

CASE NO.

7350

Application

Transcripts.

Small Exhibits

ETC

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:

CASE NO. 7270  
Order No. R-6790

APPLICATION OF CONOCO INC. FOR  
SALT WATER DISPOSAL, EDDY COUNTY,  
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on September 9, 1981, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 2nd day of October, 1981, the Division Director, 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 Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Conoco Inc., is the owner and operator of the Levers Federal Well No. 2, located in Unit R of Section 2, Township 21 South, Range 25 East, NMPM, Springs-Upper Penn Gas Pool, Eddy County, New Mexico.

(3) That the applicant proposes to utilize said well to dispose of produced salt water into the Cisco formation, with injection into the perforated interval from approximately 8144 feet to 8160 feet.

(4) That the injection should be accomplished through 2 7/8-inch plastic lined tubing installed in a packer set at approximately 8000 feet; that the casing-tubing annulus should be filled with an inert fluid; and that a pressure gauge or approved leak detection device should be attached to the annulus in order to determine leakage in the casing, tubing, or packer.

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Case No. 7350  
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(5) That the injection well or system should be equipped with a pop-off valve or other acceptable device which will limit the wellhead pressure on the injection well to no more than 1630 psi.

(6) That the Director of the Division should be authorized to administratively approve an increase in the injection pressure upon a proper showing by the operator that such higher pressure will not result in migration of the injected waters from the Cisco formation.

(7) That the operator should notify the supervisor of the Artesia district office of the Division of the date and time of the installation of disposal equipment so that the same may be inspected.

(8) That the operator should take all steps necessary to ensure that the injected water enters only the proposed injection interval and is not permitted to escape to other formations or onto the surface.

(9) 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, Conoco Inc., is hereby authorized to utilize its Levers Federal Well No. 2, located in Unit R of Section 2, Township 20 South, Range 25 East, NMPM, Springs-Upper Penn Gas Pool, Eddy County, New Mexico, to dispose of produced salt water into the Cisco formation, injection to be accomplished through 2 7/8-inch tubing installed in a packer set at approximately 8000 feet, with injection into the perforated interval from approximately 8144 feet to 8160 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 shall be equipped with an approved leak detection device in order to determine leakage in the casing, tubing, or packer.

(2) That the injection well or system shall be equipped with a pop-off valve or other acceptable device which will limit the wellhead pressure on the injection well to no more than 1630 psi.

-3-

Case No. 7350  
Order No. R-6790

(3) That the Director of the Division may authorize an increase in injection pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the injected fluid from the Cisco formation.

(4) That the operator shall notify the supervisor of the Artesia district office of the Division of the date and time of the installation of disposal equipment so that the same may be inspected.

(5) That the operator shall immediately notify the supervisor of the Division's Artesia district office of the failure of the tubing, casing, or packer, in said well or the leakage of water from or around said well and shall take such steps as may be timely and necessary to correct such failure or leakage.


(6) That the applicant shall submit monthly reports of its disposal operations in accordance with Rules 704 and 1120 of the Division Rules and Regulations.

(7) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
JOE D. RAMEY  
Director

  
S E A L

fd/



STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

October 5, 1981

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87501  
(505) 827-2434

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

Re: CASE NO. 7350  
ORDER NO. R-6790

**Applicant:**

**Conoco Inc.**

**Dear Sir:**

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

Yours very truly,

JOE D. RAMEY  
Director

JDR/fd

Copy of order also sent to:

Hobbs OCD \_\_\_\_\_x\_\_\_\_\_  
Artesia OCD \_\_\_\_\_x\_\_\_\_\_  
Aztec OCD \_\_\_\_\_x\_\_\_\_\_

Other

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
STATE LAND OFFICE BLDG.  
SANTA FE, NEW MEXICO  
9 September 1981

EXAMINER HEARING

IN THE MATTER OF:

Application of Conoco, Inc., for  
salt water disposal, Eddy County,  
New Mexico.

CASE  
7350

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation  
Division:

W. Perry Pearce, Esq.  
Legal Counsel to the Division  
State Land Office Bldg.  
Santa Fe, New Mexico 87501

For the Applicant:

W. Thomas Kellahin, Esq.  
KELLAHIN & KELLAHIN  
500 Don Gaspar  
Santa Fe, New Mexico 87501

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I N D E X

ALLEN PETREE

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E X H I B I T S

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1  
2 MR. NUTTER: We'll call next Case Number  
3 7350.

4 MR. PEARCE: Application of Conoco, Inc.,  
5 for salt water disposal, Eddy County, New Mexico.

6 MR. KELLAHIN: If the Examiner please,  
7 I'm Tom Kellahin of Santa Fe, New Mexico, appearing on behalf  
8 of the applicant, and I have one witness to be sworn.

9  
10 (Witness sworn.)

11  
12 ALLEN PETREE  
13 being called as a witness and being duly sworn upon his oath,  
14 testified as follows, to-wit:

15  
16 DIRECT EXAMINATION

17 BY MR. KELLAHIN:

18 Q Mr. Petree, will you please state your  
19 name and occupation?

20 A Allen Petree, petroleum engineer.

21 Q And by whom are you employed?

22 A Conoco, Incorporated.

23 Q And, Mr. Petree, have you previously  
24 testified as a petroleum engineer before the Division?

25 A I have not.



Q Would you explain to Mr. Nutter when and where you obtained your degree in engineering?

A May of 1980, New Mexico Institute of Mining and Technology in Socorro.

Q Subsequent to graduation, Mr. Petree, where have you been employed as an engineer?

A Nowhere.

Q Well, you've been employed with Conoco, right?

A With Conoco, yes.

Q That was your first employment?

A Right.

Q What is your general area of responsibility as an engineer with Conoco?

A I am a production engineer.

Q Pursuant to your employment with Conoco have you made a study of the facts surrounding this salt water disposal application?

A I have.

MR. KELLAHIN: We tender Mr. Petree as an expert petroleum engineer.

MR. NUTTER: Mr. Petree is qualified.

Q Mr. Petree, I'll direct your attention to what we have marked as Conoco Exhibit Number One and ask

1  
2 you to tell us what Conoco is seeking to accomplish.

3 A Okay, in this case Conoco wishes to con-  
4 vert its Levers Federal No. 2 Well from a shut-in Catclaw  
5 Draw Morrow gas well to a salt water disposal well in the  
6 Springs-Upper Penn Pennsylvania Pool Cisco formation.

7 Exhibit One is a map showing the location  
8 of the subject well, designated by the red arrow.

9 The outer circle shows a 2-mile radius  
10 around the well to be converted. The wells shown within this  
11 circle and the producing formation for such wells is complete  
12 to the best of my knowledge.

13 The inner circle is a half mile radius  
14 and complies with NMOCC Memo No. 3-77. There are no other  
15 wells within one-half mile of the Levers Federal No. 2.

16 Q Let me ask you a few questions about this  
17 exhibit, Mr. Petree.

18 What's indicated by the yellow arrow?  
19 What's that?

20 A The yellow arrow is the Conoco Springs  
21 salt water disposal well.

22 Q Now that disposal well puts water in  
23 what formation?

24 A It is put into the Cisco formation.

25 Q All right, sir, and what is the source

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of the water put in that well?

A The water comes from the Levers Federal No. 1 Well, which is also from the Cisco formation.

Q That's the green arrow in Section 34 to the north?

A In Section 2 of --

Q All right.

A No. 1, Levers Federal No. 1.

Q The green arrow in Section 2, then, that's a Cisco well.

A Yes, sir.

Q It is the source of the produced water that is disposed of in this disposal well off here to the west?

A Yes, sir.

Q All right.

A That is correct.

Q Tell me what volumes of water are produced and then disposed of in that well to the west.

A Okay. This well is currently -- the Springs salt water disposal well is currently disposing of approximately 2000 barrels of water per day.

Q And how is that water disposed of? Is it under pressure or is taken under vacuum?

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A This water requires a certain amount of --  
about 500 pounds of pressure, surface pressure to dispose of  
this water.

Q All right.

What is the significance of the green  
arrow, then, north of the last location in Section 34?

A Federal 34 No. 1 is the -- is a newly  
completed well from the Morrow formation into the Cisco forma-  
tion. It is currently not producing; it is shut-in, and we  
intend to take the water from this well and dispose of it in  
the Springs well, whereas the water from the Levers Federal  
No. 1 Well will be disposed into the Levers Federal No. 2  
Well when it is converted.

Q All right, sir. Let me ask you some  
questions, then, about this well in 34. You said it's been  
completed in the Cisco formation?

A Yes, sir, it has.

Q Is it completed in any other formation?

A It was completed into the Morrow formation,  
which has been plugged.

Q All right, so the Cisco is the only  
formation open to production?

A Yes, sir, that is true.

Q And have you tested the Cisco?

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A Yes, sir, we have.

3

Q And what does that test tell you?

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A We have produced 1920 barrels of water

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per day, IP, with 1.1-million cubic feet of gas per day.

6

MR. NUTTER: That's the well that recently is

7

recompleted --

8

A Yes, sir.

9

MR. NUTTER: -- from the Morrow to Cisco?

10

A Yes, sir, the 34 No. 1.

11

MR. NUTTER: How much water is it going

12

to make?

13

A Roughly 2000 barrels of water per day.

14

Q So it produces very much like the Cisco

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well in the north portion of Section 2?

16

A Yes, sir, it does.

17

Q All right, sir, now tell me something

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about the proposed disposal well indicated by the red arrow.

19

How was that well originally drilled?

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A This well was originally a Catclaw Draw

21

Morrow well. If you'll refer to Exhibit Number Three, it

22

shows a schematic of what we intend to do to this well.

23

The lower perforations have been squeezed

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in 1977 and we intend to set cast iron bridge plugs at the

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indicated intervals to squeeze and pressure test these per-

forations, come up to 8144 and perforate at this point for the Cisco formation to inject water into.

Q Are there any sources, to your knowledge, of fresh water in the area --

A No, sir..

Q -- either surface water or water wells?

A Not to my knowledge there isn't.

Q All right, in your opinion is the method of completion for this disposal into the Cisco such that water disposed of in the Cisco would not migrate up into the shallower formations?

A Yes, sir, I believe that this method will be well protecting the upper water sands, if there are any, with a packer in the wellbore and a cement retainer with cement on top and good cement behind the casing, I believe that this will occur.

Q All right. Are you aware of any faulting in this area that might communicate the Cisco with shallower formations?

A No, sir, there's none to my knowledge.

Q No faulting in the area? All right.

Let's go back to Exhibit Number Two and have you tell us what that is.

A Okay, Exhibit Two is a tabulation of

1  
2 monthly production from the Levers No. 1 Well, showing con-  
3 densate, barrels of water, and gas.

4 We will dispose of approximately 2000  
5 barrels of water per day, 4000 barrels per day maximum, in  
6 each of the two disposal wells at an average of 500 pounds  
7 per square inch and a maximum of 1500 psi surface pressure.

8 Q All right. Why are you asking for another  
9 disposal well in the Cisco, Mr. Petree?

10 A Well, the present well that we have, the  
11 Springs Well, will not take the amount of water from both  
12 wells.

13 Q Are you going to have to dispose of this  
14 water in the proposed disposal well under pressure?

15 A More than likely we will have to use a  
16 certain amount of pressure to dispose this water.

17 Q Are you familiar with the Division re-  
18 quirements that the pressure at the surface be limited to  
19 .2 of a pound per foot of depth?

20 A Yes, sir.

21 Q In your opinion will a provision in the  
22 Division order with regards to approving this as a disposal  
23 well with that limitation on it be adequate in order to dis-  
24 pose of this amount of water?

25 A I believe it will.

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Q All right, sir. Let's go to Exhibit Number Four and have you identify that.

A Okay, Exhibit Number Four is a log of the Levers Federal No. 1, the producing well. The red arrow, if you'll also refer to Exhibit Number Five, which is Levers Federal No. 2, the well that we intend to inject, the red arrows indicate our correlation point.

The black arrows indicate zones that will be perforated or have been perforated. In the Levers Federal No. 1 Well, Exhibit Four, they show existing perforations. These two logs, the purpose of these two logs shows that the water being produced from the Levers Federal No. 1 Well will be injected into the same formation in the Levers Federal No. 2 Well.

Q And what is Exhibit Number Six?

A Exhibit Number Six shows that we have sent by certified mail, and the Bureau of Land Management to all offset operators, and furnished a copy of our application for this hearing.

Q I believe I've already asked you, you're not aware of any fresh water wells within a half-mile radius?

A I am not aware of it.

Q All right, sir.

In your opinion will approval of this



1  
2 application be in the best interest of conservation, the pre-  
3 vention of waste, and the protection of correlative rights?

4 A Yes, sir.

5 Q And were Exhibits One through Six prepared  
6 by you or compiled under your direction and --

7 A Yes, sir.

8 Q -- supervision?

9 MR. KELLAHIN: We move the introduction  
10 of Exhibits One through Six.

11 MR. NUTTER: Exhibits One thorough Six  
12 will be admitted in evidence.

13 MR. KELLAHIN: That concludes our exam-  
14 ination of Mr. Petree.

15  
16 CROSS EXAMINATION

17 BY MR. NUTTER:

18 Q Mr. Petree, this application was filed  
19 by Conoco on -- it was received by the Division on August the  
20 21st. Now, the Division amended a number of rules in June  
21 of 1981, and the amendments to those rules were effective  
22 July the 1st, 1981, which required rather detailed information  
23 in accordance with the United States Environmental Protection  
24 Agency's underground injection control program.

25 And this application does not conform

1  
2 to the requirements of Rule 701, the 700 series, I should say,  
3 of the Division rules as amended in June, effective July 1.

4 We cannot issue any order in this case  
5 until the application has been filed in accordance with those  
6 rules as amended.

7 This application and these exhibits are  
8 probably satisfactory insofar as the previous rules are con-  
9 cerned, but not now. So you will have to review the amended  
10 rules and come up with an application with all the attachments  
11 and all the data which is required under the amended rules.

12 MR. KELLAHIN: Mr. Nutter, we advised  
13 Conoco at the time this application was filed of the new rules  
14 and have made a review of the filings here, and apart for --  
15 apart from the period of time in which offset operators have  
16 in which to comment, we believe that because of the unique  
17 fact situation in this case that we have satisfied the re-  
18 quirements of the revised order.

19 The tabulation of well information is  
20 not necessary here. As you can see, this is the only well  
21 within the half-mile radius.

22 The witness has testified that his exam-  
23 ination shows there are no fresh water wells within the one-  
24 mile radius and therefor chemical analysis is not necessary.

25 He has made an affirmative statement just

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2 now that based upon his examination there are no faults com-  
3 municating the disposal zone with underground drinking water  
4 sources.

5 Further, he shows that he is taking pro-  
6 duced water and reinjecting the same produced water in the  
7 same formation and therefore a chemical analysis of the pro-  
8 duced water is also not necessary.

9 I think perhaps in his testimony and the  
10 exhibits we have at this time covered all the requirements of  
11 the revised rule, and if not, we'd appreciate it if you'd  
12 tell us what they are.

13 Q Well, I don't know. I haven't gone  
14 through all this detail information that you have submitted  
15 here at the hearing, of course, but one thing that's obvious,  
16 we don't have a new form C-108.

17 And when you review the Form C-108, you  
18 may come across something that's required which isn't in the  
19 application or the hearing today. I realize some of the  
20 stuff has gone -- has been gone through at the hearing.

21 MR. KELLAHIN: I wonder if we might  
22 leave the record open, then, and have Conoco submit the C-108  
23 and --

24 MR. NUTTER: That's what I meant, that  
25 we can't issue any order until the application is complete

1  
2 and the record is open for any additional information that  
3 the revised rules would require.

4 MR. KELLAHIN: All right, sir, thank you  
5 very much.

6 MR. NUTTER: Are there any further ques-  
7 tions of the applicant -- of Mr. Petree? He may be excused.

8 Do you have anything further, Mr. Kellahein?

9 MR. KELLAHIN: No, sir, not in this  
10 case.

11 MR. NUTTER: Does anyone have anything  
12 they wish to offer in Case Number 7350?

13 We'll take the case under advisement.

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15 (Hearing concluded.)  
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C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that  
the foregoing Transcript of Hearing before the Oil Conserva-  
tion Division was reported by me; that the said transcript  
is a full, true, and correct record of the hearing, prepared  
by me to the best of my ability.

Sally W. Boyd CSR

I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the Examiner hearing of Case No. 7350  
heard by me on 9/9 1981.

[Signature] Examiner  
Oil Conservation Division

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B  
Santa Fe, New Mexico 87501  
Phone (505) 455-7409

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STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
STATE LAND OFFICE BLDG.  
SANTA FE, NEW MEXICO  
9 September 1981

EXAMINER HEARING

IN THE MATTER OF:

Application of Conoco, Inc., for  
salt water disposal, Eddy County,  
New Mexico.

CASE  
7350

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation  
Division:

W. Perry Pearce, Esq.  
Legal Counsel to the Division  
State Land Office Bldg.  
Santa Fe, New Mexico 87501

For the Applicant:

W. Thomas Kellahin, Esq.  
KELLAHIN & KELLAHIN  
500 Don Gaspar  
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ALLEN PETREE

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E X H I B I T S

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MR. NUTTER: We'll call next Case Number

7350.

MR. PEARCE: Application of Conoco, Inc.  
for salt water disposal, Eddy County, New Mexico.

MR. KELLAHIN: If the Examiner please,  
I'm Tom Kellahin of Santa Fe, New Mexico, appearing on behalf  
of the applicant, and I have one witness to be sworn.

(Witness sworn.)

ALLEN PETREE  
being called as a witness and being duly sworn upon his oath,  
testified as follows, to-wit:

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Mr. Petree, will you please state your  
name and occupation?

A Allen Petree, petroleum engineer.

Q And by whom are you employed?

A Conoco, Incorporated.

Q And, Mr. Petree, have you previously  
testified as a petroleum engineer before the Division?

A I have not.



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Q Would you explain to Mr. Nutter when and where you obtained your degree in engineering?

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5

A May of 1980, New Mexico Institute of Mining and Technology in Socorro.

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7

Q Subsequent to graduation, Mr. Petree, where have you been employed as an engineer?

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A Nowhere.

Q Well, you've been employed with Conoco, right?

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A With Conoco, yes.

Q That was your first employment?

A Right.

Q What is your general area of responsibility as an engineer with Conoco?

A I am a production engineer.

Q Pursuant to your employment with Conoco have you made a study of the facts surrounding this salt water disposal application?

A I have.

MR. KELLAHIN: We tender Mr. Petree as an expert petroleum engineer.

MR. NUTTER: Mr. Petree is qualified.

Q Mr. Petree, I'll direct your attention to what we have marked as Conoco Exhibit Number One and ask

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you to tell us what Conoco is seeking to accomplish.

3

A Okay, in this case Conoco wishes to con-

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vert its Levers Federal No. 2 Well from a shut-in Catslaw

5

Draw Morrow gas well to a salt water disposal well in the

6

Springs-Upper Penn Pennsylvania Pool Cisco formation.

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Exhibit One is a map showing the location

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of the subject well, designated by the red arrow.

9

The outer circle shows a 2-mile radius

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around the well to be converted. The wells shown within this

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circle and the producing formation for such wells is complete

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to the best of my knowledge.

13

The inner circle is a half mile radius

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and complies with NMOCC Memo No. 3-77. There are no other

15

wells within one-half mile of the Levers Federal No. 2.

16

Q Let me ask you a few questions about this

17

exhibit, Mr. Petree.

18

What's indicated by the yellow arrow?

19

What's that?

20

A The yellow arrow is the Conoco Springs

21

salt water disposal well.

22

Q Now that disposal well puts water in

23

what formation?

24

A It is put into the Cisco formation.

25

Q All right, sir, and what is the source

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6

2 of the water put in that well?

3 A The water comes from the Lavers Federal  
4 No. 1 Well, which is also from the Cisco formation.

5 Q That's the green arrow in Section 34 to  
6 the north?

7 A In Section 2 of --

8 Q All right.

9 A No. 1, Lavers Federal No. 1.

10 Q The green arrow in Section 2, then, that's  
11 a Cisco well.

12 A Yes, sir.

13 Q It is the source of the produced water  
14 that is disposed of in this disposal well off here to the  
15 west?

16 A Yes, sir.

17 Q All right.

18 A That is correct.

19 Q Tell me what volumes of water are pro-  
20 duced and then disposed of in that well to the west.

21 A Okay. This well is currently -- the  
22 Springs salt water disposal well is currently disposing of  
23 approximately 2000 barrels of water per day.

24 Q And how is that water disposed of? Is  
25 it under pressure or is taken under vacuum?

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A This water requires a certain amount of --  
about 500 pounds of pressure, surface pressure to dispose of  
this water.

Q All right.

What is the significance of the green  
arrow, then, north of the last location in Section 34?

A Federal 34 No. 1 is the -- is a newly  
completed well from the Morrow formation into the Cisco forma-  
tion. It is currently not producing; it is shut-in, and we  
intend to take the water from this well and dispose of it in  
the Springs well, whereas the water from the Levers Federal  
No. 1 Well will be disposed into the Levers Federal No. 2  
Well when it is converted.

Q All right, sir. Let me ask you some  
questions, then, about this well in 34. You said it's been  
completed in the Cisco formation?

A Yes, sir, it has.

Q Is it completed in any other formation?

A It was completed into the Morrow formation,  
which has been plugged.

Q All right, so the Cisco is the only  
formation open to production?

A Yes, sir, that is true.

Q And have you tested the Cisco?

1

2

A Yes, sir, we have.

3

Q And what does that test tell you?

4

A We have produced 1920 barrels of water

5

per day, IP, with 1.1-million cubic feet of gas per day.

6

MR. NUTTER: That's the well that recently is

7

recompleted --

8

A Yes, sir.

9

MR. NUTTER: -- from the Morrow to Cisco?

10

A Yes, sir, the 34 No. 1.

11

MR. NUTTER: How much water is it going

12

to make?

13

A Roughly 2000 barrels of water per day.

14

Q So it produces very much like the Cisco

15

well in the north portion of Section 2?

16

A Yes, sir, it does.

17

Q All right, sir, now tell me something

18

about the proposed disposal well indicated by the red arrow.

19

How was that well originally drilled?

20

A This well was originally a Catclaw Draw

21

Morrow well. If you'll refer to Exhibit Number Three, it

22

shows a schematic of what we intend to do to this well.

23

The lower perforations have been squeezed

24

in 1977 and we intend to set cast iron bridge plugs at the

25

indicated intervals to squeeze and pressure test these per-

2 formations, come up to 8144 and perforate at this point for  
3 the Cisco formation to inject water into.

4 Q Are there any sources, to your knowledge,  
5 of fresh water in the area --

6 A No, sir.

7 Q -- either surface water or water wells?

8 A Not to my knowledge there isn't.

9 Q All right, in your opinion is the method  
10 of completion for this disposal into the Cisco such that water  
11 disposed of in the Cisco would not migrate up into the  
12 shallower formations?

13 A Yes, sir, I believe that this method will  
14 be well protecting the upper water sands, if there are any,  
15 with a packer in the wellbore and a cement retainer with  
16 cement on top and good cement behind the casing, I believe  
17 that this will occur.

18 Q All right. Are you aware of any faulting  
19 in this area that might communicate the Cisco with shallower  
20 formations?

21 A No, sir, there's none to my knowledge.

22 Q No faulting in the area? All right.

23 Let's go back to Exhibit Number Two and  
24 have you tell us what that is.

25 A Okay, Exhibit Two is a tabulation of

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monthly production from the Levers No. 1 Well, showing condensate, barrels of water, and gas.

We will dispose of approximately 2000 barrels of water per day, 4000 barrels per day maximum, in each of the two disposal wells at an average of 500 pounds per square inch and a maximum of 1500 psi surface pressure.

Q All right. May I ask you asking for another disposal well in the Cisco, Mr. Petree?

A Well, the present well that we have, the Springs Well, will not take the amount of water from both wells.

Q Are you going to have to dispose of this water in the proposed disposal well under pressure?

A More than likely we will have to use a certain amount of pressure to dispose this water.

Q Are you familiar with the Division requirements that the pressure at the surface be limited to .2 of a pound per foot of depth?

A Yes, sir.

Q In your opinion will a provision in the Division order with regards to approving this as a disposal well with that limitation on it be adequate in order to dispose of this amount of water?

A I believe it will.

Q All right, sir. Let's go to Exhibit Number Four and have you identify that.

A Okay, Exhibit Number Four is a log of the Levers Federal No. 1, the producing well. The red arrow, if you'll also refer to Exhibit Number Five, which is Levers Federal No. 2, the well that we intend to inject, the red arrows indicate our correlation point.

The black arrows indicate zones that will be perforated or have been perforated. In the Levers Federal No. 1 Well, Exhibit Four, they show existing perforations. These two logs, the purpose of these two logs shows that the water being produced from the Levers Federal No. 1 Well will be injected into the same formation in the Levers Federal No. 2 Well.

Q And what is Exhibit Number Six?

A Exhibit Number Six shows that we have sent by certified mail, and the Bureau of Land Management to all offset operators, and furnished a copy of our application for this hearing.

Q I believe I've already asked you, you're not aware of any fresh water wells within a half-mile radius?

A I am not aware of it.

Q All right, sir.

In your opinion will approval of this



1  
2 application be in the best interest of conservation, the pre-  
3 vention of waste, and the protection of correlative rights?

4 A Yes, sir.

5 Q And were Exhibits One through Six prepared  
6 by you or compiled under your direction and --

7 A Yes, sir.

8 Q -- supervision?

9 MR. KELLAHIN: We move the introduction  
10 of Exhibits One through Six.

11 MR. NUTTER: Exhibits One through Six  
12 will be admitted in evidence.

13 MR. KELLAHIN: That concludes our exam-  
14 ination of Mr. Petree.

15  
16 CROSS EXAMINATION

17 BY MR. NUTTER:

18 Q Mr. Petree, this application was filed  
19 by Conoco on -- it was received by the Division on August the  
20 21st. Now, the Division amended a number of rules in June  
21 of 1981, and the amendments to those rules were effective  
22 July the 1st, 1981, which required rather detailed information  
23 in accordance with the United States Environmental Protection  
24 Agency's underground injection control program.

25 And this application does not conform

1  
2 to the requirements of Rule 701, the 700 series, I should say,  
3 of the Division rules as amended in June, effective July 1.

4 We cannot issue any order in this case  
5 until the application has been filed in accordance with those  
6 rules as amended.

7 This application and these exhibits are  
8 probably satisfactory insofar as the previous rules are con-  
9 cerned, but not now. So you will have to review the amended  
10 rules and come up with an application with all the attachments  
11 and all the data which is required under the amended rules.

12 MR. KELLAHIN: Mr. Nutter, we advised  
13 Conoco at the time this application was filed of the new rules  
14 and have made a review of the filings here, and apart for --  
15 apart from the period of time in which offset operators have  
16 in which to comment, we believe that because of the unique  
17 fact situation in this case that we have satisfied the re-  
18 quirements of the revised order.

19 The tabulation of well information is  
20 not necessary here. As you can see, this is the only well  
21 within the half-mile radius.

22 The witness has testified that his exam-  
23 ination shows there are no fresh water wells within the one-  
24 mile radius and therefor chemical analysis is not necessary.

25 He has made an affirmative statement just

1  
2 now that based upon his examination there are no faults com-  
3 municating the disposal zone with underground drinking water  
4 sources.

5 Further, he shows that he is taking pro-  
6 duced water and reinjecting the same produced water in the  
7 same formation and therefor a chemical analysis of the pro-  
8 duced water is also not necessary.

9 I think perhaps in his testimony and the  
10 exhibits we have at this time covered all the requirements of  
11 the revised rule, and if not, we'd appreciate it if you'd  
12 tell us what they are.

13 Q Well, I don't know. I haven't gone  
14 through all this detail information that you have submitted  
15 here at the hearing, of course, but one thing that's obvious,  
16 we don't have a new form C-108.

17 And when you review the Form C-108, you  
18 may come across something that's required which isn't in the  
19 application or the hearing today. I realize some of the  
20 stuff has gone -- has been gone through at the hearing.

21 MR. KELLAHIN: I wonder if we might  
22 leave the record open, then, and have Conoco submit the C-108  
23 and --

24 MR. NUTTER: That's what I meant, that  
25 we can't issue any order until the application is complete

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and the record is open for any additional information that the revised rules would require.

MR. KELLAHIN: All right, sir, thank you very much.

MR. NUTTER: Are there any further questions of the applicant -- of Mr. Petree? He may be excused.

Do you have anything further, Mr. Kellahan?

MR. KELLAHIN: No, sir, not in this case.

MR. NUTTER: Does anyone have anything they wish to offer in Case Number 7350?

We'll take the case under advisement.

(Hearing concluded.)

## C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that the foregoing Transcript of Hearing before the Oil Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability.

Sally W. Boyd CSR

SALLY W. BOYD, C.S.R.

Rt. 1 Box 199-B  
Santa Fe, New Mexico 87501  
Phone: (505) 455-7409

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 7353 heard by me on 9/9 1987.  
[Signature] Examiner  
Oil Conservation Division  
In Oil Division

Jason Kellahin  
W. Thomas Kellahin  
Karen Aubrey

KELLAHIN and KELLAHIN  
*Attorneys at Law*  
500 Don Gaspar Avenue  
Post Office Box 1749  
Santa Fe, New Mexico 87501

Telephone 982-4225  
Area Code 505

September 10, 1981

Mr. Dan Nutter  
Oil Conservation Division  
P.O. Box 2088  
Santa Fe, New Mexico 87501

RE: Conoco Salt Water Disposal  
OCD Case 7350

Dear Dan:

Subsequent to the hearing on September 9, 1981,  
I reviewed the requirements of Division Rule 701 et al.  
as amended by Order R-6702 entered June 17, 1981 and  
find that the only item missing is completion of Form  
C-108.

We have completed and enclosed in triplicate for  
your consideration Form C-108.

Please let me know if anything else is required.

Very truly yours,

  
W. Thomas Kellahin

WTK:jm  
Enclosure  
cc: Hugh Ingram

APPLICATION FOR AUTHORIZATION TO INJECT

- I. Purpose: ☐ Secondary Recovery ☐ Pressure Maintenance ☒ Disposal ☐ Storage  
Application qualifies for administrative approval? ☐ yes ☒ no
- II. Operator: CONOCO INC.  
Address: P.O. Box 460, Hobbs, N.M. 88240  
Contact party: HUGH INGRAM Phone: 505 393-4141
- III. Well data: Complete the data required on the reverse side of this form for each well proposed for injection. Additional sheets may be attached if necessary.
- IV. Is this an expansion of an existing project? ☐ yes ☒ no  
If yes, give the Division order number authorizing the project \_\_\_\_\_
- V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review. *(See Exhibit A)*
- \* VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail. *No other wells within "Area of Review."*
- VII. Attach data on the proposed operation, including:
1. Proposed average and maximum daily rate and volume of fluids to be injected; *(Testimony)*
  2. Whether the system is open or closed; *(Testimony - "Closed")*
  3. Proposed average and maximum injection pressure; *(Testimony)*
  4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and *(Testimony)*
  5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).
- \*VIII. Attach appropriate geological data on the injection zone including appropriate lithologic detail, geological name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such source known to be immediately underlying the injection interval.
- IX. Describe the proposed stimulation program, if any.
- \* X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division they need not be resubmitted.)
- \* XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.
- XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground source of drinking water.
- XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.
- XIV. Certification
- I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.
- Name: HUGH INGRAM Title: CONSERVATION COORDINATOR  
Signature: *Hugh Ingram* Date: 9-9-81
- \* If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be duplicated and resubmitted. Please show the date and circumstance of the earlier submittal. JANUARY 9, 1976

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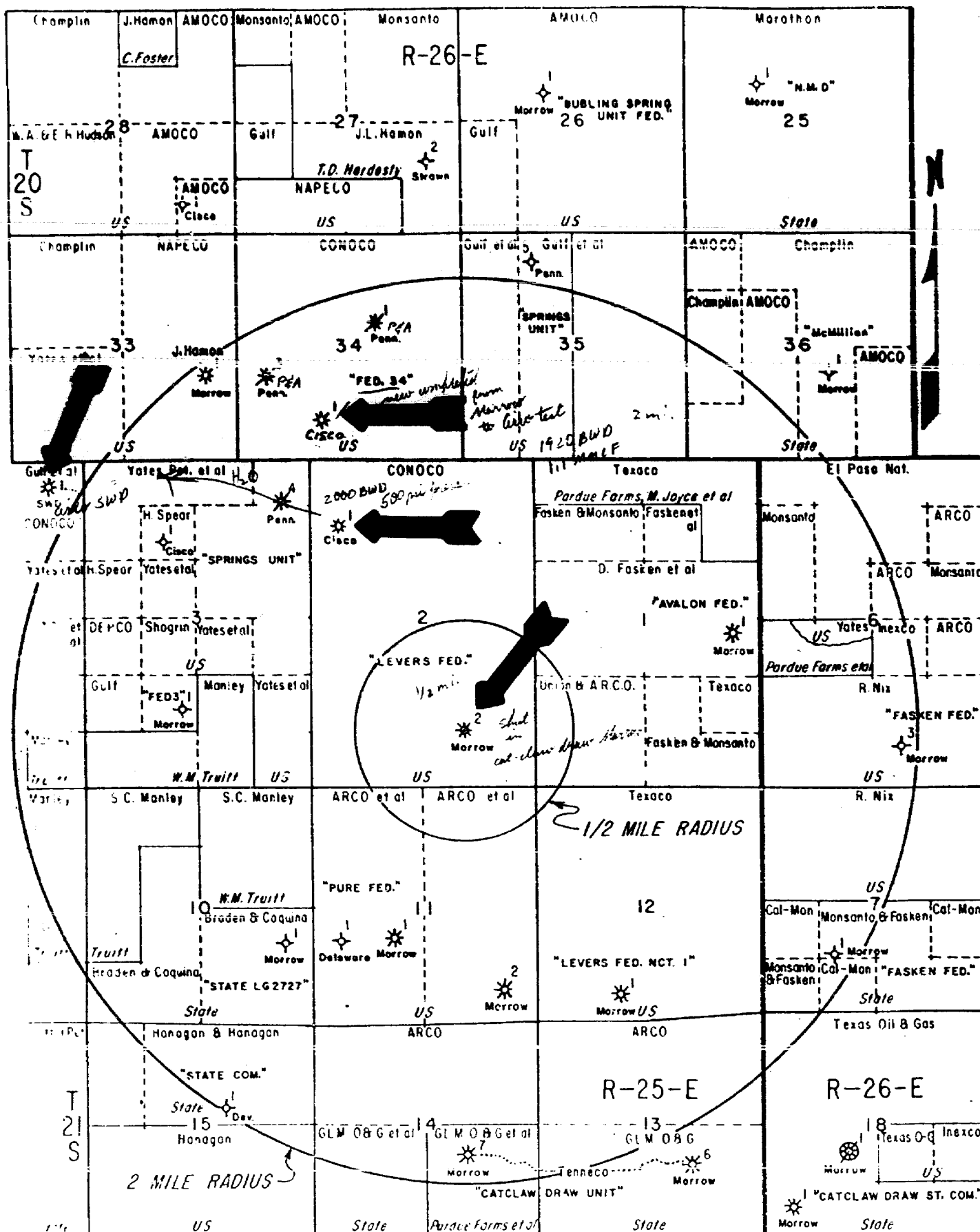
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BEFORE EXAMINER NUTTER  
OIL CONSERVATION DIVISION  
*Conoco* EXHIBIT NO. 1  
CASE NO. 7350

<b>conoco</b>	
PRODUCTION DEPARTMENT	HOBBS DIVISION
LOCATION PLAT EDDY COUNTY, NEW MEXICO	
SCALE 0 1500' 3000'	
LEGEND	* DRY HOLE * INJECTION WELL * ABANDONED WELL * SHUT-IN WELL * SALT WATER * DISPOSAL WELL * DEEPER WELL * ZONE UNTESTED

TABULATION OF MONTHLY PRODUCTION

<u>Month</u>	<u>Federal 34 No. 1</u>			<u>Lever's Federal No. 1</u>		
	<u>BRLS</u> <u>Condensate</u>	<u>BRLS</u> <u>Water</u>	<u>MCF</u> <u>Gas</u>	<u>BRLS</u> <u>Condensate</u>	<u>BRLS</u> <u>Water</u>	<u>MCF</u> <u>Gas</u>
<u>1980</u>						
August				974	41,611	45,468
September				1002	61,194	45,967
October				1012	56,132	42,339
November				550	30,447	28,306
December				360	32,783	13,215
<u>1981</u>						
January				861	54,461	43,378
February				833	50,909	36,262
March				877	46,332	28,619
April				351	20,875	23,600
May				1133	53,598	32,695
June				1015	55,851	38,874
July	Recompleted in Cisco, July 1981 On test 8-12-81, produced 1118 MCFPD, 1920 BWPB, no condensate					

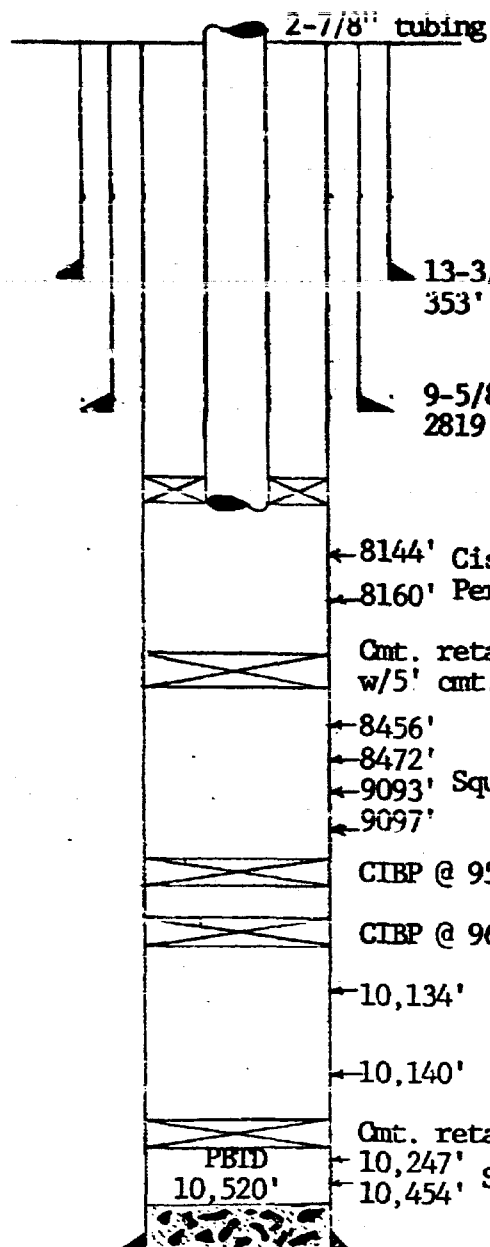
BEFORE EXAMINER NUTTER	
OIL CONSERVATION DIVISION	
<i>Corroce</i>	EXHIBIT NO. <u>2</u>
CASE NO.	<u>7350</u>

Conoco Inc.  
OPERATORLevers Federal  
LEASE2 1650' FSL & 1650' FEL  
WELL NO. FOOTAGE LOCATION2  
SECTION21S  
TOWNSHIP25E  
RANGE

Eddy County, New Mexico

## Schematic

## Tabular Data



## Surface Casing

Size 13-3/8 " Cemented with 291 sx.TOC Circulated feet determined by \_\_\_\_\_Hole size 17-1/2"

## Intermediate Casing

Size 9-5/8 " Cemented with 921 sx.TOC Circulated feet determined by \_\_\_\_\_Hole size 12-1/2"

## Long string

Size 5-1/2 " Cemented with 341 sx.TOC 6000 feet determined by Temp. surveyHole size 8-3/4"Total depth 10,560'Cmt. retainer  
w/5' cmt. on top

Injection interval - Perf.

8456'

8144 feet to 8160 feet  
(perforated or open-hole, indicate which)

8472'

9093' Squeezed &amp; pressure tested

9097'

CIBP @ 9590' w/10' cmt. on top

CIBP @ 9600' w/10' cmt. on top

10,134'

10,140'

Cmt. retainer @ 10,200' w/10' cmt. on top

10,247'

10,454' Squeezed 1-19-77

PBTD  
10,520'Tubing size 2-7/8" lined with Plastic set in a  
(material)Baker Lok-set  
(brand and model)packer at 8000 feet

(or describe any other casing-tubing seal).

## Other Data

- Name of the injection formation Upper Perm (Cisco)
- Name of Field or Pool (if applicable) Springs Upper Perm
- Is this a new well drilled for injection? ☐ Yes ☒ No  
If no, for what purpose was the well originally drilled? Catclaw Draw Morrow-Gas Well
- Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail (sacks of cement or bridge plug(s) used) yes - see schematic
- Give the depth to and name of any overlying and/or underlying oil or gas zones (pools) in this area. Wolfcamp - Bottom: 8090'; Strawn - Top: 8760'

EXHIBT

4

LEVERS FEDERAL No 1

8000

8100

8200

GAMMA RAY

EXHIBT 5  
LEVERS FEDERAL No 2

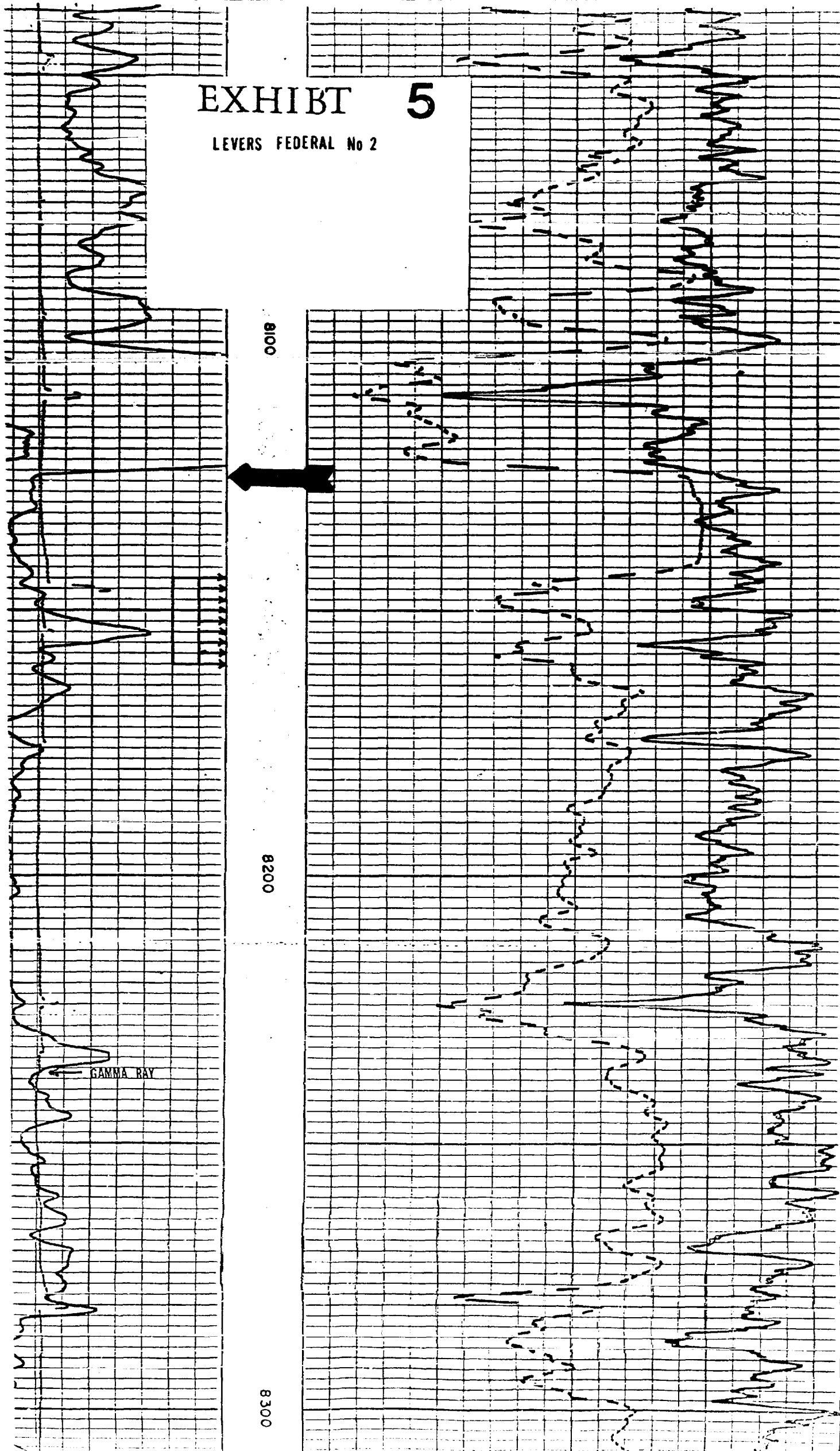


Exhibit 116

No. 419725

RECEIPT FOR CERTIFIED MAIL—30¢ (plus postage)

SENT TO <i>ARCO Oil &amp; Gas Company</i>		POSTMARK OR DATE  <i>8-27-81</i>
STREET AND NO. <i>P.O. Box 1610</i>		
P.O., STATE AND ZIP CODE <i>Midland TX 79701</i>		
OPTIONAL SERVICES FOR ADDITIONAL FEES		
RETURN RECEIPT SERVICES	1. Shows to whom and date delivered ..... 15¢ With delivery to addressee only ..... 65¢ 2. Shows to whom, date and where delivered ..... 35¢ With delivery to addressee only ..... 85¢	
DELIVER TO ADDRESSEE ONLY ..... 50¢		
SPECIAL DELIVERY (extra fee required) .....		

PS Form 3800 NO INSURANCE COVERAGE PROVIDED— (See other side)  
Apr. 1971 NOT FOR INTERNATIONAL MAIL \* GPO: 1972 O - 400-743  
*Return to Rosa*

No. 419727

RECEIPT FOR CERTIFIED MAIL—30¢ (plus postage)

SENT TO <i>Union Oil Company</i>		POSTMARK OR DATE  <i>8-27-81</i>
STREET AND NO. <i>Box 271</i>		
P.O., STATE AND ZIP CODE <i>Midland, TX 79701</i>		
OPTIONAL SERVICES FOR ADDITIONAL FEES		
RETURN RECEIPT SERVICES	1. Shows to whom and date delivered ..... 15¢ With delivery to addressee only ..... 65¢ 2. Shows to whom, date and where delivered ..... 35¢ With delivery to addressee only ..... 85¢	
DELIVER TO ADDRESSEE ONLY ..... 50¢		
SPECIAL DELIVERY (extra fee required) .....		

PS Form 3800 NO INSURANCE COVERAGE PROVIDED— (See other side)  
Apr. 1971 NOT FOR INTERNATIONAL MAIL \* GPO: 1972 O - 400-743  
*Return to Rosa*

No. 419726

RECEIPT FOR CERTIFIED MAIL—30¢ (plus postage)

SENT TO <i>David Tasken</i>		POSTMARK OR DATE  <i>8-27-81</i>
STREET AND NO. <i>608 1st. Nat'l Bank Bldg.</i>		
P.O., STATE AND ZIP CODE <i>Midland, Tex. 79701</i>		
OPTIONAL SERVICES FOR ADDITIONAL FEES		
RETURN RECEIPT SERVICES	1. Shows to whom and date delivered ..... 15¢ With delivery to addressee only ..... 65¢ 2. Shows to whom, date and where delivered ..... 35¢ With delivery to addressee only ..... 85¢	
DELIVER TO ADDRESSEE ONLY ..... 50¢		
SPECIAL DELIVERY (extra fee required) .....		

PS Form 3800 NO INSURANCE COVERAGE PROVIDED— (See other side)  
Apr. 1971 NOT FOR INTERNATIONAL MAIL \* GPO: 1972 O - 400-743  
*Return to Rosa*

No. 419724

RECEIPT FOR CERTIFIED MAIL—30¢ (plus postage)

SENT TO <i>Sepaco, Inc</i>		POSTMARK OR DATE  <i>8-27-81</i>
STREET AND NO. <i>P.O. Box 728</i>		
P.O., STATE AND ZIP CODE <i>Holt, NM 88240</i>		
OPTIONAL SERVICES FOR ADDITIONAL FEES		
RETURN RECEIPT SERVICES	1. Shows to whom and date delivered ..... 15¢ With delivery to addressee only ..... 65¢ 2. Shows to whom, date and where delivered ..... 35¢ With delivery to addressee only ..... 85¢	
DELIVER TO ADDRESSEE ONLY ..... 50¢		
SPECIAL DELIVERY (extra fee required) .....		

PS Form 3800 NO INSURANCE COVERAGE PROVIDED— (See other side)  
Apr. 1971 NOT FOR INTERNATIONAL MAIL \* GPO: 1972 O - 400-743  
*Return to Rosa*

No. 419723

RECEIPT FOR CERTIFIED MAIL—30¢ (plus postage)

SENT TO <i>Bureau of Land Mgt.</i>		POSTMARK OR DATE  <i>8-1-81</i>
STREET AND NO. <i>P.O. Box 506</i>		
P.O., STATE AND ZIP CODE <i>Carlsbad, NM 88220</i>		
OPTIONAL SERVICES FOR ADDITIONAL FEES		
RETURN RECEIPT SERVICES	1. Shows to whom and date delivered ..... 15¢ With delivery to addressee only ..... 65¢ 2. Shows to whom, date and where delivered ..... 35¢ With delivery to addressee only ..... 85¢	
DELIVER TO ADDRESSEE ONLY ..... 50¢		
SPECIAL DELIVERY (extra fee required) .....		

PS Form 3800 NO INSURANCE COVERAGE PROVIDED— (See other side)  
Apr. 1971 NOT FOR INTERNATIONAL MAIL \* GPO: 1972 O - 400-743

would convert well from  
SE Catclaw Draw 'Morrow gas well  
to disposal well.  
expect to dispose of approx  
2000 bopd w/ pressure

FROM State

10 8144

16288

BEFORE EXAMINER NUTTER  
OIL CONSERVATION DIVISION  
*Conoco* EXHIBIT NO. *1*  
CASE NO. *7350*

**CONOCO**

PRODUCTION DEPARTMENT

HOBBS DIVISION

LOCATION PLAT

EDDY COUNTY, NEW MEXICO

SCALE

0 1500' 3000'

LEGEND

•	WELL	⊗	DRY HOLE	⊕	SALT WATER
○	WELL	△	INJECTION WELL	□	DISPOSAL WELL
□	WELL	⊗	ABANDONED WELL	⊕	DEEPER WELL
		⊗	SHUT-IN WELL		ZONE UNTESTED



TABULATION OF MONTHLY PRODUCTION

Month	Federal 34 No. 1			Levers Federal No. 1		
	BBLs Condensate	BBLs Water	MCF Gas	BBLs Condensate	BBLs Water	MCF Gas
<u>1980</u>						
August				974	41,611	45,468
September				1002	61,194	45,967
October				1012	56,132	42,339
November				550	30,447	28,306
December				360	32,783	13,215
<u>1981</u>						
January				861	54,461	43,378
February				833	50,909	36,262
March				877	46,332	28,619
April				351	20,875	23,600
May				1133	53,598	32,695
June				1015	55,851	38,874
July	Recompleted in Cisco, July 1981 On test 8-12-81, produced 1118 MCPPD, 1920 BWPB, no condensate					

BEFORE EXAMINER NUTTER  
OIL CONSERVATION DIVISION

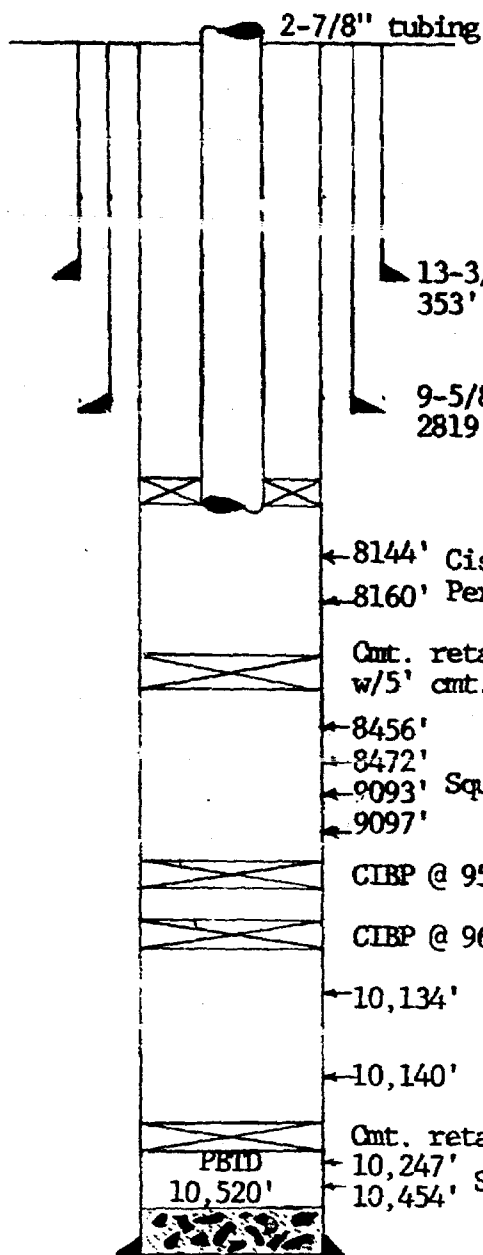
*Conoco* EXHIBIT NO. 2  
CASE NO. 7350

Conoco Inc.  
OPERATORLevers Federal  
LEASE2  
WELL NO.1650' FSL & 1650' FEL  
FOOTAGE LOCATION2  
SECTION21S  
TOWNSHIP25E  
RANGE

Eddy County, New Mexico

## Schematic

## Tabular Data



## Surface Casing

Size 13-3/8 " Cemented with 293 sx.TOC Circulated feet determined by \_\_\_\_\_Hole size 17-1/2"

## Intermediate Casing

Size 9-5/8 " Cemented with 921 sx.TOC Circulated feet determined by \_\_\_\_\_Hole size 12-1/2"

## Long string

Size 5-1/2 " Cemented with 341 sx.TOC 6000 feet determined by Temp. surveyHole size 8-3/4"Total depth 10,560'

Injection interval - Perf.

8144 feet to 8160 feet  
(perforated or open-hole, indicate which)Cmt. retainer  
w/5' cmt. on top

8456'

8472'

9093' Squeezed &amp; pressure tested

9097'

CIBP @ 9590' w/10' cmt. on top

CIBP @ 9600' w/10' cmt. on top

10,134'

10,140'

Cmt. retainer @ 10,200' w/10' cmt. on top

10,247' Squeezed 1-19-77

10,454'

PBID

10,520'

Tubing size 2-7/8" lined with Plastic set in a  
(material)Baker Lok-set  
(brand and model)packer at 8000 feet

(or describe any other casing-tubing seal).

## Other Data

1. Name of the injection formation Upper Perm (Cisco)2. Name of field or Pool (if applicable) Springs Upper Perm3. Is this a new well drilled for injection? ☐ Yes ☒ NoIf no, for what purpose was the well originally drilled? Catclaw Draw Morrow-Gas Well4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail (sacks of cement or bridge plug(s) used) yes - see schematic5. Give the depth to and name of any overlying and/or underlying oil or gas zones (pools) in this area. Wolfcamp - Bottom: 8090'; Strawn - Top: 8760'8144  
2  
1628.8

EXHIBT

4

LEVERS FEDERAL No 1

8000

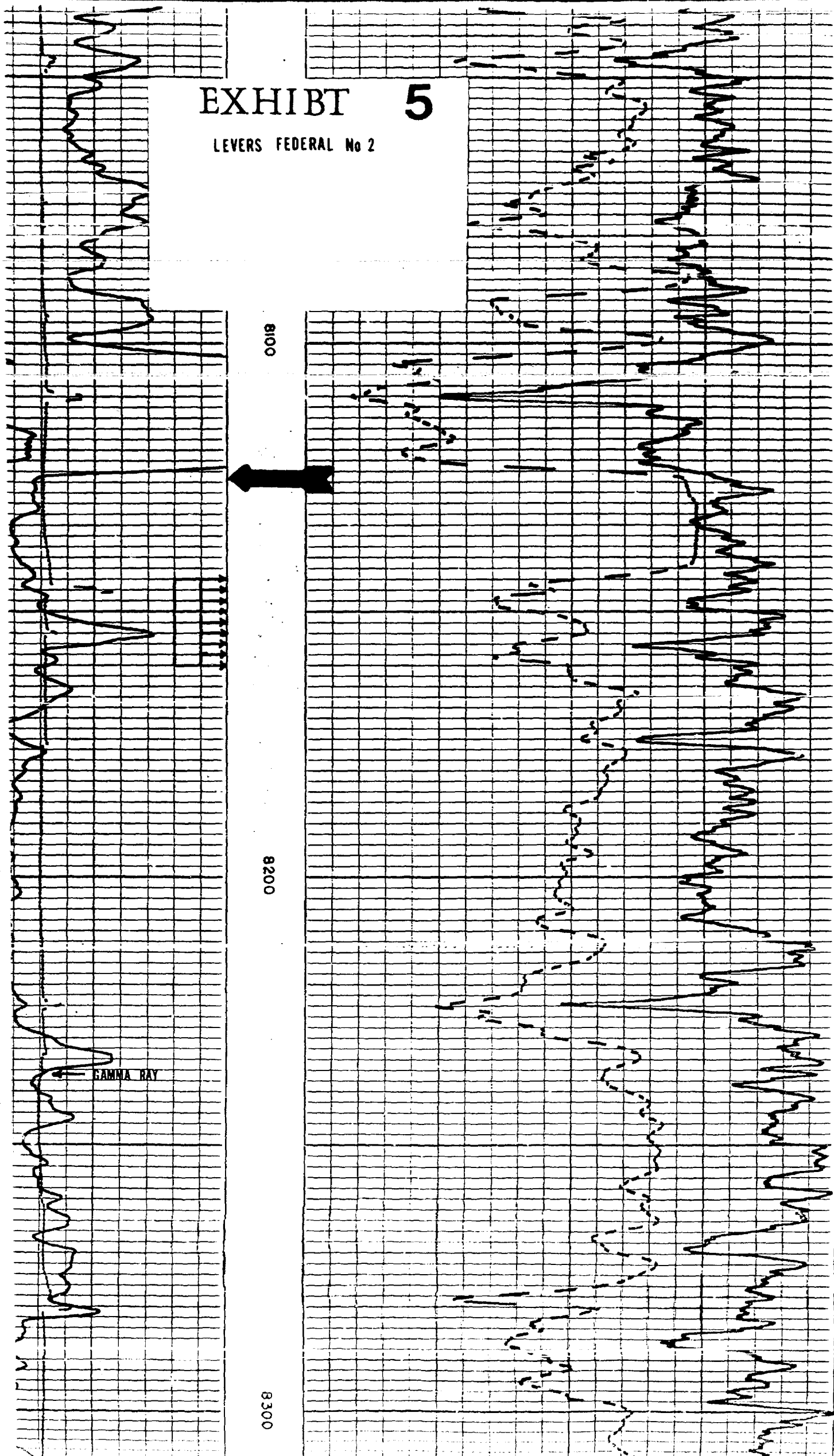
8100

8200

GAMMA KAY

# EXHIBT 5

LEVERS FEDERAL No 2



RECEIPT FOR CERTIFIED MAIL—30¢ (plus postage)

SENT TO <i>NRCC Oil Gas Company</i>		POSTMARK OR DATE  <i>8-27-81</i>
STREET AND NO. <i>P.O. Box 1610</i>		
P.O., STATE AND ZIP CODE <i>Midland, TX 79701</i>		
OPTIONAL SERVICES FOR ADDITIONAL FEES		
RETURN RECEIPT SERVICES	1. Shows to whom and date delivered ..... 15¢ With delivery to addressee only ..... 65¢ 2. Shows to whom, date and where delivered ..... 35¢ With delivery to addressee only ..... 85¢ DELIVER TO ADDRESSEE ONLY ..... 50¢ SPECIAL DELIVERY (extra fee required) .....	

PS Form 3800 NO INSURANCE COVERAGE PROVIDED— (See other side)  
 Apr. 1971 NOT FOR INTERNATIONAL MAIL \* GPO : 1972 O - 400-743  
*Return to Rosa*

No. 419725

RECEIPT FOR CERTIFIED MAIL—30¢ (plus postage)

SENT TO <i>Union Oil Company</i>		POSTMARK OR DATE  <i>8-27-81</i>
STREET AND NO. <i>Box 671</i>		
P.O., STATE AND ZIP CODE <i>Midland, TX 79701</i>		
OPTIONAL SERVICES FOR ADDITIONAL FEES		
RETURN RECEIPT SERVICES	1. Shows to whom and date delivered ..... 15¢ With delivery to addressee only ..... 65¢ 2. Shows to whom, date and where delivered ..... 35¢ With delivery to addressee only ..... 85¢ DELIVER TO ADDRESSEE ONLY ..... 50¢ SPECIAL DELIVERY (extra fee required) .....	

PS Form 3800 NO INSURANCE COVERAGE PROVIDED— (See other side)  
 Apr. 1971 NOT FOR INTERNATIONAL MAIL \* GPO : 1972 O - 400-743  
*Return to Rosa*

No. 419727

RECEIPT FOR CERTIFIED MAIL—30¢ (plus postage)

SENT TO <i>David Jasken</i>		POSTMARK OR DATE  <i>8-27-81</i>
STREET AND NO. <i>608 1st. Nat'l Bank Bldg.</i>		
P.O., STATE AND ZIP CODE <i>Midland, Tex. 79701</i>		
OPTIONAL SERVICES FOR ADDITIONAL FEES		
RETURN RECEIPT SERVICES	1. Shows to whom and date delivered ..... 15¢ With delivery to addressee only ..... 65¢ 2. Shows to whom, date and where delivered ..... 35¢ With delivery to addressee only ..... 85¢ DELIVER TO ADDRESSEE ONLY ..... 50¢ SPECIAL DELIVERY (extra fee required) .....	

PS Form 3800 NO INSURANCE COVERAGE PROVIDED— (See other side)  
 Apr. 1971 NOT FOR INTERNATIONAL MAIL \* GPO : 1972 O - 400-743  
*Return to Rosa*

No. 419726

RECEIPT FOR CERTIFIED MAIL—30¢ (plus postage)

SENT TO <i>Texaco, Inc</i>		POSTMARK OR DATE  <i>8-27-81</i>
STREET AND NO. <i>P.O. Box 728</i>		
P.O., STATE AND ZIP CODE <i>Albuquerque NM 88240</i>		
OPTIONAL SERVICES FOR ADDITIONAL FEES		
RETURN RECEIPT SERVICES	1. Shows to whom and date delivered ..... 15¢ With delivery to addressee only ..... 65¢ 2. Shows to whom, date and where delivered ..... 35¢ With delivery to addressee only ..... 85¢ DELIVER TO ADDRESSEE ONLY ..... 50¢ SPECIAL DELIVERY (extra fee required) .....	

PS Form 3800 NO INSURANCE COVERAGE PROVIDED— (See other side)  
 Apr. 1971 NOT FOR INTERNATIONAL MAIL \* GPO : 1972 O - 400-743  
*Return to Rosa*

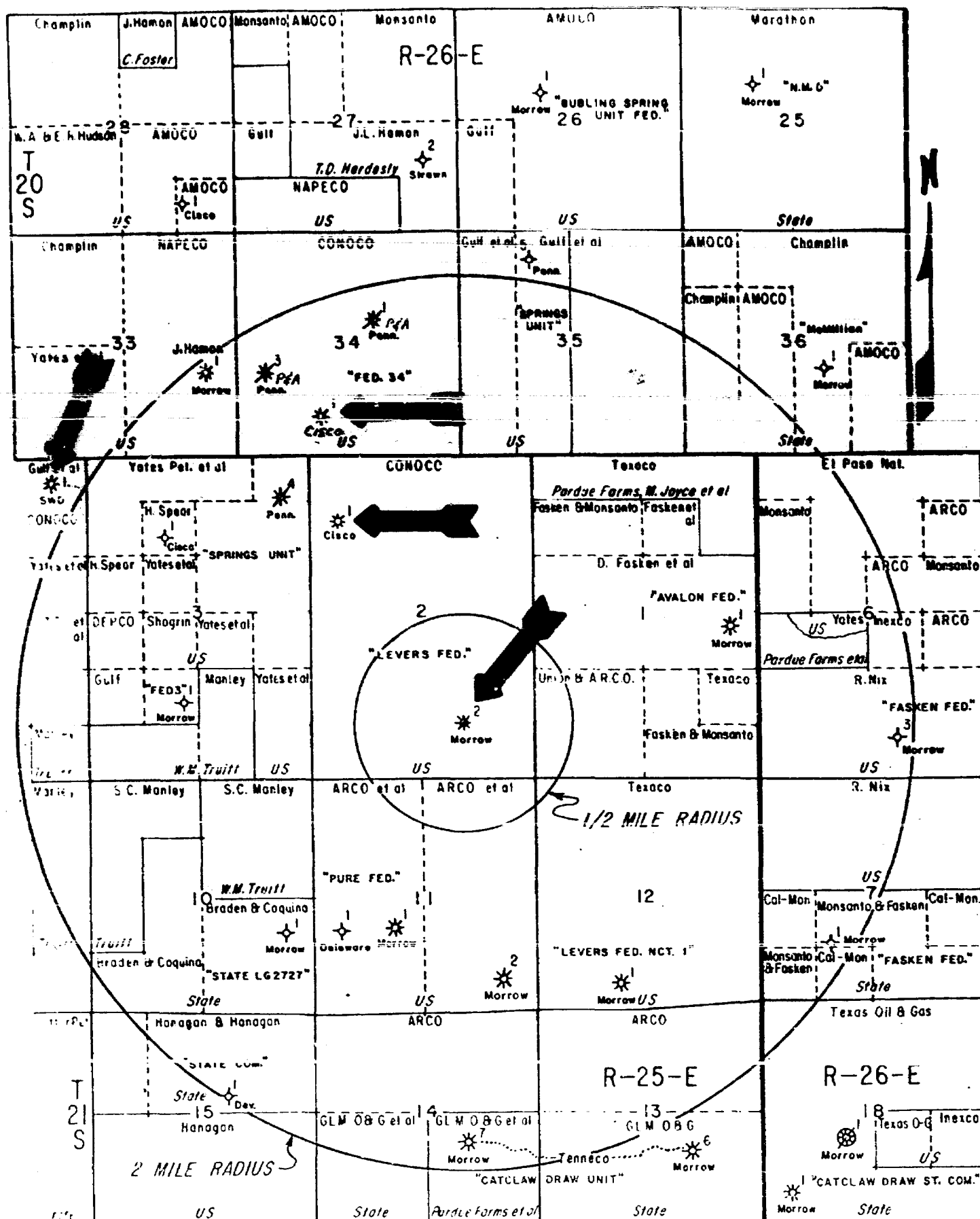
No. 419724

RECEIPT FOR CERTIFIED MAIL—30¢ (plus postage)

SENT TO <i>Bureau of Land Mgt.</i>		POSTMARK OR DATE  <i>8-1-81</i>
STREET AND NO. <i>P.O. Box 506</i>		
P.O., STATE AND ZIP CODE <i>Carlsbad, NM 88220</i>		
OPTIONAL SERVICES FOR ADDITIONAL FEES		
RETURN RECEIPT SERVICES	1. Shows to whom and date delivered ..... 15¢ With delivery to addressee only ..... 65¢ 2. Shows to whom, date and where delivered ..... 35¢ With delivery to addressee only ..... 85¢ DELIVER TO ADDRESSEE ONLY ..... 50¢ SPECIAL DELIVERY (extra fee required) .....	

PS Form 3800 NO INSURANCE COVERAGE PROVIDED— (See other side)  
 Apr. 1971 NOT FOR INTERNATIONAL MAIL \* GPO : 1972 O - 400-743

No. 419723



BEFORE EXAMINER NUTTER  
OIL CONSERVATION DIVISION  
*Conoco* EXHIBIT NO. 1  
CASE NO. 7350

<b>conoco</b>	
PRODUCTION DEPARTMENT	HOBBS DIVISION
LOCATION PLAT EDDY COUNTY, NEW MEXICO	
SCALE 0 1500' 3000'	
LEGEND	<ul style="list-style-type: none"> <li>◇ DRY HOLE</li> <li>▲ INJECTION WELL</li> <li>✱ ABANDONED WELL</li> <li>● SHUT-IN WELL</li> <li>⊕ SALT WATER DISPOSAL WELL</li> <li>• DEEPER WELL</li> <li>□ ZONE UNTESTED</li> </ul>

TABULATION OF MONTHLY PRODUCTION

Month	Federal 34 No. 1			Levers Federal No. 1		
	BBLs Condensate	BBLs Water	MCF Gas	BBLs Condensate	BBLs Water	MCF Gas
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November				550	30,447	28,305
December				360	32,783	13,215
<u>1981</u>						
January				861	54,461	43,378
February				833	50,909	36,262
March				877	46,332	28,619
April				351	20,875	23,600
May				1133	53,598	32,695
June				1015	55,851	38,874
July	Recompleted in Cisco, July 1981 On test 8-12-81, produced 1118 MCFPD, 1920 BWPD, no condensate					

BEFORE EXAMINER NUTTER  
OIL CONSERVATION DIVISION

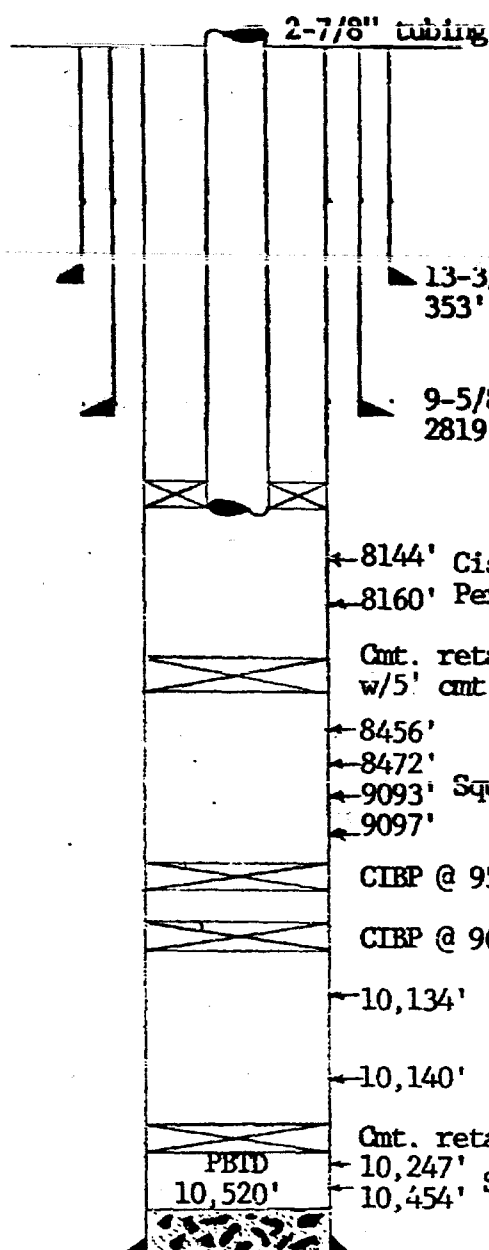
*Conoco* EXHIBIT NO. 2  
CASE NO. 7350

Conoco Inc.  
OPERATORLevers Federal  
LEASE2  
WELL NO.1650' FSL & 1650' FEL  
FOOTAGE LOCATION2  
SECTION21S  
TOWNSHIP25E  
RANGE

Eddy County, New Mexico

## Schematic

## Tabular Data



## Surface Casing

Size 13-3/8 " Cemented with 293 sx.TOC Circulated feet determined by \_\_\_\_\_Hole size 17-1/2"

## Intermediate Casing

Size 9-5/8 " Cemented with 921 sx.TOC Circulated feet determined by \_\_\_\_\_Hole size 12-1/2"

## Long string

Size 5-1/2 " Cemented with 341 sx.TOC 6000 feet determined by Temp. surveyHole size 8-3/4"Total depth 10,560'

Injection interval - Perf.

8144 feet to 8160 feet  
(perforated or open-hole, indicate which)Cmt. retainer  
w/5' cmt. on top

8456'

8472'

9093' Squeezed &amp; pressure tested

9097'

CIBP @ 9590' w/10' cmt. on top

CIBP @ 9600' w/10' cmt. on top

10,134'

10,140'

Cmt. retainer @ 10,200' w/10' cmt. on top

10,247'

10,454' Squeezed 1-19-77

Tubing size 2-7/8" lined with Plastic set in a  
(material)Baker Lok-set  
(brand and model)packer at 8000 feet

(or describe any other casing-tubing seal).

## Other Data

- Name of the injection formation Upper Perm (Cisco)
- Name of field or pool (if applicable) Springs Upper Perm
- Is this a new well drilled for injection? ☐ Yes ☒ No  
If no, for what purpose was the well originally drilled? Catclaw Draw Morrow-Gas Well
- Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail (sacks of cement or bridge plug(s) used) yes - see schematic
- Give the depth to and name of any overlying and/or underlying oil or gas zones (pools) in this area. Wolfcamp - Bottom: 8090'; Strawn - Top: 8760'



EXHIBT

4

LEVERS FEDERAL No 1

8000

8100

8200

GAMMA RAY

# EXHIBT 5

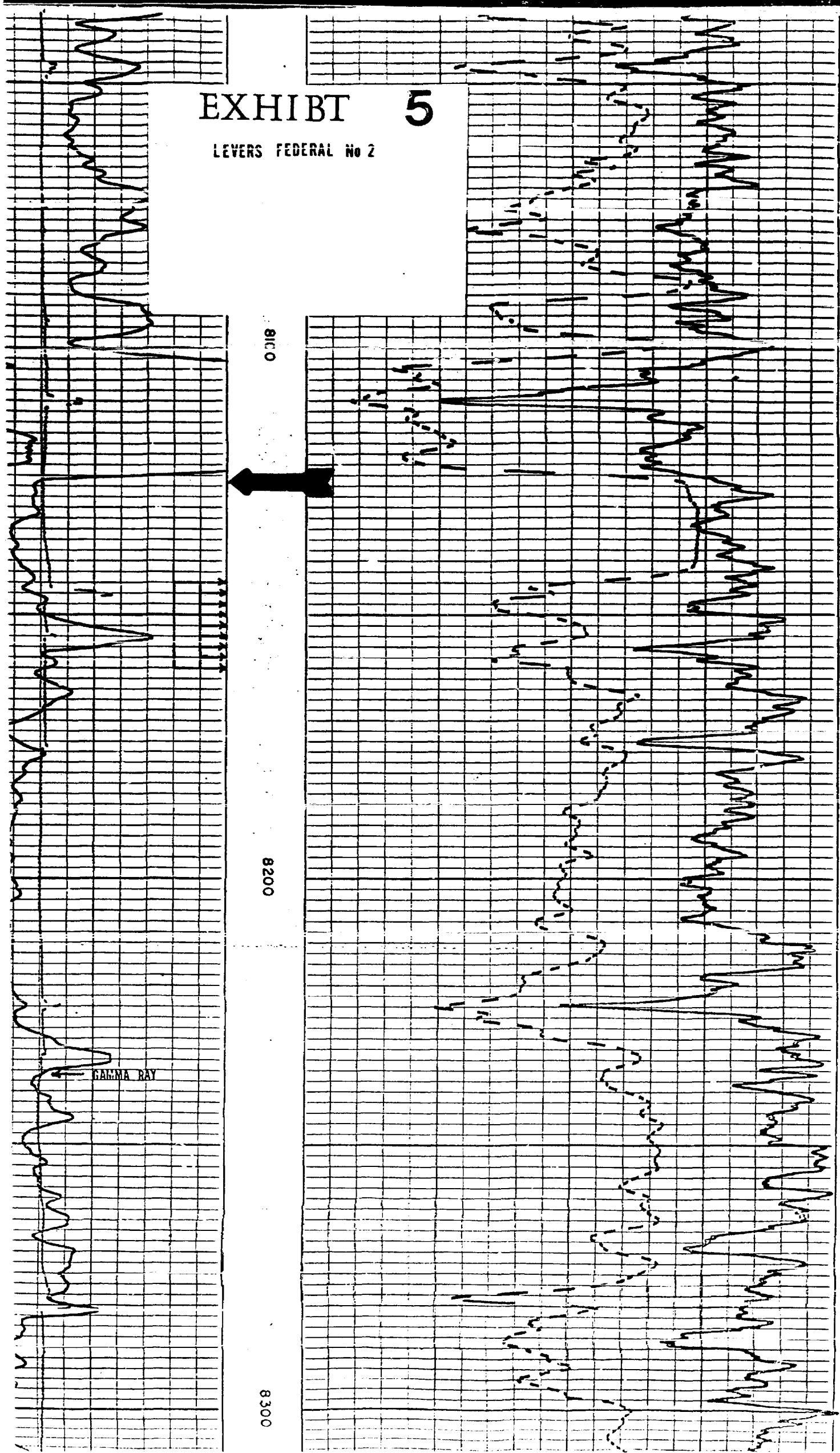
LEVERS FEDERAL No 2

8100

8200

8300

GAMMA RAY



## RECEIPT FOR CERTIFIED MAIL—30¢ (plus postage)

SENT TO <i>ARCO Oil &amp; Gas Company</i>	POSTMARK OR DATE <i>8-27-81</i>
STREET AND NO. <i>P.O. Box 1612</i>	
P.O., STATE AND ZIP CODE <i>Midland TX 79701</i>	
OPTIONAL SERVICES FOR ADDITIONAL FEES	
RETURN RECEIPT SERVICES	1. Shows to whom and date delivered ..... 15¢ With delivery to addressee only ..... 65¢ 2. Shows to whom, date and where delivered ..... 35¢ With delivery to addressee only ..... 85¢
DELIVER TO ADDRESSEE ONLY	50¢
SPECIAL DELIVERY (extra fee required)	

PS Form 3800 NO INSURANCE COVERAGE PROVIDED— (See other side)  
 Apr. 1971 NOT FOR INTERNATIONAL MAIL \* GPO: 1972 O - 460-743

Return to Rosa

## RECEIPT FOR CERTIFIED MAIL—30¢ (plus postage)

SENT TO <i>Union Oil Company</i>	POSTMARK OR DATE <i>8-27-81</i>
STREET AND NO. <i>Box 671</i>	
P.O., STATE AND ZIP CODE <i>Midland TX 79701</i>	
OPTIONAL SERVICES FOR ADDITIONAL FEES	
RETURN RECEIPT SERVICES	1. Shows to whom and date delivered ..... 15¢ With delivery to addressee only ..... 65¢ 2. Shows to whom, date and where delivered ..... 35¢ With delivery to addressee only ..... 85¢
DELIVER TO ADDRESSEE ONLY	50¢
SPECIAL DELIVERY (extra fee required)	

PS Form 3800 NO INSURANCE COVERAGE PROVIDED— (See other side)  
 Apr. 1971 NOT FOR INTERNATIONAL MAIL \* GPO: 1972 O - 460-743

Return to Rosa

## RECEIPT FOR CERTIFIED MAIL—30¢ (plus postage)

SENT TO <i>David Jasken</i>	POSTMARK OR DATE <i>8-27-81</i>
STREET AND NO. <i>608 1st. Nat'l Bank Bldg.</i>	
P.O., STATE AND ZIP CODE <i>Midland Tex. 79701</i>	
OPTIONAL SERVICES FOR ADDITIONAL FEES	
RETURN RECEIPT SERVICES	1. Shows to whom and date delivered ..... 15¢ With delivery to addressee only ..... 65¢ 2. Shows to whom, date and where delivered ..... 35¢ With delivery to addressee only ..... 85¢
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Return to Rosa

## RECEIPT FOR CERTIFIED MAIL—30¢ (plus postage)

SENT TO <i>Saxco, Inc</i>	POSTMARK OR DATE <i>8-27-81</i>
STREET AND NO. <i>P.O. Box 728</i>	
P.O., STATE AND ZIP CODE <i>Hobbs NM 88240</i>	
OPTIONAL SERVICES FOR ADDITIONAL FEES	
RETURN RECEIPT SERVICES	1. Shows to whom and date delivered ..... 15¢ With delivery to addressee only ..... 65¢ 2. Shows to whom, date and where delivered ..... 35¢ With delivery to addressee only ..... 85¢
DELIVER TO ADDRESSEE ONLY	50¢
SPECIAL DELIVERY (extra fee required)	

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Return to Rosa

## RECEIPT FOR CERTIFIED MAIL—30¢ (plus postage)

SENT TO <i>Bureau of Land Mgt.</i>	POSTMARK OR DATE <i>8-1-81</i>
STREET AND NO. <i>P.O. Box 506</i>	
P.O., STATE AND ZIP CODE <i>Carlsbad, NM 88220</i>	
OPTIONAL SERVICES FOR ADDITIONAL FEES	
RETURN RECEIPT SERVICES	1. Shows to whom and date delivered ..... 15¢ With delivery to addressee only ..... 65¢ 2. Shows to whom, date and where delivered ..... 35¢ With delivery to addressee only ..... 85¢
DELIVER TO ADDRESSEE ONLY	50¢
SPECIAL DELIVERY (extra fee required)	

PS Form 3800 NO INSURANCE COVERAGE PROVIDED— (See other side)  
 Apr. 1971 NOT FOR INTERNATIONAL MAIL

CASE 7348: Application of Apollo Oil Company for salt water disposal, Lea County, New Mexico.  
Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Abo formation in the interval from 8834 feet to 8968 feet in its Lovington State 9 Well No. 2 in Unit N of Section 9, Township 17 South, Range 37 East, Midway-Abo Pool.

CASE 7349: Application of Apollo Oil Company for salt water disposal, Lea County, New Mexico.  
Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Bough C Formation in the interval from 9645 feet to 9654 feet in its Jack Markham Well No. 2 in Unit P of Section 11, Township 9 South, Range 35 East, Bough-Permo Pennsylvanian Pool.

CASE 7350: Application of Conoco, Inc. for salt water disposal, Eddy County, New Mexico.  
Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Cisco formation in the interval from 8144 feet to 8160 feet in its Levers Federal Well No. 2 in Unit R of Section 2, Township 20 South, Range 25 East, Springs-Upper Penn Gas Pool.

CASE 7351: Application of Mid-America Petroleum, Inc. for compulsory pooling and the rescission of Order No. R-6722, Lea County, New Mexico.  
Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formations underlying the W/2 of Section 12, Township 23 South, Range 34 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well. Applicant further seeks rescission of Order No. R-6722 which approved an unorthodox location for the subject well based on dedication of the S/2 of said Section 12.

CASE 7352: Application of Yates Petroleum Corporation for designation of a tight formation, Eddy County, New Mexico.  
Applicant, in the above-styled cause, pursuant to Section 107 of the Natural Gas Policy Act 18 - CFR Section 271.701-705, seeks the designation as a tight formation of the Permo-Penn and formation underlying all of the following townships:

Township 17 South, Ranges 24 thru  
26 East;

18 South, 24 and 25 East;

19 South, 23 thru 25 East;

20 South, 21 thru 24 East;

20 1/2 South, 21 and 22 East;

21 South, 21 and 22 East;

Also Sections 1 thru 12 in  
22 South, 21 and 22 East,

All of the above containing a total of 315,000 acres more or less.

\*\*\*\*\*  
Docket No. 28-91

DOCKET: EXAMINER HEARING - WEDNESDAY - SEPTEMBER 16, 1981

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

The following cases will be heard before Richard L. Stamets, Examiner, or Daniel S. Nutter, Alternate Examiner:

- ALLOWABLE:
- (1) Consideration of the allowable production of gas for October, 1981, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
  - (2) Consideration of the allowable production of gas for October, 1981, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

Dockets Nos. 29-81 and 30-81 are tentatively set for September 23 and October 7, 1981. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - SEPTEMBER 9, 1981

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

The following cases will be heard before Daniel S. Mutter, Examiner, or Richard L. Stamets, Alternate Examiner:

- CASE 7341:** Application of Superior Oil Company for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of South Carlsbad Strawn and Morrow production in the wellbore of its Collatt State Com Well No. 1 located in Unit J of Section 1, Township 23 South, Range 26 East.
- CASE 7342:** Application of Arco Oil and Gas Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Blinney and Drinkard production in the wellbore of its State 367 Well No. 2 located in Unit L of Section 36 and its Roy Barton Well No. 2 located in Unit B of Section 23, both in Township 21 South, Range 37 East.
- CASE 7343:** Application of Caribou Four Corners, Inc. for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Cha Cha Gallup - Oil Pool underlying the E/2 NW/4 of Section 18, Township 29 North, Range 14 West, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 7344:** Application of Read & Stevens, Inc. for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying the W/2 of Section 19, Township 23 South, Range 28 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 7345:** Application of Bass Enterprises Production Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Lovington Penn Pool underlying the N/2 NE/4 of Section 13, Township 16 South, Range 36 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 7346:** Application of Cibola Energy Corporation for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp through Devonian formations underlying the W/2 of Section 19, Township 10 South, Range 29 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 7347:** Application of Tenneco Oil Company for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 660 feet from the South Line and 860 feet from the West Line of Section 20, Township 16 South, Range 34 East, Kemnitz-Morrow Gas Pool, the W/2 of said Section 20 to be dedicated to the well.

Production Department  
Hobbs Division  
Western Hemisphere Petroleum Division

CONOCO

Conoco Inc.  
P.O. Box 400  
726 E. Michigan  
Hobbs, NM 88240  
(505) 393-4141



September 1, 1981

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

Attention: Mr. Dan Nutter

Gentlemen:

Request for Hearing - Convert to SWD Conoco Inc's. Levers Federal Well  
No. 2, Eddy County, New Mexico (Case 7350)

Supplementing our Application for Examiner Hearing furnished by letter dated August 20, 1981, attached is a copy of receipts from our certified letters to offset operators and land owner per Order No. R-6702.

Very Truly Yours,

  
H. A. Ingram  
Conservation Coordinator

HAI:nls

No. 419727

## RECEIPT FOR CERTIFIED MAIL—30¢ (plus postage)

SENT TO <i>Union Oil Company</i>		POSTMARK OR DATE  <i>8-27-81</i>
STREET AND NO. <i>Box 2671</i>		
P.O., STATE AND ZIP CODE <i>Midland, TX 79701</i>		
OPTIONAL SERVICES FOR ADDITIONAL FEES		
RETURN RECEIPT SERVICES	1. Shows to whom and date delivered ..... 15¢ With delivery to addressee only ..... 65¢ 2. Shows to whom, date and where delivered ..... 35¢ With delivery to addressee only ..... 85¢	
DELIVER TO ADDRESSEE ONLY ..... 50¢		
SPECIAL DELIVERY (extra fee required) .....		
PS Form 3800 NO INSURANCE COVERAGE PROVIDED— (See other side) Apr. 1971 NOT FOR INTERNATIONAL MAIL * GPO : 1972 O - 460-743		

No. 419724

## RECEIPT FOR CERTIFIED MAIL—30¢ (plus postage)

SENT TO <i>Agac, Inc</i>		POSTMARK OR DATE  <i>8-27-81</i>
STREET AND NO. <i>P.O. Box 723</i>		
P.O., STATE AND ZIP CODE <i>Notas NM 88240</i>		
OPTIONAL SERVICES FOR ADDITIONAL FEES		
RETURN RECEIPT SERVICES	1. Shows to whom and date delivered ..... 15¢ With delivery to addressee only ..... 65¢ 2. Shows to whom, date and where delivered ..... 35¢ With delivery to addressee only ..... 85¢	
DELIVER TO ADDRESSEE ONLY ..... 50¢		
SPECIAL DELIVERY (extra fee required) .....		
PS Form 3800 NO INSURANCE COVERAGE PROVIDED— (See other side) Apr. 1971 NOT FOR INTERNATIONAL MAIL * GPO : 1972 O - 460-743		

No. 419725

## RECEIPT FOR CERTIFIED MAIL—30¢ (plus postage)

SENT TO <i>ARCO Oil &amp; Gas Company</i>		POSTMARK OR DATE  <i>8-27-81</i>
STREET AND NO. <i>P.O. Box 1610</i>		
P.O., STATE AND ZIP CODE <i>Midland TX 79701</i>		
OPTIONAL SERVICES FOR ADDITIONAL FEES		
RETURN RECEIPT SERVICES	1. Shows to whom and date delivered ..... 15¢ With delivery to addressee only ..... 65¢ 2. Shows to whom, date and where delivered ..... 35¢ With delivery to addressee only ..... 85¢	
DELIVER TO ADDRESSEE ONLY ..... 50¢		
SPECIAL DELIVERY (extra fee required) .....		
PS Form 3800 NO INSURANCE COVERAGE PROVIDED— (See other side) Apr. 1971 NOT FOR INTERNATIONAL MAIL * GPO : 1972 O - 460-743		

No. 419726

## RECEIPT FOR CERTIFIED MAIL—30¢ (plus postage)

SENT TO <i>David Jasken</i>		POSTMARK OR DATE  <i>8-27-81</i>
STREET AND NO. <i>608 1st. Nat'l Bank Bldg.</i>		
P.O., STATE AND ZIP CODE <i>Midland, Tex. 79701</i>		
OPTIONAL SERVICES FOR ADDITIONAL FEES		
RETURN RECEIPT SERVICES	1. Shows to whom and date delivered ..... 15¢ With delivery to addressee only ..... 65¢ 2. Shows to whom, date and where delivered ..... 35¢ With delivery to addressee only ..... 85¢	
DELIVER TO ADDRESSEE ONLY ..... 50¢		
SPECIAL DELIVERY (extra fee required) .....		
PS Form 3300 NO INSURANCE COVERAGE PROVIDED— (See other side) Apr. 1971 NOT FOR INTERNATIONAL MAIL * GPO : 1972 O - 460-743		

No. 419730

## RECEIPT FOR CERTIFIED MAIL—30¢ (plus postage)

SENT TO <i>Bureau of Land Mgt.</i>		POSTMARK OR DATE  <i>8-1-81</i>
STREET AND NO. <i>P.O. Box 506</i>		
P.O., STATE AND ZIP CODE <i>Carlsbad, NM 88220</i>		
OPTIONAL SERVICES FOR ADDITIONAL FEES		
RETURN RECEIPT SERVICES	1. Shows to whom and date delivered ..... 15¢ With delivery to addressee only ..... 65¢ 2. Shows to whom, date and where delivered ..... 35¢ With delivery to addressee only ..... 85¢	
DELIVER TO ADDRESSEE ONLY ..... 50¢		
SPECIAL DELIVERY (extra fee required) .....		
PS Form 3300 NO INSURANCE COVERAGE PROVIDED— (See other side) Apr. 1971 NOT FOR INTERNATIONAL MAIL * GPO : 1972 O - 460-743		

HAI

# RECEIPT FOR CERTIFIED MAIL—30¢ (plus postage)

SENT TO <i>Union Oil Company</i>		POSTMARK OR DATE  <i>8-27-81</i>
STREET AND NO. <i>Box 271</i>		
P.O., STATE AND ZIP CODE <i>Midland, TX 79701</i>		
OPTIONAL SERVICES FOR ADDITIONAL FEES		
RETURN RECEIPT SERVICES	1. Shows to whom and date delivered ..... 15¢ With delivery to addressee only ..... 65¢ 2. Shows to whom, date and where delivered ..... 35¢ With delivery to addressee only ..... 85¢	
DELIVER TO ADDRESSEE ONLY ..... 50¢		
SPECIAL DELIVERY (extra fee required) .....		
PS Form 3800 NO INSURANCE COVERAGE PROVIDED— (See other side) Apr. 1971 NOT FOR INTERNATIONAL MAIL • GPO: 1972 O - 460-743		

No. 419727

# RECEIPT FOR CERTIFIED MAIL—30¢ (plus postage)

SENT TO <i>Agave, Inc</i>		POSTMARK OR DATE  <i>8-27-81</i>
STREET AND NO. <i>P.O. Box 728</i>		
P.O., STATE AND ZIP CODE <i>Midland, TX 79701</i>		
OPTIONAL SERVICES FOR ADDITIONAL FEES		
RETURN RECEIPT SERVICES	1. Shows to whom and date delivered ..... 15¢ With delivery to addressee only ..... 65¢ 2. Shows to whom, date and where delivered ..... 35¢ With delivery to addressee only ..... 85¢	
DELIVER TO ADDRESSEE ONLY ..... 50¢		
SPECIAL DELIVERY (extra fee required) .....		
PS Form 3800 NO INSURANCE COVERAGE PROVIDED— (See other side) Apr. 1971 NOT FOR INTERNATIONAL MAIL • GPO: 1972 O - 460-743		

No. 419724

# RECEIPT FOR CERTIFIED MAIL—30¢ (plus postage)

SENT TO <i>ARCO Oil &amp; Gas Company</i>		POSTMARK OR DATE  <i>8-27-81</i>
STREET AND NO. <i>P.O. Box 1610</i>		
P.O., STATE AND ZIP CODE <i>Midland TX 79701</i>		
OPTIONAL SERVICES FOR ADDITIONAL FEES		
RETURN RECEIPT SERVICES	1. Shows to whom and date delivered ..... 15¢ With delivery to addressee only ..... 65¢ 2. Shows to whom, date and where delivered ..... 35¢ With delivery to addressee only ..... 85¢	
DELIVER TO ADDRESSEE ONLY ..... 50¢		
SPECIAL DELIVERY (extra fee required) .....		
PS Form 3800 NO INSURANCE COVERAGE PROVIDED— (See other side) Apr. 1971 NOT FOR INTERNATIONAL MAIL • GPO: 1972 O - 460-743		

No. 419725

# RECEIPT FOR CERTIFIED MAIL—30¢ (plus postage)

SENT TO <i>David Jasken</i>		POSTMARK OR DATE  <i>8-27-81</i>
STREET AND NO. <i>608 1st. Nat'l Bank Bldg.</i>		
P.O., STATE AND ZIP CODE <i>Midland, Tex. 79701</i>		
OPTIONAL SERVICES FOR ADDITIONAL FEES		
RETURN RECEIPT SERVICES	1. Shows to whom and date delivered ..... 15¢ With delivery to addressee only ..... 65¢ 2. Shows to whom, date and where delivered ..... 35¢ With delivery to addressee only ..... 85¢	
DELIVER TO ADDRESSEE ONLY ..... 50¢		
SPECIAL DELIVERY (extra fee required) .....		
PS Form 3800 NO INSURANCE COVERAGE PROVIDED— (See other side) Apr. 1971 NOT FOR INTERNATIONAL MAIL • GPO: 1972 O - 460-743		

No. 419726

# RECEIPT FOR CERTIFIED MAIL—30¢ (plus postage)

SENT TO <i>Bureau of Land Mgt.</i>		POSTMARK OR DATE  <i>8-1-81</i>
STREET AND NO. <i>P.O. Box 506</i>		
P.O., STATE AND ZIP CODE <i>Carlsbad, N.M. 88220</i>		
OPTIONAL SERVICES FOR ADDITIONAL FEES		
RETURN RECEIPT SERVICES	1. Shows to whom and date delivered ..... 15¢ With delivery to addressee only ..... 65¢ 2. Shows to whom, date and where delivered ..... 35¢ With delivery to addressee only ..... 85¢	
DELIVER TO ADDRESSEE ONLY ..... 50¢		
SPECIAL DELIVERY (extra fee required) .....		
PS Form 3800 NO INSURANCE COVERAGE PROVIDED— (See other side) Apr. 1971 NOT FOR INTERNATIONAL MAIL • GPO: 1972 O - 460-743		

No. 419730

HAI



# RECEIPT FOR CERTIFIED MAIL—30¢ (plus postage)

SENT TO <i>Union Oil Company</i>		POSTMARK OR DATE  <i>8-27-81</i>
STREET AND NO. <i>Box 271</i>		
P.O., STATE AND ZIP CODE <i>Midland, TX 79701</i>		
OPTIONAL SERVICES FOR ADDITIONAL FEES		
RETURN RECEIPT SERVICES	1. Shows to whom and date delivered ..... 15¢ With delivery to addressee only ..... 65¢ 2. Shows to whom, date and where delivered ..... 35¢ With delivery to addressee only ..... 85¢ DELIVER TO ADDRESSEE ONLY ..... 50¢ SPECIAL DELIVERY (extra fee required) .....	
PS Form 3300 NO INSURANCE COVERAGE PROVIDED— (See other side) Apr. 1971 NOT FOR INTERNATIONAL MAIL * GPO : 1972 O - 480-743		

No. 419727

# RECEIPT FOR CERTIFIED MAIL—30¢ (plus postage)

SENT TO <i>Texaco, Inc</i>		POSTMARK OR DATE  <i>8-27-81</i>
STREET AND NO. <i>P.O. Box 1226</i>		
P.O., STATE AND ZIP CODE <i>Midland, TX 79701</i>		
OPTIONAL SERVICES FOR ADDITIONAL FEES		
RETURN RECEIPT SERVICES	1. Shows to whom and date delivered ..... 15¢ With delivery to addressee only ..... 65¢ 2. Shows to whom, date and where delivered ..... 35¢ With delivery to addressee only ..... 85¢ DELIVER TO ADDRESSEE ONLY ..... 50¢ SPECIAL DELIVERY (extra fee required) .....	
PS Form 3300 NO INSURANCE COVERAGE PROVIDED— (See other side) Apr. 1971 NOT FOR INTERNATIONAL MAIL * GPO : 1972 O - 480-743		

No. 419724

# RECEIPT FOR CERTIFIED MAIL—30¢ (plus postage)

SENT TO <i>ARCO Oil &amp; Gas Company</i>		POSTMARK OR DATE  <i>8-27-81</i>
STREET AND NO. <i>P.O. Box 1610</i>		
P.O., STATE AND ZIP CODE <i>Midland TX 79701</i>		
OPTIONAL SERVICES FOR ADDITIONAL FEES		
RETURN RECEIPT SERVICES	1. Shows to whom and date delivered ..... 15¢ With delivery to addressee only ..... 65¢ 2. Shows to whom, date and where delivered ..... 35¢ With delivery to addressee only ..... 85¢ DELIVER TO ADDRESSEE ONLY ..... 50¢ SPECIAL DELIVERY (extra fee required) .....	
PS Form 3300 NO INSURANCE COVERAGE PROVIDED— (See other side) Apr. 1971 NOT FOR INTERNATIONAL MAIL * GPO : 1972 O - 480-743		

No. 419725

# RECEIPT FOR CERTIFIED MAIL—30¢ (plus postage)

SENT TO <i>David Jasken</i>		POSTMARK OR DATE  <i>8-27-81</i>
STREET AND NO. <i>608 1st. Nat'l Bank Bldg.</i>		
P.O., STATE AND ZIP CODE <i>Midland, Tex. 79701</i>		
OPTIONAL SERVICES FOR ADDITIONAL FEES		
RETURN RECEIPT SERVICES	1. Shows to whom and date delivered ..... 15¢ With delivery to addressee only ..... 65¢ 2. Shows to whom, date and where delivered ..... 35¢ With delivery to addressee only ..... 85¢ DELIVER TO ADDRESSEE ONLY ..... 50¢ SPECIAL DELIVERY (extra fee required) .....	
PS Form 3300 NO INSURANCE COVERAGE PROVIDED— (See other side) Apr. 1971 NOT FOR INTERNATIONAL MAIL * GPO : 1972 O - 480-743		

No. 419726

# RECEIPT FOR CERTIFIED MAIL—30¢ (plus postage)

SENT TO <i>Bureau of Land Mgt.</i>		POSTMARK OR DATE  <i>8-1-81</i>
STREET AND NO. <i>P.O. Box 506</i>		
P.O., STATE AND ZIP CODE <i>Carlsbad, NM 88220</i>		
OPTIONAL SERVICES FOR ADDITIONAL FEES		
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PS Form 3300 NO INSURANCE COVERAGE PROVIDED— (See other side) Apr. 1971 NOT FOR INTERNATIONAL MAIL * GPO : 1972 O - 480-743		

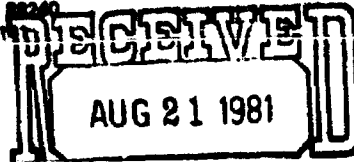
No. 419730

HAI



Production Department  
Hobbs Division  
Western Hemisphere Petroleum Division

Conoco Inc.  
P.O. Box 480  
726 E. Michigan  
Hobbs, NM 88240  
(505) 393-4111



OIL CONSERVATION DIVISION  
SANTA FE

August 20, 1981

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

*Case 7350*


Attention Mr. Dan Nutter

Gentlemen:

Request for Hearing - Convert to SWD Conoco Inc.'s Levers Federal  
Well No. 2, Eddy County, New Mexico

Attached is an Application for Examiner Hearing covering the subject well.  
This confirms my phone request to Florene Davidson on Tuesday, August 18,  
1981.

Very truly yours,

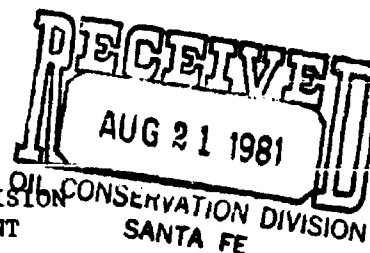
  
H. A. Ingram  
Conservation Coordinator

HAI:rej  
CC + enc:

Mr. Tom Kellahin  
P.O. Box 1769  
Santa Fe, NM 87501

VTI.

BEFORE THE OIL CONSERVATION DIVISION  
ENERGY AND MINERALS DEPARTMENT  
OF THE STATE OF NEW MEXICO



IN THE MATTER OF THE APPLICATION OF  
CONOCO INC. FOR APPROVAL TO CONVERT  
ITS LEVERS FEDERAL WELL NO. 2 FROM  
SHUT-IN CATCLAW DRAW MORROW GAS WELL  
TO SALTWATER DISPOSAL WELL IN SPRINGS  
UPPER PENN GAS POOL, LOCATED IN UNIT R,  
SECTION 2, T-21S, R-25E, EDDY COUNTY,  
NEW MEXICO

Case 7350

A P P L I C A T I O N

Applicant, CONOCO INC., respectfully requests authority to convert from a shut-in gas well in the Catclaw Draw Morrow Gas Pool to an active saltwater disposal well in the Springs Upper Penn Gas Pool its Levers Federal Well No. 2, located 1650' FSL and 1650' FEL of Section 2, T-21S, R-25E, Eddy County, New Mexico, and in support thereof will show:

1. Applicant is operator and co-owner of the Levers Federal Lease consisting of all Section 2, T-21S, R-25E, Eddy County, New Mexico.
2. Applicant wishes to dispose of produced water from the Levers Federal and Federal 34 leases into Levers Federal Well No. 2, which has been shut-in since 1976.
3. That heretofore, surplus produced water from the Levers Federal Lease has been disposed of by trucking, and that due to high rate of expense, it is not economically feasible to dispose in this manner.
4. That the proposed conversion is in the best interest of conservation and prevention of waste.
5. That granting this application will not impair correlative rights of any party.


WHEREFORE, applicant respectfully requests this application be set for hearing before the Division's duly appointed Examiner and, upon hearing an order be entered authorizing the conversion of the Levers Federal

Application  
Levers Federal Well No. 2  
August 18, 1981

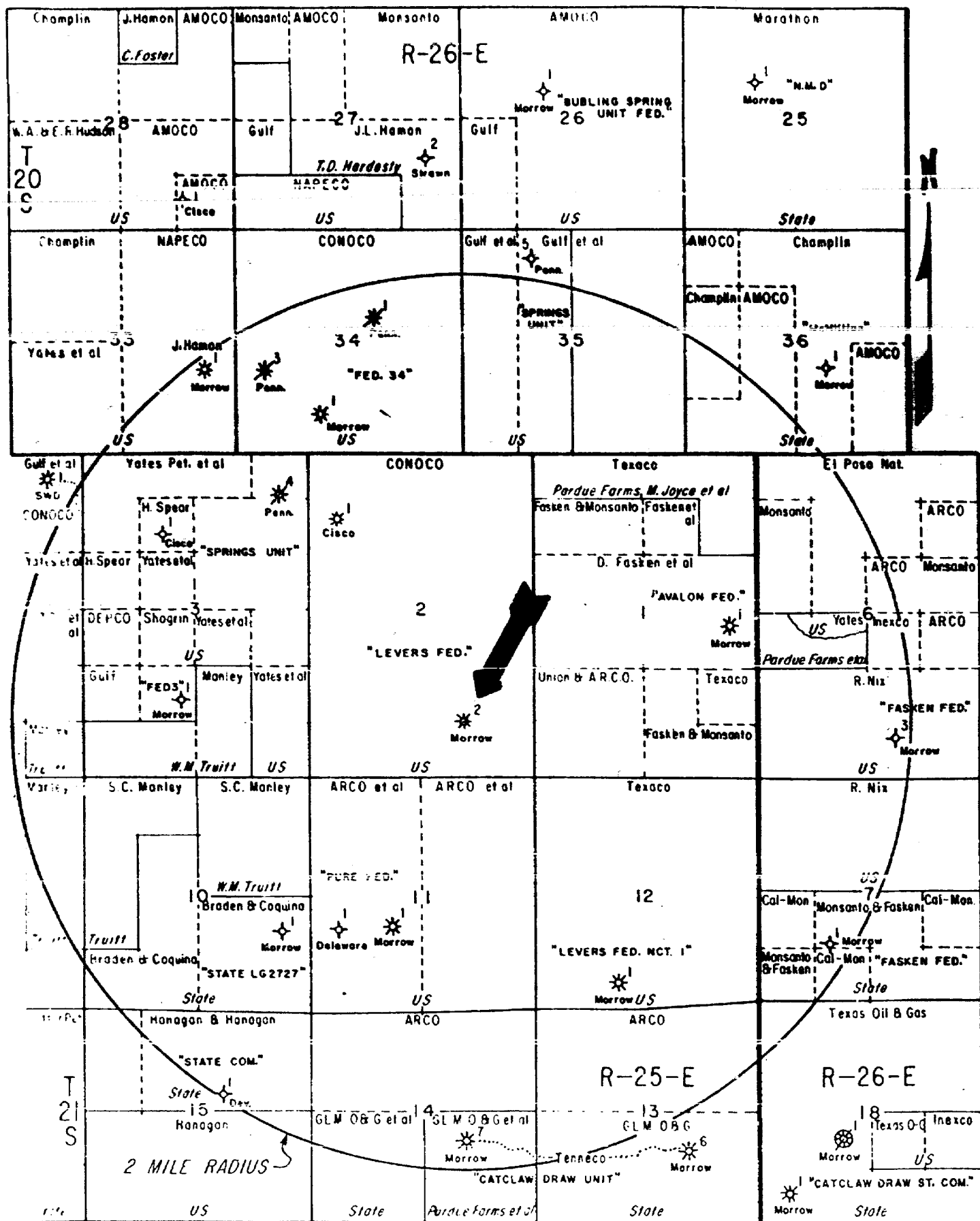
Well No. 2 to saltwater disposal well in Springs Upper Penn Gas Pool.

Respectfully submitted,

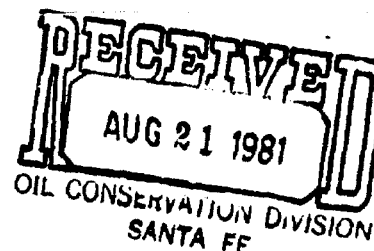
CONOCO INC.

By   
L. P. Thompson  
Division Manager of Production  
Hobbs Division

HAI:rej



<b>conoco</b>	
PRODUCTION DEPARTMENT	HOBBS DIVISION
<p><b>LOCATION PLAT</b></p> <p><b>EDDY COUNTY, NEW MEXICO</b></p>	
<p>SCALE</p> <p>0 1500' 3000'</p>	
<p>LEGEND</p> <p>• LOCATION</p> <p>• OIL WELL</p> <p>• GAS WELL</p>	<p>◊ DRY HOLE</p> <p>▲ INJECTION WELL</p> <p>✱ ABANDONED WELL</p> <p>✱ SHUT-IN WELL</p> <p>⊕ SALT WATER DISPOSAL WELL</p> <p>• DEEPER WELL</p> <p>○ ZONE UNTESTED</p>



BEFORE THE OIL CONSERVATION DIVISION  
ENERGY AND MINERALS DEPARTMENT  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF  
CONOCO INC. FOR APPROVAL TO CONVERT  
ITS LEVERS FEDERAL WELL NO. 2 FROM  
SHUT-IN CATCLAW DRAW MORROW GAS WELL  
TO SALTWATER DISPOSAL WELL IN SPRINGS  
UPPER PENN GAS POOL, LOCATED IN UNIT R,  
SECTION 2, T-21S, R-25E, EDDY COUNTY,  
NEW MEXICO

*Page 7350*

A P P L I C A T I O N

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1. Applicant is operator and co-owner of the Levers Federal Lease consisting of all Section 2, T-21S, R-25E, Eddy County, New Mexico.
2. Applicant wishes to dispose of produced water from the Levers Federal and Federal 34 leases into Levers Federal Well No. 2, which has been shut-in since 1976.
3. That heretofore, surplus produced water from the Levers Federal Lease has been disposed of by trucking, and that due to high rate of expense, it is not economically feasible to dispose in this manner.
4. That the proposed conversion is in the best interest of conservation and prevention of waste.
5. That granting this application will not impair correlative rights of any party.

WHEREFORE, applicant respectfully requests this application be set for hearing before the Division's duly appointed Examiner and, upon hearing an order be entered authorizing the conversion of the Levers Federal

Application  
Levers Federal Well No. 2  
August 18, 1981

Well No. 2 to saltwater disposal well in Springs Upper Penn Gas Pool.

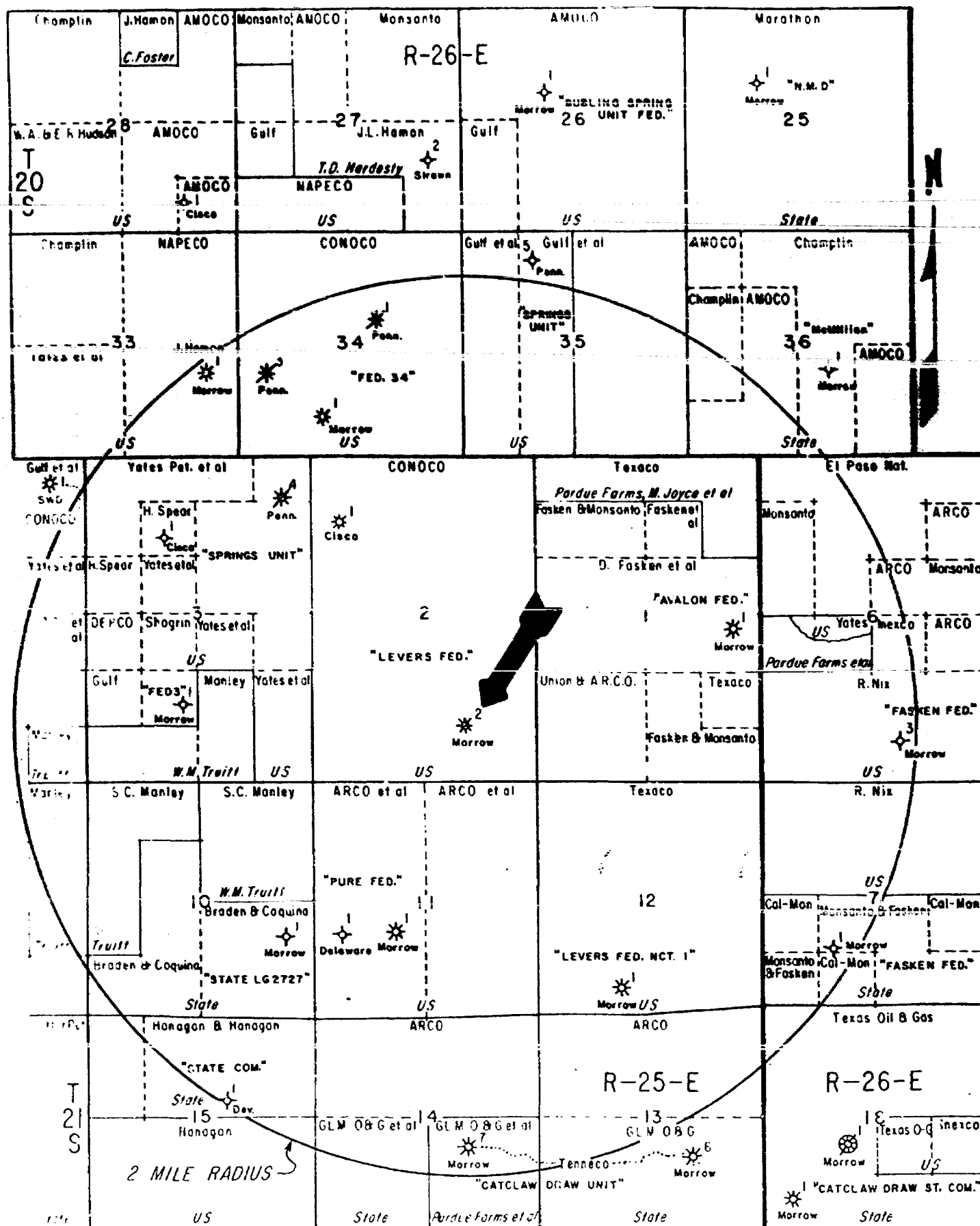
Respectfully submitted,

CONOCO INC.

By

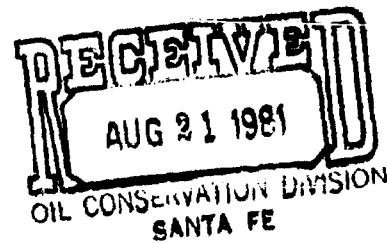
  
L. P. Thompson  
Division Manager of Production  
Hobbs Division

HAI:rej



<b>conoco</b>	
PRODUCTION DEPARTMENT	HOBBS DIVISION
<b>LOCATION PLAT</b> <b>EDDY COUNTY, NEW MEXICO</b>	
SCALE 0 1500' 3000'	
LEGEND * LOCATION • WELL ○ DRY WELL	* DRY HOLE * INJECTION WELL * ABANDONED WELL * SHUT-IN WELL
	* SALT WATER DISPOSAL WELL * DEEPER WELL * ZONE UNTESTED





BEFORE THE OIL CONSERVATION DIVISION  
ENERGY AND MINERALS DEPARTMENT  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF  
CONOCO INC. FOR APPROVAL TO CONVERT  
ITS LEVERS FEDERAL WELL NO. 2 FROM  
SHUT-IN CATCLAW DRAW MORROW GAS WELL  
TO SALTWATER DISPOSAL WELL IN SPRINGS  
UPPER PENN GAS POOL, LOCATED IN UNIT R,  
SECTION 2, T-21S, R-25E, EDDY COUNTY,  
NEW MEXICO

*Case 7350*

A P P L I C A T I O N

Applicant, CONOCO INC., respectfully requests authority to convert from a shut-in gas well in the Catclaw Draw Morrow Gas Pool to an active saltwater disposal well in the Springs Upper Penn Gas Pool its Levers Federal Well No. 2, located 1650' FSL and 1650' FEL of Section 2, T-21S, R-25E, Eddy County, New Mexico, and in support thereof will show:

1. Applicant is operator and co-owner of the Levers Federal Lease consisting of all Section 2, T-21S, R-25E, Eddy County, New Mexico.
2. Applicant wishes to dispose of produced water from the Levers Federal and Federal 34 leases into Levers Federal Well No. 2, which has been shut-in since 1976.
3. That heretofore, surplus produced water from the Levers Federal Lease has been disposed of by trucking, and that due to high rate of expense, it is not economically feasible to dispose in this manner.
4. That the proposed conversion is in the best interest of conservation and prevention of waste.
5. That granting this application will not impair correlative rights of any party.

WHEREFORE, applicant respectfully requests this application be set for hearing before the Division's duly appointed Examiner and, upon hearing an order be entered authorizing the conversion of the Levers Federal


Application  
Levers Federal Well No. 2  
August 18, 1981

Well No. 2 to saltwater disposal well in Springs Upper Penn Gas Pool.

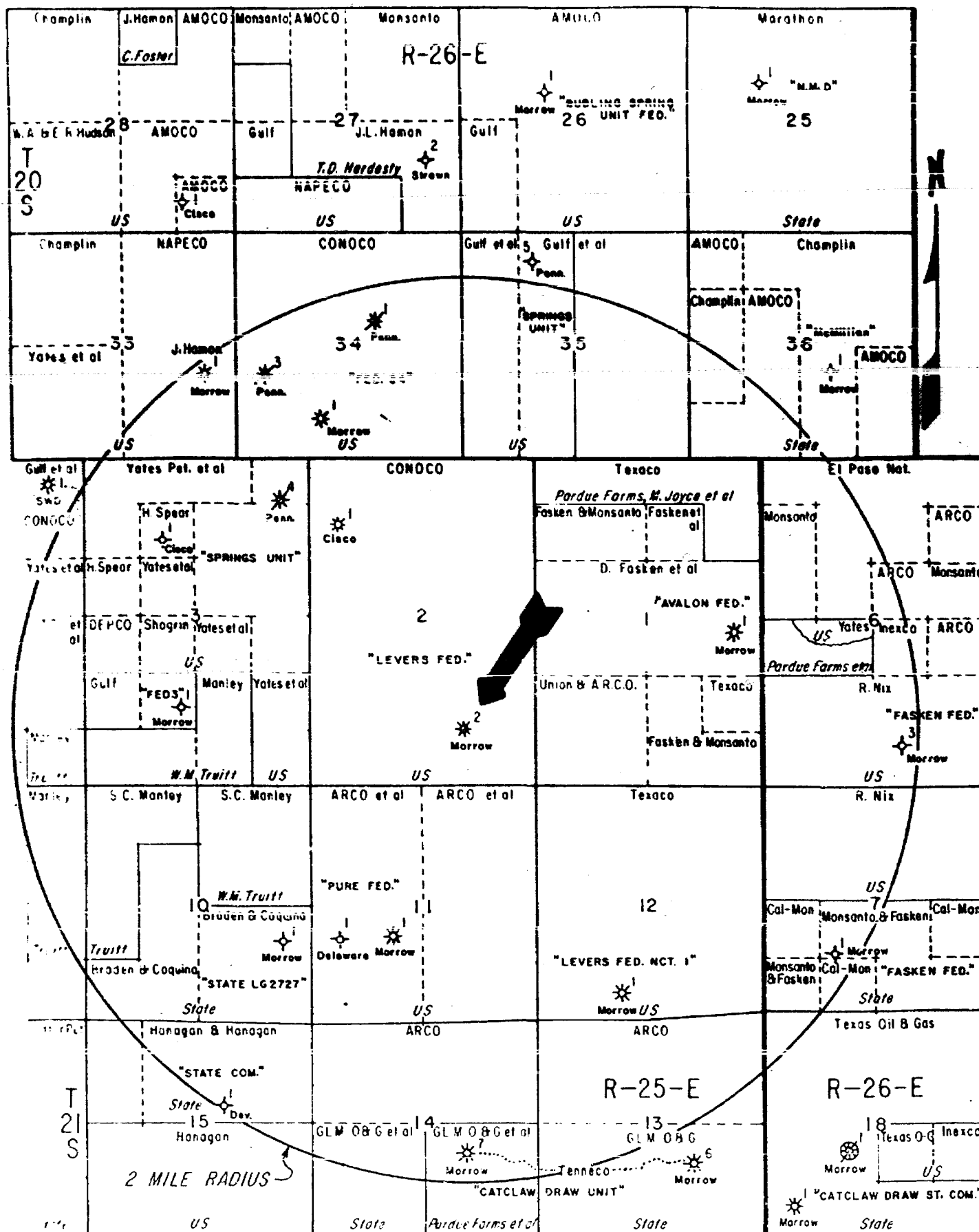
Respectfully submitted,

CONOCO INC.

By

  
L. P. Thompson  
Division Manager of Production  
Hobbs Division

HAI:rej



<b>conoco</b>	
PRODUCTION DEPARTMENT	HOBBS DIVISION
<b>LOCATION PLAT</b> <b>EDDY COUNTY, NEW MEXICO</b>	
SCALE 0 1500' 3000'	
LEGEND * LOCATION • WELL ○ DRY WELL	* DRY HOLE * INJECTION WELL * ABANDONED WELL * SHUT-IN WELL
	* SALT WATER DISPOSAL WELL * DEEPER WELL * ZONE UNTESTED

For September 9  
**Memo**

From

FLORENE DAVIDSON  
ADMINISTRATIVE SECRETARY

To Called in by Hugh Ingram  
8/18/81

Conoco Inc.  
Salt Water Disposal  
Eddy County  
Levers Federal #2

R 2-215-25E

Springs - Upper Penn Gas Pool  
Cisco formation

8144' to 8160'

three selected perforations

OIL CONSERVATION COMMISSION-SANTA FE

ROUGH

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:

CASE NO. 7350

Order No. R- 6790

APPLICATION OF CONOCO, INC. FOR  
SALT WATER DISPOSAL, EDDY COUNTY,  
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on September 9  
19 81, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter  
NOW, on this \_\_\_\_\_ day of September, 19 81, the Division  
Director, 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 Division has jurisdiction of this cause and the subject  
matter thereof.

(2) That the applicant, Conoco, Inc.,  
is the owner and operator of the Levers Federal Well No. 2,  
located in Unit R of Section 2, Township 20 South,  
Range 25 East, NMPM, Springs-Upper Penn Gas Pool,  
Eddy County, New Mexico.

(3) That the applicant proposes to utilize said well to  
dispose of produced salt water into the Cisco  
formation, with injection into the perforated  
interval from approximately 8144 feet to 8160 feet.

(4) That the injection should be accomplished through 2 3/8  
-inch plastic lined tubing installed in a packer set at approxi-  
mately 8000 feet; that the casing-tubing annulus should be  
filled with an inert fluid; and that a pressure gauge or approved  
leak detection device should be attached to the annulus in order

to determine leakage in the casing, tubing, or packer.

(5) That the injection well or system should be equipped with a pop-off valve or <sup>other</sup> acceptable <sup>device</sup> ~~substitute~~ which will limit the wellhead pressure on the injection well to no more than 1630 psi.

(6) That the Director of the Division should be authorized to administratively approve an increase in the injection pressure upon a proper showing by the operator that such higher pressure will not result in migration of the injected waters from the Cisco formation.

(7) That the operator should notify the supervisor of the Artesia district office of the Division of the date and time of the installation of disposal equipment so that the same may be inspected.

(8) That the operator should take all steps necessary to ensure that the injected water enters only the proposed injection interval and is not permitted to escape to other formations or onto the surface.

(9) 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, Conoco, Inc., is hereby authorized to utilize its Levers Federal Well No. 2 located in Unit R of Section 2, Township 20 South Range 25 East, NMPM, Springs-Upper Penn Gas Pool, Eddy County, New Mexico, to dispose of produced salt water into the Cisco formation, injection to be accomplished through 2 7/8-inch tubing installed in a packer set at approximately 8000 feet, with injection into the perforated interval from approximately 8144 feet to 8160 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 shall be equipped with an approved leak detection device in order to determine leakage in the casing, tubing, or packer.

(2) That the injection well or system shall be equipped with a pop-off valve or <sup>other</sup> acceptable <sup>device</sup> ~~substitute~~ which will limit the wellhead pressure on the injection well to no more than 1430 psi.

(3) That the Director of the Division may authorize an increase in injection pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the injected fluid from the Cisco formation.

(4) That the operator shall notify the supervisor of the Artesia district office of the Division of the date and time of the installation of disposal equipment so that the same may be inspected.

(5) That the operator shall immediately notify the supervisor of the Division's Artesia district office of the failure of the tubing, casing, or packer, in said well or the leakage of water from or around said well and shall take such steps as may be timely and necessary to correct such failure or leakage.

(6) That the applicant shall submit monthly reports of its disposal operations in accordance with Rules 704 and 1120 of the Division Rules and Regulations.

(7) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.