection of water into the Grayburg formation through one well located in the NW/4 NE/4 of Section 13, Township 18 South, Range 37 East, Lea County, New Mexico. Applicant further seeks a procedure whereby additional injection wells may be approved administratively.

CASE 4425: (Readvertised)

Application of Southern Gulf Production Company for an unorthodox gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks as an exception to the gas well location requirements of the Commission Rules and Regulations, approval for the Southern Gulf Production Company Navajo Tocito Well No. 4 at an unorthodox gas well location 1963 feet from the South line and 977 feet from the West line of Section 10, Township 26 North, Range 18 West, undesignated Pennsylvanian gas pool, San Juan County, New Mexico.

CASE 4426: (Readvertised)

Application of Texaco Inc. for salt water disposal, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Devonian formation in the open-hole interval from 11,150 feet to 11,794 feet in its Peery Federal Well No. 4 located in Unit A of Section 29, Township 15 South, Range 30 East, Little Lucky Lake-Devonian Pool, Chaves County, New Mexico.

CASE 4441: Application of Texaco 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 Seven Rivers formation in the open-hole interval from 3260 feet to 3415 feet in its C. E. Penny Federal (NCT-4) Well No. 2 located in Unit F of Section 19, Township 25 South, Range 38 East, Langlie Mattix-Seven Rivers Pool, Lea County, New Mexico.

CASE 4442: Application of Texaco Inc. for an exception to Rule 505 of the Commission Rules and Regulations, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 505 of the Commission Rules and Regulations to permit the assignment of more than one single top unit allowable for the Vacuum-Abo Reef Pool to two wells, the surface locations of which are in Unit E of Section 12, Township 18 South, Range 34 East, Lea County, New Mexico, as follows:

State "AE" Well No. 8 - 2310 feet from the North line and 330 feet from the West line;

State "AE" Well No. 10 - 1980 feet from the North line and 990 feet from the West line;

Said Well No. 10 is a relatively straight hole with all perforations confined entirely to said Unit 8, while said Well No. 8 is a crooked hole and would have perforations both in said Unit E of Section 12 and in Unit H of Section 11 of said Township and Range.

Recommendation

That TEXACO Inc. be permitted to dispose of produced water from it's C. E. Penny Federal (NCT-4) Lease into the Seven Rivers Queen formation by utilizing the C. E. Penny Federal (NCT-4) No. 2 located in Unit F, Section 19, Township 25 South, Range 38 East, Lea County, New Mexico.

Description of Field

The Langlie Mattix Seven Rivers Pool lies in the multi-pay Justis Field area. The Seven Rivers reservoir is formed by a north-west and south-east trending anticlinal structure with the lower productive limits being defined by the water table. The reservoir energy is provided by expanding gas in the gas cap and solution gas expansion in the oil column.

Source and Volume of Water

The proposed salt water disposal well will serve TEXACO's C. E. Penny Federal (NCT-4) Lease which produces from the Blinebry, Tubb, Seven Rivers, McKee and Ellenburger zones via ten completions in six wells. The initial water volume will be approximately 300 barrels per day with the maximum volume expected to be 600 barrels of water per day.

Discussion of C. E. Penny Federal (NCT-4) Well No. 2

The C. E. Penny Federal (NCT-4) No. 2 was drilled to a total depth of 3415 feet in October of 1955 and was completed in the Langlie Mattix Field from the open hole interval of 3260 feet to 3415 feet. The well was shut in in July of 1969 due to low productive capacity.

Discussion of C. E. Penny Federal (NCT-4) Well No. 2 (Cont'd)

Injection will be into the Langlie Mattix open hole interval (3266' - 3415') via plastic coated 2-7/8" tubing with a tension packer set at 3230 feet. (See diagramatic sketch - Exhibit 4.)

TEXACO
INC.

PETROLEUM PRODUCTS



September 21, 1970

70 SEP 23 PM 1 10

DRAWER 728
HOBBS, NEW MEXICO 88240

Case 4441

REQUEST FOR EXAMINER HEARING
C. E. PENNY FEDERAL (NCT-4) WELL NO. 2
LANGLIE MATTIX SEVEN RIVERS POOL
LEA COUNTY, NEW MEXICO

Oil Conservation Commission (3)
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. A. I. Porter, Jr.

Gentlemen:

It is requested that an examiner hearing be scheduled for October 14, 1970 at Santa Fe, New Mexico, to consider the application of TEXACO Inc. for permission to dispose of produced water in the Langlie Mattix Seven Rivers Pool, Lea County, New Mexico.

At this hearing, TEXACO will ask permission to dispose of produced salt water from the Blinbry, Tubb, Seven Rivers, McKee and Ellenburger zones into their C. E. Penny Federal (NCT-4) Well No. 2 located in Unit F, Section 19, T-25-S, R-38-E, Lea County, New Mexico. Disposal will be into the Seven Rivers through open hole from 3260 to 3415 feet. Initially, the disposal rate in the well will be approximately 300 barrels of water per day. The proposed SWD well is currently shut in due to low productive capacity.

Enclosed with this request are three copies of a plat of the area showing the proposed SWD well and a diagrammatic sketch of the proposed disposal well. Copies of the log of the well are not presently available but will be presented at the hearing.

Copies of this letter are being sent to the offset operators and the U. S. Geological Survey.

Yours very truly,

W. E. Morgan

W. E. Morgan
District Superintendent

CPC:jg
Attachments

DOCKET MAILED
Date 10-2-70

OFFSET OPERATORS

Getty Oil Company
Box 249
Hobbs, New Mexico 88240

Union Texas Petroleum
1300 Wilco Building
Midland, Texas 79701

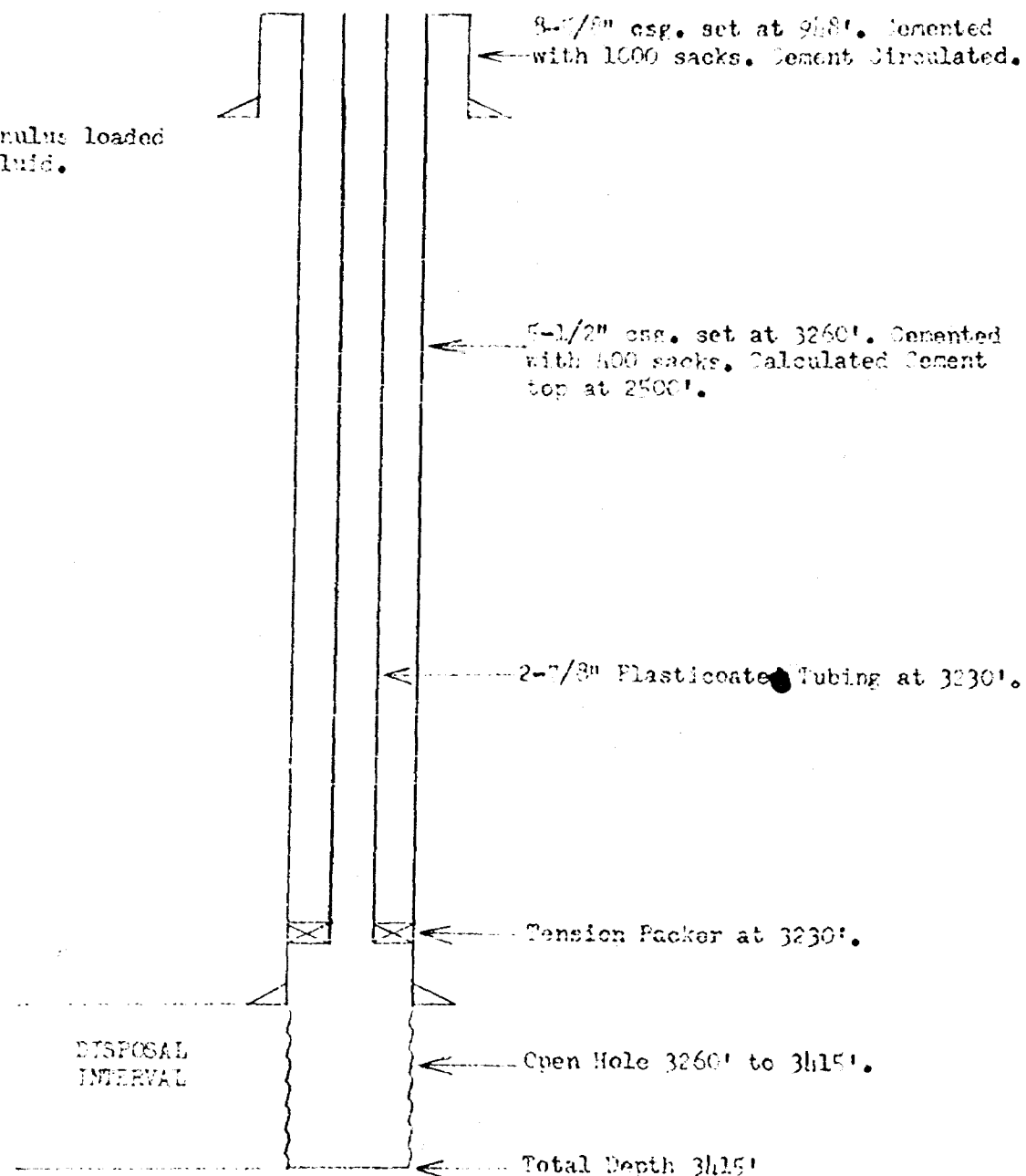
Tenneco Oil Company
900 Wilco Building
Midland, Texas 79701

Gulf Oil Corporation
Box 670
Hobbs, New Mexico 88240

United States Geological Survey
P. O. Box 1157
Hobbs, New Mexico 88240

Case 4491

Tubing-Casing Annulus loaded
with Inhibited Fluid.



PROPOSED SALT WATER DISPOSAL COMPLETION

TEXACO INC.
O.F. PENNY FLD. (NOT-H) WELL NO. 2
LANGRIS-MARTIN POOL
LEA COUNTY, NEW MEXICO

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. 4441

Order No. R- 4048

APPLICATION OF TEXACO INC..
FOR SALT WATER DISPOSAL,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

9:30

This cause came on for hearing at 9 a.m. on October 14, 1970,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this day of October, 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, Texaco Inc.,
is the owner and operator of the C. E. Penny Federal (NCT-4) Well No. 2,
located in Unit F of Section 19, Township 25 South, Range
38 East, NMPM, Langlie Mattix-Seven Rivers Pool, Lea
County, New Mexico.

(3) That the applicant proposes to utilize said well to
dispose of produced salt water into the Seven Rivers
formation, with injection into the open-hole interval
from approximately 3260 feet to 3415 feet.

(4) That the injection should be accomplished through
2 7/8-inch plastic-lined tubing installed in a packer set at

approximately 3230 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, Texaco Inc., is hereby authorized to utilize its C. E. Penny Federal (NCT-4) Well No. 2, located in Unit F of Section 19, Township 25 South, Range 38 East, NMPM, Langlie Mattix-Seven Rivers Pool, Lea County, New Mexico, to dispose of produced salt water into the Seven Rivers formation, injection to be accomplished through 2 7/8-inch tubing installed in a packer set at approximately 3230 feet, with injection into the open-hole interval from approximately 3260 feet to 3415 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.