

SENE 4916: Application of AGUA,
INC. FOR SALT WATER DISPOSAL,
LEA COUNTY, NEW MEXICO.

4916

Application
Transcripts.

Small Exhibits

ETC.

dearnley, meier & mc cormick

209 SIMMS BLDG. • P.O. BOX 1092 • PHONE 243-5521 • ALBUQUERQUE, NEW MEXICO 87103
1216 FIRST NATIONAL BANK BLDG. EAST • ALBUQUERQUE, NEW MEXICO 87108

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BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
OIL CONSERVATION COMMISSION CONFERENCE ROOM
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO
Wednesday, March 14, 1973

EXAMINER HEARING

IN THE MATTER OF:

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

Case No. 4916

BEFORE: Richard L. Stamets
Examiner

TRANSCRIPT OF HEARING

1 MR. STAMETS: Call next Case 4916.

2 MR. CARR: Case 4916, Application of Agua, Inc. for salt water
3 disposal, Lea County, New Mexico.

4 MR. KELLAHIN: If the Examiner please, Thomas Kellahin, Kellahin
5 and Fox, Santa Fe, appearing on behalf of Agua, Incorporated, and I have
6 one Witness to be sworn.

7 * * * * *

8 W. G. ABBOTT,

9 appeared as a Witness and after being duly sworn according to law,
10 testified as follows:

11 DIRECT EXAMINATION

12 BY MR. KELLAHIN:

13 Q Will you please state your name, by whom you are employed, and in what
14 capacity?

15 A My name is W. G. Abbott, I'm a Manager for Agua, Incorporated at
16 Hobbs, New Mexico.

17 Q Have you ever testified before this Commission or one of its Hearing
18 Examiners and had your qualifications as an expert Witness accepted and
19 made a matter of record?

20 A Yes, sir.

21 Q Have you examined and are you familiar with the facts surrounding this
22 particular Application?

23 A Yes.

24 MR. KELLAHIN: Mr. Examiner, are the Witness's qualifications as
25 an expert acceptable?

1 MR. STAMETS: They are.

2 Q (By Mr. Kellahin) Mr. Abbott, will you please state briefly what the
3 Applicant is seeking by this Application?

4 A We are seeking permission to drill a salt water disposal well in the
5 area just south of Eunice to serve the Blinebry-Drinkard salt water
6 disposal system.

7 Q Will you please refer to what has been marked as Applicant's Exhibit
8 "A", identify it, please, and explain briefly what information it
9 contains?

10 A Yes, our Exhibit "A" is the Application of disposal of salt water
11 by injection into the San Andres formation. It's the Oil Conservation
12 Commission Form C-108, and so this form is all department data
13 concerning the well. This well is located 660 feet from the north
14 line and 2305 feet from the west line of Section 2, Township 22 South,
15 Range 37 East.

16 Q Will you outline briefly the casing and tubing program you have
17 contemplated for this?

18 A We have planned to set 300 feet 9 5/8 inch surface pipe and circulate
19 the cement; we estimate that it will take 175 sacks. Then, we will
20 set 4400 feet of 7-inch and we plan to bring the cement back to 3400
21 feet, then we will use 4400 feet of 5 1/2 inch casing as tubing, this
22 will be plastic line, and that will swing at 4400 feet. Our injection
23 zone will be an openhole zone between 4400 feet and 5000 feet. We
24 also plan to load the annulus with oil between the 7-inch casing and
25 the 5 1/2 inch tubing, and that oil blanket will float on the water.

1 We'll load it by calculation and that will place the salt water out of
2 the annulus, and we'll equip this annulus space with a surface pressure
3 gauge, which will tell us if we get a tubing leak or a casing leak.

4 Q What's your anticipated volume of the disposed water to be injected?

5 A We think, at the present time, we will probably have 3,000 to 5,000
6 barrels a day.

7 Q Will this be under pressure or gravity?

8 A No, we hope that the well will take the water by gravity. There are
9 cases in that area that the San Andres is very porous, so we hope that
10 it will go in by gravity.

11 Q What type of lease is the well located on?

12 A This is an oil and gas lease owned by Exxon Company U. S. A.. It's a
13 State lease.

14 Q Who are the adjoining operators?

15 A We have secured waivers from, of course, Exxon, Marathon, Cities Service,
16 and Gulf. They are the operators within a half mile of this well.

17 Q Those are all the operators?

18 A Yes.

19 Q And they have all consented?

20 A Yes.

21 Q Will you please refer to what has been marked as Applicant's Exhibit
22 "B", identify it, please?

23 A Exhibit "B" shows a map of the area within a two-mile radius of the
24 proposed disposal well. You notice on this map south of the disposal
25 well, there are circled in red some San Andres-producing wells.

1 Q The data from these wells is covered by a later Exhibit, correct?

2 A That's right.

3 Q Will you please refer to what has been marked as Exhibit "C" and
4 identify it?

5 A Yes, Exhibit "C" is a plat of our entire salt water disposal system,
6 known as the Blinebry-Drinkard salt water disposal system. On this
7 plat is shown our proposed SWD Well C-2. The reason we located that
8 well in that area, there has been a few new locations, new completions,
9 and the operators are producing more water in this area, especially to
10 the northwest of that well. This location of our SWD C-2 is low, as
11 far as the surface of the ground, and it's adjacent to one of our
12 main 6-inch lines so that we can gravitate the water to the well at
13 that location.

14 Q What is the source of this disposal water?

15 A This is all the wells in the area that are making water. There are
16 Blinebry and Drinkard and various completions in the Eunice area.

17 Q You have a subsequent Exhibit that demonstrates a water analysis, the
18 water to be disposed. Where was that water taken from?

19 A That water was taken from a vent just upstream or west on that 6-inch
20 line, and it's indicative of the quality of the water flowing down
21 that 6-inch line.

22 Q Will you refer to what has been marked as Exhibit "D"?

23 A Exhibit "D" shows the data on the offset wells to this proposed salt
24 water disposal well. It shows that the perforated interval and so on
25 indicates that we won't be injecting water into an interval close to

1 these wells.

2 Q Your anticipated zone of injection, how does that correlate to these
3 offsetting wells?

4 A It's above these wells. We plan to inject between 4400 and 5000 feet.

5 Q The offset wells are cased at those intervals, aren't they?

6 A Yes.

7 Q Who is the owner of these offsetting wells?

8 A They all belong to Exxon.

9 Q Please refer to Exhibits "E" and "F" and identify them.

10 A " E" and "F" are electric logs of two of the offset wells that are
11 listed on the previous Exhibit, the State S-14 and the State S-15 of
12 Exxon's.

13 Q Will you please refer to what has been marked as Exhibit "G" and
14 identify it?

15 A Exhibit "G" shows the completion information on all the San Andres
16 wells in this area.

17 Q These are the wells that you have indentified on Exhibit "B" by the
18 red circles?

19 A That's right. I want to point out that Exxon does have a water source
20 well. It's their State S-4 down in the southwest quarter of the
21 southeast quarter of Section 2. This is a well that Exxon completed to
22 produce the San Andres water for a waterflood on their Tubb
23 waterflood, mostly on the State S Lease.

24 MR. STAMETS: Is that the Number 4 well with the "WS" on your
25 Exhibit?

1 THE WITNESS: Yes, that's right.

2 A If you will notice, all of these wells, with the exception of this
3 water source well, are completed above the zone that we plan to put
4 the salt water; and, also, for your information, this is down structure
5 -- I mean, up structure. These wells are up structure from our
6 proposed disposal well.

7 Q Please refer to what has been marked as Exhibit "H" and identify it.

8 A Exhibit "H" is some information on another disposal well which is
9 located west in the next Section west, Section 3, of our proposed
10 disposal well. This is a disposal well for the Warren Gasline Plant.

11 Q How is this disposal well indentified on your Exhibit "B"?

12 A I think it's listed Warren Plant SWD. It looks like it's in the
13 southeast quarter of the northeast quarter of Section 3. They are
14 disposing of salt water and other waters from their gasline plant in
15 the interval 4131 to 4900 feet; and in January of '73 they disposed
16 of over 66,000 barrels of water with the accumulated through January 31
17 of '73 of over 3,000,000 barrels.

18 Q Will you please refer to what has been marked as Exhibit "I" and
19 identify it?

20 A Exhibit "I" is a water sample that we previously referred to from the
21 6-inch trunk line upstream from the proposed disposal well. You
22 notice that the water is of such quality that it would be
23 nonreportable, unless it's necessary to dispose of this water
24 underground. The chloride runs about 52000 parts per million.

25 Q Will you please refer, now, to what has been marked as Exhibit "J"

1 and identify it?

2 A Yes, Exhibit "J" is the plat of this 2 1/2 acres that this proposed
3 disposal well will be located on. We have applied to the State Land
4 Office for an easement for this 2 1/2 acres plus an easement for the
5 line that will connect our 6-inch trunk line to the disposal
6 facilities. I have not received, as yet, the easement from the
7 State Land Office, although I have received the easement for the
8 connecting line right of way.

9 Q In your opinion, Mr. Abbott, will approval of this Application prevent
10 waste and protect the correlative rights of others?

11 A Yes.

12 Q Were Applicant's Exhibits "A" through "J" prepared either by you or
13 under your direction and supervision?

14 A They were.

15 MR. KELLAHIN: Mr. Examiner, we move the introduction of
16 Applicant's Exhibit "A" through "J".

17 MR. STAMETS: Without objection, the Exhibits will be admitted
18 into evidence.

19 MR. KELLAHIN: That concludes our direct examination.

20 MR. STAMETS: Are there questions of the Witness?

21 (No response.)

22 * * * * *
23 CROSS EXAMINATION

24 BY MR. STAMETS:

25 Q Mr. Abbott, I assume, that looking through your Exhibit, that this is

1 not the first well on this disposal system, that you do have a number
2 of others?

3 A We have one more, it's shown on Exhibit "C". It's found toward the
4 south part of the Exhibit, it's our SWD Well H located in Section 35.
5 This well, at the present time, we are disposing of around 7200
6 barrels a day in this well under pressure, and we need another disposal
7 well to help relieve this well and also the gathering lines in the
8 northern part of the system.

9 Q Is that also in the San Andres?

10 A Yes.

11 Q What has been Agua's experience with this oil blanket type of
12 completion?

13 A Well, with our experience, and also experience that I have had with
14 other companies and completions, we find it's very satisfactory. In
15 fact, we like it much better than putting a packer in the well. We
16 have found that by adding this oil to the annulus, of course, what we
17 do, we actually calculate the gravity of oil to put in the annulus
18 by bottomhole pressure information and also the gravity of the salt
19 water so that we, under static conditions, we have a positive pressure
20 on the surface. We try to end up with 50 to 100 psi under static
21 conditions. Then, under injection, the pressure on this annulus will
22 increase, and for a certain rate you will have a certain pressure so
23 that by keeping a record, usually a daily record, of this pressure on
24 the annulus, we can determine when the disposal is plugging up and
25 needs acidizing or any other work. But the most important indication

1 is that if the pressure drops off, then we know that we have a tubing
2 leak or a casing leak.

3 Q There should be a slightly higher pressure on the annulus during the
4 initial stages and then during the later stages, when you are having to
5 pump, the pressure will be higher on the tubing?

6 A Yes. We hope we don't have to pump, but, I mean, we are talking about
7 a gravity well that the oil will just stay there and float on the
8 water forever.

9 Q Have you experienced any failures with this type of completion?

10 A No, but we have discovered tubing leaks by that method, and we can
11 pull the tubing and repair it.

12 Q Will there be any tanks or emergency pits at this site?

13 A We plan to have two redwood tanks of about 500 barrels capacity each.
14 We don't plan at this time to have an emergency pit.

15 Q And I presume when the well is drilled, you will evaluate the oil
16 potential of the proposed disposal zone?

17 A Well, we don't plan to take any tests. Since it's low on the structure,
18 we -- and at that interval, we don't plan to encounter any oil.

19 MR. STAMETS: Are there any other questions of the Witness?

20 (No response.)

21 MR. STAMETS: He may be excused. Is there anything further in
22 this case?

23 (No response.)

24 MR. STAMETS: We will take the case under advisement.
25

I, JOHN DE LA ROSA, 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.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 4916, heard by me on March 14, 1973.
Richard L. Stump, Examiner
New Mexico Oil Conservation Commission

I N D E X

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WITNESS

PAGE

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W. G. ABBOTT

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Direct Examination by Mr. Kellahin

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Cross Examination by Mr. Stamets

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E X H I B I T S

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OFFEREDADMITTED

11

EXHIBIT "A"

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EXHIBIT "B"

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EXHIBIT "C"

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EXHIBIT "D"

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EXHIBIT "E"

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EXHIBIT "F"

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EXHIBIT "G"

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EXHIBIT "H"

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EXHIBIT "I"

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EXHIBIT "J"

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OIL CONSERVATION COMMISSION

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

GOVERNOR
BRUCE KING
CHAIRMAN
LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER
STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

March 22, 1973

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

Re: Case No. 4915, and 4916

Order No. R-4494 & R-4495

Applicant:

Belco Petroleum & Agua, 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.

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC XX
Artesia OCC R-4454
Aztec OCC

OTHER R-4495 to 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. 4916
Order No. R-4495

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

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on March 14, 1973, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 21st day of March, 1973, 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, Agua, Inc., proposes to drill its SWD Well No. C-2 in Unit C of Section 2, Township 22 South, Range 37 East, NMPM, adjacent to the South Eunice-San Andres Pool, Lea County, New Mexico.

(3) That the applicant seeks to utilize said well to dispose of produced salt water into the San Andres formation, with injection into the open hole interval from approximately 4,400 feet to 5,000 feet.

(4) That the injection should be accomplished through 5 1/2-inch plastic-lined tubing; that the casing-tubing annulus should be filled with an oil blanket and that pressure gauges should be attached to the tubing and the annulus in order to determine leakage in the casing or tubing.

(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, Agua, Inc., is hereby authorized to utilize its proposed SWD Well No. C-2 to be located in Unit C

-2-

Case No. 4916
Order No. R-4495

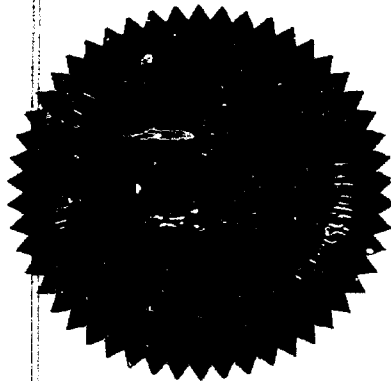
of Section 2, Township 22 South, Range 37 East, NMPM, adjacent to the South Eunice-San Andres Pool, Lea County, New Mexico, to dispose of produced salt water into the San Andres formation, injection to be accomplished through 5 1/2-inch tubing into the open hole interval from approximately 4,400 feet to 5,000 feet;

PROVIDED HOWEVER, that the tubing shall be plastic-lined; that the casing-tubing annulus shall be filled with an oil blanket; and that pressure gauges shall be attached to the tubing and the annulus in order to determine leakage in the casing or tubing.

(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

Bruce King
BRUCE KING, Chairman

Alex J. Armijo
ALEX J. ARMIJO, Member

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

S E A L

dr/

NEW MEXICO OIL CONSERVATION COMMISSION
APPLICATION TO DISPOSE OF SALT WATER BY INJECTION INTO A POROUS FORMATION

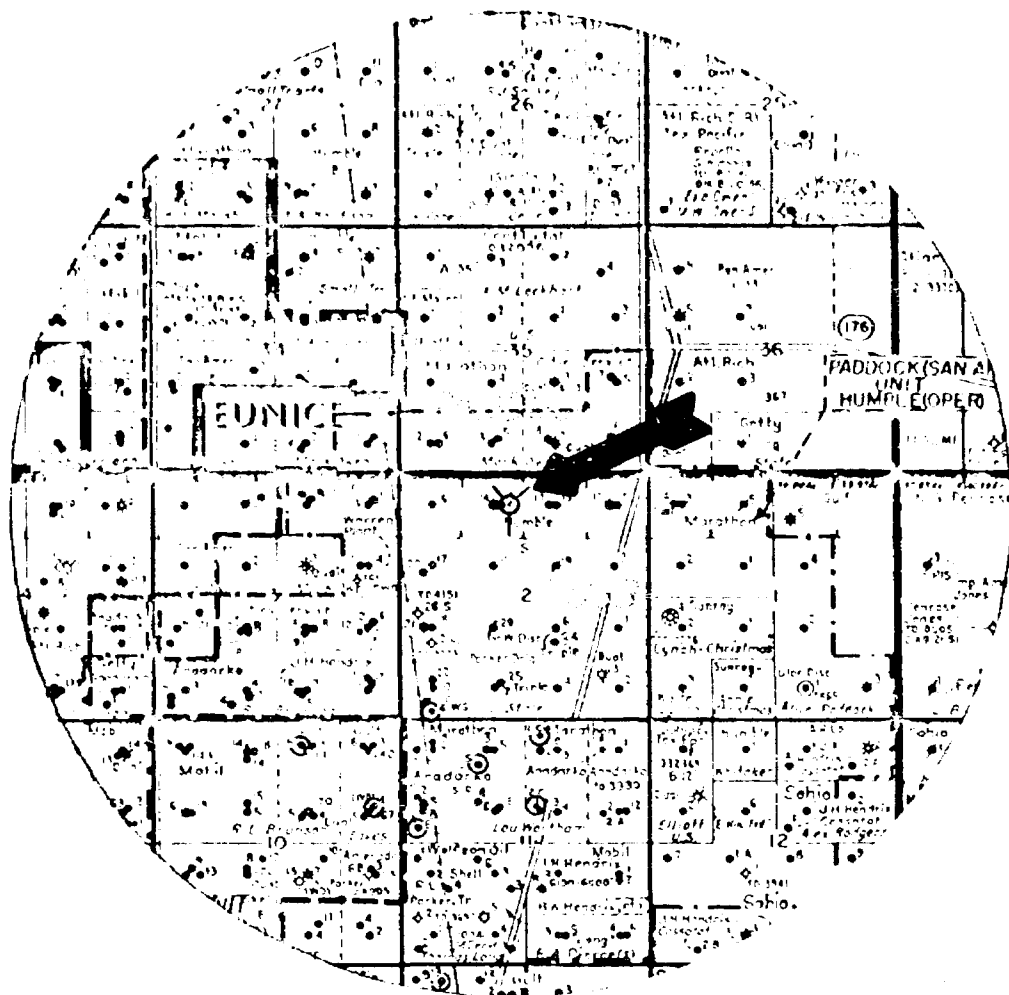
OPERATOR AGUA, INC.		ADDRESS P.O. Box 1978 Hobbs, New Mexico 88240	
LEASE NAME Blinebry-Drinkard SWD	WELL NO. C-2	FILES Blinebry-Drinkard Area	COUNTY Lea
LOCATION UNIT LETTER C WELL IS LOCATED 660 FEET FROM THE North LINE AND 2305 FEET FROM THE West LINE, SECTION 2 TOWNSHIP 22S RANGE 37E NMPM.			
CASING AND TUBING DATA			
NAME OF STRING	SIZE	SETTING DEPTH	SACKS CEMENT
SURFACE CASING H-40 30#	9-5/8"	300'	175
INTERMEDIATE			
LONG STRING K-55 20# & 23# 7"	7"	4400'	130
TUBING Plastic lined	5-1/2"	4400'	NAME, MODEL AND DEPTH OF TUBING PACKER None (Oil blanket in annulus)
NAME OF PROPOSED INJECTION FORMATION San Andres		TOP OF FORMATION 3800'	BOTTOM OF FORMATION 5000'
IS INJECTION THROUGH TUBING, CASING, OR ANNULUS? Tubing		PERFORATIONS OR OPEN HOLE? Open hole	PROPOSED INTERVAL(S) OF INJECTION 4400 - 5000'
IS THIS A NEW WELL DRILLED FOR DISPOSAL? Yes	IF ANSWER IS NO, FOR WHAT PURPOSE WAS WELL ORIGINALLY DRILLED?		HAS WELL EVER BEEN PERFORATED IN ANY ZONE OTHER THAN THE PROPOSED INJECTION ZONE? No
LIST ALL SUCH PERFORATED INTERVALS AND SACKS OF CEMENT USED TO SEAL OFF OR SQUEEZE EACH			
DEPTH OF BOTTOM OF DEEPEST FRESH WATER ZONE IN THIS AREA 300'		DEPTH OF BOTTOM OF NEXT HIGHER OIL OR GAS ZONE IN THIS AREA 3600'	DEPTH OF TOP OF NEXT LOWER OIL OR GAS ZONE IN THIS AREA 5550'
ANTICIPATED DAILY INJECTION VOLUME (BBL'S.) 5000	MINIMUM 5000	MAXIMUM 12,000	OPEN OR CLOSED TYPE SYSTEM Closed
ANSWER YES OR NO WHETHER THE FOLLOWING WATERS ARE MINERALIZED TO SUCH A DEGREE AS TO BE UNFIT FOR DOMESTIC, STOCK, IRRIGATION, OR OTHER GENERAL USE -		WATER TO BE DISPOSED OF Yes	IS INJECTION TO BE BY GRAVITY OR PRESSURE? Gravity
		NATURAL WATER IN DISPOSAL ZONE Yes	APPROX. PRESSURE (PSI) None
ARE WATER ANALYSES ATTACHED? No			
NAME AND ADDRESS OF SURFACE OWNER (OR LESSEE, IF STATE OR FEDERAL LAND)			
LIST NAMES AND ADDRESSES OF ALL OPERATORS WITHIN ONE-HALF (1/2) MILE OF THIS INJECTION WELL			
Exxon Company - U.S.A.			
P. O. Box 1897 Andrews, Texas 79714			
Marathon Oil Company			
P.O. Box 552 Midland, Texas 79701			
Cities Service Oil Company			
P. O. Box 4906 Midland, Texas 79701			
Gulf Oil Company - U.S.			
P. O. Box 670 Hobbs, New Mexico 88240			
HAVE COPIES OF THIS APPLICATION BEEN SENT TO EACH OF THE FOLLOWING?		SURFACE OWNER Yes	
		EACH OPERATOR WITHIN ONE-HALF MILE OF THIS WELL Yes	
ARE THE FOLLOWING ITEMS ATTACHED TO THIS APPLICATION (SEE RULE 701-D)		PLAT OF AREA Yes	ELECTRICAL LOG No
		DIAGRAMMATIC SKETCH OF WELL Yes	

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

W. G. Abbott
W. G. Abbott (Signature)Manager
(Title)1/16/72
(Date)

NOTE: Should waivers from the surface owner and all operators within one-half mile of the proposed injection well not accompany this application, the New Mexico Oil Conservation Commission will hold the application for a period of 15 days from the date of receipt by the Commission's Santa Fe office. If at the end of the 15-day waiting period no protest has been received by the Santa Fe office, the application will be processed. If a protest is received, the application will be set for hearing, if the applicant so requests. SEE RULE 701.

EXHIBIT "A"



CITY OF EUNICE, OKLAHOMA	
OKLAHOMA DEPARTMENT OF REVENUE	
AGUA	DEED NO. B
CASE NO.	4916
Submitted by	Abbott
Hearing Date	14 MAR 73

LEGEND:

○ Upper San Andres
 All other wells producing
 from formations non-contiguous
 to the San Andres

PLAT OF AREA

Proposed SWD Well No. C-2
 Blinbry-Drinkard SWD System
 AGUA, INC. January, 1973

EXHIBIT "B"

OFFSET WELLS TO AGUA's
PROPOSED SWD WELL NO. C-2

	<u>EXXON</u>		
	State "S" #11(Formerly #15)	State "S" #14	State "S" #19
Location	C 2-22-37	C 2-22-37	G 2-22-37
Elevation	3364'	3374'DF	3368'DF
Casing Point - Surface	331'	319'	368'
- Intermediate	2581'	2579'	2816'
- Production	5184'	6429'	5198'
Top of San Andres	-	-	3860'
Perforated Interval	5080-5175'	5485-5620'	5088-5193'
Open Hole Interval	-	-	-
Total Depth	5185'	6502'	5198'
Plugged Back Depth	-	-	5193'

REPORT EXAMINER STATEMENTS	
OIL CONSERVATION COMMISSION	
AGUA	EXHIBIT NO. <u>D</u>
CASE NO.	<u>4916</u>
Submitted by	<u>Abbott</u>
Hearing Date	<u>14 MAR 73</u>

EXHIBIT "D"

DISPOSAL WELL 1/2 MILE SW OF AGUA's

PROPOSED SWD WELL NO. C-2

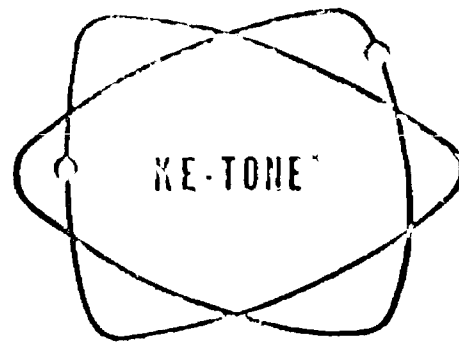
	<u>WARREN</u> <u>SWD #1</u>
Location	H 3-22-37
Elevation	3392'KB
Casing Point - Surface	1198'
- Intermediate	-
- Production	4131'
Top of San Andres	3925'
Perforated Interval	None
Open Hole Interval	4131-4900'
Total Depth	4900'
Plugged Back Depth	-

66,460 barrels water disposed during January, 1973.

3,269,315 cumulative barrels water disposed as of Jan. 31, 1973.

SUPERVISOR EXAMINER STAMPS	
OIL CONSERVATION COMMISSION	
AGUA	EXHIBIT NO. <u>H</u>
CASE NO.	<u>4916</u>
Submitted by	<u>Abbott</u>
Hearing Date	<u>14 MAR 73</u>

EXHIBIT "H"



UNITED CHEMICAL CORPORATION

OF NEW MEXICO

601 NORTH LEECH

P. O. BOX 1499

HOBBS, NEW MEXICO 88240

Company **Agua, Incorporated**

Field

Lease **Line Vent A3**

Sampling Date **3-2-73**

Type of Sample **SWD**

WATER ANALYSIS

IONIC FORM	me/l *	mg/l *
Calcium (Ca++)	137.72	2,760
Magnesium (Mg++)	66.29	806
Sodium (Na+) (Calculated)	1340.15	30,810
Iron (Total)		
Bicarbonate (HCO ₃ -)	23.80	1,451
Carbonate (CO ₃ -)	NOT	FOUND
Hydroxide (OH-)	NOT	FOUND
Sulphate (SO ₄ -)	42.68	2,050
Chloride (Cl-)	1477.68	52,400
7.1 pH @ 68° F		
Dissolved Solids on Evap. at 103°-105° C		
Hardness as CaCO ₃	204.01	10,201
Carbonate Hardness as CaCO ₃ (temporary)	23.80	1,190
Non-Carbonate Hardness as CaCO ₃ (permanent)	180.21	9,011
Alkalinity as CaCO ₃	23.80	1,190
Specific Gravity @ 68° F	1.060	

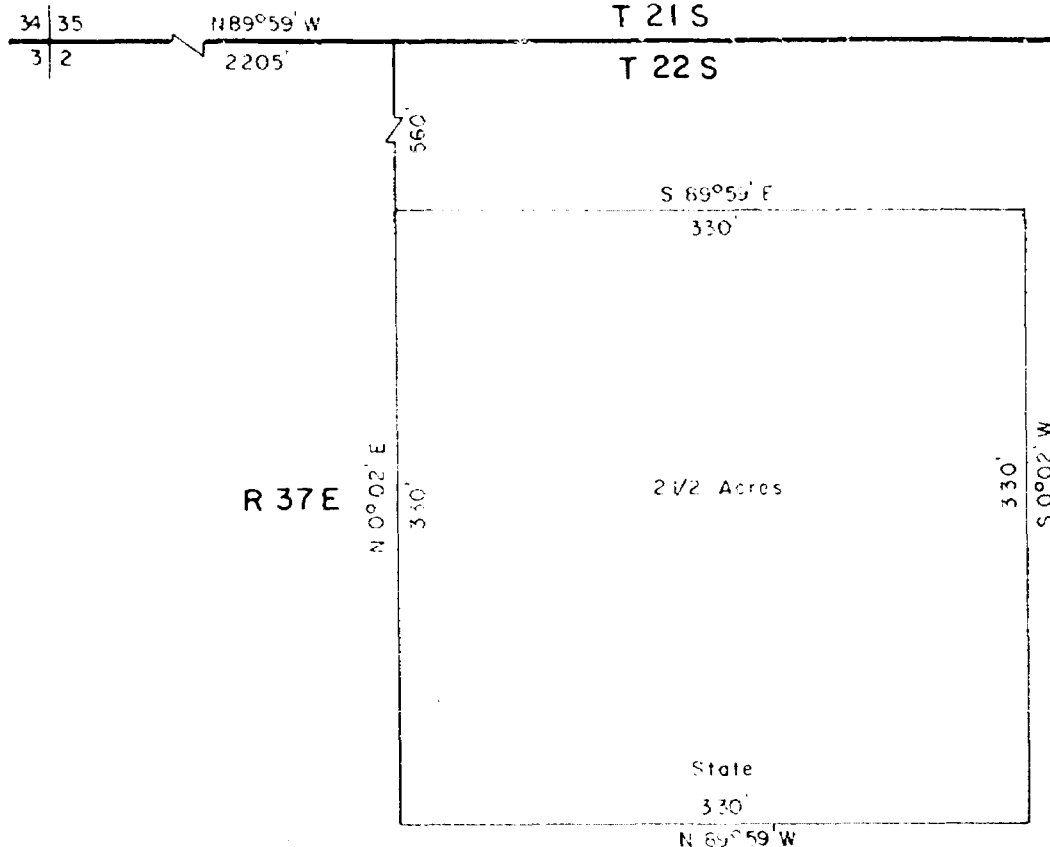
* mg/l = milligrams per Liter

* me/l = milliequivalents per Liter

CLIENT	Agua
ANALYST	Abbott
DATE	4/9/76
TIME	14 MAR 73

//////////////////// Makes Water W

EXHIBIT "1"

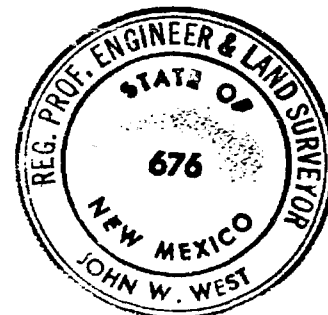


DESCRIPTION

A tract of land containing 2½ acres, more or less, being a certain part of the northeast quarter, of the northwest quarter, of Section 2, Township 22 South, Range 37 East, N. M. P. M., Lea County, New Mexico, and more particularly described as follows:

Beginning at a point, from which the northwest corner of said Section 2, bears north 0°02' east, a distance of 560 feet, and north 89°59' west, a distance of 2205 feet; thence, south 89°59' east, a distance of 330 feet to a point; thence, south 0°02' west, a distance of 330 feet to a point; thence, north 89°59' west, a distance of 330 feet to a point; thence, north 0°02' east, a distance of 330 feet to the point of beginning.

RECEIVED
 COUNTY CLERK'S OFFICE
 AQUA
 4916
 Submitted by Abbott
 Hearing Date 14 MAR 73



I HEREBY CERTIFY THAT THIS PLAT WAS MADE FROM NOTES TAKEN IN THE FIELD IN A BONA FIDE SURVEY MADE UNDER MY SUPERVISION, AND THAT THE SAME IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

JOHN W. WEST, N.M. P.E. & L.S. NO. 676
 TEXAS R.P.S. NO. 1138

AGUA, INC.	
Hobbs	New Mexico
State Easement for 2½ acres of land, located in the NE¼, NW¼, Section 2, Township 22 South, Range 37 East, NMPM., Lea County, New Mexico.	
JOHN W. WEST ENGINEERING COMPANY CONSULTING ENGINEERS HOBBS, NEW MEXICO	
Scale 1" = 200'	Drawn by chb
Date Feb. 10, 1973	Sheet 1 of 1 Sheets

136

AGUA, INC.

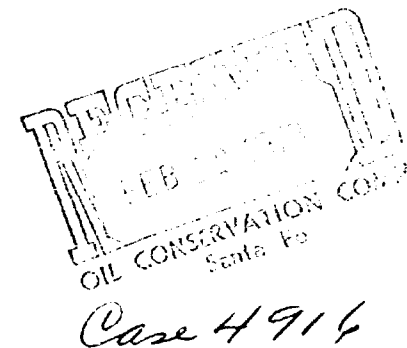
POST OFFICE BOX 1978
HOBBS, NEW MEXICO
8C240

TELEPHONE: 505 393-6188

February 9, 1973

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

Attn: Mr. A. L. Porter, Jr.



Re: ~~Administrative~~ Approval
Blinebry-Drinkard Salt Water
Disposal Well No. C-2

Gentlemen:

adj to S. Euvie-SA Pool

AGUA, INC., as Operator of the Blinebry-Drinkard Salt Water Disposal System, respectfully requests administrative approval to drill and complete Blinebry-Drinkard Salt Water Disposal Well No. C-2. Attached are Commission Form C-108 with accompanying location plat, diagrammatic sketch of the proposed salt water disposal well and Waiver of Objection.

The proposed salt water disposal well is to be located 660' FNL & 2,305' FWL of Section 2, Township 22 South, Range 37 East, Lea County, New Mexico. It is proposed to set 7" casing at an approximate depth of 4,400 feet, which depth being in the upper portion of the San Andres formation. A string of 5-1/2" plastic-lined tubing will be run to the 7" casing point, the annulus will contain an oil blanket. Salt water will be disposed in the open hole interval from the 7" casing point down to the proposed total depth of 5,000 feet.

Salt waters collected from the multi-pay batteries of the Parties to the Blinebry-Drinkard Salt Water Disposal System, in the anticipated minimum daily volume of 3,000 barrels, will be disposed into proposed Well No. C-2.

DOCKET MAILED

Date 2-5-73
3-2-73

New Mexico Oil Conservation Commission
February 9, 1973
Page 2

An application will be submitted to the State Land Office for a 2-1/2 acre easement for the well site of the proposed Blinebry-Drinkard Salt Water Disposal Well No. C-2 and attendant terminal facilities.


Yours very truly,

AGUA, INC.



W. G. Abbott
Manager

JVR/jo
Attachments



NEW MEXICO OIL CONSERVATION COMMISSION
APPLICATION TO DISPOSE OF SALT WATER BY INJECTION INTO A POROUS FORMATION

Page 4916

OPERATOR AGUA, INC.		ADDRESS P.O. Box 1978 Hobbs, New Mexico 88240			
LEASE NAME Blinebry-Drinkard SWD		WELL NO. C-2	FIELD Blinebry-Drinkard Area		COUNTY Lea
LOCATION UNIT LETTER <u>C</u> WELL IS LOCATED <u>660</u> FEET FROM THE <u>North</u> LINE AND <u>2305</u> FEET FROM THE <u>West</u> LINE, SECTION <u>2</u> TOWNSHIP <u>22S</u> RANGE <u>37E</u> NMPM.					
CASING AND TUBING DATA					
NAME OF STRING		SIZE	SETTING DEPTH	SACKS CEMENT	TOP OF CEMENT
SURFACE CASING H-40 36#		9-5/8"	300'	175	Surface
INTERMEDIATE					
LONG STRING K-55 20# & 23# 7"			4400'	130	3400'
TUBING Plastic lined		5-1/2"	4400'	NAME, MODEL AND DEPTH OF TUBING PACKER None (Oil blanket in annulus)	
NAME OF PROPOSED INJECTION FORMATION San Andres			TOP OF FORMATION 3800'	BOTTOM OF FORMATION 5000'	
IS INJECTION THROUGH TUBING, CASING, OR ANNULUS? Tubing			PERFORATIONS OR OPEN HOLES Open hole	PROPOSED INTERVAL(S) OF INJECTION 4400 - 5000'	
IS THIS A NEW WELL DRILLED FOR DISPOSAL? Yes		IF ANSWER IS NO, FOR WHAT PURPOSE WAS WELL ORIGINALLY DRILLED?		HAS WELL EVER BEEN PERFORATED IN ANY ZONE OTHER THAN THE PROPOSED INJECTION ZONE? No	
LIST ALL SUCH PERFORATED INTERVALS AND SACKS OF CEMENT USED TO SEAL OFF OR SQUEEZE EACH					
DEPTH OF BOTTOM OF DEEPEST FRESH WATER ZONE IN THIS AREA 300'		DEPTH OF BOTTOM OF NEXT HIGHER OIL OR GAS ZONE IN THIS AREA 3600'		DEPTH OF TOP OF NEXT LOWER OIL OR GAS ZONE IN THIS AREA 5550'	
ANTICIPATED DAILY INJECTION VOLUME (BBL/S.)	MINIMUM 5000	MAXIMUM 12,000	OPEN OR CLOSED TYPE SYSTEM Closed	IS INJECTION TO BE BY GRAVITY OR PRESSURE? Gravity	APPROX. PRESSURE (PSI) None
ANSWER YES OR NO WHETHER THE FOLLOWING WATERS ARE UTILIZED TO SUCH A DEGREE AS TO BE UNFIT FOR DOMESTIC, STOCK, IRRIGATION, OR OTHER GENERAL USE			WATER TO BE DISPOSED OF Yes	NATURAL WATER IN DISPOSAL ZONE Yes	ARE WATER ANALYSES ATTACHED? No
NAME AND ADDRESS OF SURFACE OWNER (OR LESSEE, IF STATE OR FEDERAL LAND)					
LIST NAMES AND ADDRESSES OF ALL OPERATORS WITHIN ONE-HALF (1/2) MILE OF THIS INJECTION WELL					
Exxon Company - U.S.A. P. O. Box 1897 Andrews, Texas 79714					
Marathon Oil Company P.O. Box 552 Midland, Texas 79701					
Cities Service Oil Company P. O. Box 4906 Midland, Texas 79701					
Gulf Oil Company - U.S. P. O. Box 670 Hobbs, New Mexico 88240					
HAVE COPIES OF THIS APPLICATION BEEN SENT TO EACH OF THE FOLLOWING?		SURFACE OWNER Yes		EACH OPERATOR WITHIN ONE-HALF MILE OF THIS WELL Yes	
ARE THE FOLLOWING ITEMS ATTACHED TO THIS APPLICATION (SEE RULE 701-B)		PLAT OF AREA Yes		ELECTRICAL LOG No	
				DIAGRAMMATIC SKETCH OF WELL Yes	

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

W. G. Abbott Manager 1/16/72
W. G. Abbott (Signature) (Title) (Date)

NOTE: Should waivers from the surface owner and all operators within one-half mile of the proposed injection well not accompany this application, the New Mexico Oil Conservation Commission will hold the application for a period of 15 days from the date of receipt by the Commission's Santa Fe office. If at the end of the 15-day waiting period no protest has been received by the Santa Fe office, the application will be processed. If a protest is received, the application will be set for hearing, if the applicant so requests. SEE RULE 701.

NEW MEXICO OIL CONSERVATION COMMISSION
APPLICATION TO DISPOSE OF SALT WATER BY INJECTION INTO A POROUS FORMATION

Case 4916

OPERATOR AGUA, INC.		ADDRESS P.O. Box 1978 Hobbs, New Mexico 88240			
LEASE NAME Blinebry-Drinkard SWD		WELL NO. C-2	FIELD Blinebry-Drinkard Area		COUNTY Lea
LOCATION UNIT LETTER <u>C</u> ; WELL IS LOCATED <u>660</u> FEET FROM THE <u>North</u> LINE AND <u>2305</u> FEET FROM THE <u>West</u> LINE, SECTION <u>2</u> TOWNSHIP <u>22S</u> RANGE <u>37E</u> N.M.P.M.					
CASING AND TUBING DATA					
NAME OF STRING		SIZE	SETTING DEPTH	SACKS CEMENT	TOP OF CEMENT
SURFACE CASING H-40 36#		9-5/8"	300'	175	Surface
INTERMEDIATE					
LONG STRING K-55 20# & 23# 7"		4400'	130	3400'	Calc.
TUBING Plastic lined		5-1/2"	4400'	NAME, MODEL AND DEPTH OF TUBING PACKER None (Oil blanket in annulus)	
NAME OF PROPOSED INJECTION FORMATION San Andres			TOP OF FORMATION 3800'		BOTTOM OF FORMATION 5000'
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ANTICIPATED DAILY INJECTION VOLUME (BBL'S.) MINIMUM 5000		MAXIMUM 12,000		OPEN OR CLOSED TYPE SYSTEM Closed	IS INJECTION TO BE BY GRAVITY OR PRESSURE? Gravity
ANSWER YES OR NO WHETHER THE FOLLOWING WATERS ARE MINERALIZED TO SUCH A DEGREE AS TO BE UNFIT FOR DOMESTIC, STOCK, IRRIGATION, OR OTHER GENERAL USE - Yes			WATER TO BE DISPOSED OF Yes		NATURAL WATER IN DISPOSAL ZONE Yes
NAME AND ADDRESS OF SURFACE OWNER (OR LESSEE, IF STATE OR FEDERAL LAND)			ARE WATER ANALYSES ATTACHED? No		
LIST NAMES AND ADDRESSES OF ALL OPERATORS WITHIN ONE-HALF (1/2) MILE OF THIS INJECTION WELL					
Exxon Company - U.S.A. P. O. Box 1897 Andrews, Texas 79714					
Marathon Oil Company P.O. Box 552 Midland, Texas 79701					
Cities Service Oil Company P. O. Box 4906 Midland, Texas 79701					
Gulf Oil Company - U.S. P. O. Box 670 Hobbs, New Mexico 88240					
HAVE COPIES OF THIS APPLICATION BEEN SENT TO EACH OF THE FOLLOWING?		SURFACE OWNER Yes		EACH OPERATOR WITHIN ONE-HALF MILE OF THIS WELL Yes	
ARE THE FOLLOWING ITEMS ATTACHED TO THIS APPLICATION (SEE RULE 701-B)		PLAT OF AREA Yes		ELECTRICAL LOG No	
				DIAGRAMMATIC SKETCH OF WELL Yes	

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W. G. Abbott
W. G. Abbott (Signature)Manager
(Title)1/16/72
(Date)

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NEW MEXICO OIL CONSERVATION COMMISSION
APPLICATION TO DISPOSE OF SALT WATER BY INJECTION INTO A POROUS FORMATION

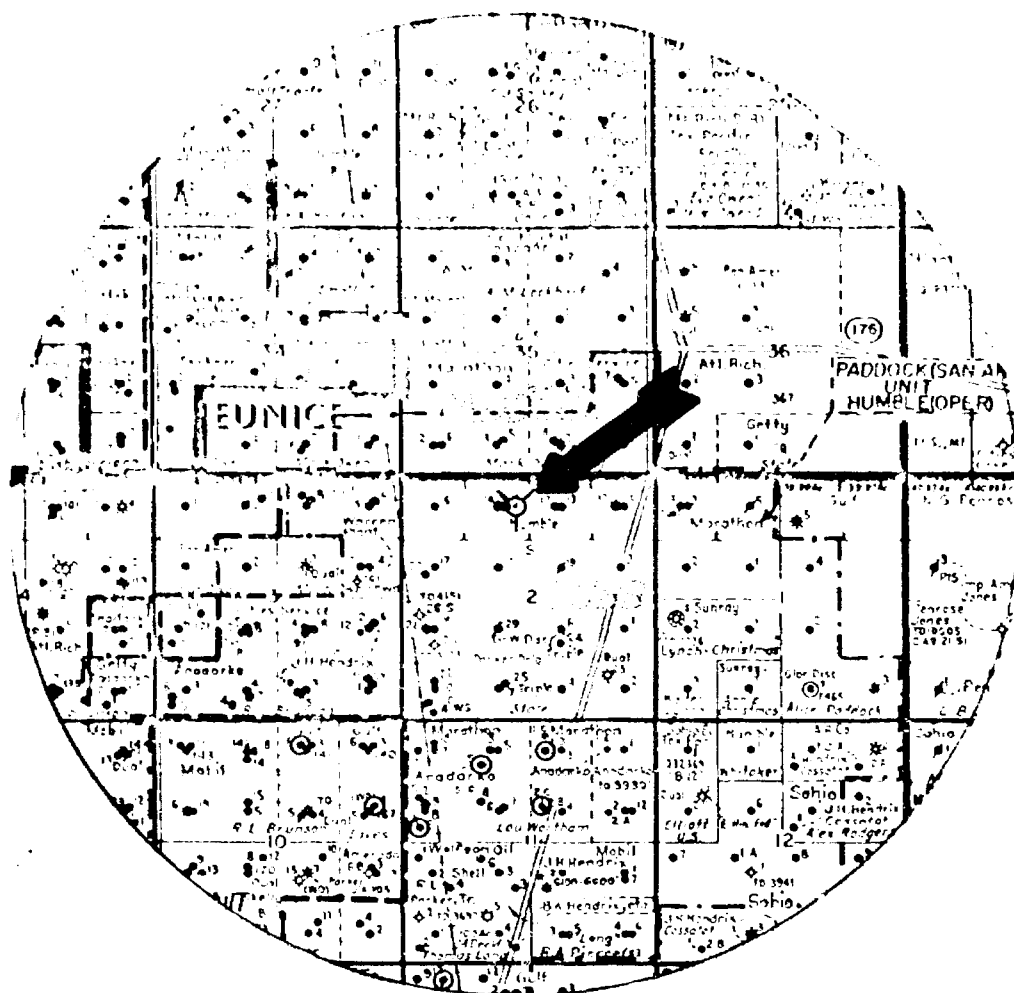
Case 4916

OPERATOR AGUA, INC.		ADDRESS P.O. Box 1978 Hobbs, New Mexico 88240				
LEASE NAME Blinebry-Drinkard SWD		WELL NO. C-2		FIELD Blinebry-Drinkard Area		COUNTY Lea
LOCATION UNIT LETTER <u>C</u> ; WELL IS LOCATED <u>660</u> FEET FROM THE <u>North</u> LINE AND <u>2305</u> FEET FROM THE <u>West</u> LINE. SECTION <u>2</u> TOWNSHIP <u>22S</u> RANGE <u>37E</u> NMPM.						
CASING AND TUBING DATA						
NAME OF STRING		SIZE	SETTING DEPTH	SACKS CEMENT	TOP OF CEMENT	TOP DETERMINED BY
SURFACE CASING H-40 36#		9-5/8"	300'	175	Surface	Circulated
INTERMEDIATE						
LONG STRING K-55 20# & 23# 7"			4400'	130	3400'	Calc.
TUBING Plastic lined		5-1/2"	4400'	NAME, MODEL AND DEPTH OF TUBING PACKER None (Oil blanket in annulus)		
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W. G. Abbott Manager 1/16/72
W. G. Abbott (Signature) (Title) (Date)

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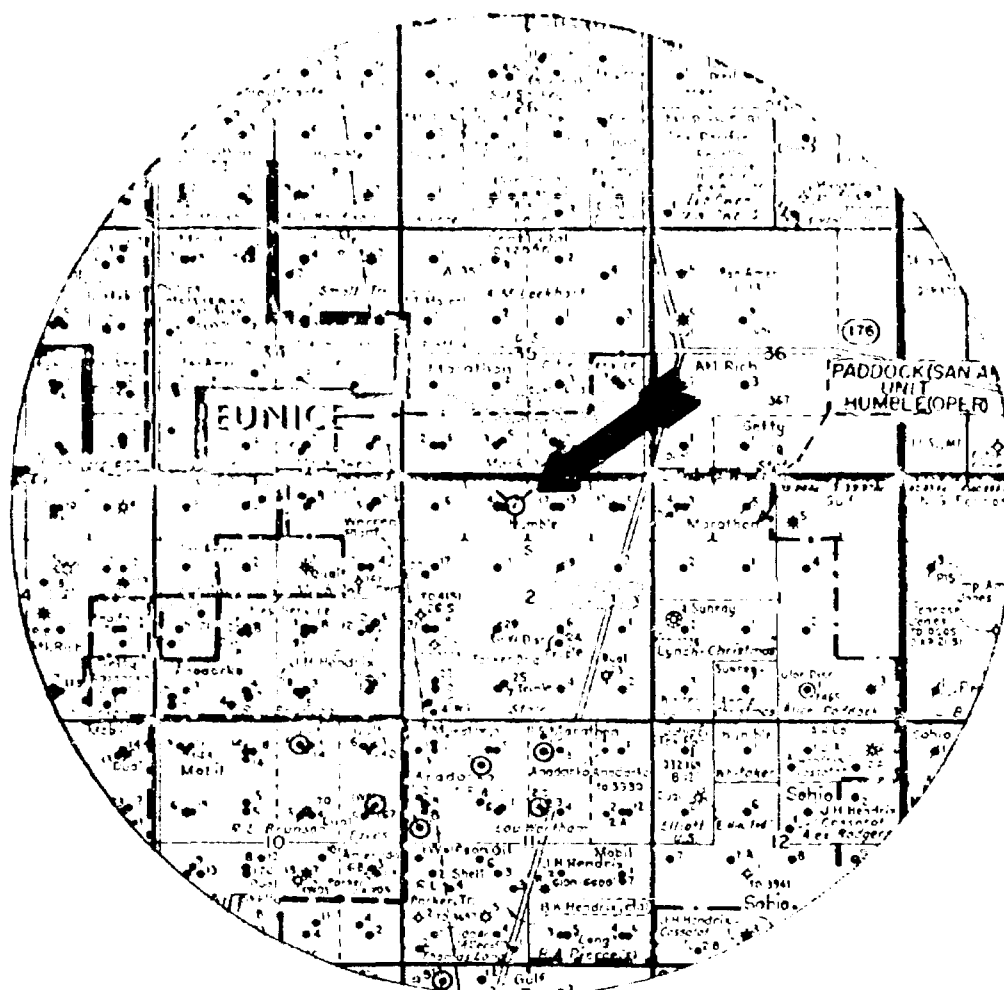
LEGEND:

○ Upper San Andres
 All other wells producing
 from formations non-contiguous
 to the San Andres

PLAT OF AREA

Proposed SWD Well No. C-2
 Blinbry-Drinkard SWD System
 AGUA, INC. January, 1973

Page 49/6



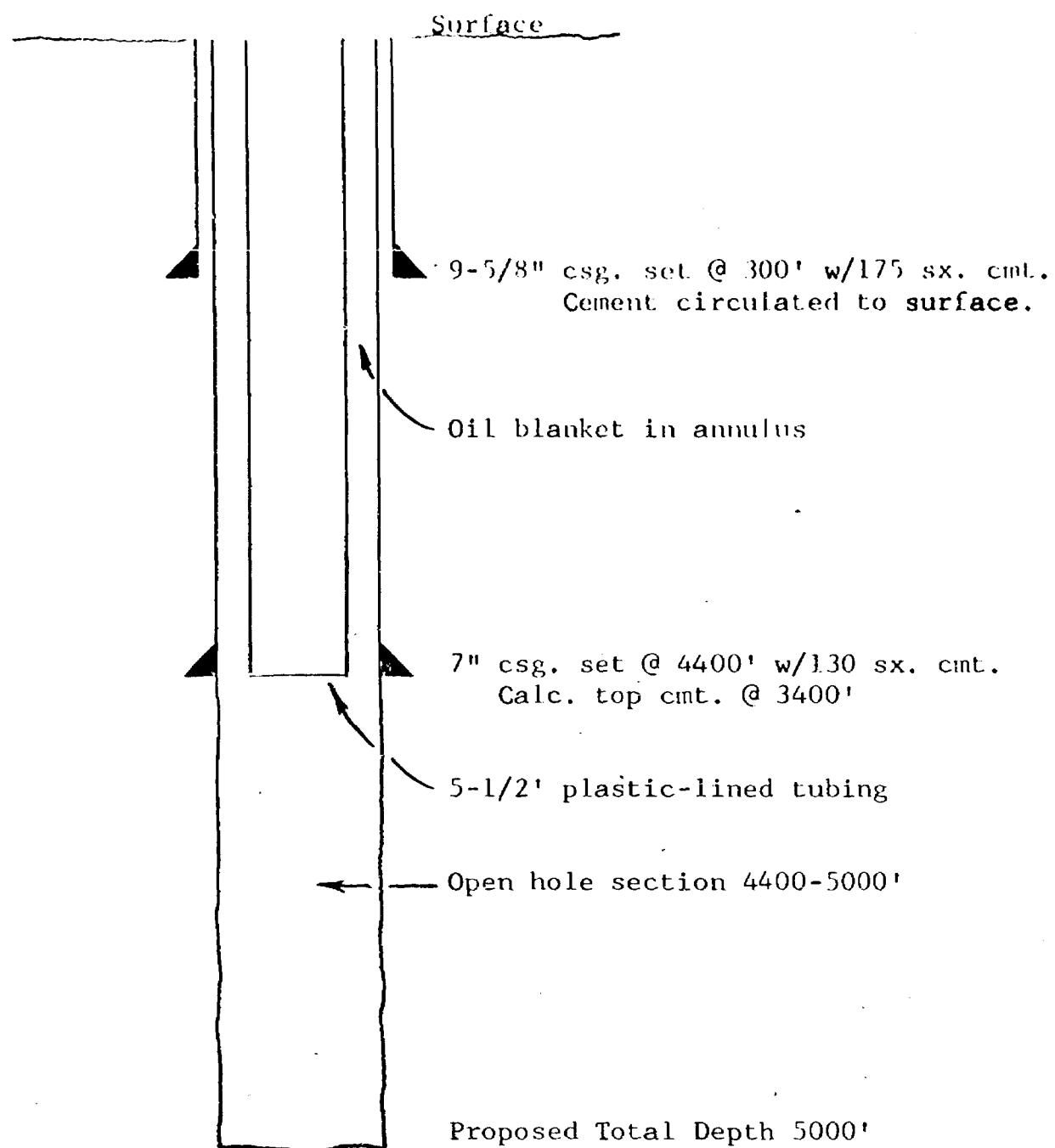
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PLAT OF AREA

Proposed SWD Well No. C-2
 Blinbry-Drinkard SWD System
 AGUA, INC. January, 1973

Case 4916



DIAGRAMMATIC SKETCH

PROPOSED SALT WATER DISPOSAL WELL NO. C-2
NE/4 NW/4 Section 2, T22S, R37E, Lea County, New Mexico
BLINEBRY-DRINKARD SALT WATER DISPOSAL SYSTEM

DWN.	1/73	JVR

AGUA, INC.

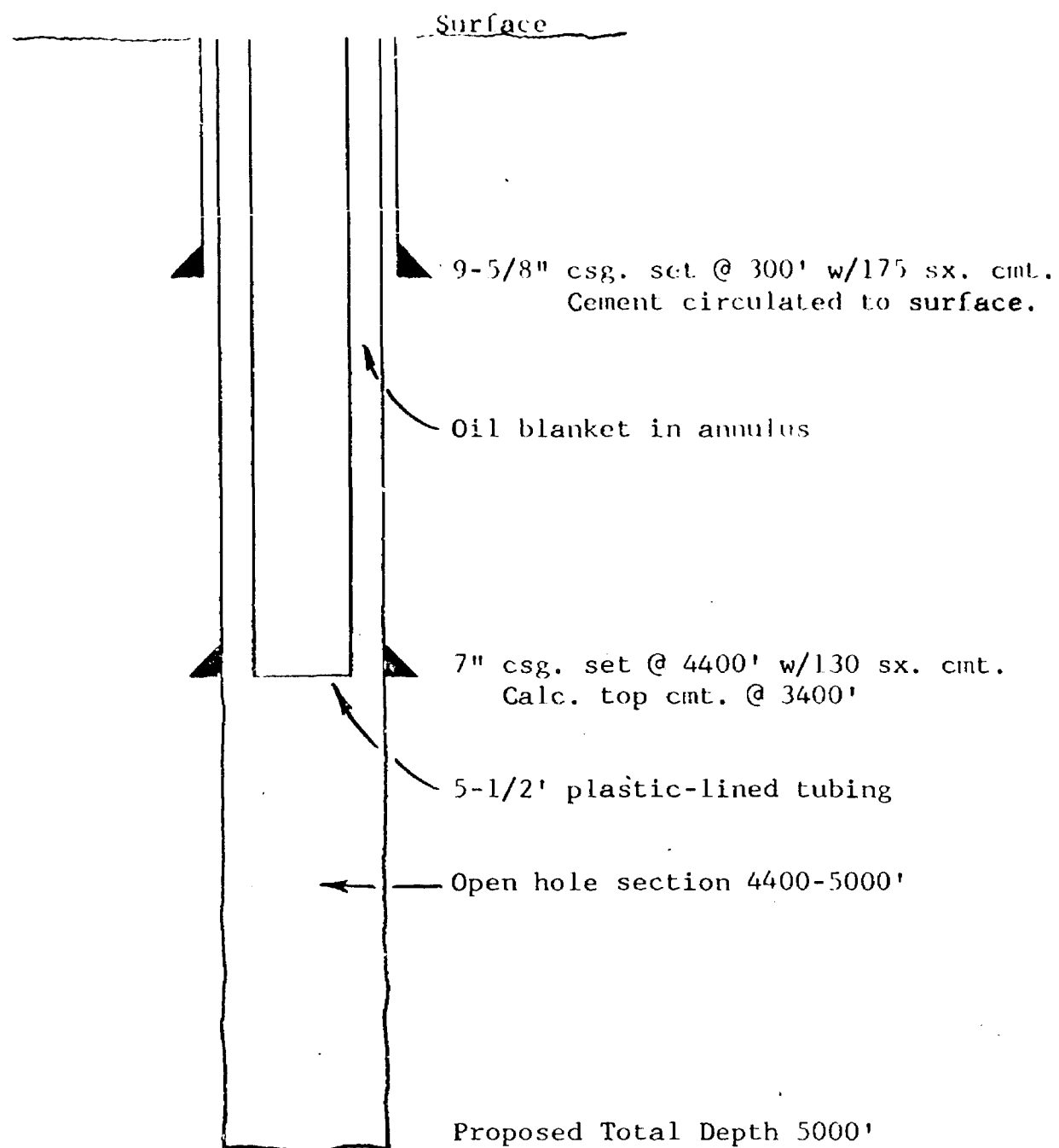
HOBBS, NEW MEXICO

SCALE

None

DWG. NO.

A-169



DIAGRAMMATIC SKETCH

PROPOSED SALT WATER DISPOSAL WELL NO. C-2
NE/4 NW/4 Section 2, T22S, R37E, Lea County, New Mexico
BLINEBRY-DRINKARD SALT WATER DISPOSAL SYSTEM

DWN.	1/73	JVR.

AGUA, INC.

HOBBS, NEW MEXICO

SCALE

None

DWG. NO.

A-169

WAIVER OF OBJECTION

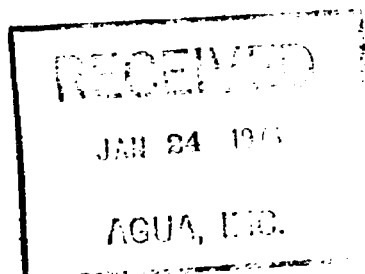
We, the undersigned, do hereby waive our objection to the application of AGUA, INC. for authority to drill and dispose of oilfield brines in their Blinbry-Drinkard SWD Well No. C-2, located 660' FNL and 2,305' FWL of Section 2, Township 22 South, Range 37 East, Lea County, New Mexico. It is understood that this disposal will be into the lower San Andres formation which to AGUA's knowledge is not productive of oil or gas within two miles of said subject well.

COMPANY: Cities Service Oil Company

BY: *William B. ...*

TITLE: Region Manager

DATE: 1/23/73



Chas. 49/6

WAIVER OF OBJECTION

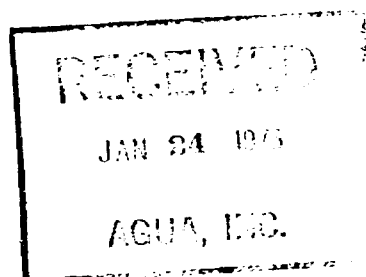
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COMPANY: Cities Service Oil Company

BY: *William B. Bann*

TITLE: Region Manager

DATE: 1/23/73



Caa 496

WAIVER OF OBJECTION

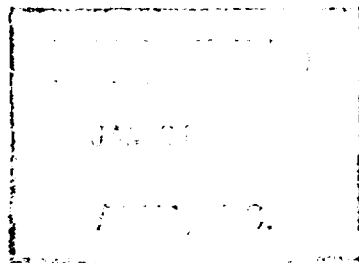
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COMPANY: Exxon Company, U.S.A.

BY: *[Signature]*

TITLE: District Superintendent

DATE: January 30, 1972



Case 49/6

WAIVER OF OBJECTION

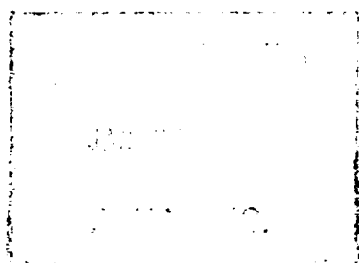
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COMPANY: Exxon Company, U.S.A.

BY: *[Signature]*

TITLE: District Superintendent

DATE: January 30, 1973



Case 4916

WAIVER OF OBJECTION

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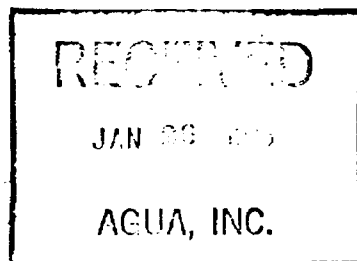
COMPANY: Gulf Oil Company - U.S.
a Division of Gulf Oil Corporation

BY: W. L. Palmer

TITLE: District Engineer

DATE: January 25, 1973

ESB



Case 4916

WAIVER OF OBJECTION

We, the undersigned, do hereby waive our objection to the application of AGUA, INC. for authority to drill and dispose of oilfield brines in their Blinbry-Drinkard SWD Well No. C-2, located 660' FNL and 2,305' FWL of Section 2, Township 22 South, Range 37 East, Lea County, New Mexico. It is understood that this disposal will be into the lower San Andres formation which to AGUA's knowledge is not productive of oil or gas within two miles of said subject well.

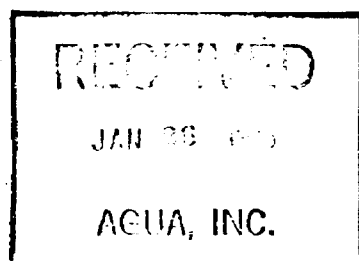
COMPANY: Gulf Oil Company - U.S.
a Division of Gulf Oil Corporation

BY: W. L. Palmer

TITLE: District Engineer

DATE: January 25, 1973

LSB



Case 4916

WAIVER OF OBJECTION

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COMPANY: Marathon Oil Co.
BY: J. A. Maest
TITLE: Joint Interest Rep.
DATE: 1-17-73

Class #916

WAIVER OF OBJECTION

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COMPANY: Marathon Oil Co.
BY: J. A. Maest
TITLE: Joint Interest Rep.
DATE: 1-17-73

Case 4916

DRAFT

dr/

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. 4916

Order No. R- 4495

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

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on March 14, 1973,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this day of March, 1973, 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, Agua, Inc., proposes to drill
its ~~of a proposed well,~~
~~is the owner and operator of the~~ SWD Well No. C-2
~~located~~ in Unit C of Section 2, Township 22 South, Range
37 East, NMPM, adjacent to the South Eunice-San Andres Pool, Lea
County, New Mexico.

(3) That the applicant ~~proposes~~ seeks to utilize said well to
dispose of produced salt water into the San Andres
formation, with injection into the openhole hole interval
from approximately 4,400 feet to 5,000 feet.

(4) That the injection should be accomplished through
5 1/2-inch plastic-lined tubing ~~installed in a packer set at~~

CASE No. _____

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

(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, Agua, Inc.,
is hereby authorized to utilize its proposed SWD Well No. C-2, *to be*
located in Unit C of Section 2, Township 22 South, Range
37 East, NMPM, adjacent to the South Eunice-San Andres Pool, Lea
County, New Mexico, to dispose of produced salt water into the
San Andres formation, injection to be accomplished through
5 1/2 ~~inch tubing installed in a packer set at approximately~~
tubing ~~feet, with injection~~ into the openhole hole interval
from approximately 4,400 feet to 5,000 feet;

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