

CASE 1919: Application of RICE ENGR.  
for adoption of Form 120-A to be used  
in reporting salt water disposal  
operations.

Case No.

1919.

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Application, Transcript,  
Small Exhibits, Etc.

THESE ARE THE ONLY COPIES SENT TO YOUR COMPANY

HOBBS OFFICE OCC

1960 FEB. 4 AM 10:19

February 3, 1960

To: All Operators of Water Disposal Systems

Subject: Revision of OCC Form C-120 Concerning Reporting on Salt Water Disposal Operations

A special committee of Amstar, Continental and Gulf (Chairman) appointed by the Committee Members of the E-M-E Salt Water Disposal System, has been working with the New Mexico Oil Conservation Commission on the captioned subject.

A meeting of all operators of disposal systems (list attached) and certain Commission Staff members is called for 10:30 a.m., MST, February 11, 1960 at the Hobbs Oil Conservation Commission office. The purpose of this meeting is to discuss the present method of reporting the resultant problems and formulate a method of reporting of data.

It is the opinion of the above special committee that from a meeting of all operators of water disposal systems the problem of each operator can be discussed and that a more desirable and workable method of reporting water disposal data can be accomplished. For your consideration, a proposed form (worked on by the OCC and members of the above special committee) is attached.

Following this meeting, it is planned to ask the Commission to call a hearing for revision of Form C-120 concerning reporting requirements for SWD operations.

GULF OIL CORPORATION  
Chairman of Special  
Committee for Revision  
of OCC Form C-120

cc: See attached sheet

cc: Mr. A. L. Porter, Secretary-Director, Oil Conservation Commission, Santa Fe, N.M.  
Executive Manager, Oil Conservation Commission, Hobbs, New Mexico

Amerasia Petroleum Corporation  
Drawer "D"  
Monument, New Mexico

The Atlantic Refining Co.  
P. O. Box 871  
Midland, Texas

Champlin Oil & Refining Co.  
P. O. Box 1797  
Midland, Texas

Continental Oil Company  
Rowley Building  
Artesia, New Mexico

Jake L. Hamon  
511 Midland Savings & Loan Building  
Midland, Texas

Ralph Lowe  
P. O. Box 832  
Midland, Texas

Rice Engineering & Operating, Inc.  
P.O. Box 1142  
Hobbs, New Mexico

Shell Oil Company  
P. O. Box 845  
Roswell, New Mexico

Socony Mobile Oil Company, Inc.  
P. O. Box 2406  
Hobbs, New Mexico

Signal Oil & Gas Co.  
1010 Fort Worth National Bank Building  
Fort Worth 2, Texas

Sinclair Oil & Gas Company  
520 East Broadway  
Hobbs, New Mexico

Sunray Mid-Continent Oil Co.  
P. O. Box 128  
Hobbs, New Mexico

Texaco, Inc.  
P. O. Box 352  
Midland, Texas

1949 MEXICO 001, 02-01000000-00000000  
Security Index - Internal Report

## Disposal System Operator

Rice  
Gulf

Disposal  
System

FME

Eunice Kev

County

Month

19

[illegible]

Remarks

Name

Title

*March 16*  
*Case 1919*  
RICE Engineering & Operating, Inc.

Post Office Box 1142

Telephone EXpress 3-9174

HOBBS, NEW MEXICO  
February 15, 1960

New Mexico Oil Conservation Commission  
Box 871  
Santa Fe, New Mexico

Gentlemen:

Re: Revision of Rule 1119,  
Monthly Injection Report  
(Form C-120).

*March  
regular  
hearing*

Rice Engineering & Operating, Inc. of Hobbs, New Mexico,  
hereby applies for a regular hearing to be held before the  
New Mexico Oil Conservation Commission for the purpose of  
proposing a revision of Rule 1119 in regard to salt water  
disposal.

Rice Engineering & Operating, Inc. further deposes and  
states the following:

- A. That by the adoption of a proposed form C-120 A,  
(Exhibit "A" attached) the information required  
by the New Mexico Oil Conservation Commission  
would be reported in a more desirable and  
simplified form.
- B. That by requiring that this report be postmarked  
not later than the 15th of the second succeeding  
month would result in a labor savings to all  
operators that are in a joint salt water disposal  
system.

Therefore, Rice Engineering & Operating, Inc. requests  
that the Secretary of the New Mexico Oil Conservation Commission  
place this application on the docket of the March 16, 1960,  
regular hearing; and after said hearing, grant this revision  
of Rule 1119 in regard to salt water disposal.

Respectfully submitted,

RICE ENGINEERING & OPERATING, INC.

*W. G. Abbott*  
W. G. Abbott  
Division Manager

*Docket  
mailed  
3-1-60  
gh*

WGA/ai  
Attachment



Exhibit "A"

PROPOSED FORM TO REPLACE C-120 FOR WATER DISPOSAL OPERATIONS

NEW MEXICO OIL CONSERVATION COMMISSION  
Monthly Water Disposal Report

Submit this report in triplicate to the District Office, Oil Conservation Commission.

Disposal  
System  
Operator

Disposal  
System\_\_\_\_\_

County

moniti

19

[illegible]

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

Remarks

**Name** \_\_\_\_\_

**Title**

*Copy*

MOBIL OIL COMPANY

A Division of Socony Mobil Oil Company, Inc.

P. O. BOX 900 • DALLAS 21, TEXAS

OFFICE OF GENERAL COUNSEL  
Dallas Office

March 8, 1960

CHARLES B. WALLACE

R. T. WILKINSON, JR.  
FRANK C. BOLTON, JR.

WENDELL J. DOGGETT  
JACK E. EARNEST

SAM H. FIELD

JAMES T. FITZPATRICK

THOMAS P. HAMILL

M. E. LEWIS

ROSS MADOLE

WALLACE G. MALONE

ROY L. MERRILL

WILLIAM S. RICHARDSON

W. FORREST SMITH

WILLIAM H. TABB

JACK VICKREY

Re: Application of Rice Engineering and  
Operating, Inc., concerning changes  
in Statewide Form C-120 pertaining to  
salt water disposal systems (Case No. 1919)  
date of hearing, March 16, 1960

New Mexico Oil Conservation Commission  
Mabry Hall, State Capitol  
Santa Fe, New Mexico

Gentlemen:

Rice Engineering and Operating, Inc., has filed an application for hearing before the Commission, at which a proposal will be made to change the reporting form concerning salt water disposal systems from the present form C-120 to a new form designated 120-A.

Socony Mobil Oil Company, Inc., recommends that the Commission adopt the changes proposed by Rice Engineering and Operating, Inc. These changes will decrease the work load on operators of salt water disposal systems and will benefit both the operators and the Commission.

Please enter this letter as an exhibit in Case No. 1919 as evidence of Socony Mobil Oil Company, Inc.'s position in this matter.

Thank you for your usual cooperation.

Yours very truly,

*Ross Madole*  
Ross Madole

WFS:md



NO. 8-60

DOCKET: REGULAR HEARING MARCH 16, 1960

Oil Conservation Commission 9 a.m., Mabry Hall, State Capitol, Santa Fe, N.M.

- Allowable:
- (1) Consideration of the oil allowable for April, 1960.
  - (2) Consideration of the allowable production of gas for April 1960 from six prorated pools in Lea County, New Mexico; also consideration of the allowable production of gas from seven prorated pools in San Juan, Rio Arriba and Sandoval Counties, New Mexico.

CASE 1917: Application of Amerada Petroleum Corporation for permission to commingle the production from two separate pools. Applicant, in the above-styled cause, seeks permission to commingle the Monument-McKee Gas Pool condensate and Monument Pool oil production from all wells located on the Amerada State B-869 lease consisting of the SW/4 of Section 36, Township 19 South, Range 36 East, Lea County, New Mexico. Applicant proposes to separately meter only the Monument-McKee Gas Pool condensate, and to gauge the commingled production in common tankage.

CASE 1918: In the matter of the hearing called by the Oil Conservation Commission on its own motion to require Cactus Petroleum, Incorporated, and McWood Corporation to appear and show cause why they should not be required to purchase the Culwin Pool production from the following-described wells in Eddy County, New Mexico:

Hale and Hale Federal Well No. 1, Unit G, Section 1, Township 19 South, Range 30 East.

Hale and Hale Federal Well No. 2, Unit B, Section 1, Township 19 South, Range 30 East.

CASE 1919: Application of Rice Engineering & Operating, Inc., for adoption of a Form 120-A to be used in reporting salt water disposal operations. Applicant, in the above-styled cause, seeks an amendment of Rules 1119, 704, and 1103 to adopt a Form 120-A to be used by operators of salt water disposal wells in reporting salt water disposal operations.

CASE 1920: Southeastern New Mexico nomenclature case calling for an order for the creation of a new pool and the extension of existing pools in Chaves, Eddy, Lea, and Roosevelt Counties, New Mexico.

- (a) Create a new pool designated as the Buttom Mesa-San Andres Pool, and described as:

TOWNSHIP 7 SOUTH, RANGE 32 EAST, NMPM  
Section 20: NE/4

- (b) Extend the Allison-Pennsylvanian Pool to include:

TOWNSHIP 8 SOUTH, RANGE 36 EAST, NMPM  
Section 35: SW/4  
Section 36: E/2 SW/4

TOWNSHIP 9 SOUTH, RANGE 36 EAST, NMPM  
Section 14: SW/4

- (c) Extend the Arrowhead Pool to include:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM  
Section 17: NW/4 NW/4

- (d) Extend the Atoka-Pennsylvanian Gas Pool to include:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM  
Section 27: N/2

- (e) Extend the Bagley-Pennsylvanian Pool to include:

TOWNSHIP 11 SOUTH, RANGE 33 EAST, NMPM  
Section 33: NE/4  
Section 34: NW/4

- (f) Extend the Blinbry Oil Pool to include:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM  
Section 29: N/2  
Section 30: NE/4

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM  
Section 26: NE/4 SE/4

38-

Docket No. 8-60

- (g) Extend the Bronco-Mississippian Pool to include:

TOWNSHIP 13 SOUTH, RANGE 38 EAST, NMPM  
Section 11: Lots 1 & 2 and W/2 NE/4

- (h) Extend the Brown Pool to include:

TOWNSHIP 10 SOUTH, RANGE 26 EAST, NMPM  
Section 22: SW/4 SE/4

- (i) Extend the Culwin-Queen Pool to include:

TOWNSHIP 19 SOUTH, RANGE 31 EAST, NMPM  
Section 6: SW/4

- (j) Extend the Dollarhide-Queen Pool to include:

TOWNSHIP 24 SOUTH, RANGE 38 EAST, NMPM  
Section 19: NW/4

- (k) Extend the Drinkard Pool to include:

TOWNSHIP 22 SOUTH, RANGE 38 EAST, NMPM  
Section 28: NW/4 SW/4

- (l) Extend the Empire-Abo Pool in Eddy County, to include:

TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM  
Section 36: SW/4

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM  
Section 31: S/2  
Section 32: S/2

TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM  
Section 4: NW/4  
Section 5: N/2  
Section 6: NE/4 and SW/4

- (m) Extend the Eumont Gas Pool to include:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM  
Section 8: E/2 SW/4 and SE/4

- (n) Extend the Justis-McKee Pool to include:

TOWNSHIP 25 SOUTH, RANGE 38 EAST, NMPM  
Section 19: NW/4

- (o) Extend the East Millman-Queen-Grayburg Pool to include:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM  
Section 15: NE/4

- (p) Extend the East Millman-Seven Rivers Pool to include:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM  
Section 21: NE/4  
Section 22: NW/4

- (q) Extend the South Paddock Pool to include:

TOWNSHIP 22 SOUTH, RANGE 38 EAST, NMPM  
Section 31: SE/4

- (r) Extend the South Vacuum-Devonian Pool to include:

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM  
Section 22: SE/4

CASE 1921:

Northwestern New Mexico nomenclature case calling for an order for the extension of existing pools in San Juan, and Rio Arriba Counties, New Mexico.

- (a) Extend the Aztec-Pictured Cliffs Pool to include:

TOWNSHIP 29 NORTH, RANGE 10 WEST, NMPM  
Section 33: SW/4

- (b) Extend the Pine Lake-Pictured Cliffs Pool to include:

TOWNSHIP 26 NORTH, RANGE 2 WEST, NMPM  
Section 29: W/2 & SE/4  
Section 32: E/2 & NW/4

- (c) Extend the South Blanco-Pictured Cliffs Pool to include:

TOWNSHIP 24 NORTH, RANGE 3 WEST, NMPM  
Section 18: S/2 (partial)

(d) Extend the Blanco-Mesaverde Pool to include:

TOWNSHIP 26 NORTH, RANGE 6 WEST, NMPM  
Section 3: E/2

(e) Extend the Horseshoe Gallup Oil Pool to include:

TOWNSHIP 31 NORTH, RANGE 16 WEST, NMPM  
Section 27: SW/4 NW/4  
Section 34: NE/4 NW/4, N/2 NE/4 & SE/4 NE/4

(f) Extend the Verde-Gallup Oil Pool to include:

TOWNSHIP 31 NORTH, RANGE 14 WEST, NMPM  
Section 28: NW/4 & NW/4 NE/4  
Section 30: NE/4 SW/4

The following case will be heard at 9 a. m. March 17, 1960

CASE: 1922:

In the matter concerning purchaser prorationing by  
Indiana Oil Purchasing Company in all oil pools from  
which it purchases in Lea, Chaves and Eddy Counties,  
New Mexico.

ig/

**NEW MEXICO OIL CONSERVATION COMMISSION**  
**Monthly Water Disposal Report**

Submit this report in triplicate to the District Office, Oil Conservation Commission.

Disposal System \_\_\_\_\_ Disposal System \_\_\_\_\_  
 Operator \_\_\_\_\_  
 County \_\_\_\_\_ Month \_\_\_\_\_ 19\_\_\_\_

Lease	Well No.	Location				Disposed Water Barrels	Cumulative Disposed Water - Bbls.	Average Inj. Pressures
		U	L	S	T	R		
TOTAL								

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

Remarks \_\_\_\_\_ Name \_\_\_\_\_  
 \_\_\_\_\_ Title \_\_\_\_\_

BEFORE THE  
 OIL CONSERVATION COMMISSION  
 SANTA FE, NEW MEXICO  
*Apple*  
 CASE \_\_\_\_\_ EXHIBIT No. 1  
1919



Case 1919

Exhibit "A"

*Monthly*

*REPORT*

PROPOSED FORM TO REPLACE C-120 FOR WATER DISPOSAL OPERATIONS

NEW MEXICO OIL CONSERVATION COMMISSION  
Monthly Water Disposal Report

Submit this report in triplicate to the District Office, Oil Conservation Commission.

Disposal  
System  
Operator \_\_\_\_\_

Disposal  
System \_\_\_\_\_

County \_\_\_\_\_

Month \_\_\_\_\_

19\_\_\_\_

Lease	Well No.	Location				Disposed Water Barrels	Cumulative Disposed Water - Bbls.	Average Inj. Pressures
		UL	S	T	R			
TOTAL								

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

Remarks \_\_\_\_\_

Name \_\_\_\_\_

Title \_\_\_\_\_

*to be filed by the 15th of 2nd  
succeeding month.*

*Humble  
Ammerade  
Per Agm  
July.*

OIL CONSERVATION COMMISSION  
P. O. BOX 871  
SANTA FE, NEW MEXICO

March 30, 1960

Mr. Jason Kellahin  
Kellahin & Fox  
Box 1713  
Santa Fe, New Mexico

Dear Mr. Kellahin:

On behalf of your client, Rice  
Engineering & Operating, Inc., we enclose two  
copies of Order No. R-1642 in Case No. 1919 issued  
by this Commission this date.

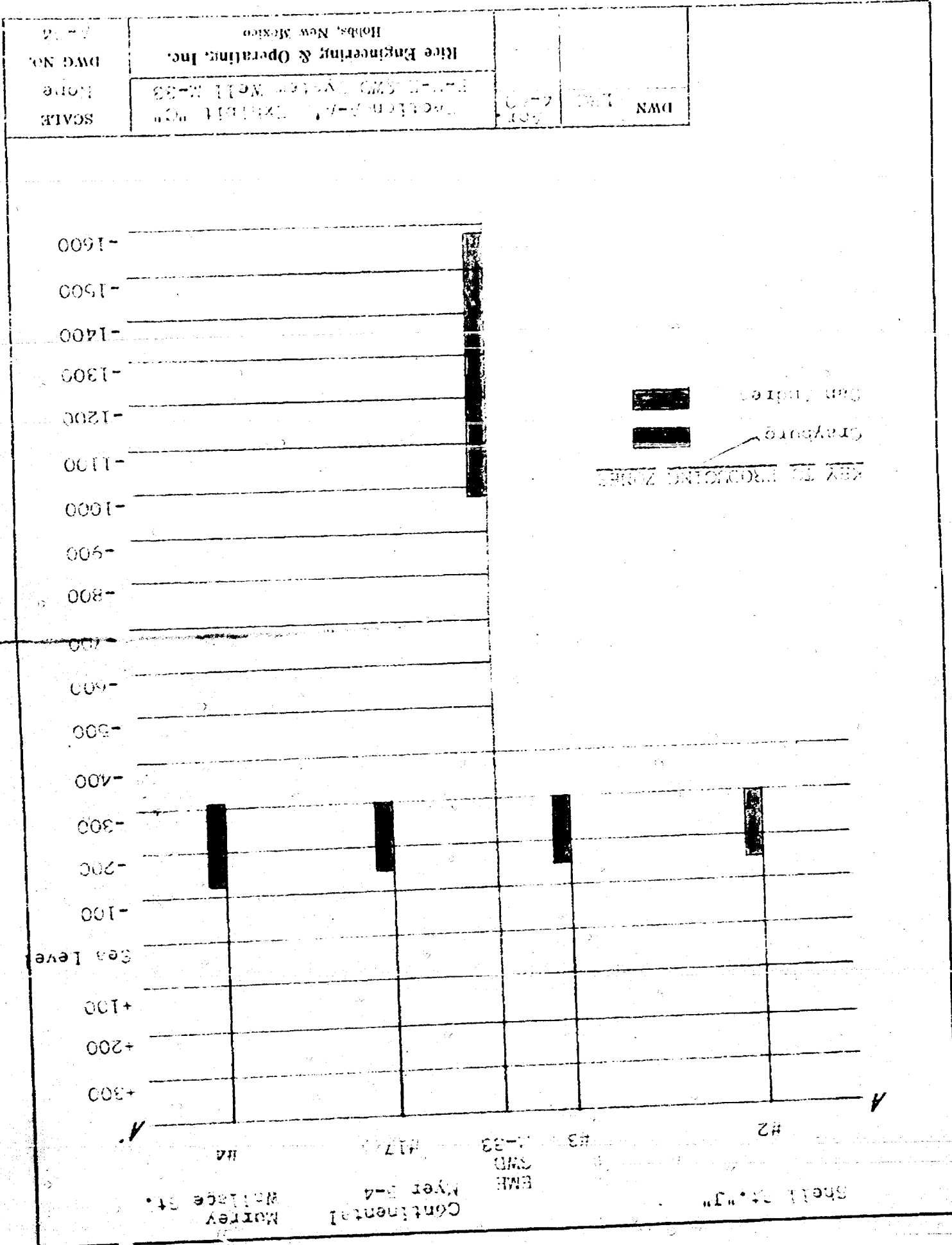
Very truly yours,

A. L. PORTER, Jr.  
Secretary-Director

ALP/1r

Enclosures: (2)

C  
O  
P  
Y



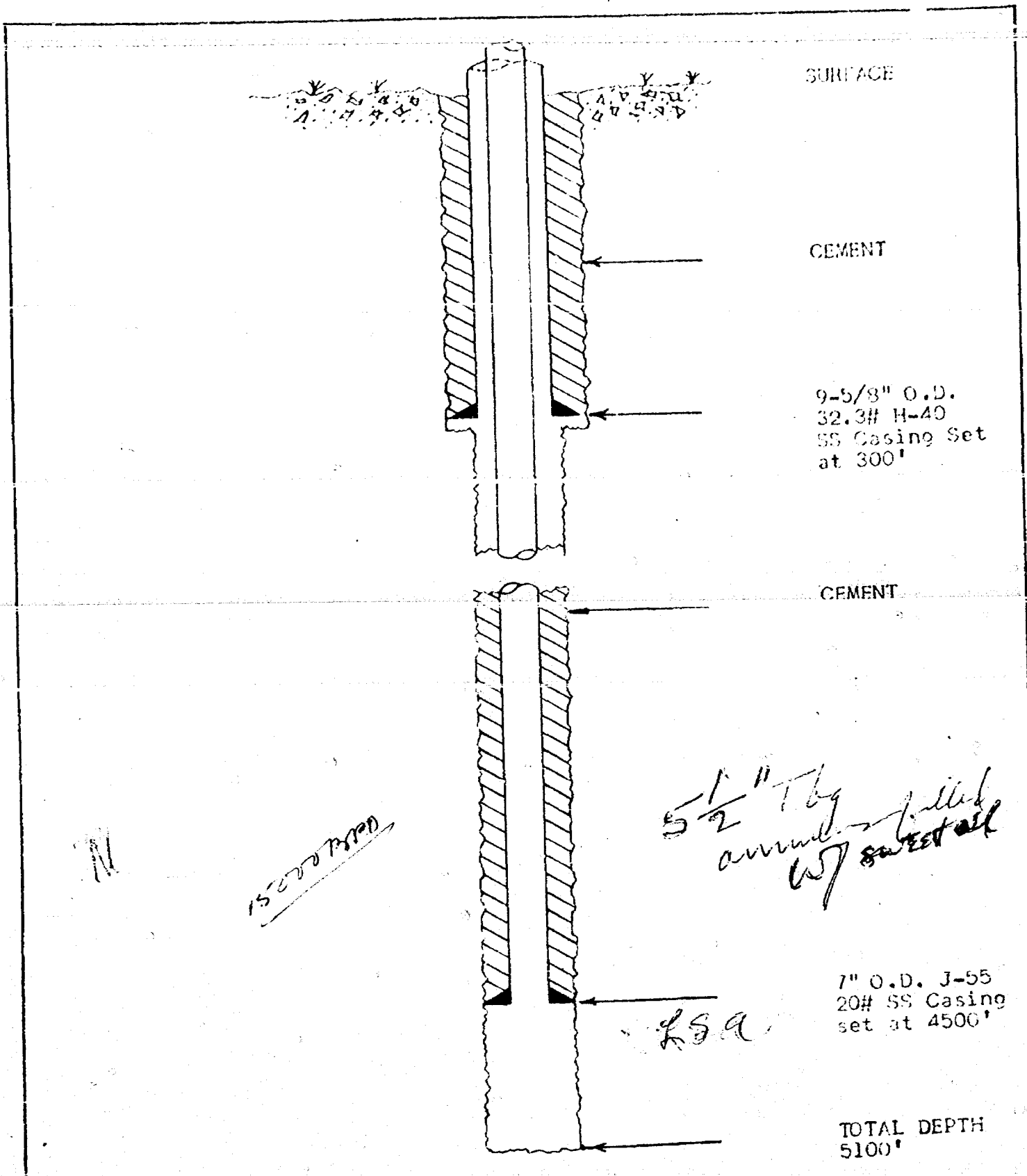


EXHIBIT "B"

DWN	D.S.	Mar. 7/60	E-M-E SWD WELL M-33 Proposed Completion	SCALE None
			Rice Engineering & Operating, Inc. Hobbs, New Mexico	DWG NO. A-93

DRAFT  
OEP:esr  
March 28

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. 1919

Order No. R-1642

*3/28*  
*3/30*  
*3/30*  
APPLICATION OF RICE ENGINEERING &  
OPERATING, INC. FOR ADOPTION OF  
A FORM C-120-A TO BE USED BY OPERA-  
TORS OF SALT WATER DISPOSAL WELLS  
IN REPORTING SALT WATER DISPOSAL  
OPERATIONS, AND FOR REVISION OF  
RULES 704, 1103, AND 1119.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on  
March 16, 1960, at Santa Fe, New Mexico, before the Oil Conserva-  
tion Commission of New Mexico, hereinafter referred to as the  
"Commission."

NOW, on this        day of March, 1960, the Commission,  
a quorum being present, having considered the testimony presented  
and the exhibits received at said hearing, 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 sub-  
ject matter thereof.

(2) That the applicant, Rice Engineering & Operating, Inc., proposes that a Commission Form C-120-A ~~to~~ be adopted to be used by operators of salt water disposal wells in reporting salt water disposal operations, and that Rules 704, 1103, and 1119 of the Commission Rules and Regulations be revised accordingly.

(3) That Commission Form C-120, which is presently being used to report salt water disposal operations, was designed primarily for use in reporting injection in secondary recovery projects and pressure maintenance projects. Consequently, said Form C-120 is unduly cumbersome with respect to reporting salt water disposal operations.

(4) That Commission Form C-120-A, a copy of which is attached hereto and made a part hereof as Appendix "A", should be adopted for use by operators of salt water disposal wells in reporting salt water disposal operations.

(5) That Rule 704 of the Commission Rules and Regulations should be revised to read in its entirety as follows:

**RULE 704. RECORDS AND REPORTS**

The operator of an injection project for secondary recovery or pressure maintenance shall keep accurate records and shall report monthly to the Commission the amount of oil produced, the volumes of fluid injected and the injection pressures on Form C-120. The operator of a salt water disposal project shall keep accurate records and shall report monthly to the Commission the volumes of fluid injected and the injection pressures on Form C-120-A.

(6) That Rule 1103 of the Commission Rules and Regulations should be amended by the inclusion of Form C-120-A, entitled Monthly Water Disposal Report, between Form C-120 and Form C-121 in said Rule 1103.

(7) That Rule 1119 of the Commission Rules and Regulations should be revised to read in its entirety as follows:

**RULE 1119. MONTHLY INJECTION REPORT (FORM C-120)  
AND MONTHLY WATER DISPOSAL REPORT (FORM  
C-120-A)**

Form C-120 and Form C-120-A shall be submitted in TRIPPLICATE and shall be used for reports required under Rule 704. ~~These reports~~ shall be postmarked not later than the 15th day of the next succeeding month. ~~Form C-120-A shall~~  
*be postmarked not later than the 15th day of the second succeeding month.*



IT IS THEREFORE ORDERED:

(1) That a Commission Form C-120-A, entitled Monthly Water Disposal Report, be and the same is hereby adopted as set forth in Appendix "A" attached hereto and made a part hereof.

(2) That Rule 704 of the Commission Rules and Regulations, be and the same is hereby revised to read in its entirety as follows:

**RULE 704. RECORDS AND REPORTS**

The operator of an injection project for secondary recovery or pressure maintenance shall keep accurate records and shall report monthly to the Commission the amount of oil produced, the volumes of fluid injected, and the injection pressures on Form C-120. The operator of a salt water disposal project shall keep accurate records and shall report monthly to the Commission the volumes of fluid injected and the injection pressures on Form C-120-A.

(3) That Rule 1103 of the Commission Rules and Regulations, be and the same is hereby revised by the inclusion of Form C-120-A, *Monthly Water Disposal Report*, between Form C-120 and Form C-121 in said Rule 1103.

(4) That Rule 1119 of the Commission Rules and Regulations, be and the same is hereby revised to read in its entirety as follows:

**RULE 1119. MONTHLY INJECTION REPORT (FORM C-120)  
AND MONTHLY WATER DISPOSAL REPORT (FORM  
C-120-A)**

Form C-120 and Form C-120-A shall be submitted in TRIPLICATE and shall be used for reports required under Rule 704. *Form C-120* ~~these reports~~ shall be postmarked not later than the 15th day of the next succeeding month. *Form C-120-A shall*

(5) *be postmarked not later than the 15th day of the second succeeding month.*  
DONE at Santa Fe, New Mexico -----

*That the effective date of this order is June 1, 1960.*

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. 1919  
Order No. R-1642

APPLICATION OF RICE ENGINEERING &  
OPERATING, INC. FOR ADOPTION OF  
A FORM C-120-A TO BE USED BY OPERA-  
TORS OF SALT WATER DISPOSAL WELLS  
IN REPORTING SALT WATER DISPOSAL  
OPERATIONS, AND FOR REVISION OF  
RULES 704, 1103, AND 1119.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on March 16, 1960, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 30th day of March, 1960, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, 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, Rice Engineering & Operating, Inc., proposes that a Commission Form C-120-A be adopted to be used by operators of salt water disposal wells in reporting salt water disposal operations, and that Rules 704, 1103, and 1119 of the Commission Rules and Regulations be revised accordingly.
- (3) That Commission Form C-120, which is presently being used to report salt water disposal operations, was designed primarily for use in reporting injection in secondary recovery projects and pressure maintenance projects. Consequently, said Form C-120 is unduly cumbersome with respect to reporting salt water disposal operations.
- (4) That Commission Form C-120-A, a copy of which is attached hereto and made a part hereof as Appendix "A", should be adopted for use by operators of salt water disposal wells in reporting salt water disposal operations.

-2-

CASE No. 1919  
Order No. R-1642

(5) That Rule 704 of the Commission Rules and Regulations should be revised to read in its entirety as follows:

**RULE 704. RECORDS AND REPORTS**

The operator of an injection project for secondary recovery or pressure maintenance shall keep accurate records and shall report monthly to the Commission the amount of oil produced, the volumes of fluid injected and the injection pressures on Form C-120. The operator of a salt water disposal project shall keep accurate records and shall report monthly to the Commission the volumes of fluid injected and the injection pressures on Form C-120-A.

(6) That Rule 1103 of the Commission Rules and Regulations should be amended by the inclusion of Form C-120-A, entitled Monthly Water Disposal Report, between Form C-120 and Form C-121 in said Rule 1103.

(7) That Rule 1119 of the Commission Rules and Regulations should be revised to read in its entirety as follows:

**RULE 1119. MONTHLY INJECTION REPORT (FORM C-120)  
AND MONTHLY WATER DISPOSAL REPORT (FORM  
C-120-A)**

Form C-120 and Form C-120-A shall be submitted in TRIPLICATE and shall be used for reports required under Rule 704. Form C-120 shall be postmarked not later than the 15th day of the next succeeding month. Form C-120-A shall be postmarked not later than the 15th day of the second succeeding month.

**IT IS THEREFORE ORDERED:**

(1) That a Commission Form C-120-A, entitled Monthly Water Disposal Report, be and the same is hereby adopted as set forth in Appendix "A" attached hereto and made a part hereof.

(2) That Rule 704 of the Commission Rules and Regulations, be and the same is hereby revised to read in its entirety as follows:

**RULE 704. RECORDS AND REPORTS**

The operator of an injection project for secondary recovery or pressure maintenance shall keep accurate records and shall report

-3-  
CASE No. 1919  
Order No. R-1642

monthly to the Commission the amount of oil produced, the volumes of fluid injected, and the injection pressures on Form C-120. The operator of a salt water disposal project shall keep accurate records and shall report monthly to the Commission the volumes of fluid injected and the injection pressures on Form C-120-A.

(3) That Rule 1103 of the Commission Rules and Regulations, be and the same is hereby revised by the inclusion of Form C-120-A, Monthly Water Disposal Report, between Form C-120 and Form C-121 in said Rule 1103.

(4) That Rule 1119 of the Commission Rules and Regulations, be and the same is hereby revised to read in its entirety as follows:

~~RULE 1119.~~ MONTHLY INJECTION REPORT (FORM C-120)  
AND MONTHLY WATER DISPOSAL REPORT (FORM  
C-120-A)

Form C-120 and Form C-120-A shall be submitted in TRIPPLICATE and shall be used for reports required under Rule 704. Form C-120 shall be postmarked not later than the 15th day of the next succeeding month. Form C-120-A shall be postmarked not later than the 15th day of the second succeeding month.

(5) That the effective date of this order is June 1, 1960.

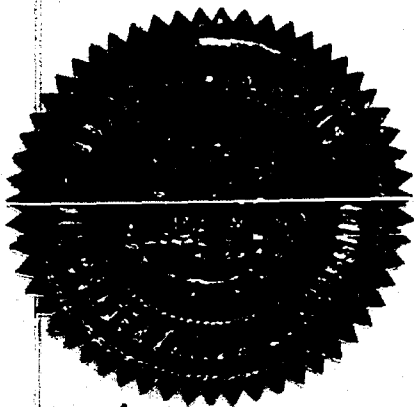
DONE at Santa Fe, New Mexico, on the day and year hereinafore designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

*John Burroughs*  
JOHN BURROUGHS, Chairman

*Murray E. Morgan*  
MURRAY E. MORGAN, Member

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



## APPENDIX "A"

FORM C-120-A

NEW MEXICO OIL CONSERVATION COMMISSION  
MONTHLY WATER DISPOSAL REPORT

Submit this report in triplicate to the appropriate District Office, Oil Conservation Commission.

Disposal  
System  
Operator

## Disposal System

County

Month

19

Lease	Well No.	Location				Disposed Water Barrels	Cumulative Disposed Water-Barrels	Average Injection Pressures
		UL	S	T	R			
TOTAL								

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

### Remarks

Name \_\_\_\_\_

**Company**

**Title**

BEFORE THE  
OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
March 16, 1960

REGULAR HEARING

IN THE MATTER OF:

Application of Rice Engineering & Operating,  
Inc., for adoption of a Form 120-A to be used  
in reporting salt water disposal operations.  
Applicant, in the above-styled cause, seeks  
an amendment of Rules 1119, 704, and 1103 to  
adopt a Form 120-A to be used by operators  
of salt water disposal wells in reporting  
salt water disposal operations.

CASE 1919

BEFORE:

Mr. A. L. Porter, Jr.  
Mr. Murray Morgan  
Governor John Burroughs

TRANSCRIPT OF HEARING

MR. PORTER: The meeting will come to order, please.  
The next case to be considered is 1919.

MR. PAYNE: Case 1919: Application of Rice Engineering  
& Operating, Inc., for adoption of a Form 120-A to be used in  
reporting salt water disposal operations.

MR. KELLAHIN: Jason Kellahin of Kellahin and Fox,  
Santa Fe, representing the Applicant. We'll have one witness.

(Witness sworn.)

W. G. ABBOTT

called as a witness, having been first duly sworn on oath, was  
examined and testified as follows:

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DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Would you state your name, please?

A My name is W. G. Abbott.

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

A I'm Division Manager of Rice Engineering and Operating, Incorporated, in Hobbs, New Mexico.

Q Have you testified before this Commission as an Engineer?

A Yes, sir.

MR. KELLAHIN: Are the witness' qualifications acceptable?

MR. PORTER: They are.

Q (By Mr. Kellahin) Mr. Abbott, are you familiar with the application in Case 1919?

A Yes, sir.

Q Would you state briefly what is proposed in this application?

A We propose to submit a form to the Commission that can be used to report salt water disposal. We have a suggested form---

MR. KELLAHIN: Can we have that marked as an exhibit, please?

A Yes, I have got it marked.

(Whereupon, Applicant's Exhibit 1 marked for identification.)

A This proposed C-120-A for reporting salt water disposal operations, if you'll look at the Exhibit A, has a place for the

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disposal system operator and the disposal system and County and month and year. Then under lease and well number, location of the well, and then the water disposed, cumulative disposed water, and average injection pressure.

Now this form will be just for the salt water disposal wells. It will show the total barrels disposed in each disposal well.

Q Under the item of lease and well number and location, what information would appear on the form when it is filed with the Commission?

A Well, that will be the lease where the salt water disposal well is located.

Q And it would show the well in which the water is being disposed?

A Yes, sir.

Q In your opinion does that adequately give all the information that is required for the operation of the salt water disposal insofar as the Commission is concerned?

A Yes, I believe it does. One thing that has been discussed, any operator of a salt water disposal system would also submit the list of wells and leases that are connected to the system, that would be submitted to the Commission; and then if there are any revisions, any additions of wells or deletions, those would be submitted to the Commission.

Q They would be submitted separately from the report form?



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A That's right. So the Commission would have a list of all the wells connected to a given salt water disposal system, and any water figures that needed to be verified, those figures could be taken off of the C-115. We don't think it's practical to report the water disposed of per well on these large systems.

Q Do you think it necessary that it be so reported?

A No, sir.

Q What form are you presently using, Mr. Abbott, for these reports?

A The present form is called C-120. Evidently it was used for secondary recovery operations or waterflood operations. The upper part has injection wells -- I can pass some of these around. The upper part of C-120 shows the injection wells, the MCF of gas injected, cumulative gas, barrels of water injection, cumulative water, and average pressure. Then at the bottom of the form it shows the producing wells, barrels of oil produced and gas produced, the GOR, the barrels of water produced, and the percent water produced.

We think this is a good form for waterflood operations, but it doesn't lend itself to salt water disposal.

Q Have you encountered any difficulty in the use of the form?

A Yes, sir, the way the rules are written up, they refer to first Rule 1119, that's monthly injection report form C-120, and form C-120 shall be submitted in triplicate, shall be used for



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reports required under Rule 704; this report shall be postmarked not later than the 15th of the next succeeding month." Refers to Rule 704, 704 is records and reports. "The operator of an injection project shall keep accurate records and report monthly to the Commission the amount of oil produced, the volumes of fluid injected and the injection pressures on Form C-120." Then, also referred to Rule 1103, which is written notices, requests, permits and reports, and they refer to the monthly injection report as C-120. Nothing in the rules states how the form should be filled out for salt water disposal operations, but the Commission requested that the operators turn in the barrels of water produced per well and report on the C-120. It just isn't practical to do that.

Q Is the information available to you in time to include in your report as it is required to be filed under Rule 1119?

A No, sir. The C-115 which the operators report their water and oil volumes on, that we'd have to take the figures from the C-115 and transpose it on the C-120 and submit it to the Commission by the 15th of the month, which we don't think is possible.

Q Now, to the extent that the report requires reports of water produced per well, is that information not duplicated on the C-115, which is filed by the operator?

A Yes, sir, it is.

Q In your opinion is it necessary, then, that it should be included for any reason on the C-120?

A No, sir.



Q And for that reason you have omitted it in your proposed Form C-120-A?

A Yes, sir.

Q In regard to the provisions of Rule 1119 on filing dates, what proposal do you have on that?

A Well, there are some operators of salt water disposal systems that the operations cost on these systems are on a per barrel basis, and they would like to take the figures submitted on the C-115's and use those as a basis for their operational charges. If this new form were to be required to be turned in the 15th of the second succeeding month, well, they could use the Commission figures or the New Mexico Engineering Committee figures to turn in.

Q And if it's required, as the present rule requires the filing date, they would not be able to do that, would they?

A No.

Q Would that result in a saving of labor to the operators?

A Yes, I believe it would.

Q Do you recommend the adoption of the form as shown on Exhibit 1?

A Yes, sir.

Q Was that prepared by you?

A Yes, sir.

MR. KELLAHIN: At this time we would like to offer in evidence Exhibit 1.

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MR. PORTER: Without objection, the exhibit will be admitted.

MR. KELLAHIN: That's all the questions I have.

MR. PORTER: Your recommendation is that this form be filed by the 15th of the second succeeding month?

A Yes, sir.

MR. PORTER: Anyone else have a question? The witness may be excused.

(Witness excused.)

MR. PORTER: Does anyone else have anything to offer in this case?

MR. BRATTON: Howard Bratton, Humble Oil and Refining Company. Humble supports the application of Rice Engineering. We believe in the simplification of reporting, the application should be granted.

MR. PORTER: Mr. Bushnell.

MR. BUSHNELL: H. D. Bushnell, in association with Kellahin and Fox and on behalf of Amerada. Amerada supports the application and believes it will reduce the operating cost.

MR. BUELL: Guy Buell; Pan American would like to concur in the application. We think the adoption of this form will be of significant benefit to the industry.

MR. TAYLOR: M. I. Taylor with Gulf. Gulf Oil Corporation is one of the operators under the proposed revision of the Oil Conservation Commission Form 120. To minimize the operational

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cost of operators in salt water disposal as far as possible, we believe that the proposed Form 120-A should provide sufficient information to maintain adequate controls. It will result in a minimum of additional reporting by operators. We therefore join the Applicant in asking that the Commission revise the form for the reporting of salt water disposal.

MR. PORTER: Anyone else have a statement to make?  
If nothing further to be offered in the case, we'll take it under advisement.

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STATE OF NEW MEXICO )  
COUNTY OF BERNALILLO ) ss

I, ADA DEARNLEY, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing was reported by me in Stenotype, and that the same was reduced to typewritten transcript under my personal supervision, and contains a true and correct record of said proceedings, to the best of my knowledge, skill and ability.

DATED this 21st day of March, 1960, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

*Ada Dearnley*  
NOTARY PUBLIC

My Commission Expires:

June 19, 1963.

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