

Case. Number.

4450

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Application,  
Transcripts.

Sm all Exhibts.

ETC.

dearnley-meier reporting service, inc.

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

209 SIMMS BLDG. • P.O. BOX 1092 • PHONE 243-6691 • 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 Anderson Oil and Gas  
Company for a dual completion and  
salt water disposal, Lea County,  
New Mexico.

Case No. 4450

BEFORE: Elvis A. Utz, Examiner

TRANSCRIPT OF HEARING

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

MR. HATCH: This is the application of Anderson Oil and Gas Company for a dual completion and salt water disposal, Lea County, New Mexico.

MR. KELLAHIN: Jason Kellahin, Kellahin and Fox, Santa Fe, appearing for the applicant. I have one witness I'd like to have sworn.

WILLIAM G. KERN,

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

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Will you state your name, please?

A William G. Kern.

Q By whom are you employed and in what position, Mr. Kern?

A Employed as an engineer by Anderson Oil and Gas Company in Midland, Texas.

Q Have you testified before the Oil Conservation Commission and one of its examiners and made your qualifications a matter of record?

A Yes, sir.

MR. KELLAHIN: Are the witness' qualifications acceptable?

MR. UTZ: Yes, sir. They are.

Q Mr. Kern, are you familiar with the application of Anderson Oil and Gas Company in Case 4450?

A Yes, sir. I am.

Q What is proposed by the applicant in this case?

A What we propose to do is re-enter the State B.T. (Q) No. 1 well in the Bagley Field; squeeze off the existing perforations; drill to a total depth of eleven thousand seventy-five feet; run a liner and complete it as a dual production and disposal well.

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

Q Referring to what has been marked as Applicant's Exhibit No. 1, would you identify that exhibit?

A Exhibit No. 1 is a well completion plat showing the completion interval of all the wells within a two mile radius of our proposed re-entry. This area has upper and lower Pennsylvanian production and Devonian production. On this map we also show three salt water disposal wells that they are disposing of water in the Devonian formation under the Bagley Field.

Q That is in Sections 2 and 11 in the lower right hand of the exhibit?

A Yes, sir.

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Q Who operates those disposal wells?

A These are operated by Amerada Hess.

Q Were any of them a dual completion as proposed in this application?

A No. They aren't dual completions. They are single completion water injection wells.

Q But they are disposing in the same horizon you propose to dispose in?

A Yes, sir.

Q Now, referring to Exhibit No. 2, will you identify that exhibit?

A Exhibit No. 2 is the existing wellbore condition in this State B.T (Q) No. 1. This wellbore sketch shows the surface pipe thirteen and three-eighths inch cemented to the surface; eight and five-eighths inch set at three thousand eight hundred ninety-five and cemented to the surface and the existing five and a half inch set at nine thousand eight hundred ninety. The top of the cement behind the five and a half inch was found, by a temperature log, at seven thousand five hundred forty feet.

This well was completed from 9805 to 9815 and produced approximately four and a half million cubic feet

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and two hundred thousand barrels of oil.

Q What formation was that production from?

A That is from the Pennsylvanian.

Q Now, the well was actually drilled to a greater total depth, was it not?

A TD was 11,075 feet and is currently plugged back to 9,843.

Q Now, referring to what has been marked as Exhibit No. 3, would you identify that exhibit?

A Exhibit No. 3 shows our installation of the proposed workover and the schematic wellbore diagram. What we intend to do is squeeze off the existing perforations, drill the well to 11,050 feet, run a four inch liner, cement it back to the top of the liner and then re-drill out to the TD of 11,075 feet. We will be disposing of the water in an open hole section from 11,050 to 11,075 feet and producing from perforations from 9,910 and 9,940.

Q Now, how will the disposal well be completed -- will you inject down through tubing?

A We intend to make a dual tubing string out of it using two and a sixteenth inch hydril tubing, plastic coated, for the disposal system and plain two and a sixteenth inch hydril for the production string.

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- Q Now, will this type of completion adequately protect any producing formation, in your opinion?
- A Yes, sir. This will protect it completely.
- Q And you anticipate that the well will take under pressure or under a vacuum?
- A Wells in the area have been taking as high as ten thousand barrels a day on vacuum in the Devonian.
- Q Will you be able to operate the producing side of the well without any difficulty?
- A I feel we can.
- Q What volume of water will you be disposing of?
- A We intend to dispose of seven hundred fifty barrels of water a day.
- Q What is the source of that water?
- A That will be from three wells that we intend to drill in this immediate area.
- Q Would it also include the subject well here?
- A Yes.
- Q That would be water produced with the oil?
- A Yes, sir.
- Q You say initially seven hundred fifty barrels a day?
- A Initially seven hundred fifty.
- Q What do you anticipate the maximum will be?

A I would think the maximum would be in the neighborhood of five thousand barrels a day.

Q Do you have a water analysis on this water?

A I have a water analysis taken from the three different wells surrounding our lease. It shows here the chlorides in the neighborhood of thirty to thirty-four parts per million which indicates it isn't too corrosive water.

Q And this is the type of water you will be disposing of in this well?

A Yes, sir.

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

A Yes, sir. They were.

MR. KELLAHIN: At this time I'd like to offer into evidence Exhibits 1 through 4.

MR. UTZ: Without objection, Exhibits 1 through 4 will be entered into the record of this case.

Q Is the type of completion you propose here one that has been approved by this Commission in other cases?

A This has been approved before. This is a typical dual completion.

MR. KELLAHIN: That is all I have on direct examination, Mr. Utz.



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CROSS EXAMINATION

BY MR. UTZ:

Q You are going to inject through two and one sixteenth inch tubing?

A Yes, sir.

Q Will that handle five thousand barrels of water a day?

A I don't know if we can get that much down it on a vacuum or not. I am sure it will take the water, but you might have to put pressure on it to get that volume down.

Q Do you intend to coat the inside of this tubing?

A This tubing will be plastic coated.

Q I notice your Exhibit 3 says you are going to squeeze off these perforations. That is five and a half inch, isn't it?

A Yes.

Q Is that for your drilling-in you are going to open them up or --

A I believe that zone is depleted in this well. It has produced in excess of four and a half million cubic feet and two hundred thousand barrels of oil. We recently went into the well, pulled the tubing and packer out of it without killing the well or without any pressure at the surface.

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Q You are going to perforate about a hundred lower?

A Yes, just below the bottom of the five and a half inch.

MR. UTZ: Any other questions of the witness?

You may be excused.

Statements in the case?

The case will be taken under advisement.

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

I, PETER A. LUMIA, a 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 hearing on the Bernalillo hearing of Case No. 4450 held by me on 10-28-79.  
[Signature]  
New Mexico Oil Conservation Commission

dearnley-meier reporting service, inc.

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I N D E X

<u>WITNESS:</u>	<u>PAGE:</u>
WILLIAM G. KERN	
Direct Examination by Mr. Kellahin	2
Cross Examination by Mr. Utz	7

E X H I B I T S

<u>APPLICANT'S</u>	<u>MARKED</u>	<u>OFFERED AND ADMITTED</u>
Nos. 1 through 4	3	7



## 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

November 6, 1970

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

Re: Case No. 4450  
Order No. R-4057  
Applicant:  
Anderson Oil & Gas Company

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. 4450  
Order No. R-4057

APPLICATION OF ANDERSON OIL AND GAS  
COMPANY FOR A DUAL COMPLETION AND 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 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, Anderson Oil and Gas Company, seeks  
authority to complete its New Mexico State B. T. "Q" Well No. 1,  
located 660 feet from the South line and 660 feet from the East  
line of Section 33, Township 11 South, Range 33 East, NMPM, Lea  
County, New Mexico, as a dual completion to produce oil from the  
Bagley-Pennsylvanian Pool in the perforated interval from approxi-  
mately 9910 feet to 9940 feet through 2 1/16-inch tubing and to  
dispose of produced salt water into the Devonian formation, Bagley  
Siluro-Devonian Pool, in the open-hole interval from approximately  
11,050 feet to 11,075 feet through a parallel string of 2 1/16-inch  
plastic-lined tubing, with separation of the zones by a packer set  
at approximately 10,000 feet.

(3) That approval of the dual completion and salt water disposal  
as set out above will prevent the drilling of unnecessary wells, and  
will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Anderson Oil and Gas Company, is hereby  
authorized to complete its New Mexico State B. T. "Q" Well No. 1,

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CASE No. 4450  
Order No. R-4057


located 660 feet from the South line and 660 feet from the East line of Section 33, Township 11 South, Range 33 East, NMPM, Lea County, New Mexico, as a dual completion to produce oil from the Bagley-Pennsylvanian Pool in the perforated interval from approximately 9910 feet to 9940 feet through 2 1/16-inch tubing and to dispose of produced salt water into the Devonian formation, Bagley Siluro-Devonian Pool, in the open-hole interval from approximately 11,050 feet to 11,075 feet through a parallel string of 2 1/16-inch plastic-lined tubing, with separation of the zones by a packer set at approximately 10,000 feet;

PROVIDED HOWEVER, that the applicant shall submit monthly reports of its disposal operations in accordance with Rules 704 and 1120 of the Commission Rules and Regulations.


(2) 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, Chairman

  
ALEX J. ARMIJO, Member

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



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. 4086  
Order No. R-3722

APPLICATION OF HANSON OIL COMPANY  
FOR A DUAL COMPLETION AND 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 March 26, 1969,  
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 1st day of April, 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, Hanson Oil Company, seeks authority  
to complete its CSA Federal Well No. 1, located in Unit L of Sec-  
tion 29, Township 26 South, Range 37 East, NMPM, Scarborough  
Yates-Seven Rivers Pool, Lea County, New Mexico, as a dual com-  
pletion to produce oil from the Yates formation in the interval  
from 3116 feet to 3135 feet through 2 1/16-inch tubing and to  
dispose of produced salt water into the Seven Rivers formation  
in the interval from 3172 feet to 3197 feet through a parallel  
string of 2 1/16-inch plastic-lined tubing, with separation of  
the zones by a packer set at approximately 3150 feet.

(3) That approval of the dual completion and salt water  
disposal as set out above will prevent the drilling of unnecessary  
wells, and will otherwise prevent waste and protect correlative  
rights.



-2-

CASE No. 4086  
Order No. R-3722

IT IS THEREFORE ORDERED:

(1) That the applicant, Hanson Oil Company, is hereby authorized to complete its CSA Federal Well No. 1, located in Unit L of Section 29, Township 26 South, Range 37 East, NMPM, Scarborough Yates-Seven Rivers Pool, Lea County, New Mexico, as a dual completion to produce oil from the Yates formation in the interval from 3116 feet to 3135 feet through 2 1/16-inch tubing and to dispose of produced salt water into the Seven Rivers formation in the interval from 3172 feet to 3197 feet through a parallel string of 2 1/16-inch plastic-lined tubing, with separation of the zones by a packer set at approximately 3150 feet;

PROVIDED HOWEVER, that the applicant shall submit monthly reports of its disposal operations in accordance with Rules 704 and 1120 of the Commission Rules and Regulations.

(2) 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

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

S E A L

esr/

Case 4450

Leased 10-28-70

Rec. 11-3-70

Grant Anderson Oil Co. permission  
to finally complete their BT'G' st.  
#1 P-~~33~~-33 + 11-3" as follows:

Produce oil from Bagley-Penn oil  
pool thru tubing 2 1/2 tubing & inject  
water thru 2 1/2 tubing & under a packer  
set at approx 10,000' into the Siluro.  
Devonian open hole from 11,050-75.  
~~At that~~ Injection tubing will be  
int. plastic coated.

Thos D. Mc

- 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.

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 downhole 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 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, Bluitt-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.

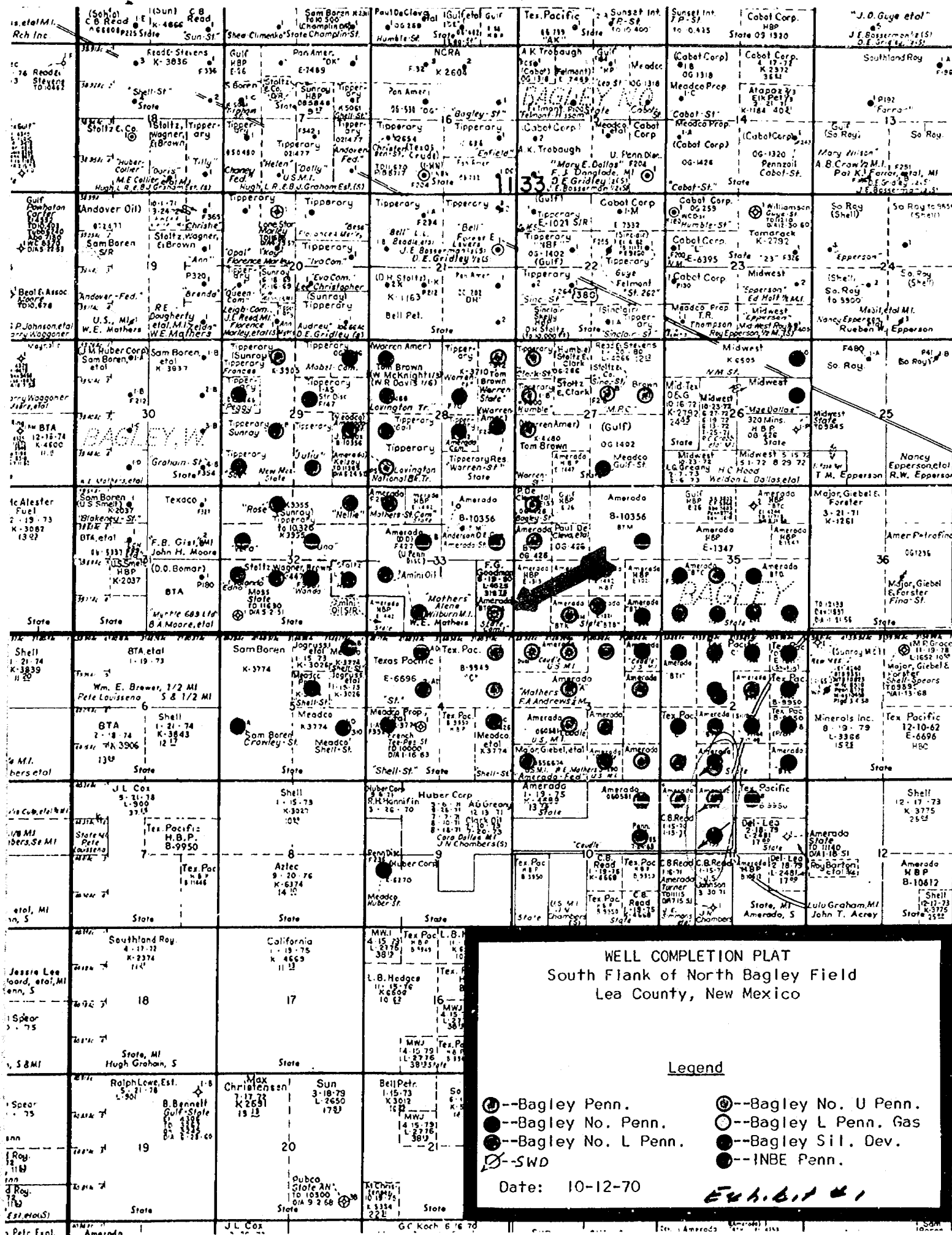
CASE 4423: Continued from the September 30, 1970 Examiner Hearing

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, Bluitt-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.

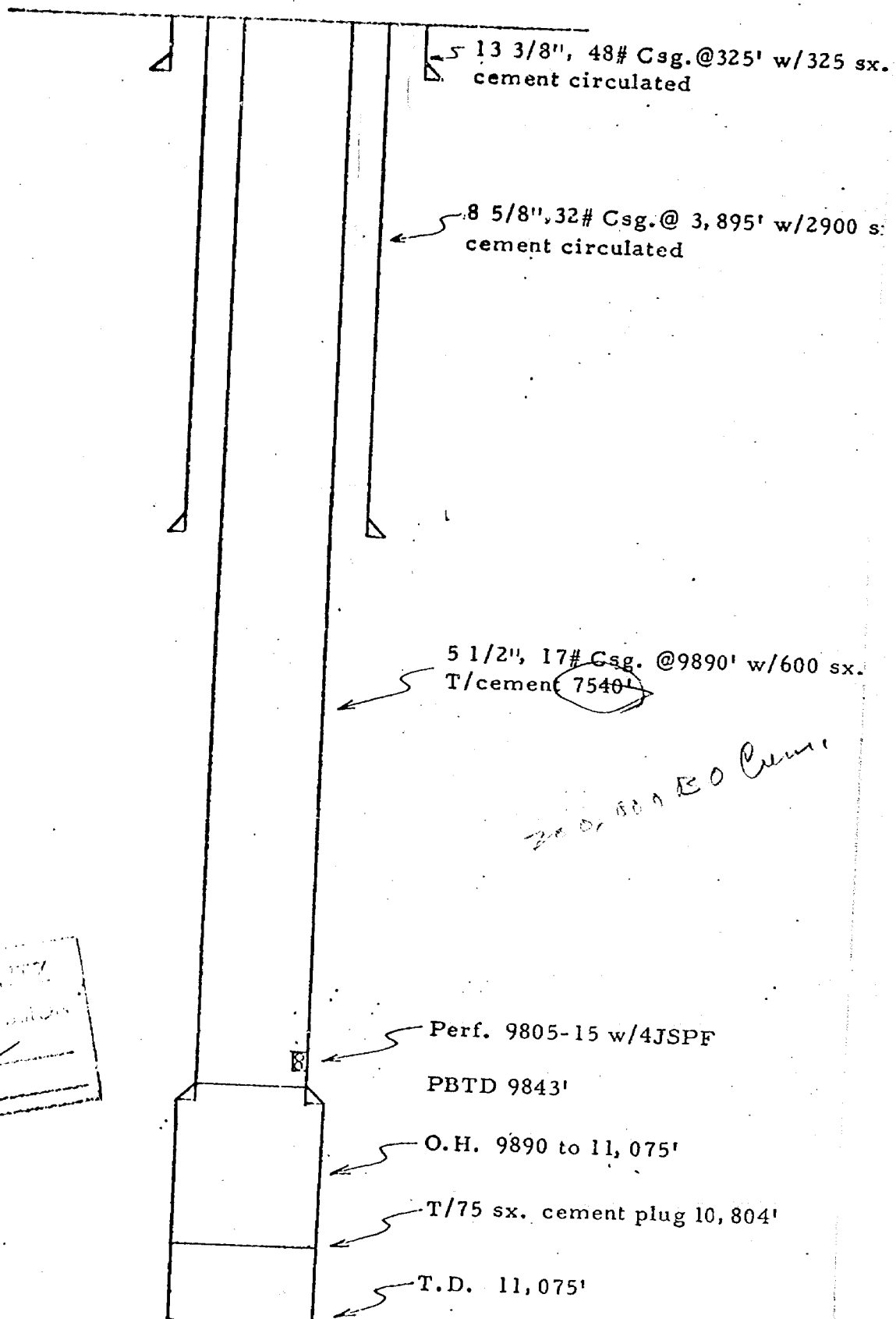
CASE 4434: (Continued from the September 30, 1970, Examiner Hearing)

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.



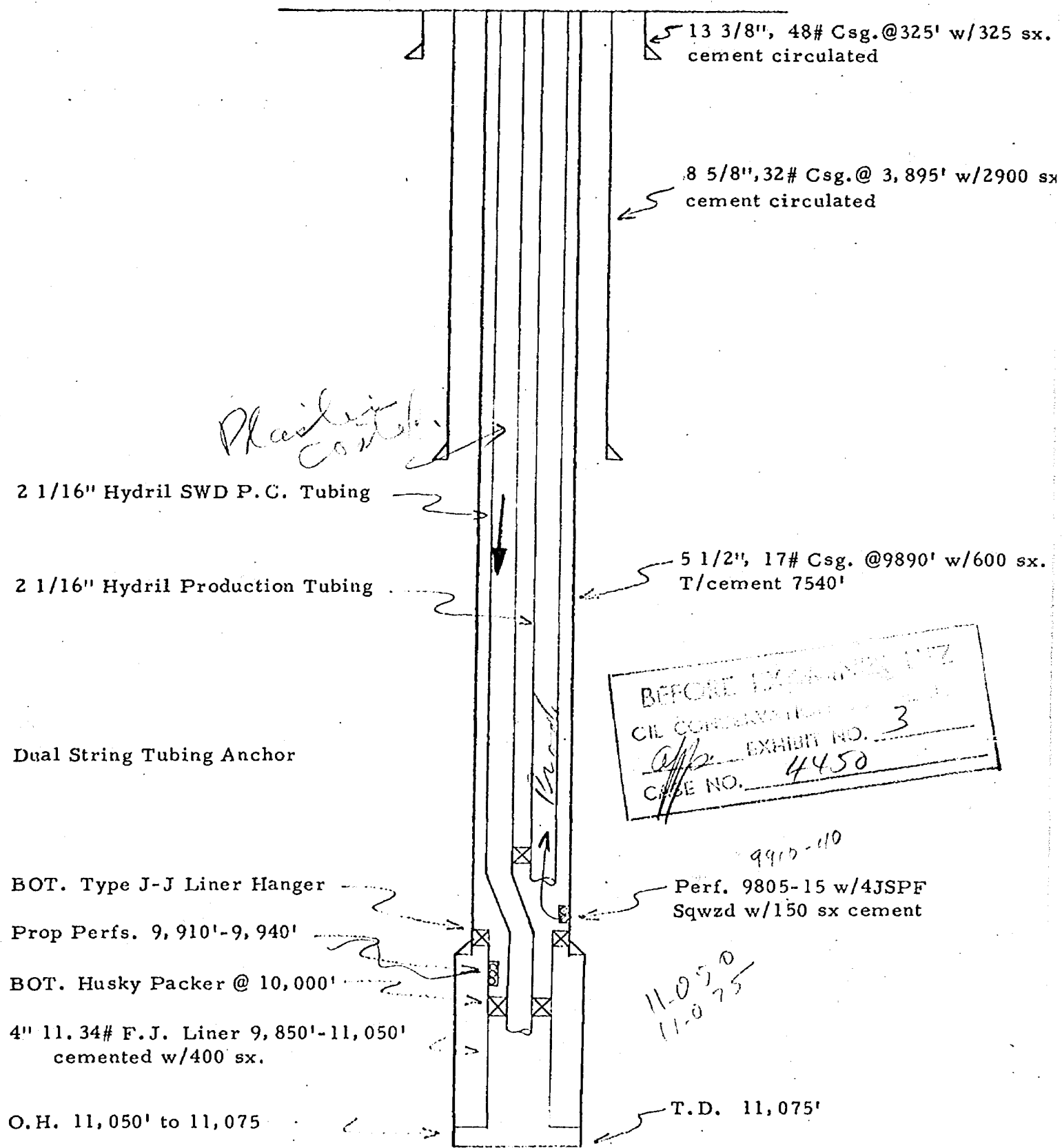
WELL BORE SKETCH  
Present Condition  
Anderson Oil & Gas Company  
BT "Q" STATE #1 33-11-33  
Lea County, New Mexico



BEFORE EXAMINED BY  
OIL COMMISSION  
app. EXAMINER NO. 2  
CASE NO. 11450

Exhibit #2

WELL BORE SKETCH  
Proposed Dual Completion  
Anderson Oil & Gas Company  
BT "Q" STATE #1 33-11-33  
Lea County, New Mexico

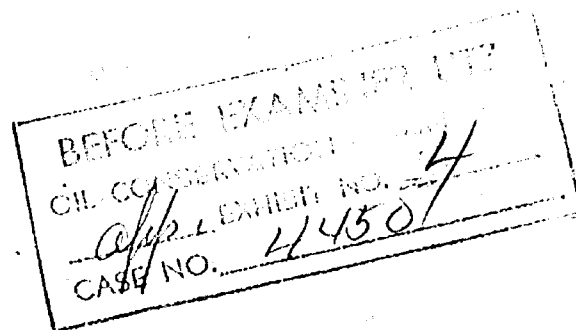


Exhib. 43



WATER ANALYSIS  
North Bagley Lower Penn Field  
Lea County, New Mexico

Property	Location of Sample Well		
	Sec. 34, T-11-S, R-33-E	Sec. 3, T-12-S, R-33-E	Sec. 4, T-12-S R-33-E
Restivity	.168 @ 70° F	.104 @ 78° F	.118 @ 78° F
Specific Gravity	1.035	1.054	1.046
pH	6.1	6.8	6.8
Calcium (Ca)	2,400	3,600	2,600 *MPL
Magnesium (Mg)	510	990	660
Chlorides (Cl)	30,350	34,500	30,000
Sulfates (SO <sub>4</sub> )	674	100	100
Bicarbonates (HCO <sub>3</sub> )	585	244	305
Soluble Iron (Fe)	85	5	5



\*Milligrams per liter

Exhibit #4

NOV 1 1970

BEFORE THE  
OIL CONSERVATION COMMISSION OF NEW MEXICO

IN THE MATTER OF THE APPLICATION  
OF ANDERSON OIL AND GAS COMPANY  
FOR APPROVAL OF A DUAL COMPLETION  
AND SALT WATER DISPOSAL, LEA COUNTY,  
NEW MEXICO

*Case 4450*

A P P L I C A T I O N

Comes now Anderson Oil and Gas Company, and applies to the Oil Conservation Commission of New Mexico for an order approving a dual completion for the New Mexico State B.T.(Q) Well No. 1, located 660 feet from the South line and 660 feet from the East line of Section 33, Township 11 South, Range 33 East, N.M.P.M., Lea County, New Mexico, for the production of oil from the Bagley-Pennsylvanian Pool, and for the disposal of produced water from the Pennsylvanian formation, in the Devonian formation, Bagley Siluro-Devonian Pool, and in support thereof would show the Commission:

Applicant proposes to <sup>re-enter</sup> enter the above well, run a liner, and complete said well with two strings of tubing, with a packer separating the Pennsylvanian and Devonian formations, in such manner as to permit production of the Pennsylvanian formation through 2 1/16th inch tubing from a depth of approximately 9,950 feet, and for the disposal of produced water in the Devonian formation at a depth of approximately 11,075 feet, through 2 1/16th inch tubing.

Water from the subject well and from other wells in the vicinity, which are producing from the Pennsylvanian formation, will be disposed of in the Devonian formation. It is anticipated that approximately 5,000 barrels of water per

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Date 10-18-70

day will be disposed of in the subject well, which is expected to take water on a vacuum.

Approval of this application is in the interests of conservation and the prevention of waste, and will not result in damage to any producing formation.

WHEREFORE applicant prays that this application be set for hearing before the Commission or the Commission's duly appointed examiner, and that after notice and hearing as required by law, the Commission enter its order approving the dual completion as prayed for.

Respectfully submitted,

ANDERSON OIL & GAS COMPANY

By Jason Kellahin  
KELLAHIN & FOX  
P. O. Box 1769  
Santa Fe, New Mexico 87500

ATTORNEYS FOR APPLICANT

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. 4450

Order No. R- 4057

APPLICATION OF ANDERSON OIL AND GAS  
COMPANY FOR A DUAL COMPLETION AND 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 October 28, 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, Anderson Oil and Gas Company, seeks  
authority to complete its New Mexico State B. T. ~~401~~ "401" Well No. 1,  
located 660 feet from the South line and 660 feet from the East  
line of Section 33, Township 11 South, Range 33 East, NMPM, Lea  
County, New Mexico, as a dual completion to produce oil from the  
Bagley-Pennsylvanian Pool in the <sup>perforated</sup> interval from approximately  
9910 feet to 9940 feet through 2 1/16-inch tubing  
and to dispose of produced salt water into the Devonian formation,  
Bagley Siluro-Devonian Pool, in the <sup>open hole</sup> interval from approximately  
11050 feet to 11075 feet through a parallel string of  
2 1/16-inch <sup>plastic lined</sup> tubing, with separation of the zones by a packer  
set at approximately 10,000 feet.

(3) That approval of the dual completion and salt water disposal as set out above will prevent the drilling of unnecessary wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Anderson Oil and Gas Company, is hereby authorized to complete its New Mexico State B. T. (Q) Well No. 1, located 660 feet from the South line and 660 feet from the East line of Section 33, Township 11 South, Range 33 East, NMPM, Lea County, New Mexico, as a dual completion to produce oil from the Bagley-Pennsylvanian Pool in the <sup>perforated</sup> interval from approximately 9910 feet to 9940 feet through 2 1/6-inch tubing and to dispose of produced salt water into the Devonian formation, Bagley Siluro-Devonian Pool, in the <sup>open hole</sup> interval from approximately 11050 feet to 11075 feet through a parallel string of 2 1/6 <sup>plastic lined</sup>-inch tubing, with separation of the zones by a packer set at approximately 10000 feet;

PROVIDED HOWEVER, that the applicant shall submit monthly reports of its disposal operations in accordance with Rules 704 and 1120 of the Commission Rules and Regulations.

(2) 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 4451: Application of UNION  
OIL COMPANY OF CALIF. FOR A NON-  
STANDARD GAS PRORATION UNIT.