CASE 3661: Application of SUNRAY
DX for SALT WATER DISPOSAL,
ROOSEVELT COUNTY, NEW MEXICO.

Casa Mo.

361

Application, Transcript,
5 mall Exhibits, Etc.

#### GOVERNOR DAVID F. CARGO CHAÍRMAN

# State of New Mexico

# Gil Conservation Commission

LÄND COMMISSIONER GUYTON B. HAYS MEMBER



STATE GEOLOGIST A. L. PORTER, JR. SECRETARY - DIRECTOR

October 11, 1967

Mr. Booker Kelly White, Gilbert, Koch & Kelly Attorneys at Law Post Office Box 787 Santa Fe, New Mexico Re: Case No. 3661
Order No. R-3326
Applicant:
Sunray DX Oil Company

Dear Sir:

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

Very truly yours,

A. L. PORTER, Jr. Secretary-Director

ALP/ir													
Carbon cop	y of	drde	er	also	sent	to:	•						
Hobbs OCC_													
Artesia OCO	2												
Aztec OCC_													
Other	Mr.	. D.	c.	Shre	ve,	Sun	ray	DX	0il	Compa	nv.	Tulsa,	Okia
	Mr.	Fra	nk	Irby,	Sta	ate 1	Enq:	ine	er o	ffice.	Sa	nta Fe	OKIA.

# 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. 3661 Order No. R-3326

APPLICATION OF SUNRAY DX OIL COMPANY FOR SALT WATER DISPOSAL, ROOSEVELT COUNTY, NEW MEXICO.

#### ORDER OF THE COMMISSION

## BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on October 4, 1967, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this <a href="lith">11th</a> day of October, 1967, 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, Sunray DX Oil Company, is the owner and operator of the New Mexico Federal "F" Well No. 1, located in Unit H of Section 13, Township 8 South, Range 34 East, HMPM, Milnesand Field, Roosevelt County, New Mexico.
- (3) That the applicant proposes to utilize said well to dispose of produced salt water into the Bough "B" zone of the Pennsylvanian formation through perforations from approximately 9248 feet to 9254 feet.
- (4) That the injection should be accomplished through a cement-lined tapered tubing string of 2 1/2-inch and 2-inch tubing installed in a packer set at approximately 9140 feet; that the casing-tubing annulus should be filled with an inert fluid; and that a pressure gauge should be attached to the

-2-CASE No. 3661 Order No. R-3326

annulus or the annulus left open in order to determine leakage in the tubing or packer.

(5) That approval of the subject application will prevent the drilling of unnecessary wells and otherwise prevent waste and protect correlative rights.

# IT IS THEREFORE ORDERED:

(1) That the applicant, Sunray DX Oil Company, is hereby authorized to utilize its New Mexico Federal "F" Well No. 1, located in Unit H of lection 13, Township 8 South, Range 34 East, located in Unit H of lection 13, Township 8 South, Range 34 East, located in Unit H of lection 13, Township 8 South, Range 34 East, located in Unit H of lection 13, Township 8 South, Range 34 East, located in Unit H of lection 13, Township 8 South, Range 34 East, located in Interval at approximately 9248 feet to 9254 feet; located in Interval from approximately 9248 feet to 9254 feet; located interval from approximately 9248 feet to 9254 feet;

PROVIDED HOWEVER, that the tubing shall be cement 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 that a pressure gauge shall be attached to the annulus or the annulus left open in order to determine leakage in the tubing or packer.

- (2) That the applicant shall submit monthly reports of its disposal operations in accordance with Rules 704 and 1120 of the Commission Rules and Regulations.
- (3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

est/

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

DAVID F. CARGO, CHAIrman

GUATON B. HAYS., Member

L. PORTER, Jr., Member & Secretary

.

## DOCKET: EXAMINER HEARING - WEDNESDAY - OCTOBER 4, 1967

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

The following cases will be heard before Daniel S. Nutter, Examiner, or Elvis A. Utz, Alternate Examiner:

éase 3661:

Application of Sunray DX Oil Company for salt water disposal, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Bough "E" zone of the Pennsylvanian formation in the interval 9248 feet to 9254 feet in its New Mexico Federal "F" Well No. 1 located in Unit H of Section 13, Township 8 South, Range 34 East, Milnesand Field, Roosevelt County, New Mexico.

## CASE 3390 (Reopened)

In the matter of Case No. 3390 being reopened pursuant to the provisions of Order No. R-3058, which order established 80-acre spacing units for the East Hightower-Lower Pennsylvanian Pool, Lea County, New Mexico, for a period of 18 months. All interested parties may appear and show cause why said pool should not be developed on 40-acre spacing units.

CASE 3662:

Application of El Paso Natural Gas Company for a non-standard gas proration unit and an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the approval of a 230.32-acre non-standard gas proration unit comprising all of lots 9, 10, 11, 12, 13, and 14 of Section 6, Township 21 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, to be dedicated to its Shell State Com "E" Well No. 1 at an unorthodox location for said pool 3300 feet from the North line and 1980 feet from the East line of said Section 6.

CASE 3663:

Application of Stoltz & Company for an amendment to Order No. R-3238, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-3238 which authorized applicant's use of Lane Salt Lake in Township 10 South, Ranges 32 and 33 East, Lea County, New Mexico, for salt water disposal purposes. Applicant specifically seeks the amendment of paragraph (3) of Order No. R-3238 to correct the maximum permitted water level for disposal purposes in said lake and to correct the ground elevation of the reference well in said order. The above corrections are necessitated by a re-survey of the subject lake.

# Sunray DX Oil Company

P. O. Box 2039 Tulsa, Oklahoma 74102 Area Code 918 583-4390

Production Department

DX

September 8, 1967

PG-

John R. Finch Manager, Unitization and Conservation

Pare 3661

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

> Re: Application to Dispose of Salt Water Milnesand San Andreas Field Roosevelt County, New Mexico

Gentlemen:

Attached is an application for permission to dispose of salt water according to Oil Conservation Commission Rule 701.

Mr. John Hastings of our District Office in Roswell preparéd this application and will present more detailed information at the hearing.

Very truly yours,

SUNRAY DX OIL COMPANY

John R. Finch

DCS:cnf Attachment

cc: E. H. Ramsey - E. J. Pierce

C. T. McClanahan - John Hastings

Date 7/21/67

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Return Receipt Requested

# Sunray DX Oil Company

District Office



Case 366/

P. O. Box 1416 Roswell, New Mexico August 25, 1967

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

RE: Application to dispose of Salt Water Milnesand San Andres Field Roosevelt County, New Mexico

#### Gentlemen:

Sunray DX Oil Company hereby notifies the Oil Conservation Commission of Sunray's desire to dispose of produced salt water from its New Mexico "F" Federal and Y. F. Bowley Leases in the Milnesand San Andres Field.

We propose to dispose of such water by injection into the New Mexico "F' Federal Well No. 1. This well is a temporarily abandoned Pennsylvanian (Bough "E") well.

This application is being made in accordance with Rule 701. All information necessary to this application is attached. Sunray respectfully requests that this matter be scheduled for hearing before the Commission as soon as possible.

Copies of this letter, with attachments, have been sent to the State Engineer Office in Santa Fe, The Oil Conservation Commission Office in Hobbs, and the USGS office in Hobbs as evidenced by the attached postul receipts.

Yours truly,

SUNRAY DX OIL COMPANY

John Hastings

'67 SEP 11 AN 8 08

Roswell District Engineer

JH/RLM/nsh

Attachments

cc: State Engineer Office, Santa Fe NMOCC, Hobbs USGS, Hobbs DOCKET ME TED

Date

# PROPOSED SWD WELL SUNRAY DX NEW MEXICO "F" FEDERAL NO. 1

1980 FSL & 660 FEL, Section 13, T-8-S, R-34-E Roosevelt County, New Mexico

DISPOSAL ZONE: Pennsylvanian - Bough "E" Member

ZONE DEPTH: 9248' - 9254'

INJECTION FLUID: Salt Water produced from New Mexico "F" Federal and Y. F. Bowley Leases, Milnesand San Andres

Field.

ANTICIPATED INJECTION VOLUMES: 150 BWPD

INJECTION METHOD: Produced water to gravity from tank battery to wellhead. Well will take fluid on a vacuum in the Bough "E" Member of the Pennsylvanian Formation. See diagrammatic well sketch.

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MARY OFFICE !

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#### DIAGRAMMATIC WELL SKETCH

Case 366/

Sunray DX New Mexico "F" Federal Well No. 1 1980 FNL & 660 FEL, Section 13, T-8-S, R-34-E Roosevelt County

TOC - Surface  13-3/8" Casing  — Cement - 400 sxs regular w. CaCl <sub>2</sub> — TOC - 1260'  HOLE	23 sxs CaCl <sub>2</sub>
HOLE CSG SIZE WT. GRADE FOOTAGE  17-1/2" 13-3/8" 36.0 Armco 334' SJ, SW 12-1/4" 9-5/8" 36.0 J-55 427' 12-1/4" 9-5/8" 32.3 H-40 1463' 12-1/4" 9-5/8" 36.0 J-55 1896' 12-1/4" 9-5/8" 40.0 J-55 1015'	23 sxs CaCl <sub>2</sub>
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N PROPOSED UNIT BOUNDARY

PENN WELL RECOMPLETED IN SAN ANDRES PROPOSED INJECTION WELL

AREA MAP

MILNESAND (SAN ANDRES) FIELD ROOSEVELT COUNTY, NEW MEXICO

BEFORE EXAMINER NUTTER OIL CONSERVATION COMMISSION FIGURE 1 AREA MAP (I) ORIGINAL WELL NUMBER MILNESAND (SAN ANDRES) FIELD POOSEVELT COUNTY, NEW MEXICO • PENN WELL RECOMPLETED IN SAN ANDRES
• PROPOSED INJECTION WELL

# DIAGRAMMATIC WELL SKETCH

Sunray DX New Mexico "F" Federal Well No. 1 1980 FNL & 660 FEL, Section 13, T-8-S, R-34-E Roosevelt County

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12-1/4" 9-5/8"	40.0 J-55	1015'		40% Diacel-D w/4% CaCl <sub>2</sub> and 100 sxs Neat @ csg.	
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dearnley-meier reporting service, inc

# BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION Santa Fe, New Mexico October 4, 1967

# EXAMINER HEARING

IN THE MATTER OF:

Application of Sunray DX:Oil Company for salt water disposal, Roosevelt County, New Mexico.

Case <u>3661</u>

BEFORE: DANIEL S. NUTTER, Examiner

TRANSCRIPT OF HEARING



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# NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARING

SANTA FE , NEW MEXICO

# REGISTER

TRADING DATE OCT	OBER 4, 1967 TIME:	y A.M.
HEARING DATE OCT	REPRESENTING:	LOCATION:
NAME:	REPRESENTING.	EDET WORTH
GUY BUELL	PAN AMERICAN PERCORP	11
CLARIE H. FORD	11	15
DAVE NEWMAN		Tulsa
P. W. Spurceck	Sunray 12	1
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MR. NUTTER: The Hearing will come to order. The first case here this morning will be Case Number 3661.

MR. HATCH: Application of Sunray DX Oil Company, for salt water disposal, Roosevelt County, New Mexico.

MR. KELLY: Booker Kelly, White, Gilbert, Koch and Kelly on behalf of the Applicant. I have Mr. D. C. Shreve, a member of the Oklahoma Bar, who is associated with me. He's going to put on the case.

MR. NUTTER: How do you spell that name, Mr. Shreve?

MR. SHREVE: S-h-r-e-v-e.

MR. NUTTER: Thank you.

MR. KELLY: We have one witness and ask that he be sworn.

(Witness sworn)

RALPH MANES'S, called as a witness, having been first duly sworn, was examined and testified as follows:

## DIRECT EXAMINATION

# BY MR. SHREVE:

Q Will you state your name and occupation, please, sir?

A Ralph Maness, I'm a production engineer for the Sunray DX Oil Company in our Roswell District.

MR. NUTTER: And how do you spell your name, please?

- M-a-n-e-s-s. A
  - MR. NUTTER: Thank you.
- (By Mr. Shreve) Have you testified before the Oil Q Conservation before?
  - Yes, I have.
  - Were you accepted as a qualified witness at that A Q time?
  - Are you familiar with Sunray's application before Yes. A this hearing in regard to the Federal F Lease known as Milnesand Field in Roosevelt County, New Mexico, and this application to allow the use of the Number 1 Well for salt water disposal?

    - Has a copy of this application been furnished to the Yes, I am. Α Q
    - Yes, it has and we have received a letter notifying State Engineer? us that he has received this application.
      - Were the exhibits with this application prepared under your supervision?
        - Yes. Α

(Whereupon Applicant's Exhibits 1 through 3 were marked for identification)

Q Okay. Please refer to Exhibit Number 1 and explain the relevant portions. This is a plat, surface plat of the area.

This map is a map of the Milnesand San Andres Field in Roosevelt County and was prepared by the Milnesand San Andres Field Engineering Committee. The additional information shown on this, I prepared and put on the map myself. The wells with the red circle around them are wells which at one time were Pennsylvania producers, but have now been plugged back to the San Andres and are now producing from the San Andres. The one well with the blue, in blue triangle, is our proposed injection well, New Mexico, F Federal Number 1. The two wells in Section 14, which have a triangle around them, the number 1 in Heilman Lease is now a temporarily abandoned Pennsylvanian well, and the other well on the Federal A Lease, Lario Oil and Gas is currently a producer in the Pennsylvanian formation and it's current production as of July is approximately fifteen barrels of oil per day and four barrels of water per day and it appears to be approximately a mile and a quarter from our proposed injection well.

Q How many wells producing from the San Andres on our leases, will be served by this disposal well?

A Sunray's operated leases are shown here on this map slightly shaded in and would be our Federal F Lease and Y.F.

Bowley Lease. There are seventeen wells on the Federal F

Lease and four on the Bowley and they -- combined water

production from these twenty-one wells is approximately one
hundred fifty barrels of water per day.

- Q How is the water disposed of now?
- A The current disposal method is in unlined surface pits.
  - Q When will these pits be closed by State order?
  - A The current order is January 1, 1969.
- Q Refer to Exhibit Number 2 please, sir. This is a schematic diagram of the completion method of the well. Would you explain the method of completion used in this well, please?

A The long producing string is five and a half-inch casing which is set at 9278. The top of the cement is 79 and 20. We propose to inject down cement-lined tubing, combination string of two and a half and two-inch tubing and will be set with a Model D packer at approximately 9140, and we plan to dispose of this water through perforations, 9248 and 9254. And these perforations are in the Pennsylvanian formation in what our geologists term the Bough "E" Section.

Q Do you have an estimate of what initial injection. pressure will be?

A We believe that this well will take this water on vacuum.

- Is it your opinion that this installation will prevent migration to other zones?
  - Yes, it is.
- Will you refer to Exhibit Number 3, which is a log of this well and just point out in it the zone that will be opened.
- The zone is shown on the log by a little rectangle at approximately 9250, which represents our perforations in this well, as shown on this well sketch.
- Do you consider this the best possible method of Q disposal?
  - Yes, I do.

MR. SHREVE: We have no further questions.

# CROSS EXAMINATION

# BY MR. NUTTER:

- Mr. Maness, are the two wells over in Section 14 the only wells in this area producing from the Pennsylvanian?
- Actually, only one is now, sir. That one is A temporarily abandoned, but the one --
- So, there is one Pennsylvanian producer in the whole area?
  - Yes, sir.
  - What is the status of your well at the present time? Q
  - It is TA. A

- Q It is?
- A Yes, sir.
- Q When was the last time it produced?
- A Approximately two and a half years ago. I am not sure of the exact date.
- Q Now, this other well on this same 40, that number 4, is that a San Andres well?
  - A Excuse me, sir, would you repeat that?
- Q The other well, there on that same 40, is your number one --
  - A Yes, sir.
  - Q -- being the number four well; is it a San Andres?
  - A Yes, sir, it is.
- Q How much water do you expect to be injecting into this disposal well?
- A Approximately one hundred fifty barrels of water per day, now.
  - Q Then this is San Andres water, than?
  - A Yes, sir, it is.
- Q Is the Pennsylvanian formation in this area productive of water as well as oil?
  - A yes, it is, to an extent.
  - Q Was that the main reason you had to abandon your

number one in the Pennsylvanian, that turned to water?

- A Yes, sir, that and production declined.
- Q I see. Now, let's see, I expect these figures are right on your schematic diagram. You mentioned that the top of the cement was 7920 on the five and a half?
  - A Yes, sir.
- Q And it looks like the top of the cement on the intermediate string would be 1260?
  - A Yes, sir.
  - Q And the surface casing has cement circulated?
  - A Yes, sir.
- Q What do you propose as far as the casing tubing annulus is concerned there?
  - A It will be loaded with some fluids.
  - Q An inert fluid?
  - A Yes, sir.
  - Q And a pressure gauge can be installed on the annulus, or it can be left open to determine a leak in the packer or the tubing?
    - A Yes, sir.
- Q Are there any further questions of Mr. Maness?
  You may be excused.

(Witness excused)

MR. KELLY: We want to get our exhibits in.

MR. NUTTER: Sunray's DX Exhibits 1 through 3 will be admitted in evidence. Do you have anything further? If there is nothing further in this Case, we will

take the case under advisement and call case 3390. (Whereupon Sunray's DX

Exhibits 1 through 3 were admitted into evidence)

STATE OF NEW MEXICO ) COUNTY OF BERNALILLO)

I, JIMMIE DON PETTY, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me; and that the same is a true and correct record of the said proceedings, to the best of my knowledge, skill and ability. Witness my Hand and Seal this 26th day of October, 1967.

Jimmie Don Petty Notary Public

My Commission Expires: Sept. 15, 1971

by that the foregoing is