

CASE 3704: Application of NEW
MEXICO SALT WATER DISPOSAL CO.
for salt water disposal, Lea Co.

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Case No.

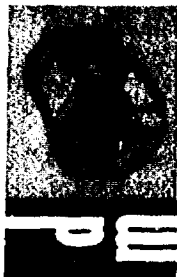
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Application, Transcript,
Small Exhibits, Etc.

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SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

1120 SIMMS BLDG. • P. O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO



BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
January 24, 1968.

IN THE MATTER OF:

Application of New Mexico Salt
Water Disposal Company, Inc., for)
salt water disposal, Lea County,)
New Mexico)

CASE NO. 3704

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARING

SANTA FE, NEW MEXICO

Hearing Date JANUARY 24, 1968TIME: 9 A.M.

NAME	REPRESENTING	LOCATION
Charles C. Spence, Jr.	N.M. Salt Water Disposal Co. Inc.	Roswell, N.M.
St. Paul	Montgomery Ward & Co. Inc.	San Antonio
J.B. Jordan	Union Oil Co. of Calif.	Roswell, N.M.
GORDON COE	Artec Oil & Gas Co.	DALLAS, TEX.
Terry Eskew	Aztec Oil & Gas Co.	Hobbs
LONNIE C. SMITH	GULF OIL CORP.	ROSWELL
T.F. McKee	Carter	Santa Fe
Vern A. White	Carter	Midland, Tex
H.M. Langstaff	Cobalt Corp	Pampa, Texas
P.C. O'Donnell	Cobalt Corp	Midland, Tex
Paul M. Foster, Jr.	"	Roswell, N.M.
Nina L. Duhaime	NW HYAM	Santa Fe
James W. Kallala	Kallala & Fox	Santa Fe
John J. Laury	Tenneco Oil Co.	Midland, Tex
B.S. Desrosiers	"	"
Charles W. Sieder	Olen F. Featherstone	Roswell, New Mex
F.M. Donald	Tenneco Oil Co.	Midland Tex
Bill Foster	Gulf Oil Corp	Roswell
Paul D. Janning	Janning & Co. Inc.	Roswell
	2 M. Moran & Co.	

NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARING

SANTA FE, NEW MEXICO

Hearing Date JANUARY 24, 1968 TIME: 9 A.M.

NAME	REPRESENTING	LOCATION
L. C. White	Jenneco Oil Co	Santa Fe
J. S. Moor	" " "	Midland

MR. NUTTER: The hearing will come to order, please. The next case is Case 3704.

MR. HATCH: Case 3704, (continued from the December 20, 1967, Examiner Hearing) Application of New Mexico Salt Water Disposal Company, Inc., for salt water disposal, Lea County, New Mexico.

MR. BUELL: Mr. Examiner, I am Sumner Buell, with Montgomery, Federici, Andrews, Hannahs & Morris, Santa Fe, appearing on behalf of the Salt Water Disposal Company and have one witness, Mr. Charles Loveless and ask that he be sworn.

(Witness sworn.)

(Exhibits 1 through 3 marked for identification.)

* * * * *

C H A R L E S C . L O V E L E S S , J U N I O R ,
called as a witness, having been first duly sworn, was
examined and testified as follows:

DIRECT EXAMINATION

BY MR. BUELL:

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

A Charles C. Loveless, Junior, employed by New
Mexico Salt Water Disposal Company, Inc., of Roswell, New Mexico.

Q Have you previously testified before the Commission or one of its Examiners and had your qualifications accepted?

A Yes.

Q Mr. Loveless, are you familiar with what is sought by the application in Case 3704?

A Yes.

Q Would you outline to the Examiner what it is?

A This application pertains to the use of an abandoned dry hole located in the southeast quarter of the northeast quarter of Section 19, Township 9 South, Range 34 East, Lea County, New Mexico.

Q Do you propose to dispose of salt water into this dry hole, is that correct?

A Yes, we propose to inject water into the Bough "D" zone into this well which is currently cased to a point 9882 feet below the surface and which has penetrated the Bough "D" formation, so-called, at a point on the west flank of the Vada-Pennsylvanian Field.

Q Mr. Loveless, referring to what has been marked as Exhibit No. 1, would you explain to the Examiner what that shows, please?

A Exhibit No. 1 is a structure map contoured on the

Bough "C" formation which also reflects the structural configuration of the underlying Bough "D" in the Vada area. The Bough "D" datum is shown on wells which are of sufficient depth to penetrate this formation. This structure map reveals the Bough intervals dip regionally to the southeast with some subtle south, or plunging structural noses. No evidence of Bough structural closure was noted in this stratigraphically controlled field.

This Exhibit 1 shows all of the wells in the general area which have penetrated the Bough "C" formation and gives the subsea datum for these wells as well as the Bough "B".

Q Would you explain what is shown by the wells marked "A-1", "A-2", "A-3", "A-4" and "A-5"?

A This code is correlated with the cross-section demonstrating the structural, or the geological configuration of the area which is covered by the hearing.

Q Is this cross-section shown, what has been marked as Exhibit 2?

A That's true.

Q Would you explain to the Commission what is shown by Exhibit 2, please?

A This cross-section generally is a cross-section

extending from the western side of the Vada Pool easterly and northeasterly to take in these wells, five wells which have penetrated the Bough "D" formation. The purpose of the cross-section is to demonstrate the nature of the geological formations, to demonstrate the type of formation as indicated by mechanical logs that separate the Bough "C" and the Bough "D" formation. Generally speaking, Exhibit 2 shows an eastward dipping geological formation with approximately 50 or 60 feet of shale and limestone separating the Bough "C", which is the field pay, from the Bough "D", which is the formation this applicant requests to inject salt water.

Q Does Exhibit 2 show the results of the testing made in the well labeled "A-2" which is also the subject well of this application?

A Yes, it does. The mechanical log and the data provided below it on Exhibit 2 show that this well penetrated the Bough "C" and was having not encountered what is commonly termed a normal drilling break in the Bough "C", was drilled through the Bough "D" which was encountered at approximately 9840 in the instant well. A drillstem test was taken initially, of the interval 9740, to total depth of 9882, which included both zones. Recovery was 360 feet of gas-cut mud and water, and 4,050 feet of gas-cut water. Casing was set to total depth of 9882, pardon me, before we set casing,

another drillstem test was taken over the interval 9748, 9812 which is considered the Bough "C" formation and recovered 720 feet of gas-cut mud, and 540 feet of slightly oil and gas-cut mud with an initial flowing pressure of 630 pounds per square inch, a three-minute final flowing pressure, three-hour, that is, of 643 pounds per square inch, and a final shutin pressure of 1305 pounds. The operator then ran pipe and perforated the Bough "C" formation in the interval 9765 to 9786 and after repeated efforts to stimulate this well by acidization was unable to establish commercial production. The well, I do not have the results of the tests after stimulation, but I can, for the record, state that it is my knowledge the well swabbed dry very shortly and there was no evidence of any permeability or fluid content in the Bough "C".

Q Referring you to what has been marked as Applicant's Exhibit No. 3, would you explain what is shown by that exhibit?

A This is a proposed completion procedure for the unitization of this well, actually it shows the casing and tubing program proposed. It may be noted from the form C-108 this well has at present 350 feet of 13 - 5/8 inch casing with cement circulated, 4,000 feet of 8 - 5/8 inch intermediate string with cement circulated and 5 - 1/2 inch

casing that's N-80 set at total depth of 9882, cemented with 300 sacks and survey indicates cement, top of the cement is 8280 feet below the surface. We would propose to squeeze the present perforations in the Bough "C" to insure no communication with the Bough "D", either behind the pipe or in the annulus, and to reperforate the 5 - 1/2 inch casing in the Bough "D" interval from 9844 to 9875.

I assume that we will stimulate this formation in order to achieve the maximum injectivity and will run plastic-lined three-inch I. D. tubing to approximate total depth, suspended on a Baker B tubing hanger, and will inject water through the N-80 tubing. We will load the annulus with crude oil in order to balance hydrostatically the fluid column.

Q Mr. Loveless, have you any information regarding the nature of the water which is found in the Bough "D" formation in this well?

A No, other than it is highly mineralized and it is --

Q What will be the source of the produced water which you propose to inject in this well?

A It would possibly be from the Vada-Penn Pool which lies to the east of this well, from a half a mile to two or three miles. I believe there are about 15 or 16 wells

currently producing.

Q Do you anticipate that the waters in place in the Bough "D" and the injected water will be compatible?

A Yes, I assume they are. They're probably deposited in approximately the same environment and I assume they should be roughly the same chemical.

Q Is it your opinion that the granting of this application would prevent waste and protect correlative rights?

A Yes.

Q Were Exhibits 1 through 3 prepared by you or under your supervision?

A They were.

MR. BUELL: At this time, I would offer Exhibits 1, 2, and 3 into evidence.

MR. NUTTER: Applicant's Exhibits 1 through 3 will be admitted into evidence.

(Whereupon Applicant's Exhibits 1, 2 and 3 admitted into evidence.)

MR. BUELL: I have no other questions.

CROSS EXAMINATION

BY MR. NUTTER:

Q Are any of the wells producing from the

Bough "D"?

A No, they are not.

Q Where is the nearest Bough "D" production that you know of?

A I don't know of any Bough "D" production and appropos that question, there is no, our studies reveal there is no Bough "D" production or significant Bough "D" oil or gas shows in the Vada area.

Q How about Bough "F" down below this "D"?

A I am not familiar with occurrence of oil or gas in the "F". We did not make an examination of that formation. We know that the Bough "D" is water bearing, generally in the area, in fact the instant well is the highest well with any indicated porosity in the Bough "D" and it, of course, recovered 4,050 feet of salt water on drillstem test, so that we can deduct that the Bough "D" formation which conformed generally to this Bough "C" structure and which is shown on Exhibit 1 would indicate that you would not anticipate any oil or gas in the Bough "D" within a reasonable distance.

Q Well, now, this log that you show here for the "A-2" on your cross-section, where does it start down here? Is this T.D. where the log starts? It's impossible to read the numbers on this thing. I guess your T. D. is --

A The total depth is 9882.

Q That's where the casing is set, T.D.?

A Yes, right, and the top of the Bough "D" is approximately 9840.

Q And they had that drilling break at 46 to 60 and that, you assume, will be your injection?

A Yes, as a matter of fact, the examination of the samples coupled with the log indicate there is net.

Q Do you have a shale section above the Bough "D"?

A It is predominantly shale and lime stringers and the log indicates in this well and the other well on the cross-section, a fairly sizeable shale kicks on the log. There are approximately three pretty massive shale intervals.

Q It appears to be continuous throughout the cross-section?

A Yes, it does. You will note from the cross-section, and we are hopeful that the permeabilities develop in the Bough "D" progressively better to the east and these logs seem to verify that.

Q Still no production?

A No production because they are down-dip from the high wells which lie to the west and there has been no indication of any production.

Q Have you already acquired this well for salt water disposal?

A Yes, and it would be subject to acquiring rights from the surface owners, these are fee minerals and incidentally, they were notified.

MR. NUTTER: Are there any other questions of Mr. Loveless? He may be excused.

(Witness excused.)

MR. NUTTER: Do you have anything further, Mr. Buell?

MR. BUELL: No, sir.

MR. NUTTER: If nothing further in this case, we'll take the case under advisement and take a 15-minute recess.

STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

I, ADA DEARNLEY, Court Reporter in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Proceedings before the New Mexico Oil Conservation Commission was reported by me, and that the same is a true and correct record to the best of my knowledge, skill and ability.

Witness my hand this 19th day of February, 1968.

Ada Dearnley
Court Reporter

I N D E X

<u>WITNESS</u>	<u>PAGE</u>
CHARLES C. LOVELESS, JR.	
Direct Examination by Mr. Buell	2
Cross Examination by Mr. Nutter	8

EXHIBITSMARKEDOFFERED AND
ADMITTED

Applicant's 1 through 3

2

8

I do hereby certify that the foregoing is
a complete record of the proceedings in
the hearing of Case No. 3704
held by me on 1/24, 1968
James, Examiner
Mexican Oil Conservation Commission

GOVERNOR
DAVID F. CARGO
CHAIRMAN

State of New Mexico
Oil Conservation Commission



LAND COMMISSIONER
GUYTON B. HAYS
MEMBER

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

P. O. BOX 2088
SANTA FE

January 31, 1968

Re: Case No. 3704
Order No. R-3370
Applicant:


Mr. Sumner Buell
Montgomery, Federici & Andrews
Attorneys at Law
Post Office Box 2307
Santa Fe, New Mexico

N. M. Salt Water Disposal Co.

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 copy of order also sent to:

Hobbs OCC x

Artesia OCC

Aztec OCC

Other Mr. D. E. Gray - State Engineer Office

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE No. 3704
Order No. R-3370

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

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 24, 1968, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 31st day of January, 1968, 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, New Mexico Salt Water Disposal Company, Inc., is the owner and operator of the Ainsworth Well No. 1, located in Unit H of Section 19, Township 9 South, Range 34 East, NMPM, Lea County, New Mexico.

(3) That the applicant proposes to utilize said well to dispose of produced salt water into the Bough "D" zone of the Pennsylvanian formation, with injection into the perforated interval from approximately 9844 feet to 9875 feet.

(4) That the injection should be accomplished through 3-inch internally plastic-coated tubing; that the casing-tubing annulus should be filled with an inert fluid; and that a pressure gauge should be attached to the annulus or the annulus left open

-2-

CASE No. 3704
Order No. R-3370

at the surface 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:

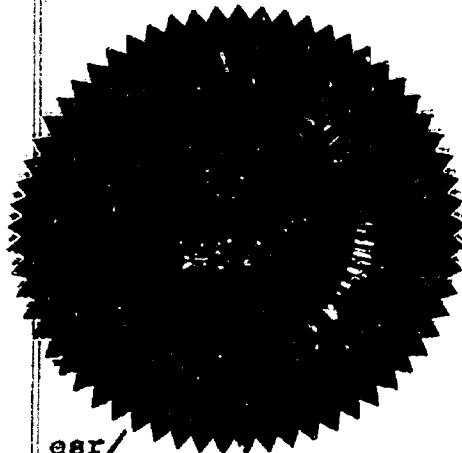
(1) That the applicant, New Mexico Salt Water Disposal Company, Inc., is hereby authorized to utilize its Ainsworth Well No. 1, located in Unit H of Section 19, Township 9 South, Range 34 East, NMPM, Vada-Pennsylvanian Pool, Lea County, New Mexico, to dispose of produced salt water into the Bough "D" zone of the Pennsylvanian formation, injection to be accomplished through 3-inch tubing into the perforated interval from approximately 9844 feet to 9875 feet;

PROVIDED HOWEVER, that the tubing shall be internally plastic-coated; that the casing-tubing annulus shall be filled with a hydrostatically balanced column of inert fluid; and that a pressure gauge shall be attached to the annulus or the annulus left open at the surface 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.



STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

David F. Cargo
DAVID F. CARGO, Chairman

Guyton B. Hays
GUYTON B. HAYS, Member

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

esr/

NEW MEXICO OIL CONSERVATION COMMISSION

Form C-10H
Revised 1-1-65

Sit for hearing
Case 3704

APPLICATION TO DISPOSE OF SALT WATER BY INJECTION INTO A POROUS FORMATION

OPERATOR New Mexico Salt Water Disposal Co., Inc.		ADDRESS Box 566, Roswell, New Mexico 88201	
LEASE NAME Ainsworth		WELL NO. 1	
LOCATION East		FIELD Vada (Pruitt) Penn	
UNIT LETTER H		COUNTY Lea	
LINE, SECTION 19		TOWNSHIP 9S	
RANGE 34E		LINE AND 660	
NAME OF STRING 13-5/8		CASING AND TUBING DATA 350	
SIZE 8-5/8		SETTING DEPTH 4000	
INTERMEDIATE 5-1/2		SACKS CEMENT Circ	
LONG STRING 3-inch ID		TOP OF CEMENT 8280	
TUBING Bough "D"		TOP DETERMINED BY Survey	

NAME OF PROPOSED INJECTION FORMATION Bough "D"		NAME, MODEL AND DEPTH OF TUBING PACKER Baker "B" Tubing hanger	
IS INJECTION THROUGH TUBING, CASING, OR ANNULUS? No		TOP OF FORMATION 1	
IS THIS A NEW WELL DRILLED FOR DISPOSAL? No		BOTTOM OF FORMATION 1	
IF ANSWER IS NO, FOR WHAT PURPOSE WAS WELL ORIGINALLY DRILLED? Field Extension		PROPOSED INTERVAL(S) OF INJECTION 7844-7875	
LIST ALL SUCH PERFORATED INTERVALS AND SACKS OF CEMENT USED TO SEAL OFF OR SQUEEZE EACH 9765'-9785' - Propose to squeeze		HAS WELL EVER BEEN PERFORATED IN ANY ZONE OTHER THAN THE PROPOSED INJECTION ZONE? Bough "C"	
DEPTH OF BOTTOM OF DEEPEST FRESH WATER ZONE IN THIS AREA None observed		DEPTH OF TOP OF NEXT LOWER OIL OR GAS ZONE IN THIS AREA No record	
ANTICIPATED DAILY INJECTION VOLUME (BBL'S.) 4000		DEPTH OF TOP OF NEXT LOWER OIL OR GAS ZONE IN THIS AREA No record	
MINIMUM 15000		MAXIMUM 15000	
ANSWER YES OR NO WHETHER THE FOLLOWING WATERS ARE MINERALIZED TO SUCH A DEGREE AS TO BE UNFIT FOR DOMESTIC, STOCK, IRRIGATION, OR OTHER GENERAL USE yes		WATER TO BE DISPOSED OF yes	
NAME AND ADDRESS OF SURFACE OWNER (OR LESSEE, IF STATE OR FEDERAL LAND) Exalee Howard, Milnesand, New Mexico		IS INJECTION TO BE BY GRAVITY OR PRESSURE? grav. initially	
LIST NAMES AND ADDRESSES OF ALL OPERATORS WITHIN ONE-HALF (1/2) MILE OF THIS INJECTION WELL Shell Oil Corporation P. O. Box 1509, Midland, Texas 79701		NATURAL WATER IN DISPOSAL ZONE yes	
Midwest Oil Corporation 1500 Wilco Building, Midland, Texas 79701		ARE WATER ANALYSES ATTACHED? See case 3636	
Cabot Corporation 1206 Wilco Building, Midland, Texas			
Humble Oil & Refining Company, Box 1600, Midland, Texas 79701			
G. B. Read, Security Building, Roswell, New Mexico 88201			

HAVE COPIES OF THIS APPLICATION BEEN SENT TO EACH OF THE FOLLOWING? yes		SURFACE OWNER yes	
ARE THE FOLLOWING ITEMS ATTACHED TO THIS APPLICATION (SEE RULE 701-B)? yes		PLAT OF AREA yes	
		EACH OPERATOR WITHIN ONE-HALF MILE OF THIS WELL yes	
		ELECTRICAL LOG yes	
		THE NEW MEXICO STATE ENGINEER yes	
		DIAGRAMMATIC SKETCH OF WELL yes	

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

Lowell
President
(Signature) (Title)

November 14, 1967
(Date)

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

DOCKET MAILED
Date 12-7-67

Case 3704

NEW MEXICO SALT WATER DISPOSAL COMPANY, INC.

212 PETROLEUM BLDG.

P.O. BOX 666

ROSWELL, NEW MEXICO 88201

PHONE 622-1958 AREA CODE 505

Elevation 4270

13 5/8 surface - 350'
cement circ.

8 5/8 intermediate - 4000'
cement circ.

Bough "C" - squeezed

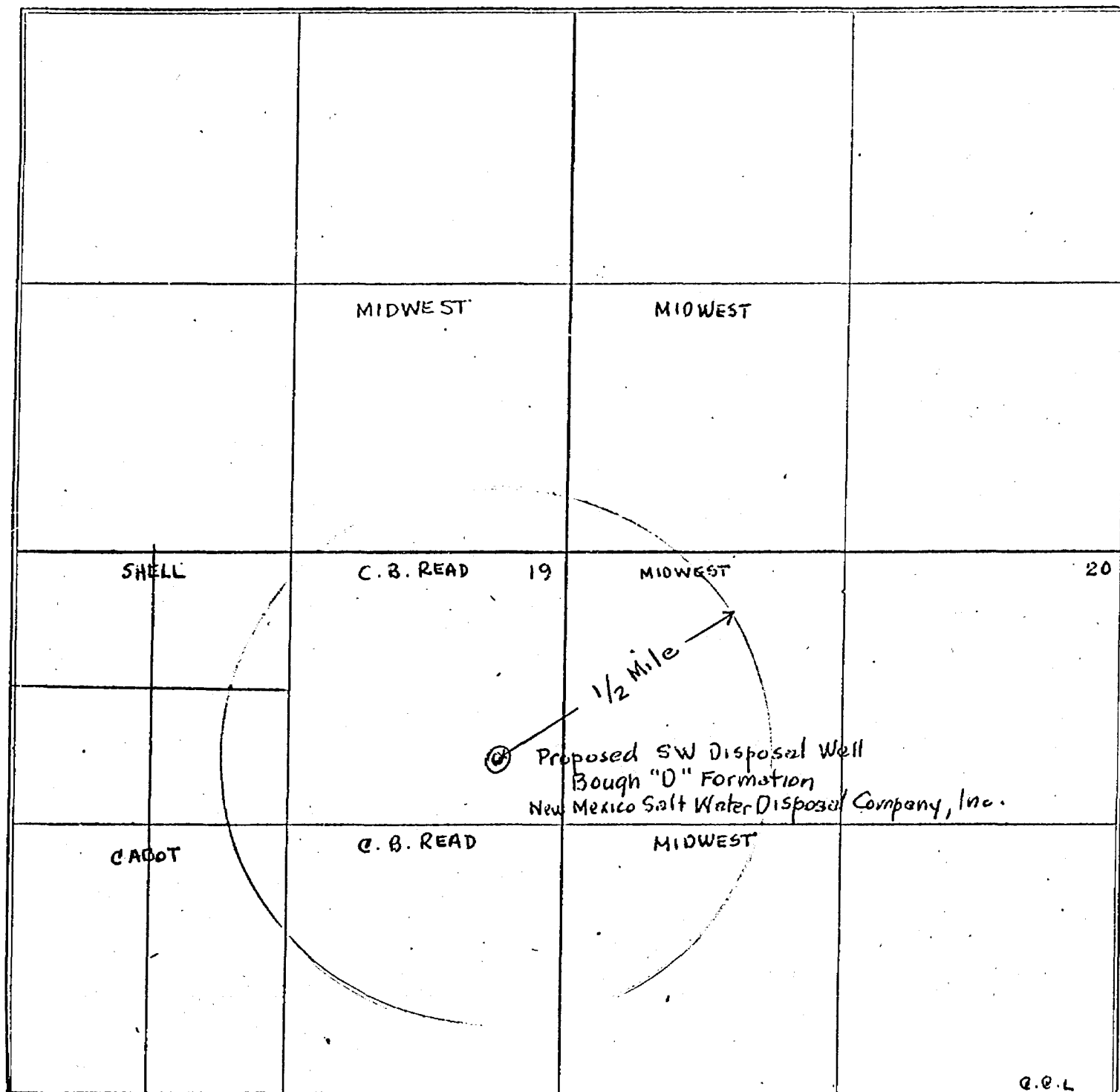
Bough "D" - Injection
formation

- 3" 10 plastic lined tubing on hanger
- Perforations - Bough "D"
5 1/2 inch production - 9882'
400 sacks

Page 3704

Sec. _____, Township 9 S, Range 34 E, Lea County, _____

Form 103—8 Inch Section Plat—In Stock and For Sale by Gass Printing Co., Tulsa, Okla.



REMARKS Scale: 1" = 1320'

No. 10 producing or have produced from Bough "D" within 2 mile radius

Nov 3/67
November 9, 1967

New Mexico Salt Water Disposal Co., Inc.
Box 566
Roswell, New Mexico 88201

Gentlemen:

Receipt of a copy of your application to the New Mexico Oil Conservation Commission which seeks permission to dispose of salt water by injection into your Ainsworth Well No. 1 is gratefully acknowledged.

FEI/ma

Yours truly,

S. E. Reynolds
State Engineer

By:

Frank E. Irby
Chief
Water Rights Div.

State of New Mexico

Oil Conservation Commission

Oil Conservation Commission
P.O. Box 1000
Santa Fe, New Mexico

December 10, 1967

Mr. Charles L. Lovelace, Jr.
President
New Mexico Salt Water Disposal Company, Inc.
P. O. Box 500
Roswell, New Mexico 88201

Re: Case No. 870
Filed on December 10, 1967

Dear Mr. Lovelace:

Examiner hearings will be held on January 12 and
January 14, 1968. Please see the Commission Order of
December 10, 1967, on which date you should be able to have
the above case heard.

Very truly yours,

George M. Raym

GEORGE M. RAYM
Attorney

GMH/esr

RECEIVED

DEC 20 1967

CASE 3702: Application of Coastal States Gas Producing Company for an exception to Order No. R-3221, Lea County, New Mexico. Applicant, in the above-styled cause, on its own behalf and as operator of the Flying "M" Unit Area, seeks an exception to the provision of Paragraph (6) of the Commission Order No. R-3221 which requires that certain unlined pits used for the disposal of produced water be filled, leveled, and compacted. Applicant proposes that said pits be left open in the Flying "M" San Andres Pool, Lea County, New Mexico, to permit their use for temporary emergency storage of produced water in connection with individual tank batteries connected to the Flying "M" San Andres Pressure Maintenance Project operated by Coastal States Gas Producing Company.

CASE 3703: Application of Texaco Inc. for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Abo formation in the perforated interval from 9013 to 9046 feet in its New Mexico "CW" State Well No. 2 located in Unit L of Section 18, Township 17 South, Range 37 East, Midway-Abo Pool, Lea County, New Mexico.

CASE 3704: Application of New Mexico Salt Water Disposal Company, Inc., for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Bough "D" zone of the Pennsylvanian formation in the perforated interval from 9844 to 9875 feet in its Ainsworth Well No. 1 located in Unit H of Section 19, Township 9 South, Range 34 East, Vada-Pennsylvanian Pool, Lea County, New Mexico.

CASE 3705: Application of Midwest Oil Corporation for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Bough zone of the Pennsylvanian formation in the perforated interval from 9784 to 9810 feet in its Ainsworth State Well No. 1, formerly the Sunray DX State I Well No. 1, located in Unit N of Section 36, Township 9 South, Range 33 East, Lane-Pennsylvanian Pool, Lea County, New Mexico.

CASE 3706: Application of Major, Giebel & Forster for an amendment to Order No. R-3307, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-3307 to designate Major, Giebel & Forster as operators of the NW/4 SW/4 of Section 6, Township 13 South, Range 38 East, West Bronco-Devonian Pool, Lea County, New Mexico, rather than Vasicek and Fullinwider dba V. F. Petroleum, who were originally designated as operators of said compulsorily pooled unit.

DOCKET: EXAMINER HEARING - WEDNESDAY - DECEMBER 20, 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:

CASE 3695 continued from the November 29, 1967, Examiner Hearing

Application of Tenneco Oil Company for Special Pool Rules, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the South Hospah Upper Sand Oil Pool and the South Hospah Lower Sand Oil Pool, McKinley County, New Mexico, to provide that wells drilled in said pools could be located anywhere on the 40-acre unit except that no well could be located closer than 330 feet to the outer boundary of the lease nor closer than 200 feet to another well producing from the same pool. Applicant further proposes that any existing well not located in accordance with the above requirements be granted an exception to said requirements.

CASE 3698: Application of H & S Oil Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the approval of the West Artesia Grayburg Unit Area comprising 640 acres, more or less, of state and fee lands in Sections 7, 8, and 17, Township 18 South, Range 28 East, Artesia Pool, Eddy County, New Mexico.

CASE 3699: Application of H & S Oil Company for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in its West Artesia Grayburg Unit by the injection of water into the Grayburg formation through 8 wells located in Sections 7, 8, and 17, Township 18 South, Range 28 East, Artesia Pool, Eddy County, New Mexico.

CASE 3700: Application of Lone Star Producing 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 San Andres formation through the perforated interval from 4910 to 5015 feet in its Federal New Mexico "D" Well No. 1 located in Unit A of Section 29, Township 8 South, Range 36 East, South Prairie Field, Roosevelt County, New Mexico.

CASE 3701: Application of Coastal States Gas Producing Company for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the Baum Wolfcamp Pool in Township 14 South, Range 33 East, Lea County, New Mexico, including a provision for 160-acre spacing and proration units.

Docket No. 3-68

DOCKET: EXAMINER HEARING - WEDNESDAY - JANUARY 24, 1968

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:

CASE 3704 (Continued from the December 20, 1967, Examiner Hearing)

Application of New Mexico Salt Water Disposal Company, Inc., for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Bough "D" zone of the Pennsylvanian formation in the perforated interval from 9844 to 9875 feet in its Ainsworth Well No. 1 located in Unit H of Section 19, Township 9 South, Range 34 East, Vada-Pennsylvanian Pool, Lea County, New Mexico.

CASE 3711: In the matter of the hearing called by the Oil Conservation Commission upon its own motion to consider the amendment of Rule 509 of the Commission Rules and Regulations and Commission Form C-109 to permit the production of the bonus discovery oil allowable assigned to multiple discovery wells to be produced from any discovery zone in any proportion; and to further amend said rule to permit applications for the bonus discovery allowable to be heard on dockets other than the regular pool nomenclature docket in instances where the applicant will present the evidence.

CASE 3712: In the matter of the hearing called by the Oil Conservation Commission upon its own motion to consider the amendment of Rule 701 of the Commission Rules and Regulations and secondary recovery Orders Nos. R-1244, R-1311, R-1456, R-1470, R-1505, R-2064, R-2178-B, R-2268-A, R-2269, R-2403, R-2541, R-2622, R-2664, R-2700, and R-2795, to delete therefrom all references to the State Engineer or the State Engineer Office.

CASE 3713: In the matter of the hearing called by the Oil Conservation Commission upon its own motion to consider the amendment to Rule 103 of the Commission Rules and Regulations to require that well identification signs for wells drilled hereafter shall designate the location of said wells by quarter-quarter section rather than quarter section as now required.

CASE 3714: Application of Continental Oil Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its State "O" Well No. 1 located in Unit F of Section 16, Township 17 South, Range 32 East, Lea County, New Mexico, in such a manner as to permit the production of gas from the perforated interval 3140 to 3160 feet, Maljamar-Queen Gas Pool and the injection of water for secondary recovery purposes into the Grayburg-San Andres formations in the interval from 3700 to 4050 feet through parallel strings of 2-inch tubing.

CASE 3715: Application of Gulf Oil Corporation for an amendment to Order No. R-3345, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-3345, which order authorized the Gulf Stuart Langlie Mattix Unit Waterflood Project. Applicant proposes to substitute the Stuart "B" Well No. 2 located in Unit I and the Stuart "C" Well No. 3 located in Unit K as water injection wells in said project in lieu of the Stuart "A" Well No. 1 located in Unit J and the Stuart "D" Well No. 4 located in Unit L, all in Section 10, Township 25 South, Range 37 East, Langlie-Mattix Pool, Lea County, New Mexico.

CASE 3716: Application of Carter Foundation Production Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Ellenburger formation through the perforated interval from 9580 to 9680 feet in its E. C. Hill "E" Federal Well No. 5 located in Unit E of Section 35, Township 23 South, Range 37 East, Teague-Ellenburger Pool, Lea County, New Mexico.

CASE 3651 (Reopened):

Application of Tenneco Oil Company for an amendment to Order No. R-3315, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the re-opening of Case No. 3651 and the amendment of Order No. R-3315 entered therein which order promulgated temporary pool rules for the North Morton-Pennsylvanian Pool, Lea County, New Mexico, including the establishment of 80-acre proration units for a period of one year. Applicant now seeks the amendment of said order to provide for 160-acre spacing and proration units on a temporary basis.

CASE 3717: Application of Aztec Oil & Gas Company for a dual completion and salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the authority to dually complete its State "AJ" Well No. 2 located in Unit N of Section 1, Township 18 South, Range 36 East, Arkansas Junction-San Andres Pool, Lea County, New Mexico, in such a manner as to permit the production of oil from the Upper San Andres formation in the interval from 5047 to 5079 feet and to permit the disposal of produced salt water in the Lower San Andres formation in the interval from 5430 to 5462 feet through parallel strings of 2-inch tubing.

CASE 3718: Application of Cabot Corporation for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water in the Wolfcamp, Pennsylvanian, Mississippian, and Devonian formations in the overall interval from 9406 to 12,689 feet in its H. L. Lowe "C" Well No. 1 located in Unit N of Section 26, Township 13 South, Range 37 East, King-Devonian Pool, Lea County, New Mexico.

OIL CONSERVATION COMMISSION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

LEGAL DIVISION
PHONE 827-2741

December 14, 1967

DOCKET MAILED

Date 1-11-68

Mr. Charles C. Loveless, Jr.
President
New Mexico Salt Water Disposal Company, Inc.
P. O. Box 566
Roswell, New Mexico 88201

Re: Case No. 3704
Docket of December 20, 1967

Dear Mr. Loveless:

Examiner hearings will be held on January 10 and
January 24, 1968. Please let the Commission know, by
December 20, 1967, on which date you prefer to have
the above case heard.

Very truly yours,

GEORGE M. HATCH
Attorney

GMH/esr

C
O
P
Y

NEW MEXICO SALT WATER DISPOSAL COMPANY, INC.

212 PETROLEUM BLDG.

P. O. BOX 566

ROSWELL, NEW MEXICO 88201

PHONE 622-1958 AREA CODE 505

December 13, 1967

MAIN OFFICE

Oil Conservation Commission
State of New Mexico
State Land Office Building
Santa Fe, New Mexico

'67 DEC 14 PM 1 19


Re: Case No. 3704
Docket of December 20, 1967

Gentlemen:

Because we had assumed our application would be given administration approval, we are not prepared for subject case. Therefore, this is to request a 30-day extension.

By letter dated November 17, 1967 the Secretary-Director gave administrative approval for construction of an experimental lined pit to be located in Section 30, T10S, R34E, Lea County. Because the surface owner Mr. Carl Lane Johnson refused permission to build the pit on his fee land we have proceeded with construction on State-owned surface in NW $\frac{1}{4}$ Section 8, T11S, R34E adjacent to our No.1 substation.

Respectfully,


Charles C. Loveless, Jr., Pres.



dearnley-meier reporting service, inc.

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

1120 SIMMS BLDG. • P. O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
December 20, 1967
EXAMINER HEARING

IN THE MATTER OF:)

Application of New Mexico Salt)
Water Disposal Company, Inc.,)
for salt water disposal, Lea)
County, New Mexico.)

Case No. 3704

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

MR. NUTTER: Call Case No. 3704.

MR. HATCH: Case 3704, Application of New Mexico Salt Water Disposal Company, Inc., for salt water disposal, Lea County, New Mexico.

If the Examiner please, the Applicant in that case has requested that the case be continued until the hearing on January the 24th, 1968.

MR. NUTTER: Case No. 3704 will be continued to the Examiner Hearing at 9:00 o'clock A. M., January 24th in the same place.

* * *

STATE OF NEW MEXICO)
) ss
 COUNTY OF BERNALILLO)

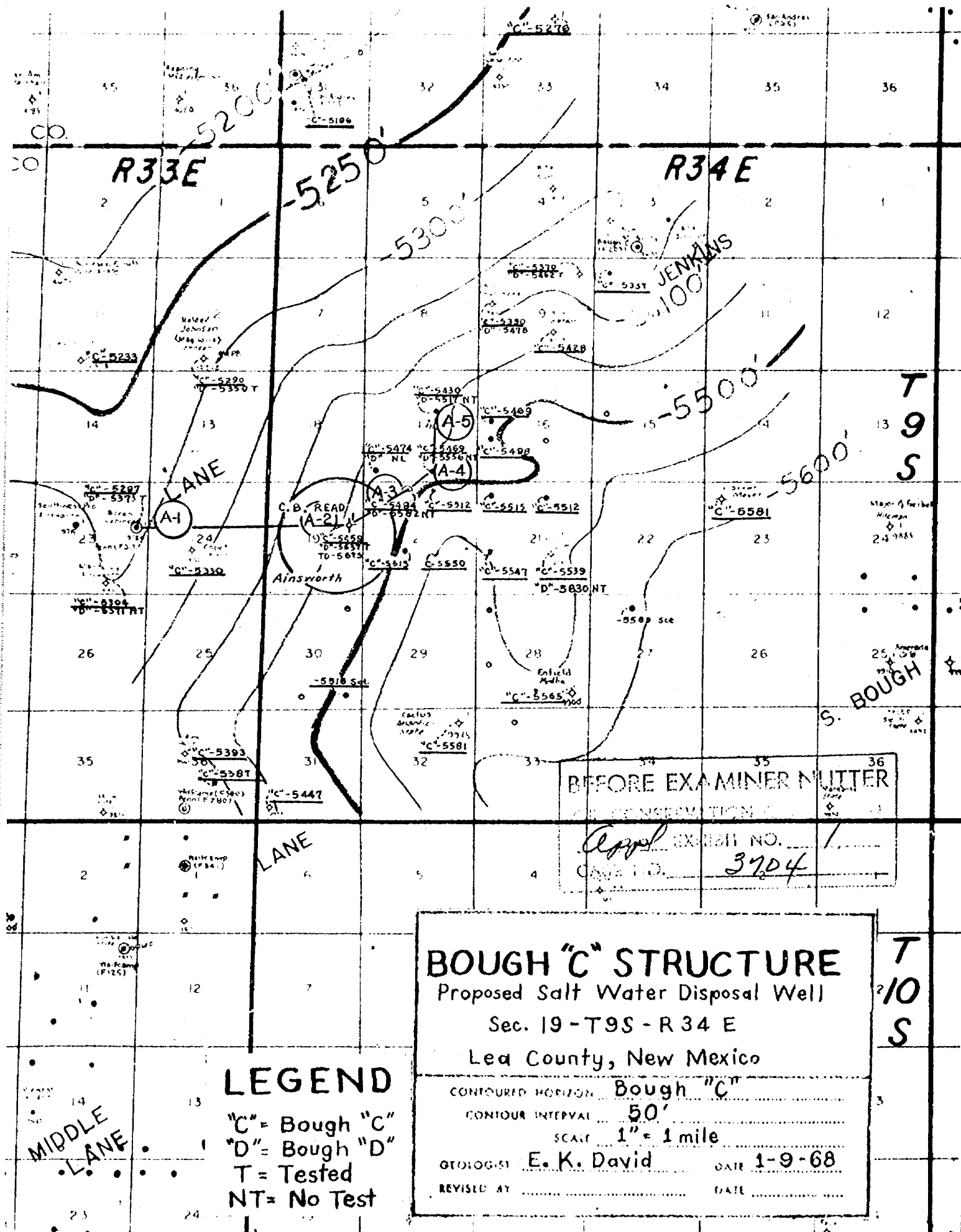
I, CHARLOTTE MACIAS, Notary Public in and for the
 County of Bernalillo, State of New Mexico, do hereby certify
 that the foregoing and attached Transcript of Hearing before
 the New Mexico Oil Conservation Commission was reported by
 me; and that the same is a true and correct record of the
 said proceedings, to the best of my knowledge, skill and
 ability.

Witness my Hand and Seal this 16th day of
January, 1968.

Charlotte Macias
 NOTARY PUBLIC

My Commission Expires:
 February 10, 1971.

Notary Public, State of New Mexico, is
 duly qualified and sworn to
 at the County of Bernalillo, State of New Mexico, on the 3704
12/20 day of 67
Joanna



NEW MEXICO SALT WATER DISPOSAL COMPANY, INC.

815 PETROLEUM BLDG.

P.O. BOX 555

ROSWELL, NEW MEXICO 88201

PHONE 622-1958 AREA 0005 505

Elevation 4270

13 $\frac{5}{8}$ surface - 350'
cement circ.

8 $\frac{5}{8}$ intermediate - 4000'
cement circ.

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
EXHIBIT NO. 3
CASE NO. 3704

Bough "C" - squeezed

Bough "D" - Injection
formation

- 3" ID plastic lined tubing on hanger
- Perforations - Bough "D"
5 $\frac{1}{2}$ inch production - 9882'
400 sacks

well head
w/pressure
balance column

Prod 9844-9875