

CASE 4012: Application of SAM D.
ARES FOR SALT WATER DISPOSAL,
LEA COUNTY, NEW MEXICO.

— dse Number

40 / 2

Application

Transcripts.

Small Exhibits

ETC.

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

1120 SIMAS BLDG. • P. O. BOX 1092 • PHONE 243-6491 • ALBUQUERQUE, NEW MEXICO



BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
December 27, 1968
EXAMINER HEARING

IN THE MATTER OF:

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

Case No. 4012

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

MR. NUTTER: Case 4012

MR. HATCH: Case 4012, application of Sam D. Ares for salt water disposal, Lea County, New Mexico.

MR. McDERMOTT: W. H. McDermott, appearing for the applicant, Sam D. Ares. In this case, Mr. Ares is asking for an order for disposal in Everett No. 4, in lieu of the order that was entered in Case No. 3952, but he would like to be able to determine if the Commission so grants this order in this particular case, that he be able to test Everett No. 4 first to be able to see that it will be able to handle this. And then, at such time that Everett No. 4 will handle the salt water disposal, then I guess there will be a request asking for a rescission or cancellation of Order under Case No. 3952.

MR. NUTTER: You would want an order approving the No. 4 for disposal purposes?

MR. McDERMOTT: Yes.

MR. NUTTER: I don't think it will be necessary to actually rescind the previous order. It can just lie in abeyance.

MR. McDERMOTT: He wanted to be sure that he didn't have any cancellation of the prior one until he was sure that this --

MR. NUTTER: It will just lie in abeyance.

(Whereupon, Applicant's Exhibits
A, B, and C, were marked for
identification.)

EVERETT L. SMITH

called as a witness by the Applicant, having been first duly
sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. McDERMOTT:

Q State your name, please.

A Everett Smith.

Q And have you ever testified before the Oil Conservation
Commission before?

A Yes.

Q Have your qualifications been presented to the
Commission?

A Yes.

MR. McDERMOTT: Are his qualifications acceptable by
the Commission?

MR. NUTTER: They are.

Q In what capacity are you employed by Sam D. Ares?

A Consulting Engineer.

Q Are you familiar with Mr. Ares' application under
Case No. 4012?

A Yes.

Q Briefly, would you state to the Commission what your application proposes to do, or Mr. Ares' application?

A Inject salt water into open-hole from 3363 to 3600.

Q What is the present status of the Everett Well No. 4 at this time?

A It is shut in.

Q Referring to what has been marked as Exhibit A, does this show all of the wells within a two-mile radius of the proposed injection well?

A Yes.

Q Does it show all the producing wells within this area?

A Right.

Q What is the producing zone that you would like to inject the water into?

A Yates-Seven Rivers.

Q Are all these wells producing from this particular zone?

A Yes.

Q Which of these wells shown on the exhibit do you contemplate using for disposal of produced water?

A Everett Well No. 4.

Q How many wells do you contemplate using or disposing of water from?

A Four.

Q How much water do you estimate will be produced by these wells?

A Three hundred to 500 barrels per day, at the present rate of production of these wells. However, if the production increases, of course, the water rate of injection will increase.

Q I show you what has been marked as Exhibit B, and ask that you identify this.

A This is a log of the well to the total depth of 3498, which is the present total depth.

Q What is the present history of this injection well?

A Well, it was completed in 1935 at a total depth of 3,498, and it has produced oil off and on since that time. The present plugged-back total depth is 3,323, and the well has been off production for approximately six months.

Q I will show you what has been marked as Exhibit C, and I ask that you identify this.

A Exhibit C is a proposed diagrammatic sketch of the injection well, Well No. 4.

Q Will you explain the diagram to the Commission as to the surface pipe and the cement?

A The surface pipe is twelve and a half-inch, 50-pound casing set at 144 feet, cemented with 100 sacks, with the cement

circulated. It has nine and five-eighths-inch intermediate string, 40-pound casing set at 1,543, cemented with 600 sacks, and the cement also is circulated on the intermediate string. Seven-eighths, 24-pound casing set at 3,363, cemented with 100 sacks, with the top estimated at 2400 feet.

Q What is the size of the pipe that you propose to use in this injection?

A Three and seven-eighths-inch plastic-coated tubing set at 3,350.

Q Was that three and seven-eighths, or two and seven-eighths?

A Three and seven-eighths.

Q Plastic-coated?

A Right.

Q Is there a complete and tight cement job from the top to the bottom of this hole?

A Yes.

Q Will there be any fluid in the annulus between the casing?

A Yes, it will be filled with non-corrosive fluid.

Q In your opinion, will the injection zone satisfactorily take care of all of the water that is produced from these four wells?

A Yes.

Q Has Mr. Ares ever had a well on this lease approved for salt water injection?

A Yes, Everett No. 2.

Q Is he, at the present time, asking to have this changed from No. 2 to No. 4, Everett Well No. 2 to Everett Well No. 4?

A Yes, he wants to change from Well No. 2 to No. 4, because No. 4 is structurally lower than Well No. 2, approximately 97 feet structurally down-depth from Well No. 2.

Q Will this handle the water better than Everett No. 2?

A Well, it is possible that it won't handle it any better, but it will be down-depth from the No. 2 Well, and which possibly might increase the ultimate recovery a little bit.

Q Will there be any waste as a result of this?

A No.

Q Will any of the correlative rights of wells in the area be affected?

A No.

Q Have all these exhibits been prepared by you or through your direction?

A Yes, sir.

MR. McDERMOTT: At this time, I would like to move for

the admission of all the exhibits.

MR. NUTTER: Sam D. Ares' Exhibits A, B, and C will be admitted in evidence.

(Whereupon, Applicant's Exhibits A, B, and C, were admitted in evidence.)

Q The water to be injected, is that potable water?

A No, it is salt water.

MR. McDERMOTT: That concludes my examination.

CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. Smith, will the annulus of this well be loaded with an inhibited fluid?

A Yes, sir.

Q And equipped with a gauge at the surface?

A Yes, sir.

Q Which are the four wells that will be producing the salt water, please?

A You have A. L. Ares, Cities Service Federal Lease Well No. 1.

Q Where is that?

A That is in Section 35.

Q Over here in the southeast quarter?

A Yes, southeast quarter. And then you have, of course,

the Sam Ares' Everett Well, which will have one well there, possibly two. And then the Sidney Linear on his Ogg A Lease, he'll have one well, No. 5. And on his Ogg B Lease, he will have one well. And on the Woolworth Lease, we'll have one well. I believe I stated four wells, but I believe there are more than that, I believe there are five wells.

Q Let's see: the Sidney Linear Lease, there, that Ogg Lease has two wells on it, the No. 3 and No. 4, but is only one of them productive?

A Just one of them productive at the present time.

Q Which is that?

A I have it down as Well No. 1. Now, I'm not sure, I just have my well numbers on there, on the lease, how many wells he had producing on the lease.

Q You have one well on that lease, though?

A Yes, sir.

Q And on the other Sidney Linear Lease, you have one well, the No. 5?

A Yes, on the Ogg A.

Q And then the Ares' Cities Service Lease, you have one well?

A Yes, sir.

Q And on the Ares' Everett Lease, you have one well and

possibly two wells?

A Right, if we can get No. 2 back to producing.

Q Back on production?

A Yes, sir.

Q And you estimate the disposal will be at least 300 to 500 barrels per day, and maybe more?

A That is based on the present production, and possibly more as the thing progresses.

Q Now, you mentioned that the present plugged-back depth was 3425?

A 3323.

Q So it is going to have to be deepened?

A Redrilled and opened up.

Q To approximately 3600 feet?

A 3600 feet. That is the reason he wanted to relieve the permit on No. 2, until he is sure he can get to bottom on this well.

Q When was this well originally completed?

A June 11, 1935.

Q When did the well last produce?

A He told me it's been off about six months.

Q So approximately June of 1968?

A Right.

MR. NUTTER: Any further questions of Mr. Smith?

You may be excused. Do you have anything further, Mr. McDermott?

MR. McDERMOTT: No, Mr. Examiner.

MR. NUTTER: Does anyone have anything they wish to offer in Case 4012? We will take the case under advisement, and call Case 4013.

I N D E X

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<u>EXHIBITS</u>	<u>MARKED</u>	<u>OFFERED AND ADMITTED</u>
Applicant's Exhibits A, B, and C	2	8

STATE OF NEW MEXICO)
) ss.
 COUNTY OF BERNALILLO)

I, SAMUEL MORTELETTE, Court Reporter 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.

Samuel Mortelette
 Court Reporter

I do hereby certify that the foregoing is a complete record of the proceedings in the Executive Hearing of Case No. 5012, heard by me on 12/27, 1968.

[Signature]
 New Mexico Oil Conservation Commission

GOVERNOR
DAVID F. CARGO
CHAIRMAN

State of New Mexico
Oil Conservation Commission



LAND COMMISSIONER
GUYTON B. HAYS
MEMBER

P. O. BOX 2088
SANTA FE

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

December 31, 1968

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

Re: Case No. 4012
Order No. R-3647
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.
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. 4012
Order No. R-3647**

**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 9 a.m. on December 27, 1968, at Santa Fe, New Mexico, before Examiner Daniel S. Mutter.

NOW, on this 31st day of December, 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. 4, located in Unit M 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 Yates-Seven Rivers formations, with injection into the open-hole interval from approximately 3363 feet to 3600 feet.

(4) That the injection should be accomplished through 3 7/8-inch plastic-lined tubing installed in a packer set at approximately 3350 feet; that the casing-tubing annulus should be filled with an inert fluid; and that a pressure gauge should

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CASE No. 4012
Order No. R-3647

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. 4, located in Unit M of Section 35, Township 24 South, Range 36 East, NMPM, Jalmat Pool, Lea County, New Mexico, to dispose of produced salt water into the Yates-Seven Rivers formations, injection to be accomplished through 3 7/8-inch tubing installed in a packer set at approximately 3350 feet, with injection into the open-hole interval from approximately 3363 feet to 3600 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 P. CARGO, Chairman


GUYTON B. HAYS, Member


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

S E A L

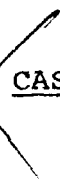
GBR/

DOCKET: EXAMINER HEARING - FRIDAY - DECEMBER 27, 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 4005: Application of Petroleum Corporation of Texas for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Pennsylvanian formation in the perforated interval from 9783 to 9946 feet in its State HTB Well No. 1 located in Unit D of Section 31, Township 12 South, Range 34 East, East Hightower-Upper Pennsylvanian Pool, Lea County, New Mexico.
- CASE 4006: Application of Petroleum Corporation of Texas for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the San Andres formation through its Fabon Federal Well No. 2 located in Unit N of Section 6, Township 18 South, Range 27 East, Red Lake Pool, Eddy County, New Mexico.
- CASE 4007: Application of Paul Danleva for a dual completion and salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete his Bagley State Well No. 1 located in the NW/4 NW/4 of Section 34, Township 11 South, Range 31 East, Lea County, New Mexico, in such a manner as to produce oil from the Bagley-Pennsylvanian Pool and to dispose of produced salt water down the annulus between the production casing and the intermediate casing into the San Andres, Glen Rose, and possibly other formations in the interval from approximately 5700 feet to 7358 feet.
- CASE 4008: Application of Paul Danleva for a dual completion and salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete his Shell State Well No. 1 located in the NW/4 NE/4 of Section 10, Township 11 South, Range 34 East, Lea County, New Mexico, in such a manner as to produce oil from the Kno-Poma-Pennsylvanian Pool and to dispose of produced salt water down the annulus between the production casing and the intermediate casing into the San Andres, Glen Rose, and possibly other formations in the interval from approximately 5741 feet to 7400 feet.

- CASE 4009: Application of Humble Oil & Refining Company for salt water disposal, Chaves 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 4273 feet to 4329 feet in its New Mexico "BX" State Well No. 3 located in Unit G of Section 16, Township 8 South, Range 33 East, Chaveroo-San Andres Pool, Chaves County, New Mexico.
- CASE 4010: Application of John H. Trigg for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Grayburg-San Andres formations through his Empire "J" Federal Well No. 1 located in Unit P of Section 1, Township 18 South, Range 26 East, Red Lake Grayburg-San Andres Pool, Eddy County, New Mexico.
- CASE 4011: 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 Yates-Seven Rivers formation in the open-hole interval from approximately 3520 feet to 3639 feet in his Charles Whitten Well No. 5 located in Unit B of Section 4, Township 24 South, Range 36 East, Jalmat Pool, Lea County, New Mexico.
-  CASE 4012: Application of Sam D. Ares for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-3602 to authorize the disposal of produced salt water into the Yates-Seven Rivers formations in the open-hole interval from approximately 3363 feet to 3650 feet in his Everett Well No. 4, located in Unit M, Section 35, Township 24 South, Range 36 East, Jalmat Pool, Lea County, New Mexico. The subject disposal well would be in lieu of the Everett Well No. 2, previously authorized for disposal by Order No. R-3602.
- CASE 4013: Application of Redfern Development Corporation and Wil-Mc Oil Corporation for salt water disposal, Lea County, New Mexico. Applicants, in the above-styled cause, seek authority to dispose of produced salt water into the San Andres formation in the interval from approximately 4200 feet to 4300 feet in the Wil-Mc State Well No. 1-K, located in Unit O of Section 11, Township 10 South, Range 32 East, Mescalero-San Andres Pool, Lea County, New Mexico.

CASE 4014: Application of Ralph Lowe 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 Devonian formation in the perforated interval from approximately 12,350 feet to 12,455 feet in his "C" Devonian Unit Well No. 1 located in Unit O of Section 16, Township 10 South, Range 36 East, South Crossroads-Devonian Pool, Lea County, New Mexico.

CASE 3991: (Continued and Readvertised)

Application of Roger C. Hanks, Ltd., 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 Devonian formation in the open-hole interval from approximately 10,804 feet to 10,885 feet in its Monterey State Well No. 1 located in Unit A of Section 11, Township 10 South, Range 32 East, Mescalero Field, Lea County, New Mexico.

CASE 4015: Application of Wilson Oil 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 Yates-Seven Rivers formations, Wilson Yates-Seven Rivers Pool, Lea County, New Mexico, through the following six wells:

TOWNSHIP 21 SOUTH, RANGE 34 EAST

Wilson State Well No. 9 located in Unit F of Section 13;

Shell State Well No. 13 located in Unit H of Section 13;

Wilson State Well No. 8 located in Unit O of Section 13;

Wilson State Well No. 20 located in Unit B of Section 23;

Wilson State Well No. 21 located in Unit J of Section 23;

TOWNSHIP 21 SOUTH, RANGE 35 EAST

Wilson State Well No. 1-A located in Unit G of Section 7;

Applicant further seeks an administrative procedure whereby other wells in said pool may be approved for disposal purposes without the requirement of notice and hearing.

Exhibit 'C'

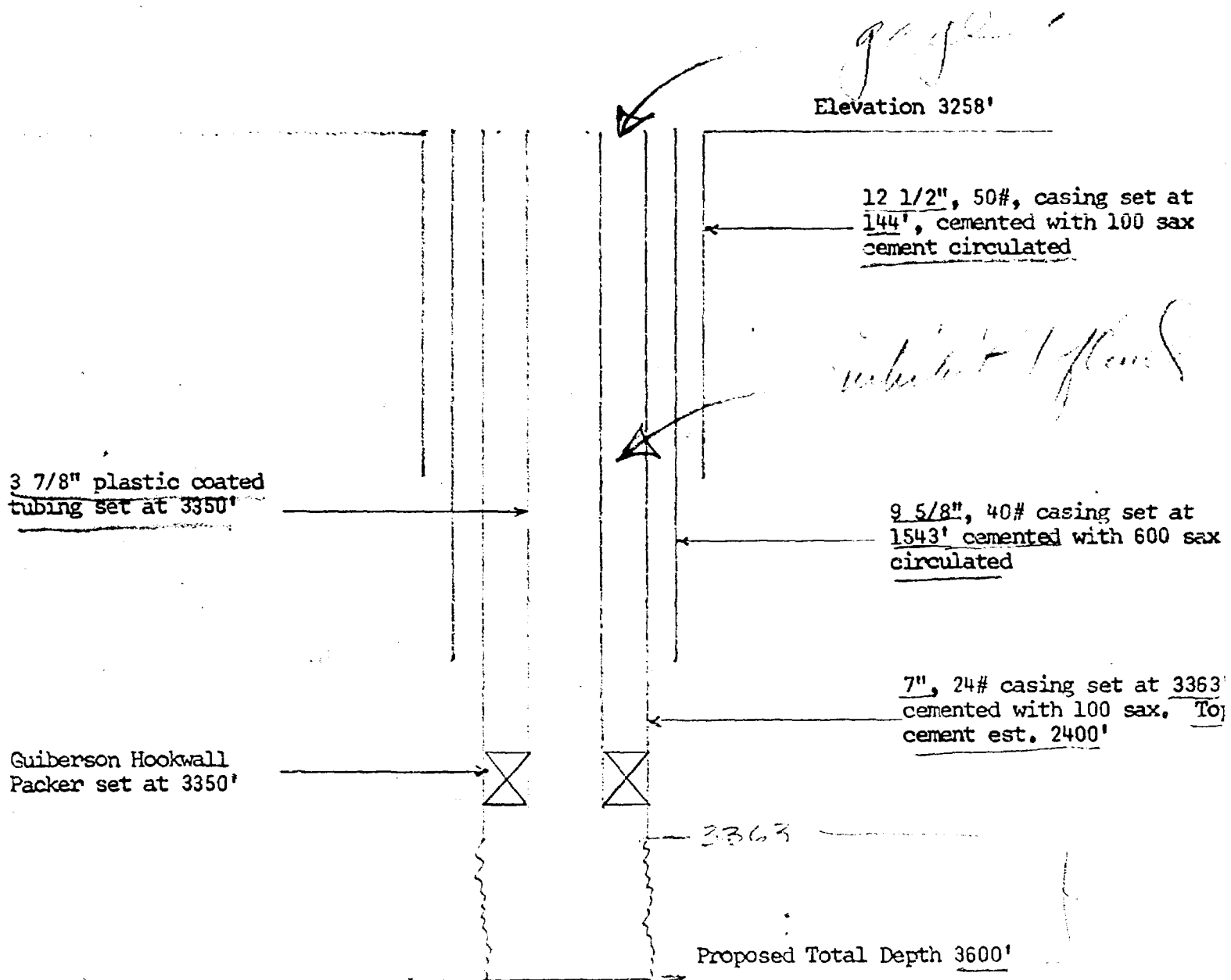
PROPOSED DIAGRAMATIC SKETCH
SALT WATER DISPOSAL COMPLETION

SAM D. ARES

Everett Well #4

35-24-26

Jalnat Pool Lea County, New Mexico



BEFORE EXAMINED NUTTER
OIL CONSERVATION COMMISSION
EXHIBIT NO. C
CASE NO. 4012

Oil Reports and Gas Services

P. O. BOX 783
HOBBS, NEW MEXICO

December 9, 1968

W. L. SMITH, OWNER

EX 3-2727

DEC 11 AM 10 32

Case 4012

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

Gentlemen:

Reference is made to Case No. 3952 and subsequent Order R-3602 wherein permission was granted Sam D. Ares to inject salt water into Everett No. 2, Section 35, Township 24 South, Range 36 East, Lea County, New Mexico.

Applicant, Sam D. Ares, now respectfully requests that Administrative Approval be granted to inject salt water into Everett No. 4 in lieu of Everett No. 2.

In support thereof the following information and attachments are submitted:

1. Everett No. 4 located 660 feet from South line and 660 feet from West line of Section 35, Township 24 South, Range 36 East, being one location west of Everett No. 2 and thus closer to the west flank of the Jalmat Pool and structurally lower.
2. Casing data of Everett No. 4:
12 1/2" set at 144 feet with 100 sacks, cement circulated to surface.
9 5/8" set at 1543 feet with 600 sacks, cement circulated to surface.
7" set at 3363 feet with 100 sacks, estimated top of cement to be 2400 feet.
3. Injection to be in open hole interval 3363 to 3650 through 3 7/8" plastic coated tubing below plastic coated packer to be set at 3350.
4. Last production was obtained from perforations 3264 to 3312 with plugged back total depth 3323; operator proposes to drill out plug at 3323, clean out hole to old total depth of 3498 and deepen to approximately 3650 feet.
5. A plat showing thereon all wells within a radius of two miles and the present or last producing horizon of each such well.

DOCKET NUMBER

Date *12-17-68*

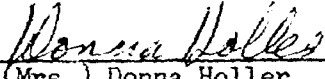
Oil Conservation Commission
December 9, 1968
Page two

6. A waiver of objection from Sidney Lanier. Acreage shown on the plat to the west as belonging to Amerada Petroleum Corporation, to the north to Texaco Inc. and to the southwest; to Phillips Petroleum Company has all been released to the lessor. Available information indicates that all this acreage remains unleased at the present time.

Applicant hereby states that all the stipulations and requirements of Order R-3602 will be strictly complied with as if said order had been granted to utilize Everett No. 4 as a salt water injection well.

Yours very truly,

OIL REPORTS AND GAS SERVICES


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

DH/kh

cc: Sidney Lanier
Box 3284
Midland, Texas

Carthel Brothers
Route 2, Box 2
Lockney, Texas

SIDNEY LANIER
P. O. Box 3284
Midland, Texas 79701

Page 4012

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

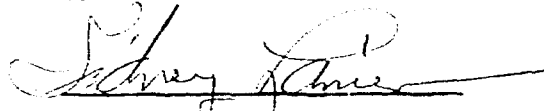
Gentlemen:

It is my understanding that Sam D. Ares operator of the Everett lease, comprising the SW/4 of Section 35, Township 24 South, Range 36 East, Lea County, New Mexico has been granted approval to convert his Everett No. 2 well to a salt water disposal well; that Sam D. Ares is now making application for Administrative Approval to convert his Everett No. 4 well in lieu of Everett No. 2.

This is to advise that as offset operator to the Everett lease, I have no objection to the use of Everett No. 4 as a salt water disposal well.

Yours very truly,

SIDNEY LANIER



Date Dec 9, 1968

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. 4012

Order No. R-3647

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

ORDER OF THE COMMISSIONBY THE COMMISSION:

This cause came on for hearing at 9 a.m. on December 27, 1968,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this _____ day of December, 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. 4
located in Unit M 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 Yates-Seven Rivers
formations, with injection into the open-hole interval
from approximately 3363 feet to 3600 feet.

(4) That the injection should be accomplished through
3 1/8 inch plastic-lined tubing installed in a packer set at

approximately 3350 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}~~his~~ Everett Well No. 4,
located in Unit M of Section 35, Township 24 South, Range
36 East, NMPM, Jalmat Pool, Lea
County, New Mexico, to dispose of produced salt water into the
Yates-Seven Rivers formations, injection to be accomplished through
3 7/8-inch tubing installed in a packer set at approximately
3350 feet, with injection into the open-hole interval
from approximately 3363 feet to ³⁶⁰⁰~~3650~~ 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}~~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.