

CASE 3952: Application of SAM D.
ARES FOR SALT WATER DISPOSAL,
LEA COUNTY, NEW MEXICO.

Case Number

3952

Application
Transcripts.

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
November 20, 1968

IN THE MATTER OF:

Application of Sam D. Ares
for salt water disposal,
Lea County, New Mexico

Case No. 3952

BEFORE: ELVIS A. UTZ

TRANSCRIPT OF HEARING

MR. UTZ: Caso 3952.

MR. HATCH: Application of Sam D. Ares for salt water disposal, Lea County, New Mexico.

MR. McDERMOTT: W. H. McDermott appearing for the applicant and I have one witness I would like to have sworn in.

MR. UTZ: Are there other appearances?

(Witness sworn.)

(Applicant's Exhibits 1, 2 and 3 marked for identification.)

* * * * *

EVERETT L. SMITH, called as a witness, having been first duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. McDERMOTT:

Q Would you state your name, please?

A Everett L. Smith.

Q By whom are you employed?

A Sam D. Ares.

Q Are you a consultant?

A Yes.

Q Have you ever testified before the Oil Conservation Commission before?

A No.

Q For the benefit of the Examiner, would you outline your education and experience?

A B. S. Degree in Petroleum Engineering from Texas A & M. I'm a Registered Professional Engineer in the State of Texas.

MR. McDERMOTT: Are the witness's qualifications acceptable?

MR. UTZ: They are if he is familiar with this area in which he is going to testify.

MR. McDERMOTT: Are you familiar?

THE WITNESS: Yes, sir.

MR. UTZ: Yes.

Q (By Mr. McDermott) Are you familiar with the application of Sam D. Ares?

A Yes.

Q Briefly would you explain what is proposed by this application?

A It is proposed to inject produced salt water into the Seven Rivers Formation through plastic-coated tubing from 3415 to 3492.

Q Referring to what has been marked as Exhibit 1, would you identify this exhibit for the Examiner?

A That's an area map showing all the operators within

a two-mile radius of the proposed injection well.

Q What is the producing zone in this area?

A It's Yates-Seven Rivers.

Q Is there any other producing zone in this area?

A No.

Q Would you explain briefly the procedure to be followed?

A On the set-up, Geiberson Hookwall Packer at 3400 feet with 3 and 1/2-inch plastic-coated tubing and the bottom of the packer will be plastic-coated also, and inject water through the 3 and 1/2 inch plastic-coated tubing.

Q Would you explain what wells are to dispose of water into the particular well here?

A It's from A. L. Harris Cities Service Federal Lease, the Sam D. Ares Everett Lease, and the Sam D. Ares Arnott-Ramsey A Lease, the Sydney Lanier I. B. Ogg A Lease, the Sydney Lanier I. B. Ogg B Lease and the Sydney Lanier Woolworth Lease. Also the T & P and Shell have made some contacts as to the possibility of injecting water from their well.

Q Has anything been firmed up?

A No, nothing has been firmed up.

Q Is the disposal well marked on Exhibit 1?

A Yes.

Q How is it marked?

A Marked with a red arrow.

Q Referring to Exhibit 2, would you explain what Exhibit 2 is?

A Exhibit 2 is a cement bond log on the Everett No. 2.

Q And does it show the Seven Rivers Formation?

A Yes.

Q What type of disposal of the water is going to be used into this particular zone?

A Well, it will be produced salt water from the surrounding leases.

Q Is this into an open area in the zone?

A It will be open hole injection.

Q What is the size of pipe that you are going to use in the hole?

A I has, it's 12 and 1/2-inch surface pipe set at 146 feet cemented with 85 sacks, cement was circulated. Also it has 9 and 5/8ths set at 1489 cemented with 800 sacks.

Q Will there be any fluid in the annulus?

A Let me get you the other string of pipe. We have 7-inch set at 3415 feet cemented with 150 sacks. All the other pipe that will be in the hole will be the 3 and 1/2-inch plastic-coated tubing.

Q Is there going to be any fluid in the annulus?

A Yes.

Q What kind of fluid will that be?

A That will be a non-corrosive fluid.

Q Will there be a packer?

A It will be a Geiberson Hookwall Packer set at 3400 feet.

Q How much water do you anticipate to use in this well?

A It will be from three to five hundred barrels per day.

Q And will this zone, the Seven Rivers, be adequate to handle this amount of water?

A Yes.

Q Will there be a pressure gauge on the top of this well?

A Yes.

Q What is the present status of this well?

A It's temporarily abandoned, it went to water.

Q In your opinion, will this well successfully handle the salt water from these other wells?

A Yes.

Q And will there be any effects on the correlative rights of the other operators in the area?

A No.

Q Were all these exhibits prepared by you or under your supervision?

A Yes.

MR. McDERMOTT: At this time, I would like to move for the admission of these exhibits.

MR. UTZ: Without objection, Exhibits 1 through 3 will be entered into the record of this case.

(Whereupon, Applicant's Exhibits 1 through 3 offered and admitted in evidence.)

MR. McDERMOTT: No further questions.

CROSS EXAMINATION

BY MR. UTZ:

Q All this injection will be through open hole?

A Yes.

Q And into the Seven Rivers?

A Yes, sir.

Q Where was the top of the cement on the 9 and 5/8ths, do you have that?

A No, sir, I don't have that, but it should be all the way to the surface.

Q At least back well up into the 12 and 1/2?

A Yes, sir because there's 800 sacks of cement there.

Q What intervals do you have in this area between the top of the cement on the 7-inch at 2884 and the bottom of the 9 and 5/8ths at 1489?

A There's none.

Q No production?

A No production, no, sir.

Q How much water do you anticipate you will inject in this well?

A It will be from three to five hundred barrels. Of course, as they go along, it probably will increase a little, but right now, it's between three and five hundred barrels.

Q Do you think it will take it by gravity?

A Yes, sir, that has been the history of the Seven Rivers Formation that it takes it by gravity.

Q The injection interval that you are testifying to is the same as you showed in your application, is it not?

A Yes, sir.

Q 3415 to 3492?

A Yes, sir.

MR. UTZ: Any questions? The case will be taken under advisement. The witness will be excused.

(Witness excused.)

I N D E X

WITNESS

PAGE

EVERETT L. SMITH

Direct Examination by Mr. McDermott

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Cross Examination by Mr. Utz

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EXHIBITSMARKEDOFFERED AND
ADMITTED

Applicant's 1 through 3

2

7

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 26th day of November, 1968.

Ada Dearnley
 ADA DEARNLEY

I do hereby certify that the foregoing is a complete record of the proceedings in the Bernalillo hearing of Case No. 3952, heard by me on 11-20-68, 10.

Theresa A. [Signature]
 New Mexico Oil Conservation Commission

GOVERNOR
DAVID F. CARGO
CHAIRMAN

State of New Mexico
Oil Conservation Commission



LAND COMMISSIONER
GUYTON F. HAYS
MEMBER

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

P. O. BOX 2088
SANTA FE

November 27, 1968

Mr. W. H. McDermott
Lincoln Building
Post Office Box 1143
Santa Fe, New Mexico

Re: Case No. 3952
Order No. R-3602
Applicant:
SAM D. ARES

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.
A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Carbon copy of order also sent to:

Hobbs OCC x

Artesia OCC

Aztec OCC

Other 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. 3952
Order No. R-3602

APPLICATION OF SAM D. ARES
FOR SALT WATER DISPOSAL, LEA
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 8:30 a.m. on November 20, 1968, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 27th day of November, 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, Sam D. Ares, is the owner and operator of the Everett Well No. 2, located 660 feet from the South line and 1980 feet from the West line of Section 35, Township 24 South, Range 36 East, NMPM, Jalmat Pool, Lea County, New Mexico.

(3) That the applicant proposes to utilize said well to dispose of produced salt water into the Seven Rivers formation, with injection into the open-hole interval from approximately 3415 feet to 3492 feet.

(4) That the injection should be accomplished through 3 7/8-inch plastic-lined tubing installed in a packer set at approximately 3400 feet; that the casing-tubing annulus should be filled with an inert fluid; and that a pressure gauge should

-2-

CASE No. 3952
Order No. R-3602

be attached to the annulus at the surface in order to determine leakage in the casing, 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:

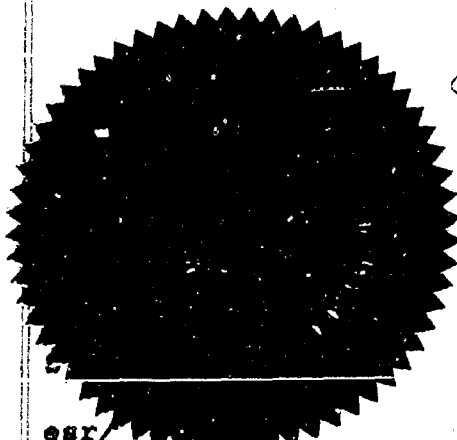
(1) That the applicant, Sam D. Ares, is hereby authorized to utilize his Everett Well No. 2, located 660 feet from the South line and 1980 feet from the West line of Section 35, Township 24 South, Range 36 East, NMPM, Jalmat Pool, Lea County, New Mexico, to dispose of produced salt water into the Seven Rivers formation, injection to be accomplished through 3 7/8-inch tubing installed in a packer set at approximately 3400 feet, with injection into the open-hole interval from approximately 3415 feet to 3492 feet;

PROVIDED HOWEVER, that the tubing shall be plastic-lined; that the casing-tubing annulus shall be filled with an inert fluid; and that a pressure gauge shall be attached to the annulus at the surface in order to determine leakage in the casing, tubing, or packer.

(2) That the applicant shall submit monthly reports of his 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 E. Cargo
DAVID E. CARGO, Chairman

Guyton B. Hays
GUYTON B. HAYS, Member

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

esr/

3852

11-20-68

11-22-68

Grant Sam P Area request for S.W.D.
will bring his Everett #2.

O-35-245-362 Jalumat pool. Injection
shall be thru 3 1/2" ~~internally~~ internally plaster
coated tubing under a packer
and into the S.R. from ~~the~~
into open hole from 3415-3492.
The annulus shall be filled with
~~the~~ inert fluid & pressure gauge at
surface.

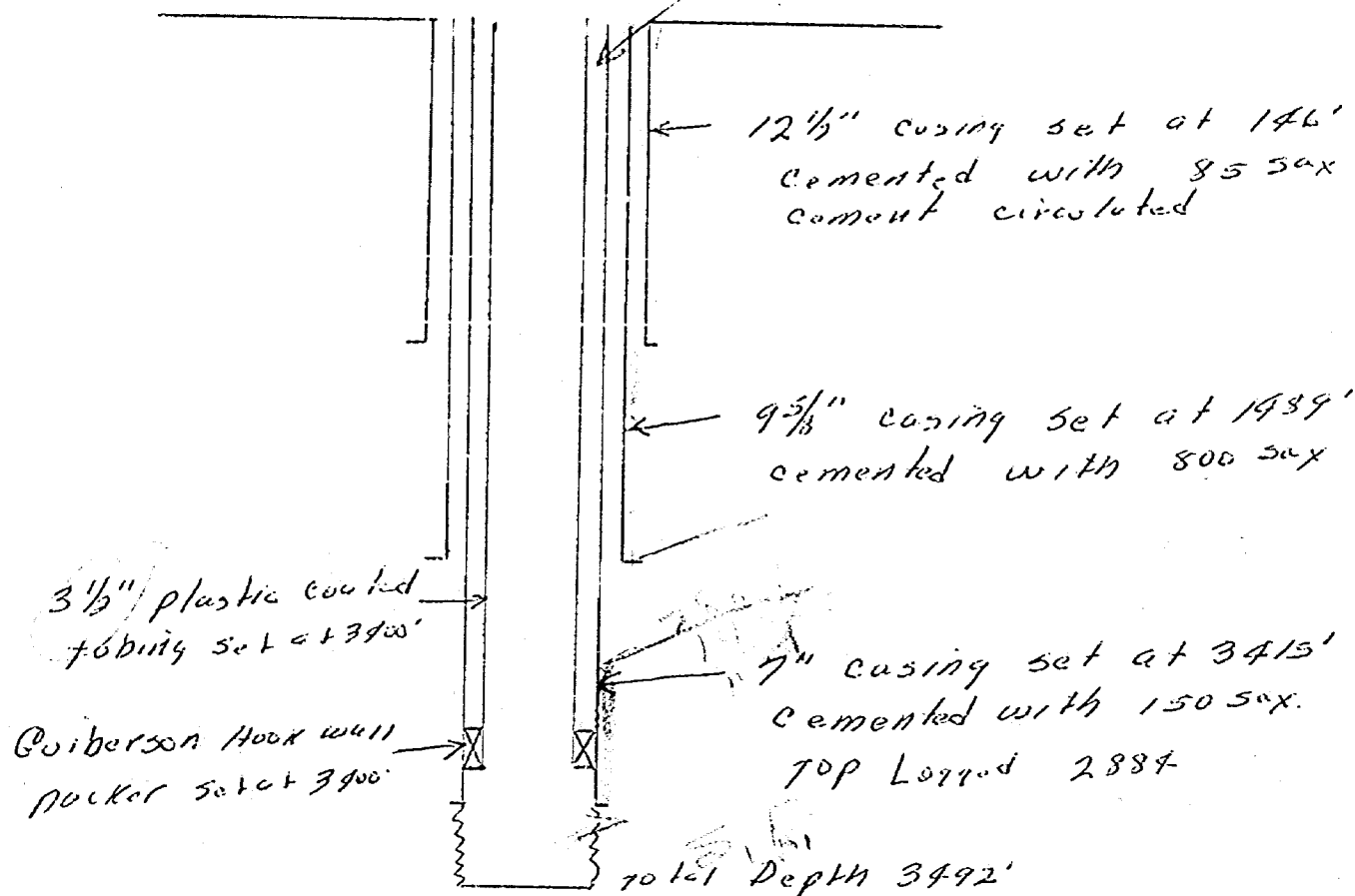
Thrust N

Lease 6015 ARC Federal Well No. 1 located in Unit O of Section 9, Township 20 South, Range 33 East, West Teas Pool, Lea County, New Mexico.

- CASE 3949: Application of Phillips Petroleum 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 Lower Wolfcamp and Upper Pennsylvanian formations in the open-hole interval from approximately 9580 feet to 10,400 feet in its Pello "A" Well No. 1, located in Unit L of Section 2, Township 15 South, Range 32 East, Tulk-Wolfcamp Pool, Lea County, New Mexico.
- CASE 3950: Application of Agua, Inc., 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 and such other formations as may be present in the perforated interval from approximately 4148 feet to 4388 feet in its Chaveroo SWD Well No. C-30 (formerly the Humble Oil & Refining Company Federal Andrews Well No. 1) located in the NE/4 NW/4 of Section 30, Township 7 South, Range 33 East, Chaveroo-San Andres Pool, Roosevelt County, New Mexico.
- CASE 3951: Application of Marathon 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 San Andres formation in the perforated interval from approximately 4163 feet to 4460 feet in its Marathon State Well No. 1 located in Unit G of Section 36, Township 7 South, Range 33 East, Chaveroo-San Andres Pool, Roosevelt County, New Mexico.
- CASE 3952: Application of Sam D. Ares for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Seven Rivers formation in the open-hole interval from approximately 3415 feet to 3492 feet in his Everett Well No. 2 located 660 feet from the South line and 1980 feet from the West line of Section 35, Township 24 South, Range 36 East, Jalmat Pool, Lea County, New Mexico.
- CASE 3953: Application of B. J. Graham for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Seven Rivers formation in the open-hole interval from approximately

Proposed Diagrammatic Sketch
 SWD completion
 Sam D. Ares
 Everett Well #2
 35-24-3p

Exhibit 3



Jalmat pool
 Lea county New Mexico

BEFORE EXAMINER UTZ	
OIL CONSERVATION COMMISSION	
EXHIBIT NO.	3
CASE NO.	34

Oil Reports and Gas Services

P. O. BOX 763
HOBBS, NEW MEXICO

October 29, 1968

W. L. SMITH, OWNER

EX 3-2727

68 OCT 30 AM 9 39

Case 3952

State of New Mexico
Oil Conservation Commission
P. O. Box 1148
Santa Fe, New Mexico

Gentlemen:

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

Said injection to be made into Sam D. Ares - Everett No. 2, located 660 feet from South line and 1980 feet from West line of Section 35, Township 24 South, Range 36 East, Jalmat Pool, Lea County, New Mexico; injection to be through 3-1/2" plastic coated tubing below packer to be set at approximately 3400 feet into open hole interval 3415 to 3492 feet.

Water to be so disposed will be produced from the Seven Rivers Reef from the following leases:

A. L. Ares	Cities Service Federal	Sec. 35, T24S, R36E
Sam D. Ares	Everett	Sec. 35, T24S, R36E
Sam D. Ares	Arnott Ramsay "A"	Sec. 2, T25S, R36E
Sidney Lanier	I. B. Ogg "A"	Sec. 35, T24S, R36E
Sidney Lanier	I. B. Ogg "B"	Sec. 34, T24S, R36E
Sidney Lanier	Woolworth	Sec. 26, T24S, R36E

Interested parties who have this day been furnished a copy of this application:

Amerada Petroleum Corp. P. O. Box 312 Midland, Texas	A. L. Ares P. O. Box 75 Santa Fe, N. M.	Sam D. Ares P. O. Box 2306 Odessa, Texas
Cities Service Oil Co. 800 Vaughn Bldg. Midland, Texas	Continental Oil Co. P. O. Box 460 Hobbs, N. M.	Gulf Oil Corp. P. O. Box 670 Hobbs, N. M.

DOCKET MAILED

Date 11-7-68

State of New Mexico
Oil Conservation Commission
October 29, 1968
Page two

Sidney Lanier
P. O. Box 3284
Midland, Texas

Phillips Petroleum Co.
P. O. Box 791
Midland, Texas


Shell Oil Co.
P. O. Box 1509
Midland, Texas

Texaco Inc.
P. O. Box 3109
Midland, Texas

Texas Pacific Oil Co.
P. O. Box 4067
Midland, Texas

Yours very truly,

OIL REPORTS AND GAS SERVICES


(Mrs.) Donna Holler
Agent, Sam D. Ares

DH/kh

cc

DRAFT
GMH/esr

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. 3952

Order No. R- 3612

APPLICATION OF SAM D. ARES
FOR SALT WATER DISPOSAL, LEA
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at ^{8:30} a.m. on November 20, 1968,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this _____ day of November, 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, Sam D. Ares,
is the owner and operator of the Everett Well No. 2,
660 feet from the South line and 1980 feet from the West line
located ~~in Unit 1111~~ of Section 35, Township 24 South, Range
36 East, NMPM, Jalmat Pool, Lea
County, New Mexico.

(3) That the applicant proposes to utilize said well to
dispose of produced salt water into the Seven Rivers
formation, with injection into the open-hole interval
from approximately 3415 feet to 3492 feet.

(4) That the injection should be accomplished through
3 7/8-inch plastic-lined tubing installed in a packer set at

approximately 3400 feet; 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~~ at the surface in order to determine leakage in the casing, 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, Sam D. Ares,
is hereby authorized to utilize ^{his} ~~the~~ Everett Well No. 2,
660 feet from the South line and 1980 feet from the West line
located ~~in the NW 1/4 of~~ Section 35, Township 24 South, Range
36 East, NMPM, Jalmat Pool, Lea
County, New Mexico, to dispose of produced salt water into the
Seven Rivers formation, injection to be accomplished through
3 7/8-inch tubing installed in a packer set at approximately
3400 feet, with injection into the open-hole interval
from approximately 3415 feet to 3492 feet;

PROVIDED HOWEVER, that the tubing shall be plastic-lined;
that the casing-tubing annulus shall be filled with an inert
fluid; and that a pressure gauge shall be attached to the annulus
~~or the annulus left open~~ at the surface in order to determine
leakage in the casing, tubing, or packer.

(2) That the applicant shall submit monthly reports of ^{his} ~~the~~
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.

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