

Case. Number.

44/46

Application,
Transcripts.

Sm all Exhibts.

ETC.

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

1120 SIMUS BLDG. • P. O. BOX 1092 • PHONE 243-6491 • ALBUQUERQUE, NEW MEXICO



BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO

October 28, 1970

EXAMINER HEARING

IN THE MATTER OF:

Application of Ford Chapman for salt
water disposal, Eddy County, New Mexico.

)
)
) Case No. 4446
)
)

BEFORE: Elvis A. Utz, Examiner

TRANSCRIPT OF HEARING

NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARING

SANTA FE, NEW MEXICOHearing Date OCTOBER 28, 1970TIME: 9 A.M.

NAME	REPRESENTING	LOCATION
Charles Boyce	For American Ref.	Denver
F.J. McDonald	Tenneco Oil Co.	MIDLAND, TEX
R.S. Pfirman	Tenneco Oil Comp.	Midland, Tex
Gordon D. Ryan	For American Ref.	Denver, Colo.
C. Ronald Platt	Chevron Oil Company	Denver, Colo.
W.G. Abbott	Petro-Thermo Corp.	Hobbs, NM
R.M. Williams	Morris R. Antevail	Hobbs, N.M.
B.R. Vandervoort	Southern Union Prod. Co.	Farmington, NM
Henry W. Long	U.S.G.S.	DURANGO COLO.
Ken Bateman	White Oil & Ref. Co.	Santa Fe.
Sidney K. Smith	American Ref. Corp.	Midland, Texas
R.L. Hocker	"	Tulsa Okla.
RICHARD R. FRAZIER	"	MIDLAND, TEXAS
E.R. Manning	El Paso Natural Gas	El Paso, Texas
Donald H. Stearns	Alan Antevail	Santa Fe
William J. Henry	Ford Chapman	Santa Fe
Jason Kellough	Kellough & Fox	Santa Fe
William E. Kern	Amoco Refining Co.	Midland, Texas

NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARING

SANTA FE, NEW MEXICOHearing Date OCTOBER 28, 1970 TIME: 9 A.M.

NAME	REPRESENTING	LOCATION
DAVID H. RATHJEN	MWJ Prod Co.	Midland Tex
<i>[Signature]</i> Lower	<i>Self</i>	Artesia
Ralph L. Gray	David Collier	Artesia
R. Ken Williams	MWJ Prod Co.	Midland TX
<i>[Signature]</i> P. D. Dams	PW Bryan	Santa Fe
SG Bued	Mortgage Federation	Santa Fe
Daniel A. Dunn	Union Oil of Calif	Midland TX
W. M. Petmesky	"	"
J. B. Jordan	"	Roswell, NM
N. R. Willis	"	Midland Tex

MR. UTZ: The first case will be Case 4446. Then we will go back to 4443 and follow the order of the docket.

MR. HATCH: This is the application of Ford Chapman for salt water disposal, Eddy County, New Mexico.

MR. STEVENS: Mr. Examiner, I am Don Stevens with McDermott, Kelly and Stevens, representing the applicant. We have one witness.

WILLIAM J. LeMAY,
a witness, having been first duly sworn according to law, upon his oath, testified as follows:

MR. UTZ: Are there other appearances?

You may proceed, Mr. Stevens.

MR. STEVENS: We have five exhibits.

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

DIRECT EXAMINATION

BY MR. STEVENS:

Q Would you state your name and occupation and residence?

A William J. LeMay. I am a consulting geologist in Santa Fe, New Mexico.

Q Have you previously testified before the New Mexico Oil Conservation Commission, Mr. LeMay?

A Yes. I have.

MR. STEVENS: Are the witness' qualifications accepted?

MR. UTZ: Yes, sir. They are.

Q Referring to Exhibit No. 1, Mr. LeMay, would you describe it and briefly explain what the applicant seeks in this application?

A Exhibit No. 1 is a land ownership map and a well map of the area showing the location of the Pecos Delaware Pool straddling the Texas-New Mexico line and it also shows, by red circle, the proposed injection well. There are five wells in the field and Ford Chapman seeks to inject salt water -- or, it is slightly salty -- into the lowermost well in Section 5, the Gulf Pipkin Federal, and thereby abide by the Commission's no-pit order.

Q The oil encircled around the wells marked on Exhibit 1 refer to what?

A They refer to the wells producing from the Delaware Sand formation which is the producing formation in the Pecos Delaware Pool.

Q Referring to Exhibit 2, would you explain its significance?

A Exhibit 2 is a structure map of the area, the datum of which is the top of the Delaware line formation. Delaware

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Sand occurs directly below this line and it is a good mapping horizon in the area. It shows the entrapment of oil in the Pecos pool is a porous Delaware Sand and that all the producing wells fall approximately on the same datum. However, on the basis of reported tops the proposed injection well colored in red is slightly the lowest well in the field and therefore this is advantageous from a water injection point of view.

It shows that basically there is just generally a regional dip in a northeast direction. Updip the sand becomes tight. Downdip there is more water production.

Q Could you give us the production history of the proposed injection well?

A It is very marginal. The proposed injection well has cumulative production of 16,989 barrels and the last reported production was in May when the well produced 27 barrels for the entire month; 9 barrels of water with gas too small to measure.

The other well in the field in Section 34, Littlefield, is about the same status. It produced 27 barrels of oil in May; 112 barrels of oil in April. It has cumulative production of 10,751 barrels of oil. The field is quite marginal at the present time.

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Q Referring to both Exhibits 1 and 2, could you explain the significance of the boundary line drawn on those?

A Yes. The map that was submitted to me, I think, is in error. As you can see, the way Texas and New Mexico line up it doesn't look like they quite fit because it is a little bit different on my Exhibit No. 2. However, this is the only -- this exhibit was submitted to me by Ford Chapman and I therefore used that, but I think you would take the Texas side and slide it slightly to the right and it would fit a little better.

Q Your structure map, to your thinking, accurately reflects the boundary?

A That is correct.

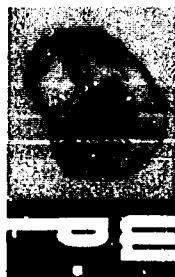
Q Referring to Exhibit No. 3, would you explain it to the Examiner.

A Exhibit 3 is a diagrammatic sketch of the proposed installation of water injection equipment on the proposed injection well. There is seven inch casing set at 562 feet with three hundred sacks. This was circulated to the surface. The five and a half production string was cemented at 2,800 feet -- I am sorry -- at 2,899 feet with one hundred forty sacks of cement. This is calculated-- this is circulated to the surface but there has been no

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temperature survey run on the well.

What is proposed is that plastic lined tubing to run in the hole with the Halliburton hookwall packer being set at 2,800 feet. The tubing is to be plastic lined. The annulus to be monitored at the surface and filled with an inert fluid. In this way they would conform with the normal salt water disposal practices.

Total depth of the well is 2,905 feet. This would allow an open-hole interval of only six feet, being 2,899 to 2,905, however, as shown on the following exhibit, this is a very porous section of Delaware Sand and it is believed capable of handling the water to be injected.

Q This following exhibit, Exhibit No. 4, is an electric log of the well. Do you have only one copy of that?

A The Examiner has it there. I can describe it. It shows it is a gamma ray neutron log and it shows at the very bottom the five and a half inch casing and the proposed open-hole interval 29 -- I am sorry -- 2,899 to 2,905. There is a highly -- a high neutron kick at the bottom to show the porosity and it shows the relationship of the top of the Delaware line to the top of the Delaware Sand which is the reservoir in the area.

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Q Are there any other pays in this area, Mr. LeMay?

A No. There are not.

Q None in the area behind the --

A No. There may be some deeper, but they haven't been drilled.

Q Refer to what has been called Exhibit No. 5. Would you explain it for the Examiner?

A Exhibit No. 5 is a water analysis from the Federal Pipkin No. 1 and it shows that the water is slightly salty with 22,000 parts per million Chloride. It is not especially corrosive, but the plastic lined tubing will spell as a good insurance policy. There is no fresh water, to my knowledge, near the area, however, there is that large lake and this is one reason why this type of equipment would be necessary, I think, to prevent drainage into the lake.

Mr. Chapman proposes to inject approximately 50 barrels of water per day into this injection well and this may be increased slightly at some future date, but this is what he proposes at the present time, on a vacuum. He thinks it will take it on a vacuum.

Q In your opinion, Mr. LeMay, would this installation be in accordance with good oil field practices in accordance

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with the rules and conservation practices of the New Mexico Oil Conservation Commission?

A Yes. It would.

MR. STEVENS: At this time, Mr. Examiner, we'd like to move Exhibits 1 through 5 be admitted into evidence.

MR. UTZ: Without objection, Exhibits 1 through 5 will be entered into the record of this case.

(Whereupon, Applicant's Exhibits No. 1 through 5 were admitted.)

MR. STEVENS: We have no further evidence at this time.

MR. UTZ: Any questions of the witness?

CROSS EXAMINATION

BY MR. UTZ:

Q Now, this water, Mr. LeMay, is from what wells?

A Well, they are actually from the two wells in Texas, Mr. Examiner. The two wells in New Mexico are both so marginal that they are really depleted producers at the present time. However, two of the three wells located in Texas are producing approximately 25 barrels of water per day. These are from the Caledonia Company Johnson C No. 1 and the Ford Chapman Johnson 1 and 2. There is actually three wells that are producing this 50 barrels of water

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and the wells in New Mexico are just about -- they have really had it.

Q So actually it will be from the three wells in Texas?
A That is correct.

Q This is all right with the State of Texas?
A Yes, sir. They asked for a copy of the application. We

did contact the Commission in Texas. Mr. Haller, who is the agent for Ford Chapman, did and they said this would be acceptable to them -- they'd just appreciate a copy of the application and we might even send them the exhibits, but they said that you would have jurisdiction of the case entirely since the injection well is in New Mexico.

Q You don't have to have a pipe line permit to pipe across?
A I don't think so.

MR. UTZ: Any other questions of the witness?

You may be excused.

Statements?

The case will be taken under advisement.

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

I, PETER A. LUMIA, 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.

Peter A. Lumia
Peter A. Lumia, C.S.R.

I do hereby certify that the foregoing is a complete record of the proceedings in the hearing of Case No. 4446, heard by me on 10-28-70.

[Signature]
New Mexico Oil Conservation Commission

I N D E X

WITNESS:

PAGE:

WILLIAM J. LeMAY

Direct Examination by Mr. Stevens

2

Cross Examination by Mr. Utz

8

EXHIBITS

MARKED

OFFERED AND
ADMITTED

Applicant's
No. 1 through 5

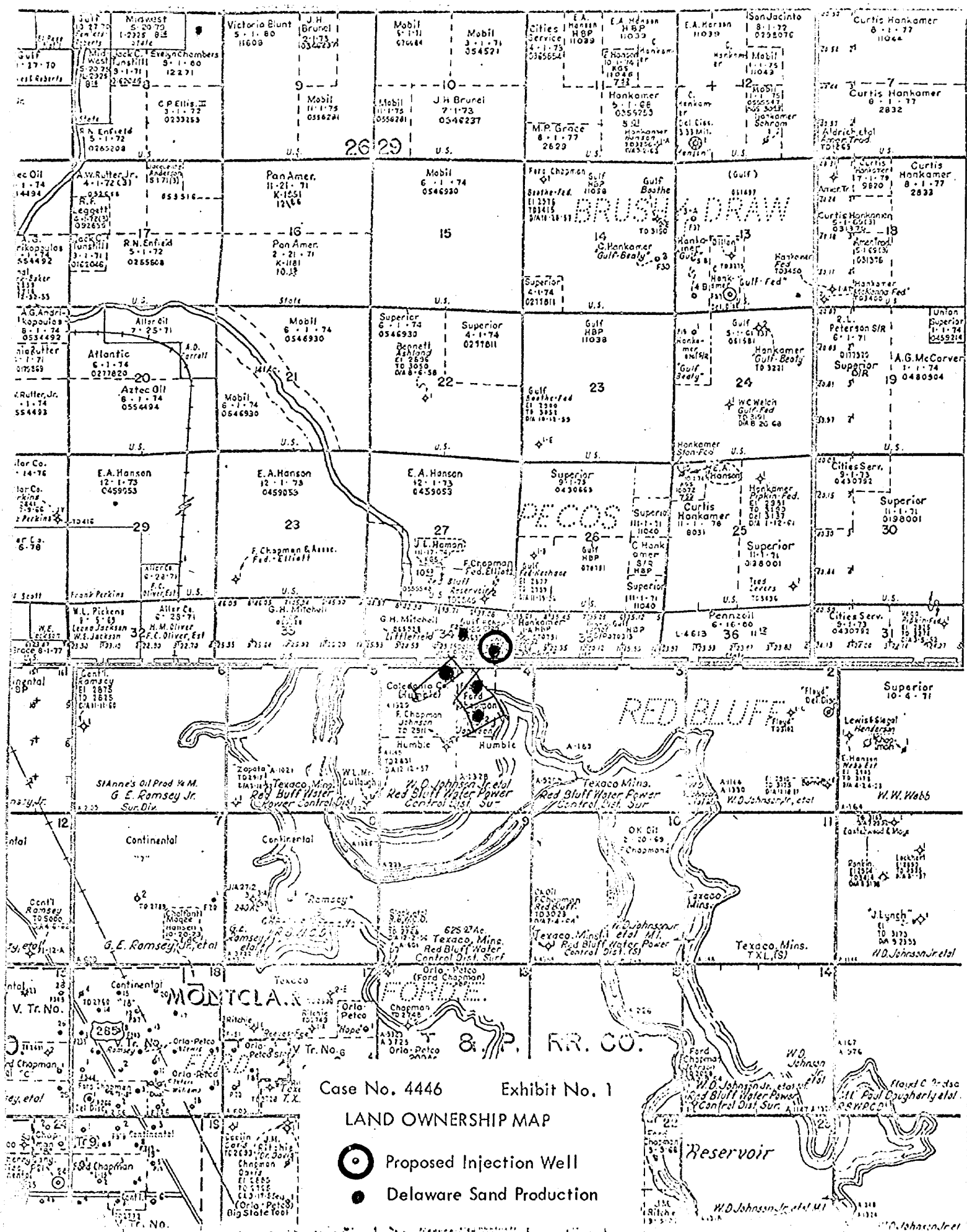
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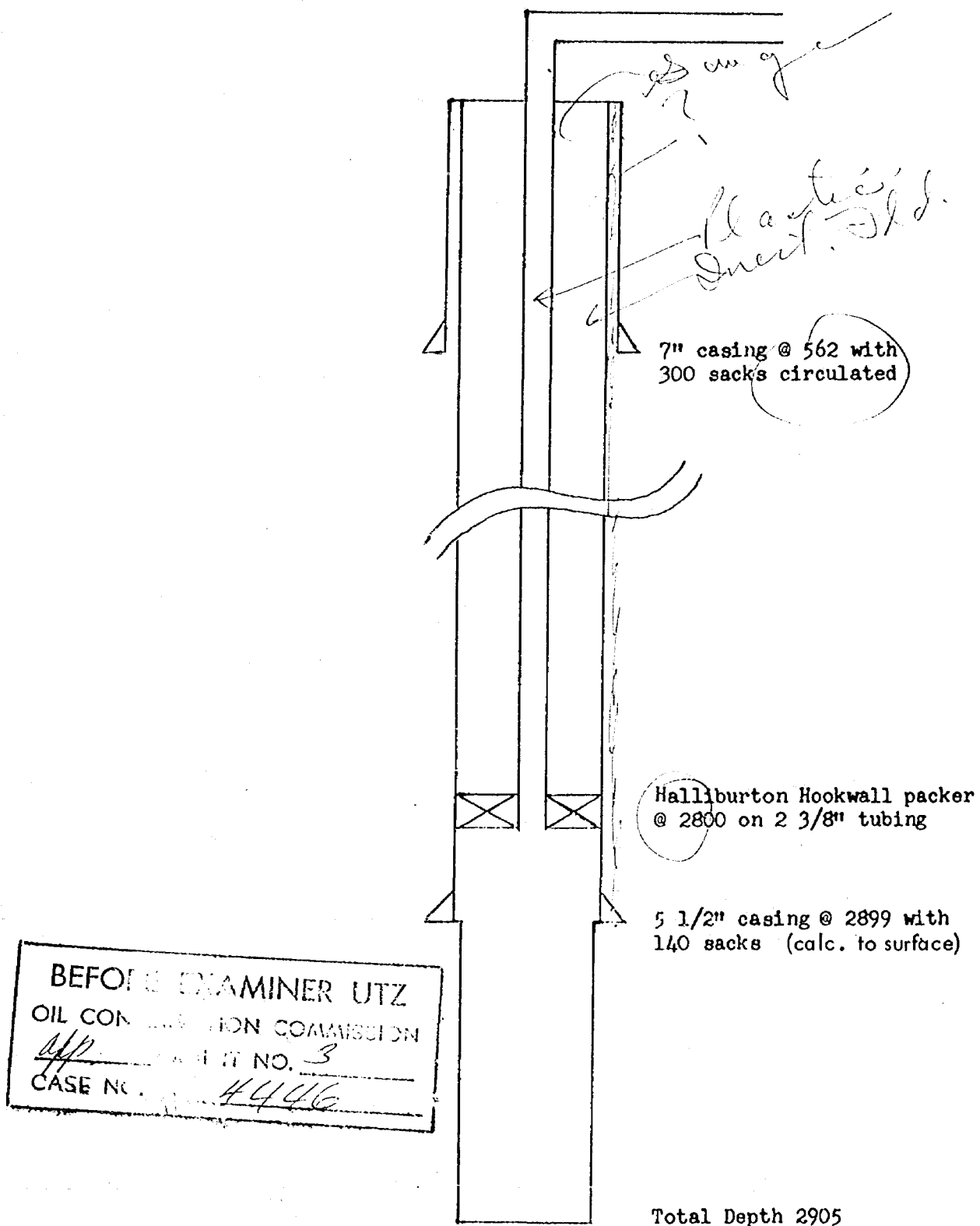
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Proposed for: Ford Chapman
Gulf Pipkin Federal No. 1
330' FSL & 605' FEL
Sec. 34, T26S, R29E
Pecos-Delaware Pool
Eddy County, New Mexico

NO. _____

THE WESTERN COMPANY
Service Laboratory

Case No. 4446

Exhibit No. 5

WATER ANALYSIS

Operator	Ford Chapman & Assoc.	Date Sampled	
Well	Federal Pipkin #1	Date Received	10-14-70
Field	Pecos	Submitted by	Ford Chapman & Assoc.
Formation	Delaware	Worked by	Jones
Depth		Other Description	
County	Eddy, New Mexico		

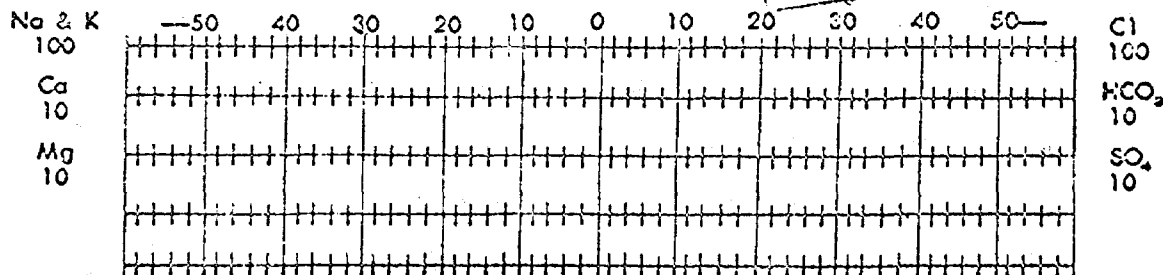
CHEMICAL DETERMINATIONS

Density	1.015 @ 74°F	pH	8.1
Iron	Very Faint Trace	Hydrogen Sulfide	None
Sodium and Potassium	13,720 ppm	Bicarbonate	817 ppm
Calcium	184 ppm	Sulfate	40 ppm
Magnesium	340 ppm	Phosphate	ppm
Chloride	22,000 ppm	as Sodium Chloride	ppm

Remarks:

BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
EXHIBIT NO. 5
CASE NO. 4446

for Stiff type plot (in meq./l.)



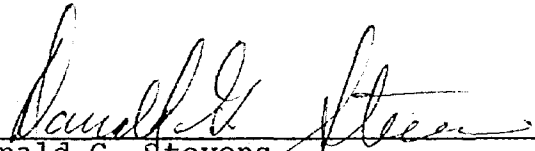
Por _____

NEW MEXICO OIL CONSERVATION COMMISSION

Application of Ford Chapman)
for Saltwater Disposal in)
Gulf-Pipkin Federal Well)
No. 1, located 330' from south)
line and 605' from east line) Case 4446
of Section 34, Township 36)
South, Range 29 East, Pecos)
Delaware Pool, Eddy County,)
New Mexico.)

ENTRY OF APPEARANCE

DONALD G. STEVENS hereby enters his appearance as
attorney for Applicant in the above-entitled case.


Donald G. Stevens
Attorney for Applicant
P. O. Box 1904
Santa Fe, New Mexico 87501



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE
87801

GOVERNOR
DAVID F. CARGO
CHAIRMAN

LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER

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

November 6, 1970

Mr. Don S. Stevens
McDermott, Connelly & Stevens
Attorneys at Law
Post Office Box 1904
Santa Fe, New Mexico

Re: Case No. 4446
Order No. R-4053
Applicant:
FORD CHAPMAN

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 x

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. 4446
Order No. R-4053

APPLICATION OF FORD CHAPMAN
FOR SALT WATER DISPOSAL, EDDY
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on October 28, 1970, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 6th day of November, 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, Ford Chapman, is the owner and operator of the Gulf Pipkin Federal Well No. 1, located 330 feet from the South line and 605 feet from the East line of Section 34, Township 26 South, Range 29 East, NMPM, Pecos-Delaware Pool, Eddy County, New Mexico.

(3) That the applicant proposes to utilize said well to dispose of produced salt water into the Delaware formation, with injection into the open-hole interval from approximately 2899 feet to 2905 feet.

(4) That the injection should be accomplished through 2 3/8-inch plastic-lined tubing installed in a packer set at approximately 2800 feet; that the casing-tubing annulus should be filled with an inert fluid; and that a pressure gauge should

-2-

CASE No. 4446

Order No. R-4053

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:

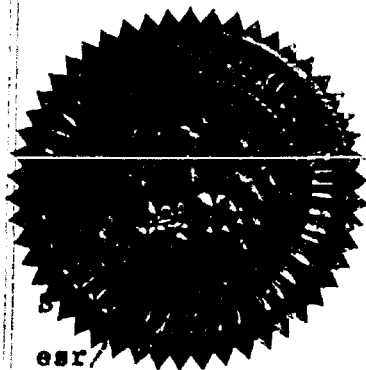
(1) That the applicant, Ford Chapman, is hereby authorized to utilize his Gulf Pipkin Federal Well No. 1, located 330 feet from the South line and 605 feet from the East line of Section 34, Township 26 South, Range 29 East, NMPM, Pecos-Delaware Pool, Eddy County, New Mexico, to dispose of produced salt water into the Delaware formation, injection to be accomplished through 2 3/8-inch tubing installed in a packer set at approximately 2800 feet, with injection into the open-hole interval from approximately 2899 feet to 2905 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 his 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 E. Cargo
DAVID E. CARGO, Chairman

Alex J. Armijo
ALEX J. ARMIJO, Member

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

Case 4446

Heard. 10-28-70

Rec'd 10-29-70

Grant Ford Chapman permission
to convert their - Lufkin #1
330/S, 605/E line ~~section~~ ^{partial} section
34 - T26S - R29E Eddy Co. Pecos -
Delaware Pool to a S W deep pool
well.

Deep pool to be down 2 $\frac{3}{8}$ " int. plastic
coated tubing under a packer and into
open hole interval of the ^{lower} Delaware
producing fm. Value to be approx
50 BWPD produced from operators
leases in Texas.

Thud

DOCKET: EXAMINER HEARING - WEDNESDAY- OCTOBER 28, 1970

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

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

CASE 4443: Application of Pan American Petroleum Corporation for down-hole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle production from the BS Mesa-Gallup and Basin-Dakota Gas Pools in the wellbores of its Jicarilla Apache 102 Wells Nos. 7, 9, 11, and 12, located respectively in Sections 3, 4, 10, and 9, Township 26 North, Range 4 West, Rio Arriba County, New Mexico. Applicant further seeks a procedure whereby other wells on said Jicarilla Apache 102 lease now dually completed in said pools may be approved administratively for downhole commingling.

CASE 4444: Application of Tenneco Oil Company for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the rules governing the Allison-Pennsylvanian Pool to permit the completion of an oil well at an unorthodox location 1830 feet from the North line and 660 feet from the West line of Section 10, Township 9 South, Range 36 East, Lea County, New Mexico.

CASE 4445: Application of Byron McKnight for an exception to Order No. R-111-A, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the potash-oil area casing and cementing rules as set forth in Commission Order No. R-111-A. Applicant proposes to drill two exploratory wells in the NW/4 NW/4 of Section 35 and the NE/4 NE/4 of Section 34, both in Township 19 South, Range 33 East, Lea County, New Mexico, in such a manner as to eliminate the necessity of running the salt protection string required by said Order No. R-111-A, provided the production string would be cemented to the surface.

CASE 4446: Application of Ford Chapman for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Delaware formation in the open-hole interval from 2899 feet to 2905 feet in his Gulf Pipkin Federal Well No. 1 located 330 feet from the South line and 605 feet from the East line of Section 34, Township 26 South, Range 29 East, Pecos-Delaware Pool, Eddy County, New Mexico.

CASE 4447: Application of Morris R. Antweil for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of his Allen Well No. 1 located in Unit J of Section 31, Township 22 South, Range 27 East, Eddy County, New Mexico, in such a manner as to permit the production of gas from the South Carlsbad-Strawn and South Carlsbad-Morrow Gas Pools through parallel strings of tubing.

CASE 4173: Reopened - (Continued from the September 30, 1970 Examiner Hearing)

In the matter of Case 4173 being reopened pursuant to the provisions of Order No. R-3811-A, which order extended 80-acre spacing units and a limiting gas-oil ratio of 4000 cubic feet of gas per barrel of oil for the Hobbs-Drinkard Pool, Lea County, New Mexico, for a period of 90 days. All interested parties may appear and show cause why said pool should not be developed on 40-acre spacing, why the limiting gas-oil ratio should not revert to 2000 to one, and/or why all casinghead gas produced by wells in the pool should not be reinjected.

CASE 4448: Application of MWJ Producing Company for pool redelineation and the creation of a new pool and special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the redelineation of the Mescalero Permo-Pennsylvanian Pool by the deletion of all lands in Sections 28 and 33, Township 10 South, Range 32 East, Lea County, New Mexico, from said pool. Applicant further seeks the creation of a new pool for the production of oil from the Permo-Pennsylvanian formation for its Huber State Well No. 1 located in Unit K of said Section 33, and for the promulgation of special rules therefor including a provision for 160-acre spacing units and the assignment of 80-acre allowables.

CASE 4449: Application of Petro-Thermo Corporation for authority to operate an oil treating plant, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to install and operate a water-bath and heat-treatment type oil treating plant in the SW/4 NW/4 of Section 31, Township 18 South, Range 37 East, Lea County, New Mexico, for the reclamation of sediment oil.

CASE 4450: Application of Anderson Oil and Gas Company for a dual completion and salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete the New Mexico State B. T. (Q) Well No. 1 located 660 feet from the South and East lines of Section 33, Township 11 South, Range 33 East, Lea County, New Mexico, in such a manner as to permit the production of oil through tubing from the Bagley-Pennsylvanian Pool and the disposal of produced salt water through tubing into the Devonian formation, Bagley-Siluro-Devonian Pool at a depth of approximately 11,075 feet.

CASE 4451: Application of Union Oil Company of California for a non-standard oil proration unit, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks approval for an 80-acre non-standard oil proration unit comprising the SW/4 SE/4 of Section 17 and the NW/4 NE/4 of Section 20, Township 8 South, Range 38 East, Bluit-San Andres Associated Pool, Roosevelt County, New Mexico, to be dedicated to a well to be drilled at a standard location in the SW/4 SE/4 of said Section 17.

CASE 4423: Continued from the September 30, 1970 Examiner Hearing

Application of Union Oil Company of California for compulsory pooling, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests down to and including the San Andres formation underlying the N/2 NE/4 of Section 20, Township 8 South, Range 38 East, Bluit-San Andres Associated Pool, Roosevelt County, New Mexico. Said acreage to be dedicated to a well to be drilled at an orthodox location in the NW/4 NE/4 of said Section 20. Also to be considered will be the cost of drilling said well, a charge for the risk involved, a provision for the allocation of actual operating costs, and the establishment of charges for supervision of said well.

CASE 4434: (Continued from the September 30, 1970, Examiner Hearing)

Application of Union Oil Company of California for the creation of a new gas pool and special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new gas pool for its Pipeline Federal Well No. 1 located in Section 4, Township 19 South, Range 34 East, Lea County, New Mexico. Applicant further seeks the promulgation of special rules therefor, including a provision for 640-acre spacing and proration units and fixed well location requirements.

CASE 4452: Application of David C. Collier for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by injection into the Queen formation through 4 wells located in Sections 1 and 12 of Township 19 South, Range 29 East, and Section 6 of Township 19 South, Range 30 East, East Turkey Track-Queen Pool, Eddy County, New Mexico.

Oil Reports and Gas Services

P. O. BOX 763
HOBBS, NEW MEXICO 88240

W. L. SMITH, OWNER

October 5, 1970

PHONE NUMBERS
393-2727 - 393-2017

70 OCT 6 PM 1 05

State of New Mexico
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico

Case 4446

Gentlemen:

In accordance with Rule 1203 application is hereby made on behalf of Ford Chapman for an Examiner Hearing before the Oil Conservation Commission for the purpose of presenting evidence to obtain Commission approval to dispose of produced oil field brine by injection into the Delaware formation.

Applicant proposes to inject into open hole 2899 to 2905 feet as is now open in the Ford Chapman - Gulf Pipkin Federal No. 1, located 330 feet from the South line and 605 feet from the East line of Section 34, Township 26 South, Range 29 East, Eddy County, New Mexico.

Water to be injected for disposal to consist of approximately 25 barrels per day from the Caledonia Company - Johnson "C" No. 1 and the Ford Chapman - Johnson No. 1 and No. 2 all located in Section 4, Block 57, T & PRR Survey, Loving County, Texas and approximately 25 barrels per day from the M & B Well Servicing Company - Littlefield "BO" No. 1 in Section 34, Township 26 South, Range 29 East, Eddy County, New Mexico. The above mentioned five wells are all the wells that are now producing from or have produced from the Delaware reservoir, known as the Pecos-Delaware Pool in Eddy County, New Mexico and the East Ford (Delaware) Field in Loving County, Texas.

Control of said injection to be obtained by running 2 3/8 inch plastic lined tubing with a Halliburton Hookwall packer to be set at approximately 2800 feet in 5 1/2 inch casing. Maximum surface pressure is not anticipated to exceed 300 psig.

Interested parties who have this day been furnished a copy of this application:

Caledonia Company
1100 Vaughn Bldg.
Midland, Texas 79701

Curtis Hankamer
714 Houston Bank & Trust Bldg.
Houston, Texas 77002

Ford Chapman
1100 Vaughn Bldg.
Midland, Texas 79701

Humble Oil & Refining Company
P. O. Box 2100
Hobbs, New Mexico 88240

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EX-10

State of New Mexico
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico
October 5, 1970
Page No. 2

Gulf Oil Corporation
Box 1938
Roswell, New Mexico 88201

Railroad Commission of Texas
P. O. Box 1110
Midland, Texas 79701

United States Geological Survey
Drawer "U"
Artesia, New Mexico 88210

M & B Well Servicing Company
P. O. Box 963
Kermit, Texas 79745

George Ross
715 South Hickory
Pecos, Texas 79772

Yours very truly,

OIL REPORTS AND GAS SERVICES, INC.


(Mrs.) Donna Holler

DH/lr

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. 4446

Order No. R- 4053

APPLICATION OF FORD CHAPMAN
FOR SALT WATER DISPOSAL, EDDY
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on October 26, 1970,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this _____ day of November, 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, Ford Chapman,
is the owner and operator of the Gulf Pipkin Federal Well No. 1,
330 feet from the South line and 605 feet from the East line
located/~~xxxxxxx~~ of Section 34, Township 26 South, Range
29 East, NMPM, Pecos-Delaware Pool, Eddy
County, New Mexico.

(3) That the applicant proposes to utilize said well to
dispose of produced salt water into the Delaware
formation, with injection into the open-hole interval
from approximately 2899 feet to 2905 feet.

(4) That the injection should be accomplished through
2 3/8-inch plastic-lined tubing installed in a packer set at

approximately 2800 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, Ford Chapman,
is hereby authorized to utilize ~~its~~ his Gulf Pipkin Federal Well No. 1,
330 feet from the South line and 605 feet from the East line
located ~~XXXXXX~~ of Section 34, Township 26 South, Range
29 East, NMPM, Pecos-Delaware Pool, Eddy
County, New Mexico, to dispose of produced salt water into the
Delaware formation, injection to be accomplished through
2 3/8-inch tubing installed in a packer set at approximately
2800 feet, with injection into the open-hole interval
from approximately 2899 feet to 2905 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 ~~his~~ his
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.