

CASE 5655: APOLLO OIL COMPANY  
FOR SALT WATER DISPOSAL, LEA  
COUNTY, NEW MEXICO

CASE NO.

5655

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APPLICATION,  
TRANSCRIPTS,  
SMALL EXHIBITS,

ETC.

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
March 31, 1976

EXAMINER HEARING

IN THE MATTER OF:

Application of Apollo Oil Company for  
salt water disposal, Lea County,  
New Mexico.

CASE  
5655

BEFORE: Richard L. Stamets, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil Conservation Commission: William F. Carr, Esq.  
Legal Counsel for the Commission  
State Land Office Building  
Santa Fe, New Mexico

For the Applicant: W. Thomas Kellahin, Esq.  
KELLAHIN & FOX  
Attorneys at Law  
500 Don Gaspar  
Santa Fe, New Mexico

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General Court Reporting Service  
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501  
Phone (505) 982-9212

I N D E X

	<u>Page</u>
<u>ALLEN RALSTON</u>	
Direct Examination by Mr. Kellahin	3
Cross Examination by Mr. Stamets	7

EXHIBIT INDEX

	<u>Page</u>
Applicant's Exhibit No. One, Plat	7
Applicant's Exhibit No. Two, Sketch	7
Applicant's Exhibit No. Three, Log	7
Applicant's Exhibit No. Four, Well Information	7
Applicant's Exhibit No. Five, Water Analysis	7
Applicant's Exhibit No. Six, Letter	7
Applicant's Exhibit No. Seven, Log	7

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1 MR. STAMETS: We will call next Case 5655.

2 MR. CARR: Case 5655, application of Apollo Oil  
3 Company for salt water disposal, Lea County, New Mexico.

4 MR. KELLAHIN: Tom Kellahin of Kellahin and Fox  
5 appearing on behalf of the applicant and I have one witness to  
6 be sworn.

7 (THEREUPON, the witness was duly sworn.)

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13 DIRECT EXAMINATION

14 BY MR. KELLAHIN:

15 Q Will you please state your name and occupation?

16 A Allen Ralston, Operator of Apollo Oil Company.

17 Q You are the operator and owner of Apollo Oil Company  
18 and you are doing business under that name, is that correct?

19 A Yes, sir.

20 Q And have you previously testified and had your  
21 qualifications accepted?

22 A Yes, sir.

23 Q And are you familiar with the facts surrounding this  
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25 A Yes, sir.

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1 MR. KELLAHIN: If the Examiner please, are the  
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3 MR. STAMETS: They are.

4 Q (Mr. Kellahin continuing.) Mr. Ralston, how do you  
5 spell your last name?

6 A R-a-l-s-t-o-n.

7 Q Would you please refer to what has been marked as  
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11 or disposal wells are outlined in green. The producing wells  
12 in the Jalmat field are outlined in red. The Langlie-Mattix  
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16 This is uneconomical for the production that it makes.

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24 A Initially about two hundred and fifty barrels a day.

25 Q And will that be under vacuum or under pressure?

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1 A. Vacuum.

2 Q And have you discussed or sought the possibility of  
3 using offset disposal wells to take your water?

4 A Yes, I have contacted Antweil and I have contacted  
5 Ralph Lowe and Continental and verbally Continental and Antweil  
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9 Q All right, sir, please refer to Exhibit Number Two  
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13 Q What will be the disposal interval?

14 A It will be between thirty-two, eighty-nine and  
15 thirty-three, sixty-three.

16 Q And you will be disposing into what formation?

17 A Into the Seven Rivers open hole.

18 Q How will you monitor this particular well to detect  
19 any leakage?

20 A I will have a pressure gauge and a vacuum gauge on  
21 the annulus of this well.

22 Q And how will you fill the annular space?

23 A We will fill it with a packer fluid to prevent  
24 corrosion.

25 Q And you will be using plastic-line tubing?

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1 A. Yes, sir.

2 Q. Please refer to Exhibit Number Three and identify  
3 it?

4 A. It's a water analysis.

5 Q. I'm sorry, I've renumbered it for you.

6 Q. Okay, Three is -- we logged this well to determine  
7 just what we had because we didn't get any records when we  
8 purchased this property and it has apparently been drilled  
9 deeper than the Commission records indicated and all of the  
10 perforations by indication of the electric log have been  
11 squeezed off and it had been used as a disposal well previously.

12 Q. All right, Exhibit Number Four now?

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14 that was turned in to the Commission on the well.

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19 Q. Exhibit Number Six is the letter you have already  
20 referred to, would you identify that again, please?

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22 they declined to take my water from this lease.

23 Q. And Exhibit Number Seven?

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25 indicating the cement and the casing shoe and the TD and that



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1 there were no perforations open above where the packer is to  
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3 Q In your opinion, Mr. Ralston, will the approval of  
 4 this application be in the best interest of conservation, the  
 5 prevention of waste and the protection of correlative rights?

6 A Yes, sir.

7 Q Were Exhibits One through Seven either prepared by  
 8 you directly or complied under your direction and supervision?

9 A Yes, sir.

10 MR. KELLAHIN: We move the introduction of Exhibits  
 11 One through Seven.

12 MR. STAMETS: These exhibits will be admitted.

13 (THEREUPON, Applicant's Exhibits One  
 14 through Seven were admitted into evidence.)

15 MR. KELLAHIN: That concludes our direct examination.

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18 BY MR. STAMETS:

19 Q Mr. Ralston, what type of a log do you have here,  
 20 Exhibit Number Seven?

21 A It's a -- well, they didn't even put on there. It's  
 22 just a standard log. It's an electric log but I can't tell  
 23 you without consulting GO International.

24 Q Perhaps you would be able to send us a little more  
 25 information concerning this log subsequent to the hearing?

1 MR. KELLAHIN: We will be happy to.

2 Q. (Mr. Stamets continuing.) Will the water be going  
3 back into the same zone that you produce from?

4 A. No, sir, it will be going into the Seven Rivers, which  
5 is about one hundred and fifty feet below the production in  
6 this area.

7 Q. If you are at some future date required to use  
8 pressure on this system would you be willing to limit the  
9 pressure such that the bottom-hole pressure is no more than  
10 seven-tenths of a pound per foot?

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MR. KELLAHIN: No, sir.

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

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# REPORTER'S CERTIFICATE

I, SIDNEY F. MORRISH, a Certified Shorthand Reporter, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me, and the same is a true and correct record of the said proceedings to the best of my knowledge, skill and ability.

*Sidney F. Morrish*  
 Sidney F. Morrish, C.S.R.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 5655 heard by me on 3/31, 1976.  
*Richard T. Blum*, Examiner  
 New Mexico Oil Conservation Commission

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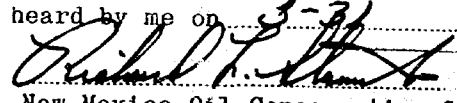
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Sidney F. Morrish, C.S.R.

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the Examiner hearing of Case No. 5655  
heard by me on 3-31, 1976.  
, Examiner  
New Mexico Oil Conservation Commission

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BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:

CASE NO. 5655  
Order No. R-5196

APPLICATION OF APOLLO OIL COMPANY  
FOR SALT WATER DISPOSAL, LEA  
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on March 31, 1976, at Santa Fe, New Mexico, before Examiner, Richard L. Stamets.

NOW, on this 20th day of April, 1976, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Apollo Oil Company, is the owner and operator of the Brown Well No. 5, located in Unit E of Section 25, Township 25 South, Range 36 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico.

(3) That the applicant proposes to utilize said well to dispose of produced salt water into the lower Yates-Seven Rivers formation, with injection into the open-hole interval from approximately 3289 feet to 3363 feet.

(4) That the injection should be accomplished through 2 3/8-inch plastic-lined tubing installed in a packer set at approximately 3150 feet; that the casing-tubing annulus should be filled with an inert fluid; and that a pressure and/or vacuum 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 if injection into said well should be under pressure, the injection well or system should be equipped with a pop-off valve or acceptable substitute which will limit the wellhead pressure on the injection well to no more than 825 psi.



-2-

Case No. 5655  
Order No. R-5196

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

(7) 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.

(8) 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, Apollo Oil Company, is hereby authorized to utilize its Brown Well No. 5, located in Unit E of Section 25, Township 25 South, Range 36 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico, to dispose of produced salt water into the lower Yates-Seven Rivers formation, injection to be accomplished through 2 3/8-inch tubing installed in a packer set at approximately 3150 feet, with injection into the open-hole interval from approximately 3289 feet to 3363 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 and/or vacuum 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 if injection into said well shall be under pressure, the injection well or system shall be equipped with a pop-off valve or acceptable substitute which will limit the wellhead pressure on the injection well to no more than 825 psi.

(3) That if injection into said well is under a vacuum, the operator shall conduct an annual pressure test of the casing-tubing annulus to determine leakage of the casing, tubing, or packer in said well.

(4) That the operator shall notify the Hobbs office of the Commission of the date and time of such pressure tests in order that they may be witnessed by a Commission representative.

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

-3-

Case No. 5655  
Order No. R-5196

(6) That the operator shall immediately notify the supervisor of the Commission's Hobbs 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.

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

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

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION



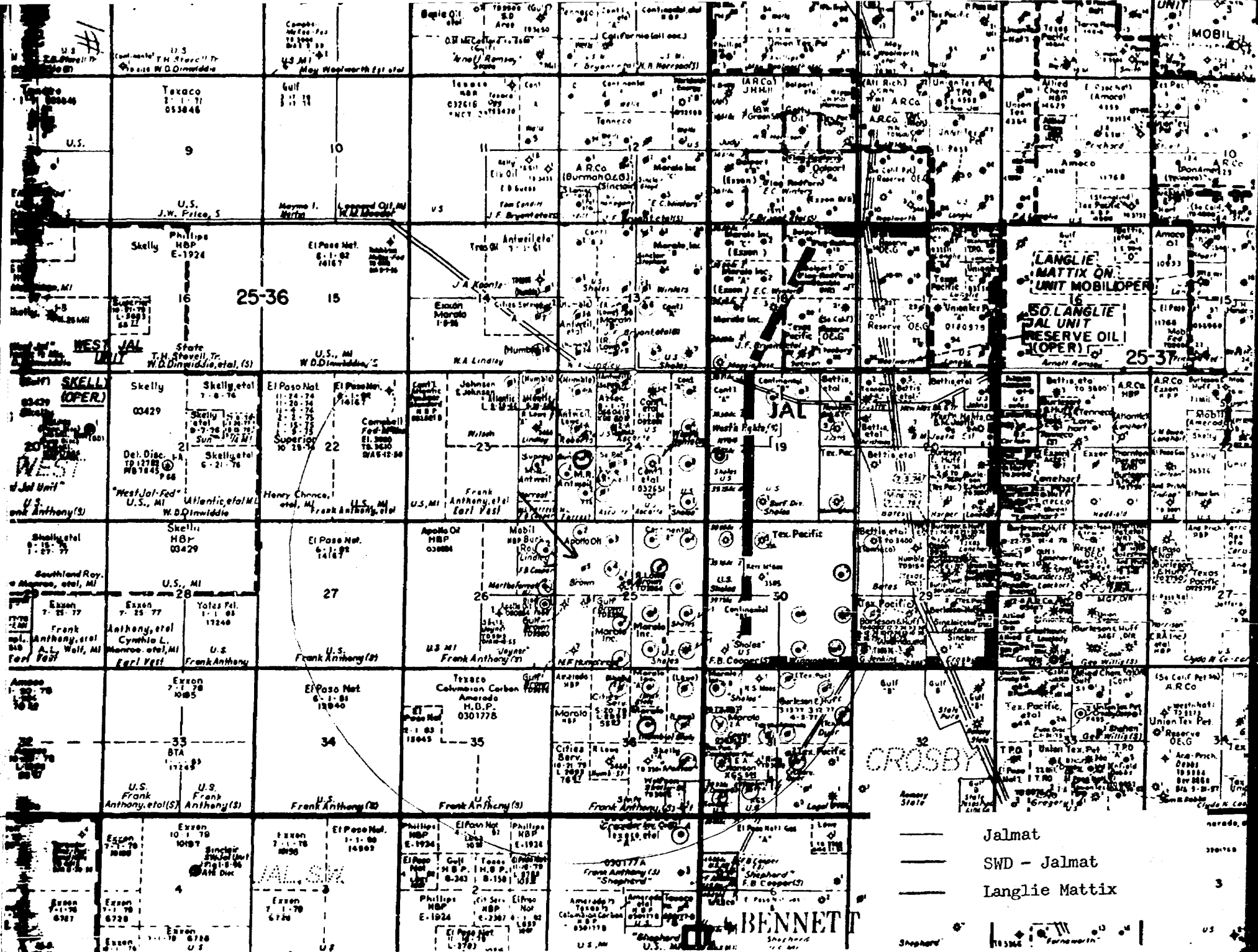
*Phil R. Lucero*  
PHIL R. LUCERO, Chairman

EMERY C. ARNOLD, Member

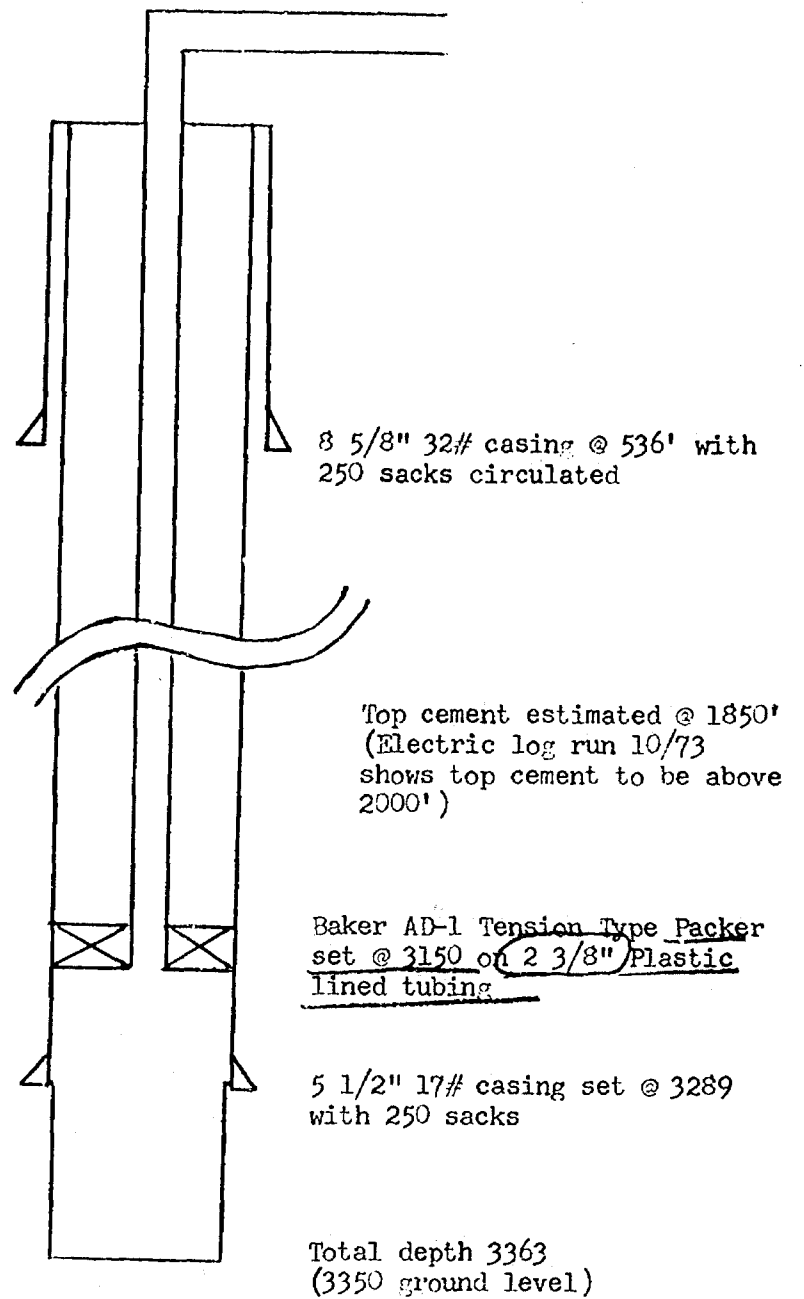
*Joe D. Ramey*  
JOE D. RAMEY, Member & Secretary

S E A L

jr/



DIAGRAMMATIC SKETCH  
of Proposed Installation of  
Water Injection Equipment



*pressure zone on annulus  
annulus - filled w/ inert  
fluid*

Proposed for: Apollo Oil Company  
Brown No. 5  
1650' FNL & 990' FWL  
Sec. 25, T25S, R36E  
Jalmat Pool  
Lea County, New Mexico

BEFORE EXAMINING STATEMENTS	
OIL COMMISSION REGISTRATION	
Apollo	EXHIBIT NO. 2
CASE NO.	5755
Submitted by	RAKSTON
Hearing Date	31 MAR 76

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DATE	
FILE	
U.S.G.S.	
LAND OFFICE	
OPERATOR	

# NEW MEXICO OIL CONSERVATION COMMISSION

Form C-103  
Supersedes Old  
C-102 and C-103  
Effective 1-1-65

<p align="center"><b>SUNDRY NOTICES AND REPORTS ON WELLS</b></p> <p align="center"><small>(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)</small></p>		<p>5a. Indicate Type of Lease</p> <p>State <input type="checkbox"/> Fee <input checked="" type="checkbox"/></p>
<p>1. Name of Operator</p> <p><b>Apollo Oil Company</b></p>		<p>7. Unit Agreement Name</p>
<p>2. Address of Operator</p> <p><b>c/o Oil Reports &amp; Gas Services, Inc., Box 763, Hobbs, N.M. 88240</b></p>		<p>8. Farm or Lease Name</p> <p><b>Brown</b></p>
<p>3. Location of Well</p> <p>UNIT LETTER <b>E</b> <b>1650</b> FEET FROM THE <b>North</b> LINE AND <b>990</b> FEET FROM THE <b>West</b> <b>25</b> SECTION <b>25S</b> TOWNSHIP <b>36E</b> RANGE <b>36E</b> NMPM.</p>		<p>9. Well No.</p> <p><b>5</b></p>
<p>15. Elevation (Show whether DF, RT, GR, etc.)</p> <p><b>3066</b></p>		<p>10. Field and Pool, or Wildcat</p> <p><b>Jalmit</b></p>
<p>12. County</p> <p><b>Lea</b></p>		

16. Check Appropriate Box To Indicate Nature of Notice, Report or Other Data

<p>NOTICE OF INTENTION TO:</p> <p>PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/></p> <p>TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> COMMENCE DRILLING OPS. <input type="checkbox"/> PLUG AND ABANDONMENT <input type="checkbox"/></p> <p>PULL OR ALTER CASING <input type="checkbox"/> OTHER <input type="checkbox"/> CASING TEST AND CEMENT JOBS <input type="checkbox"/> SUPPLEMENTAL WELL HISTORY <input checked="" type="checkbox"/></p>		<p>SUBSEQUENT REPORT OF:</p>
---	--	------------------------------

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

Well records of Standard Production Company have been lost. Oil Commission records would indicate that total depth was 3289 with 5 1/2" casing set @ 3239 and perforations 3164 to 3280. An electric log was run that indicates perforations 3164 to 3280 have been squeezed off and the well deepened to 3350. The 5 1/2" casing shoe was logged @ 3276 GL. If we assume from this that the original KB was 13', then the current interval open to production is open hole from 3289 to 3363.

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

SIGNED *Joe D. Ramey* TITLE Agent DATE 12/9/74

APPROVED BY Joe D. Ramey DATE 1.0 1974

CONDITIONS OF APPROVAL, IF ANY:

BEFORE EXAMINER STAMETS  
OIL CONSERVATION COMMISSION

**Apollo** EXHIBIT NO. **3**

CASE NO. **5655**

Submitted by *R. L. Tan*

Hearing Date *31 MAR 76*

BEFORE EXAMINER STAMETS  
OIL CONSERVATION COMMISSION  
Ag 110 EXHIBIT NO. 4  
CASE NO. 5855  
Submitted by R. L. Ton  
Hearing Date 31 mar 76

WATER ANALYSIS

Milligrams per liter:

Calcium	342
Magnesium	212
Sodium	1810
Bicarbonate	1903
Sulfate	438
Chlorides	<u>2597</u>
Total dissolved solids	7302
Iron Count	2.4 ppm
pH	6.7
Specific Gravity	1.005

Scale deposits:

Calcium Carbonate positive @ 86° F	.70
Calcium Sulfate negative	

A lot of H<sub>2</sub>S

BEFORE EXAMINER SEALING	
OIL CONSERVATION COMMISSION	
Apollo	EXHIBIT NO. 5
CASE NO.	5755
Submitted by	RAHStone
Filing Date	31 MAR 76

INC.

January 30, 1975

Mr. Alan W. Ralston  
Apollo Oil Company  
Box 1672  
Hobbs, New Mexico 88240

Dear Mr. Ralston:

Re: Brown Lease  
Section 27-25-36  
Lea County, New Mexico

Thank you for your letter of January 23, 1975 concerning the above lease.

After consulting with my men in the field, we do not believe that our company can handle this additional volume of water at this time.

Very truly yours,

MARALO, INC.

Cecil Evans

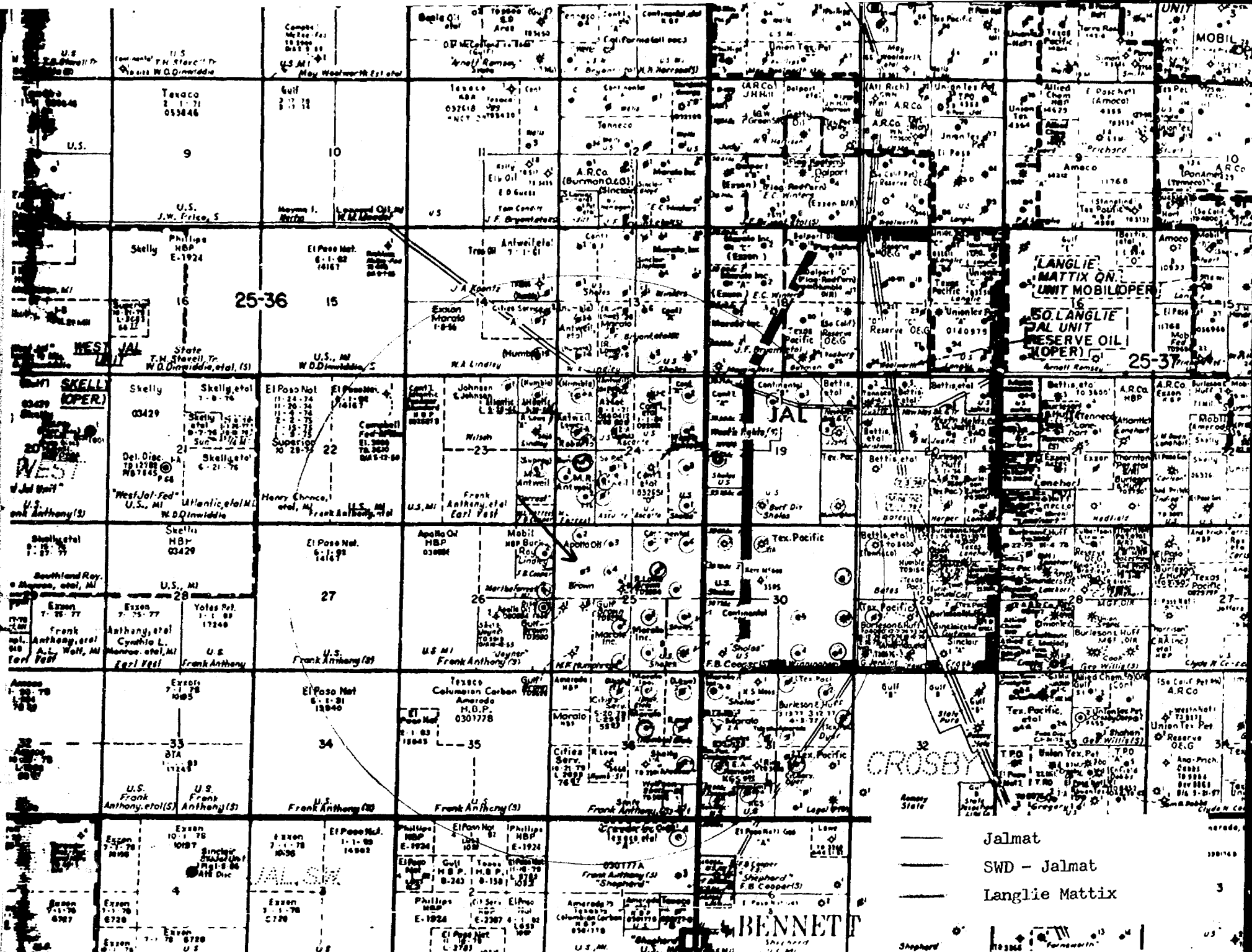


CE/lm

A Subsidiary of M. Ralph Lowe Inc. / P. O. Box 832 / Midland, Texas 79701 / (915) 684-7441

BEFORE EXAMINER STAMETS	
OIL CONSERVATION COMMISSION	
Ag. 110	EXHIBIT NO. 6
CASE NO.	5655
Submitted by	RALSTON
Hearing Date	31 MAR 76

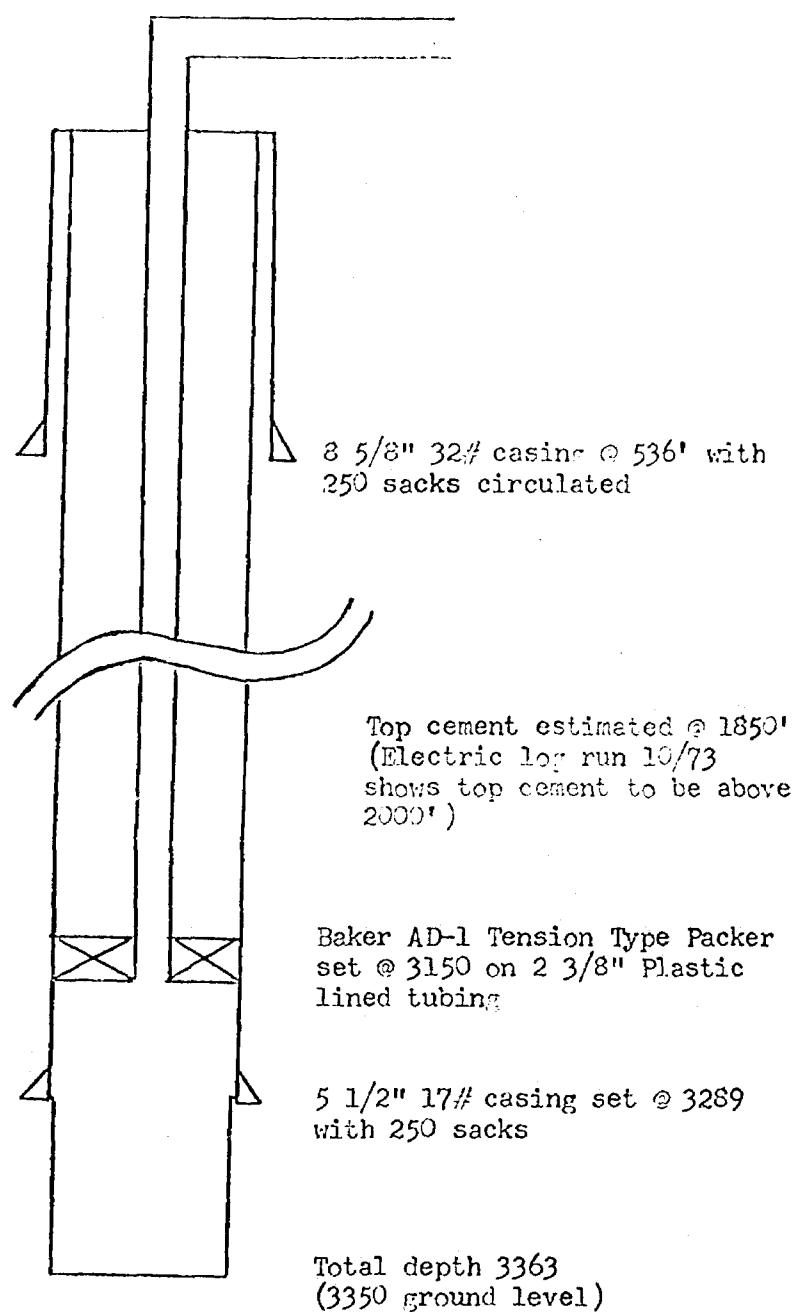




JALMAT  
SWD - JALMAT  
Langlie Mattix

BENNETT

DIAGRAMMATIC SKETCH  
of Proposed Installation of  
Water Injection Equipment



Proposed for: Apollo Oil Company  
Brown No. 5  
1650' FNL & 990' FWL  
Sec. 25, T25S, R36E  
Jalmat Pool  
Ira County, New Mexico

Case 5655  
Exhibit 2

COPIES RECEIVED	
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DATE	
FILE	
U.S.G.S.	
LAND OFFICE	
OPERATOR	

# NEW MEXICO OIL CONSERVATION COMMISSION

Form C-103  
Supersedes Old  
C-102 and C-103  
Effective 1-1-65

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> <small>DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE APPLICATION FOR PERMIT (FORM C-101) FOR SUCH PROPOSALS.</small>		5a. Indicate Type of Lease State <input type="checkbox"/> Fee <input checked="" type="checkbox"/>
1. Name of Operator <b>Agallo Oil Company</b>		5. State Oil & Gas Lease No.
2. Address of Operator <b>c/o Oil Rights &amp; Gas Services, Inc., Box 763, Hobbs, N.M. 88240</b>		7. Unit Agreement Name
3. Location of Well UNIT LETTER <b>E</b> <b>1650</b> FEET FROM THE <b>North</b> LINE AND <b>970</b> FEET FROM THE <b>West</b> LINE, SECTION <b>25</b> TOWNSHIP <b>23S</b> RANGE <b>36E</b> N.M.P.M.		8. Farm or Lease Name <b>None</b>
15. Elevation (Show whether DF, RT, GK, etc.) <b>3033</b>		9. Well No. <b>15</b>
12. County <b>Lin</b>		10. Field and Pool, or Wildcat <b>Agallo</b>

16. Check Appropriate Box To Indicate Nature of Notice, Report or Other Data			
NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	OTHER <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>	OTHER <input checked="" type="checkbox"/>

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

Well records of Standard Production Company have been lost. Oil Commission records would indicate that total depth was 3269 with 5 1/2" casing set @ 3269 and perforations 3164 to 3260. An electric log was run that indicates perforations 3264 to 3260 have been plugged off and the well deepened to 3363. The 5 1/2" casing shoe was logged @ 3276 GL. If we assume from this that the original ID was 23", then the current interval open to production is open hole from 3269 to 3363.

18. I hereby certify that the information above is true and complete to the best of my knowledge and belief.			
SIGNED <u>Henry Diller</u>	TITLE <u>Agent</u>	DATE <u>12/9/76</u>	
APPROVED BY <u>Joe D. Ramey</u>	TITLE <u>Director</u>	DATE <u>1.0 1977</u>	
CONDITIONS OF APPROVAL, IF ANY:			

Case 5655  
Exhibit 3

File: 25-25-36

Standard Production Co  
Op. Monte-Anbuett Ls. Brown Well No. 5  
Unit E Sec. 25 Twp. 25 Rnge. 36 County Lea Elev. 3066  
Footage: 1650 fr North line & 990 fr West line Spud 9/16/59 Comp 9/27/59  
Pool Jalmit Top of Pay 3184 Total Depth 3289 PBTD 3286  
& \_\_\_\_\_ Tubular Record: \_\_\_\_\_  
Pay \_\_\_\_\_  
Type of Well: \_\_\_\_\_  
Perforations: 3184-88, 3199-3205, 3245-3250, 3267-69, 3272-80.  
8 5/8 set @ 536 w/ 250 sx  
5 1/2 set @ 3289 w/ 250 sx  
2 3/8 set @ 3200 w/ \_\_\_\_\_ sx

Potentials:  
80 EO, 100 BW, 24 hrs, pump

Treatment:  
3267-69, 3278-80 1,000 gal acid; 3184-88,  
3199-3205, 3245-50 1,000 gal acid; 3184-3250  
12,500 gal lne oil, 1.5% SPG

Formation Tops:

A 1085, X 1210, BX 2860, Y 3030

Remarks:  
From Antweil to Standard 9/8/60

Oil Reports and Gas Services, Box 763, Hobbs, N. M.

Case 5655  
Exhibit 4

WATER ANALYSIS

Milligrams per liter:

Calcium	342
Magnesium	212
Sodium	1810
Bicarbonate	1903
Sulfate	438
Chlorides	2597
Total dissolved solids	7302
Iron Count	2.4 ppm
pH	6.7
Specific Gravity	1.005

Scale deposits:

Calcium Carbonate positive @ 86° F	.70
Calcium Sulfate negative	

A lot of H<sub>2</sub>S

Case 5655  
Exhibit 5

January 30, 1975

Mr. Alan W. Ralston  
Apollo Oil Company  
Box 1672  
Hobbs, New Mexico 88240

Dear Mr. Ralston:

Re: Brown Lease  
Section 27-25-36  
Lea County, New Mexico

Thank you for your letter of January 23, 1975 concerning the above lease.

After consulting with my men in the field, we do not believe that our company can handle this additional volume of water at this time.

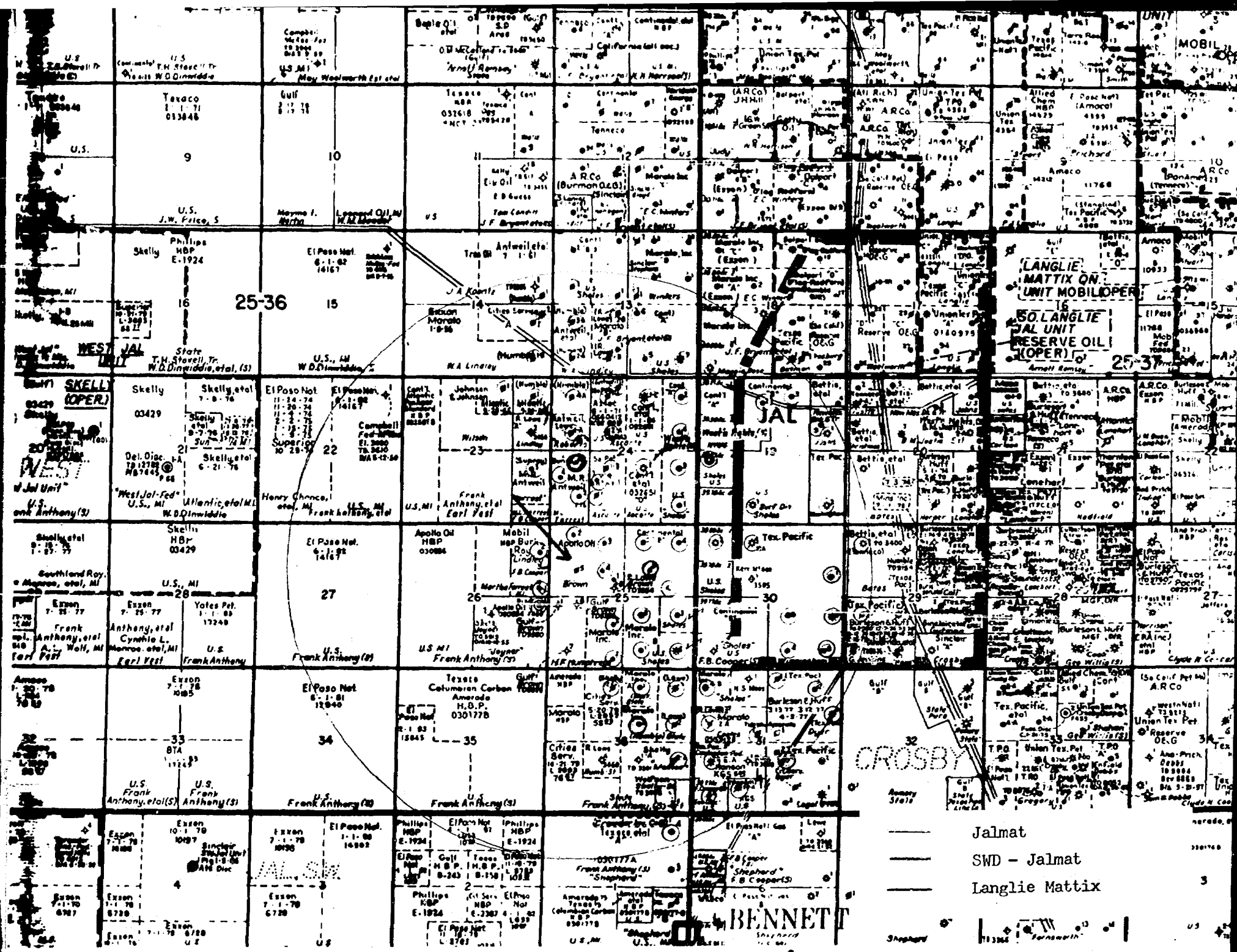
Very truly yours,  
MARALO, INC.

Cecil Evans

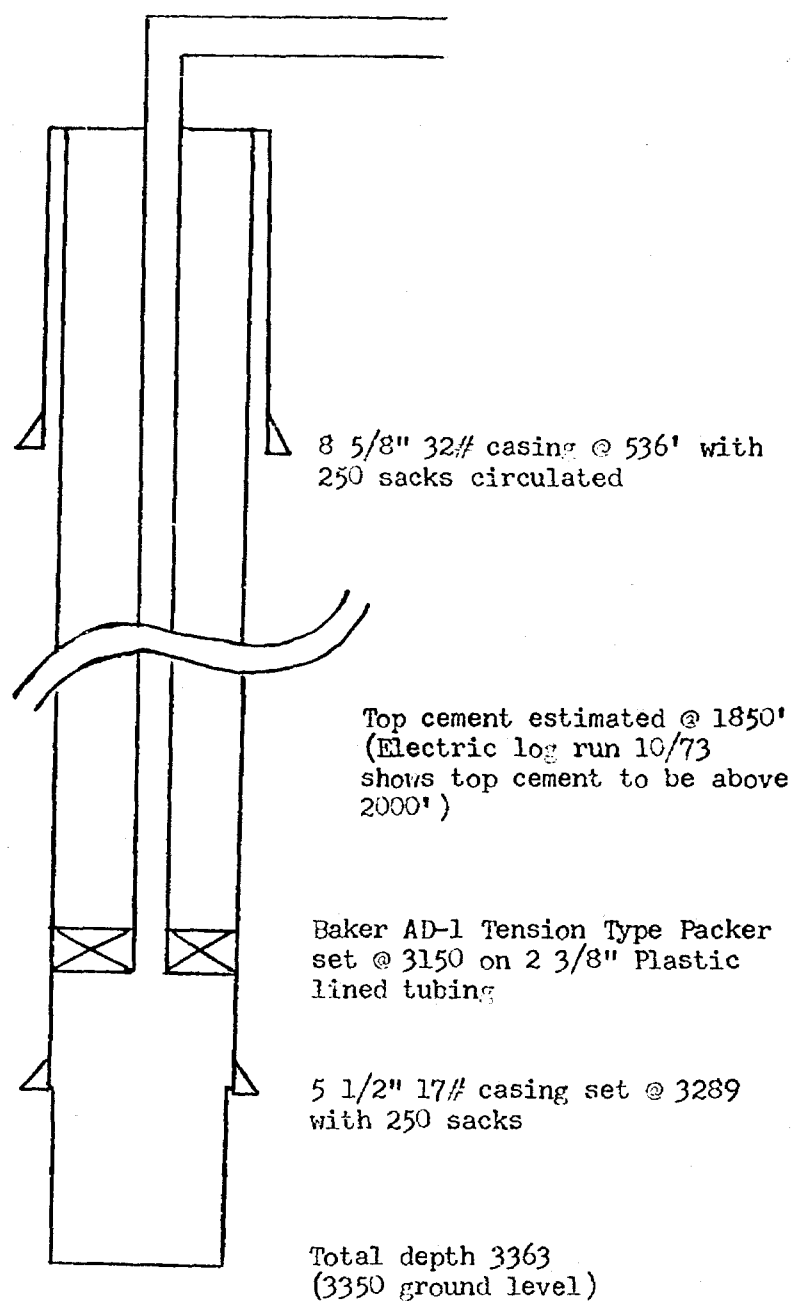


CE/lm

Case 5655  
Exhibit 6



DIAGRAMMATIC SKETCH  
of Proposed Installation of  
Water Injection Equipment



Proposed for: Apollo Oil Company  
Brown No. 5  
1650' FNL & 990' FWL  
Sec. 25, T25S, R36E  
Jalmat Pool  
Lea County, New Mexico

Case 5655  
Exhibit 2



COPIES RECEIVED		
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DATE		
FILE		
U.S.G.S.		
LAND OFFICE		
OPERATOR		

# NEW MEXICO OIL CONSERVATION COMMISSION

Form C-103  
Supersedes Old  
C-102 and C-103  
Effective 1-1-65

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> <small>(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)</small>		5a. Indicate Type of Lease State <input type="checkbox"/> Fee <input checked="" type="checkbox"/>
1. <input checked="" type="checkbox"/> OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER		5. State Oil & Gas Lease No.
2. Name of Operator <b>Apollo Oil Company</b>		7. Unit Agreement Name
3. Address of Operator <b>c/o Oil Reports &amp; Gas Services, Inc., Box 763, Hobbs, N.M. 88240</b>		8. Farm or Lease Name <b>Brown</b>
4. Location of Well UNIT LETTER <b>E</b> <b>1650</b> FEET FROM THE <b>North</b> LINE AND <b>990</b> FEET FROM THE <b>West</b> LINE, SECTION <b>25</b> TOWNSHIP <b>25S</b> RANGE <b>36E</b> N.M.P.M.		9. Well No. <b>15</b>
15. Elevation (Show whether DF, RT, GR, etc.) <b>3066</b>		10. Field and Pool, or Wildcat <b>Joint</b>
12. County <b>Lea</b>		

16. Check Appropriate Box To Indicate Nature of Notice, Report or Other Data NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> OTHER <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> CASING TEST AND CEMENT JOBS <input type="checkbox"/> OTHER <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/> PLUG AND ABANDONMENT <input type="checkbox"/> <b>Supplemental Well History</b> <input checked="" type="checkbox"/>

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

Well records of Standard Production Company have been lost. Oil Commission records would indicate that total depth was 3269 with 5 1/2" casing set @ 3269 and perforations 3184 to 3260. An electric log was run that indicates perforations 3184 to 3260 have been squeezed off and the well deepened to 3350. The 5 1/2" casing shown was logged @ 3276 GL. If we assume from this that the original KB was 13', then the current interval open to production is open hole from 3289 to 3363.

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

SIGNED <u>Joe D. Ramey</u>	TITLE <u>Agent</u>	DATE <u>12/9/74</u>
APPROVED BY <u>Joe D. Ramey</u>	TITLE <u>Agent</u>	DATE <u>10 1974</u>

CONDITIONS OF APPROVAL, IF ANY:

Case 5655  
Exhibit 3

File: 25-25-36

Standard Production Co

Heurto-Antwort

Brown

**Head**

Well No. \_\_\_\_\_

Unit E Sec. 25 Twp. 25 Rnge. 36 County Lea

Elev. 3066

Footage: 1650 fr North line & 990 fr West line

Spud 9/16/59 Comp 9/27/59

Pool Jalmar Top of Pay 3184

Total Depth 3289 PBTD 3286

&

**Tubular Record:**

Pay

Type of Well:

8 5/8 32<sup>th</sup> set @ 536 w/ 250 sx

**Perforations:**

5 1/2 17# set @ 3289 w/ 250 SX

~~3181-88, 3199-3205, 3245-3250, 3267-69, 3278-80.~~

2 3/8 set @ 3200 w/ SX

set @

Pkr. (s) set @

**Potentials:**

80 EO, 400 BW, 2 1/2 hrs, pump

**Treatment:**

3267-69, 3278-80 1,000 gal acid: 3184-88.

3199-3205, 3215-50 1,000 gal acid; 3184-3250

12,500 gal lse oil, 1.5# SPG

**Formation Tops:**

A 1085, X 1210, BX 2860, Y 3030

Remarks:

From Antweil to Standard 9/8/60

Oil Reports and Gas Services, Box 763, Hobbs, N. M.

Case 5655  
Exhibit 4

WATER ANALYSIS

Milligrams per liter:

Calcium	342
Magnesium	212
Sodium	1810
Bicarbonate	1903
Sulfate	438
Chlorides	2597
Total dissolved solids	7302
Iron Count	2.4 ppm
pH	6.7
Specific Gravity	1.005

Scale deposits:

Calcium Carbonate positive @ 86° F	.70
Calcium Sulfate negative	

A lot of H<sub>2</sub>S

Case 5655  
Exhibit 5

INC.

January 30, 1975

Mr. Alan W. Ralston  
Apollo Oil Company  
Box 1672  
Hobbs, New Mexico 88240

Dear Mr. Ralston:

Re: Brown Lease  
Section 27-25-36  
Lea County, New Mexico

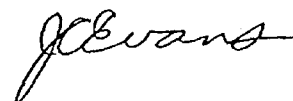
Thank you for your letter of January 23, 1975 concerning the above lease.

After consulting with my men in the field, we do not believe that our company can handle this additional volume of water at this time.

Very truly yours,

MARALO, INC.

Cecil Evans



CE/lm

A Subsidiary of M. Ralph Lowe Inc. / P. O. Box 832 / Midland, Texas 79701 / (915) 684-7441

Case 5655  
Exhibit 6

D. A. Kimbell, President  
Don H. Bear, V. P. - Texas  
A. G. Ager, Jr., Secy.

G. S. Kimbell, Exec. V. P.  
Sam Darling, Order V. P.

## Burk Royalty Co.

800 Oil & Gas Building  
Wichita Falls, Texas 76301

Case 5655

March 17, 1976

Oil Reports and Gas Services, Inc.  
P. O. Box 763  
Hobbs, New Mexico 88240

Attention: (Mrs.) Donna Holler

Gentlemen:

We have received your letter of March 8, 1976 in regard to Apollo Oil Company's Application to Dispose of Produced Salt Water into their Brown #5 located in Sec. 25, Twp. 25S, Rge. 36E, Lea County, New Mexico.

As this well is 990' from our lease line, we would appreciate receiving a copy of the log in order that we might determine if the zone to be used for disposal is the same as that from which we are producing.

If you would please contact Apollo Oil Company and request that they forward a log, we would appreciate your help.

Very truly yours,

BURK ROYALTY CO.

John H. Bear

JHB/bs

cc: Oil Conservation Commission  
P. O. Box 1980  
Hobbs, New Mexico 88240

Dockets Nos. 12-76 and 13-76 are tentatively set for hearing on April 14 and 28, 1976. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - MARCH 31, 1976

9 A.M. - OIL CONSERVATION COMMISSION 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:

CASE 5641: (Continued from March 17, 1976 Examiner Hearing)

Application of John Yuronka for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced water by injection to the Queen formation through the open-hole interval from approximately 3800 to 3875 feet in his State JC "T" Well No. 1 located in Unit B of Section 16, Township 23 South, Range 36 East, Langlie-Matrix Pool, Lea County, New Mexico.

CASE 5651: (Continued & Readvertised)

Application of Burmah Oil & Gas Co. for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Morrow test well to be drilled 1780 feet from the South line and 660 feet from the West line of Section 11, Township 24 South, Range 28 East, Eddy County, New Mexico, the W/2 of said Section 11 to be dedicated to the well.

CASE 5655: 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 water into the lower Yates-Seven Rivers formation through the open-hole interval from 3289 to 3363 feet in its Brown Well No. 5, located in Unit E of Section 25, Township 25 South, Range 36 East, Jalmat Pool, Lea County, New Mexico.

CASE 5656: Application of David Fasken for an unorthodox location and simultaneous dedication, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of his Avalon Federal Com Well No. 2, to be drilled 660 feet from the South and West lines of Section 1, Township 21 South, Range 25 East, Catclaw Draw-Morrow Gas Pool, Eddy County, New Mexico, with all of said Section 1, a previously approved 854-acre non-standard gas proration unit, to be simultaneously dedicated to said well and to applicant's Avalon Federal Com Well No. 1, located in Unit P of said Section 1.

CASE 5657: Application of Inexco Oil Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox gas well location of a well to be drilled 350 feet from the East line and 803 feet from the South line of Section 1, Township 21 South, Range 26 East, Burton Flat Field, Eddy County, New Mexico, the S/2 of said Section 1 to be dedicated to the well.

CASE 5658: Application of Inexco Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the W/2 of Section 10, Township 21 South, Range 26 East, Avalon Field, Eddy County, New Mexico, to be dedicated to applicant's Inexco Federal-State Com Well No. 1-10, to be drilled at an orthodox location. 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. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 5659: Application of Texaco Inc. for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Penrose Skelly Grayburg and Drinkard production in the wellbore of its Mittie Weatherly Well No. 1, located in Unit F of Section 17, Township 21 South, Range 37 East, Lea County, New Mexico.

CASE 5660: Application of Exxon Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Fairview Mills Unit Area comprising 3840 acres, more or less, of Federal and Fee lands in Township 25 South, Range 34 East, Lea County, New Mexico.

CASE 5661: Application of Randolph M. Richardson for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the CC Tank Unit Area comprising 10,550 acres, more or less, of Federal, State, and fee lands in Townships 19 and 20 South, Ranges 23 and 24 East, Eddy County, New Mexico.

*Oil Reports and Gas Services, Inc.*

P. O. BOX 763  
HOBBS, NEW MEXICO 88240

March 8, 1976

PHONE NUMBERS  
393-2727 - 393-2017

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

Gentlemen:

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

Applicant proposes to inject into their Brown No. 5, located 1650' from the North line and 990' from the West line of Section 25, T25S, R36E, open hole interval 3289 to 3363 feet, classified as Jalmat pool.

Control of said injection to be obtained by running 2 3/8" plastic lined tubing with a packer set at 3150 feet as shown by the attached sketch.

Offset operators who have this day been furnished a copy of this application:

Morris R. Antweil  
P. O. Box 2010  
Hobbs, New Mexico 88240

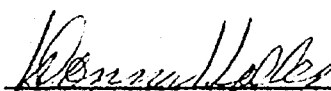
Continental Oil Company  
P. O. Box 460  
Hobbs, New Mexico 88240

Burk Royalty Company  
800 Oil & Gas Building  
Wichita Falls, Texas 76301

Maralo, Inc.  
P. O. Box 832  
Midland, Texas 79701

Yours very truly,

OIL REPORTS & GAS SERVICES, INC.

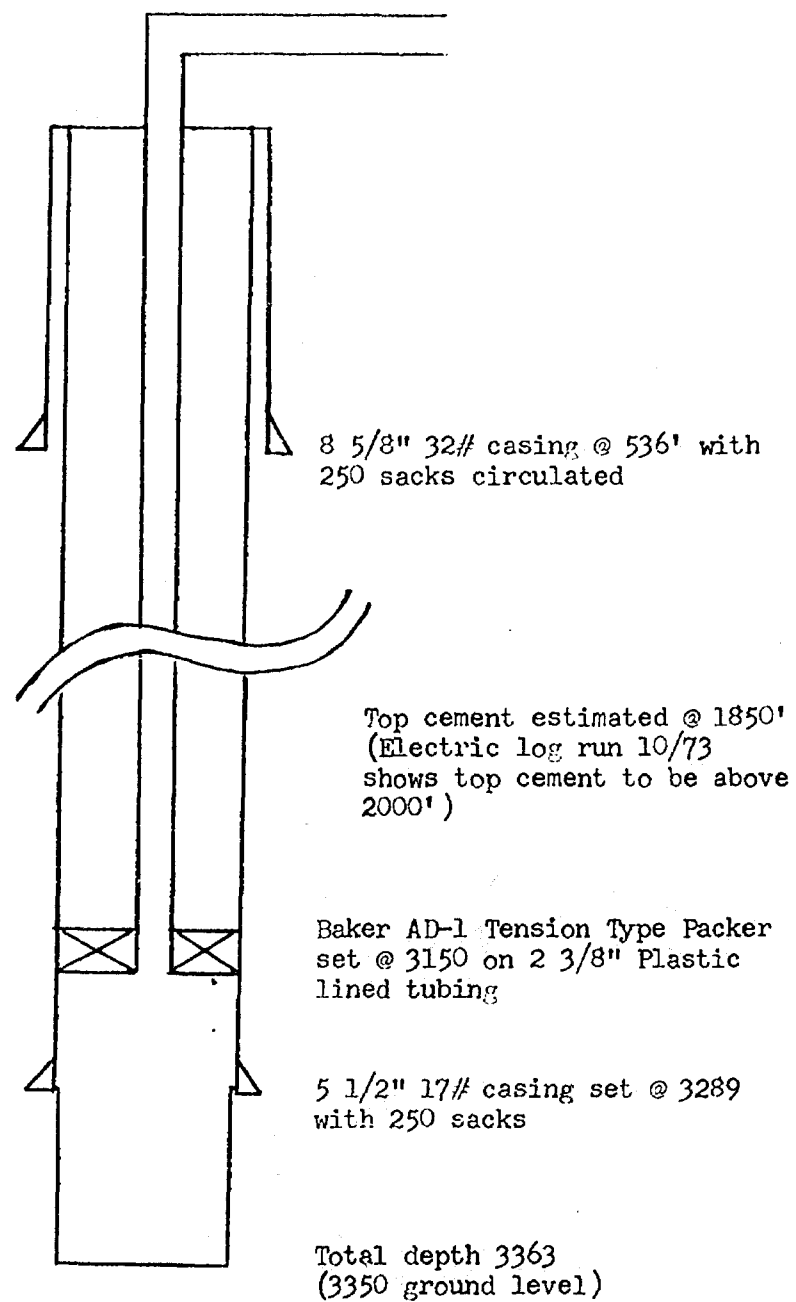
  
(Mrs.) Donna Holler

DH/ra

cc: Apollo Oil Company  
P. O. Box 1672  
Hobbs, New Mexico 88240

Oil Conservation Commission  
P. O. Box 1980  
Hobbs, New Mexico 88240

DIAGRAMMATIC SKETCH  
of Proposed Installation of  
Water Injection Equipment



Proposed for: Apollo Oil Company  
Brown No. 5  
1650' FNL & 990' FWL  
Sec. 25, T25S, R36E  
Jalmat Pool  
Ira County, New Mexico



Case 5655

*Oil Reports and Gas Services, Inc.*

P. O. BOX 763    HOBBS, NEW MEXICO 88240

March 8, 1976

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

Gentlemen:

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

Applicant proposes to inject into their Brown No. 5, located 1650' from the North line and 990' from the West line of Section 25, T25S, R36E, open hole interval 3289 to 3363 feet, classified as Jalmat pool.

Control of said injection to be obtained by running 2 3/8" plastic lined tubing with a packer set at 3150 feet as shown by the attached sketch.

Offset operators who have this day been furnished a copy of this application:

Morris R. Antweil  
P. O. Box 2010  
Hobbs, New Mexico 88240

Burk Royalty Company  
800 Oil & Gas Building  
Wichita Falls, Texas 76301

Continental Oil Company  
P. O. Box 460  
Hobbs, New Mexico 88240

Maralo, Inc.  
P. O. Box 832  
Midland, Texas 79701

Yours very truly,

OIL REPORTS & GAS SERVICES, INC.

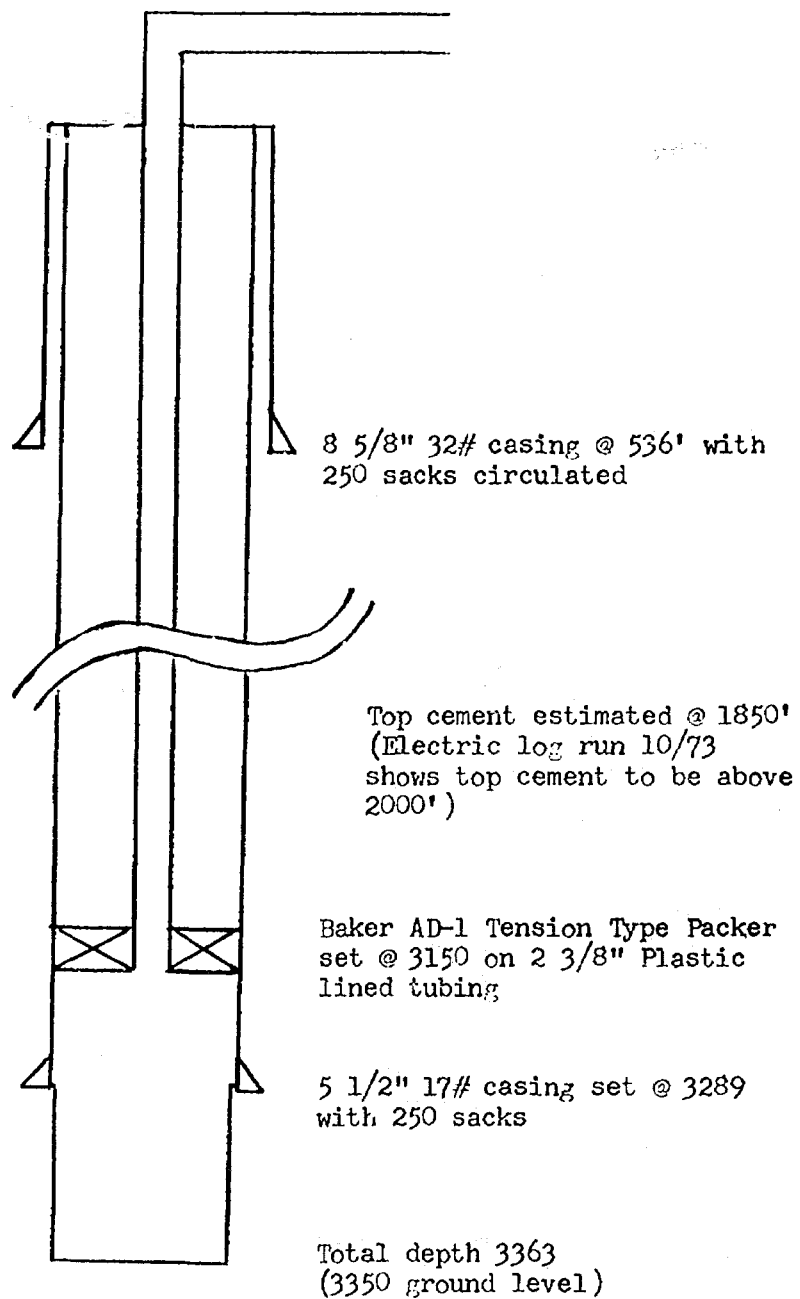
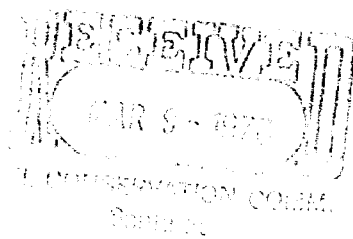
  
\_\_\_\_\_  
(Mrs.) Donna Holler

DH/ra

cc: Apollo Oil Company  
P. O. Box 1672  
Hobbs, New Mexico 88240

Oil Conservation Commission  
P. O. Box 1980  
Hobbs, New Mexico 88240

DIAGRAMMATIC SKETCH  
of Proposed Installation of  
Water Injection Equipment



Proposed for: Apollo Oil Company  
Brown No. 5  
1650' FNL & 990' FWL  
Sec. 25, T25S, R36E  
Jalmat Pool  
Lea County, New Mexico

*Oil Reports and Gas Services, Inc.*

P. O. BOX 763 HOBBS, NEW MEXICO 88240

March 8, 1976

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

Gentlemen:

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

Applicant proposes to inject into their Brown No. 5, located 1650' from the North line and 990' from the West line of Section 25, T25S, R36E, open hole interval 3289 to 3363 feet, classified as Jalmat pool.

Control of said injection to be obtained by running 2 3/8" plastic lined tubing with a packer set at 3150 feet as shown by the attached sketch.

Offset operators who have this day been furnished a copy of this application:

Morris R. Antweil  
P. O. Box 2010  
Hobbs, New Mexico 88240

Continental Oil Company  
P. O. Box 460  
Hobbs, New Mexico 88240

Burk Royalty Company  
800 Oil & Gas Building  
Wichita Falls, Texas 76301

Maralo, Inc.  
P. O. Box 832  
Midland, Texas 79701

Yours very truly,

OIL REPORTS & GAS SERVICES, INC.

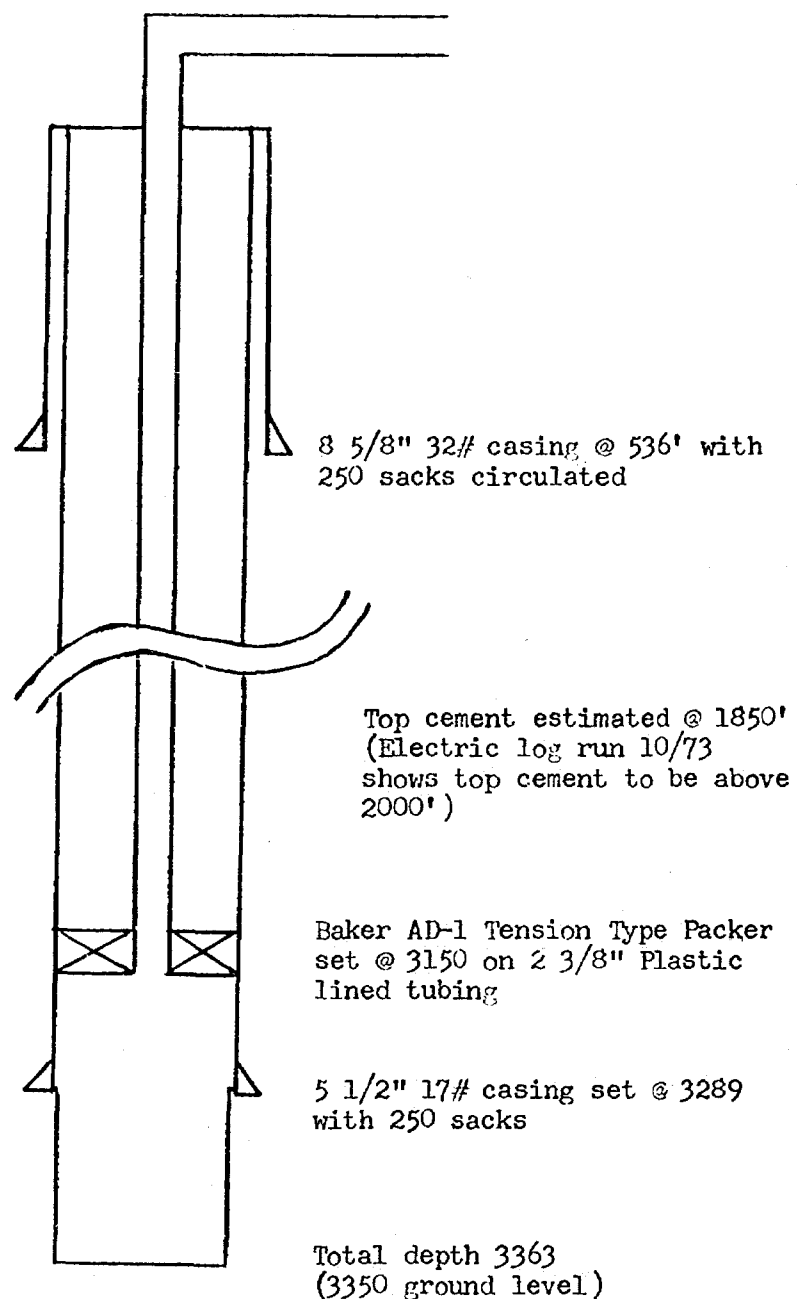
  
(Mrs.) Donna Holler

DH/ra

cc: Apollo Oil Company  
P. O. Box 1672  
Hobbs, New Mexico 88240

Oil Conservation Commission  
P. O. Box 1980  
Hobbs, New Mexico 88240

DIAGRAMMATIC SKETCH  
of Proposed Installation of  
Water Injection Equipment



Proposed for: Apollo Oil Company  
Brown No. 5  
1650' FNL & 990' FWL  
Sec. 25, T25S, R36E  
Jalmat Pool  
Lea County, New Mexico

\* Apollo Oil Co.  
S.W.D.

Brown #5 well

1650 FNL  
990 FWL

25 T 25 S, 36 E

LEA

Jal mat

disposal in lower Yates and Swan River  
formations

for March 31

DRAFT

dr/

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:

CASE NO. 5655

Order No. R- 5196

APPLICATION OF APOLLO OIL COMPANY FOR  
SALT WATER DISPOSAL, LEA COUNTY,  
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on March 31, 1976  
at Santa Fe, New Mexico, before Examiner, Richard L. Stamets.

NOW, on this        day of April, 1976, the Commission,  
a quorum being present, having considered the testimony, the  
record, and the recommendations of the Examiner, and being fully  
advised in the premises,

FINDS:

(1) That due public notice having been given as required by  
law, the Commission has jurisdiction of this cause and the subject  
matter thereof.

(2) That the applicant, Apollo Oil Company,  
is the owner and operator of the Brown Well No. 5,  
located in Unit E of Section 25, Township 36 25 East South,  
Range 36 East, NMPM, Jalmat Gas Pool,  
Lea County, New Mexico.

(3) That the applicant proposes to utilize said well to  
dispose of produced salt water into the lower Yates-Seven Rivers  
formation, with injection into the open-hole interval  
from approximately 3289 feet to 3363 feet.

(4) That the injection should be accomplished through 2 3/8  
      -inch plastic-lined tubing installed in a packer  
set at approximately 3150 feet; that the casing-tubing annulus  
should be filled with an inert fluid; and that a pressure gauge  
and/or vacuum  
or approved leak detection device should be attached to the

CASE NO. \_\_\_\_\_

annulus in order to determine leakage in the casing, tubing, or packer. *if injection into said well should be under pressure,*

(4) That ~~the~~ *if injection* the injection well or system should be equipped with a pop-off valve or acceptable substitute which will limit the wellhead pressure on the injection well to no more than <sup>825</sup>~~700~~ psi.

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

(6) 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.

(7) 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, Apollo Oil Company, is hereby authorized to utilize its Brown Well No. 5, located in Unit E of Section 25, Township 25 South, Range 36 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico, to dispose of produced salt water into the lower Yates-Seven Rivers formation, injection to be accomplished through 2 3/8-inch tubing installed in a packer set at approximately 3150 feet, with injection into the open-hole interval from approximately 3289 feet to 3363 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 <sup>and/or vacuum</sup> 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 if injection into said well shall be under pressure, the injection well or system shall be equipped with a pop-off valve or acceptable substitute which will limit the wellhead pressure on the injection well to no more than ~~1000~~<sup>825</sup> psi.

(3) That if injection into said well is under a vacuum, the operator shall conduct an annual pressure test of the casing-tubing annulus to determine leakage of the casing, tubing, or packer in said well.

(4) That the operator shall notify the Hobbs office of the Commission of the date and time of such pressure tests in order that they may be witnessed by a Commission representative.

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

*See under*

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 Commission Rules and Regulations.

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

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