

CASE 4020: Application of BURK  
ROYALTY COMPANY FOR SALT WATER  
DISPOSAL, LEA COUNTY, NEW MEXICO.

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Case Number

4020

Application  
Transcripts.

Small Exhibits

ETC.

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

1120 SIMAS L.L.D.G. • P. O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO



BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION

Santa Fe, New Mexico

January 8, 1969

EXAMINER HEARING

-----  
IN THE MATTER OF: )

Application of Burk )  
Royalty Company for salt )  
water disposal, Lea )  
County, New Mexico. )  
-----

Case No. 4020

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

MR. NUTTER: Case 4020.

MR. HATCH: Case 4020, application of Burk Royalty Company for salt water disposal, Lea County, New Mexico.

MR. KELLAHIN: Jason Kellahin, of Kellahin and Fox, appearing for the applicant, and I have one witness.

(Whereupon, Applicant's Exhibits Number 1 through 5, inclusive, were marked for identification.)

(Witness sworn.)

WILLIAM J. LeMAY

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

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Would you state your name, please?

A William J. LeMay.

Q What is your occupation?

A I am a Consulting Geologist.

Q You are located in Santa Fe?

A That is correct.

Q In connection with your work, have you done any work for Burk Royalty Company in Case 4020?

A Yes, I have.

Q Are you familiar with the application of Burk Royalty

Company in this application?

A Yes, I am.

Q Have you testified before the Oil Conservation Commission and made your qualifications as a geologist a matter of record?

A Yes.

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

MR. NUTTER: They are.

Q What does the applicant propose in Case 4020, Mr. LeMay?

A The applicant proposes to inject salt water into the Yates Formation from the perforated interval 3,564 to 3,585 in its Hanson "C" Well No. 4, located in Unit "K" of Section 23, Township 20 South, Range 34 East, in the Lynch Yates-Seven Rivers Pool, Lea County, New Mexico.

Q Calling your attention to what has been marked as Exhibit Number 1, would you identify that exhibit?

A Yes, Exhibit Number 1 is a plat, land plat of the area of the Lynch Pool, with the injection well located in Section 23, designated by the red arrow. It shows the dry holes and the producers in the Lynch Pool, as well as the acreage ownership in the surrounding leases.

Q Does it show the producing formation for each of the wells within a two-mile radius of the injection well?

A Yes, it does. All the wells in a radius of two miles produce from the Yates or the Seven Rivers Formation, so all the black dots on the maps are Yates and Seven Rivers producers.

Q That is the same formation in which it is proposed to produce injected water?

A That is correct, in the Yates Formation.

Q Calling your attention to what has been marked as Exhibit Number 2, can you identify that exhibit?

A Exhibit Number 2 is a structure map of the eastern portion of the Lynch Field, showing the structural relationship of the proposed injection well to the current production in the pool. Although not designated, the Seven Rivers production occurs at the highest closed portions of the field, those being in the extreme north of Section 27 as a closed high in the northwest of 35, which encompasses the southwest of 26, southeast of 27, and the northeast of Section 34. So the wells in the vicinity of the proposed injection well are Yates Sand producers. You will note that the 4C Well circled in red is the proposed injection well, and is a low well on the eastern flank of the Lynch High, and is water-bearing or was water-bearing when drilled

to the Yates, and subsequently plugged.

Q Referring to what has been marked as Exhibit Number 3, would you identify that exhibit?

A Exhibit Number 3 is the application to dispose of salt water by injection into the Yates Formation, with the interval listed being Yates Sand, 3,564 to 3,570. You will note on this original application that was filed, that the injection was to go into all perforations, being from 3,564 to 3,585. At the time it was thought it would be necessary to drill out the cal-seal plug, but since that time 100 barrels of water were pumped into the existing perforations at rates up to 5 barrels per minute. So it is now evident that they will have to handle the small volume of water to be disposed of, which, as indicated on the application, is a small water disposal volume, being 5 to 25 barrels.

Q What is the source of that water?

A The source is the production in the area, being Yates and Seven Rivers water.

Q It is Yates water and Seven Rivers water going back into the Yates Formation?

A That's correct.

Q You don't anticipate any problem in the well handling this water?

A No, considering the small volume, there would be no problem. They plan to inject, hoping that gravity of the well will take care of the entry of water into the formation. However, the system will be designed with a pump capable of 1500 pounds, if the volume of water should increase in the future to warrant the use of this pump.

Q Referring to Exhibit 4, will you explain what that is?

A This is a log of Burk Royalty Hanson Federal "C" No.4. There is only one copy, and I think, Mr. Examiner, you have that. That is a copy of the tracer survey run after completion. But that shows the top of the formation, has the structure data for the previous map, and also the open perforated interval. The thing to note on that is the porous character of the Yates Sand capable of absorbing water injected into it.

Q Referring to Exhibit 5, would you discuss that exhibit?

A Exhibit Number 5 is a diagrammatic sketch of the proposed installation of the water injection system, the equipment used. The casing program is as follows: eight and five-eighths-inch casing was set at 258 feet, and circulated with 100 sacks of cement. The five and a half-inch casing was run to 3,692 with 500 sacks. And the perforated interval 3,564 to 3,570, 3,574 to 3,576, 3,583 to 3,585 was shot with four



shots per foot. The current perforations that are open are 3,564 to 3,570.

The proposed program would be to use two and three-eighths-inch tubing, plastic-lined, and on this a Baker Model N packer would be set at approximately 3,500 feet. The annulus then would be filled with inert fluid, and this would be monitored at the surface with a pressure gauge.

Q This is a type of completion that is normally used for salt water disposal wells, is it not?

A That is correct.

Q Would the injection of produced water into the Yates Formation cause any damage to the producing formation or impair the production of any offsetting wells?

A It will not.

Q Is the approval of this application in the interest of conservation, in your opinion?

A Yes, it is.

Q Have you examined the exhibits being submitted, Number 1 through 5, inclusive?

A I have.

Q In your opinion, do they correctly reflect the proposal that has been made by Burk Royalty Company in that application, and the information available on the formation?

A Yes, they do.

MR. KELLAHIN: I offer in evidence Applicant's Exhibits 1 through 5.

MR. NUTTER: Burk Royalty Exhibits 1 through 5 will be admitted in evidence.

(Whereupon, Applicant's Exhibits Numbers 1 through 5, inclusive, were admitted in evidence.)

MR. KELLAHIN: That is all I have.

CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. LeMay, I am having a little difficulty correlating the disposal interval in Exhibit Number 3 to the interval that we advertised. Now, we advertised from 3,564 to 3,585, and yet Exhibit Number 3 says 3,564 to 3,570.

A That is correct. On the application, they opened up, they completed the interval 3,574 to 3,585. However, they plugged back with 60 feet of pea gravel, and used 18 feet of cal-seal on top. The experiment that they did was to dispose of 100 barrels into the perforations. Now, the pea gravel sealed off the lower set of perforations. However, the upper set, they thought it would be necessary to blow out the cal-seal plug, and they found it was not necessary to do so. So the upper set of perforations are the set that is taking the water.

Q If we had it plugged back, total depth was 3,572, is that correct?

A That is correct.

Q So then they have 78 feet above that as plugged back, the 60 feet of pea gravel?

A It is below that, 64 to 70. As to the diagrammatic sketch, that portion that is crossed, is the portion plugged back with the pea gravel.

Q That is the present plugged back depth, 3,572?

A That's correct, and that is where the cal-seal is, also.

Q And the only perforations open and not plugged are 3,564 to 3,570?

A That's correct.

Q And that will be the disposal zone?

A Correct.

Q Where will this produced water come from? Will it all be from the Burk Royalty Lease?

A Yes, there are two Yates wells on the south end of Section 23.

Q Will that No. 1-C and 3-C be producing this 5 to 25 barrels of water to be disposed of?

A Yes, and in the northwest of the northwest of 26, there

is a marginal well there, also.

MR. NUTTER: Any other questions? You may be excused.  
Is there anything further?

MR. KELLAHIN: That is all.

MR. NUTTER: Does anyone have anything they wish to  
offer in Case 4020?

I N D E X

<u>WITNESS</u>	<u>PAGE</u>
WILLIAM J. LeMAY	
Direct Examination by Mr. Kellahin	2
Cross Examination by Mr. Nutter	8

<u>EXHIBITS</u>	<u>MARKED</u>	<u>OFFERED AND ADMITTED</u>
Applicant's Exhibits Numbers 1 through 5	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 correct and true copy of the transcript  
 the transcript of the hearing held at  
 New Mexico Oil Conservation Commission  
 4020  
 1-8 69  
*Samuel Mortelette*  
 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 2068  
SANTA FE

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

January 13, 1969

Mr. Jason Kellahin  
Kellahin & Fox  
Attorneys at Law  
Post Office Box 1769  
Santa Fe, New Mexico

Re: Case No. 4020  
Order No. R-3661  
Applicant:  
Burk Royalty 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.*  
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. 4020  
Order No. R-3661

APPLICATION OF BURK ROYALTY COMPANY  
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 8, 1969, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 13th day of January, 1969, 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, Burk Royalty Company, is the owner and operator of the Hanson "C" Well No. 4, located in Unit K of Section 23, Township 20 South, Range 34 East, NMPM, Lynch Yates-Seven Rivers Pool, Lea County, New Mexico.

(3) That the applicant proposes to utilize said well to dispose of produced salt water into the Yates formation, with injection into the perforated interval from approximately 3564 feet to 3570 feet.

(4) That the injection should be accomplished through 2 3/8-inch plastic-lined tubing installed in a packer set at approximately 3500 feet; that the casing-tubing annulus should be filled with an inert fluid; and that a pressure gauge should



-2-

CASE No. 4020

Order No. R-3661

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:

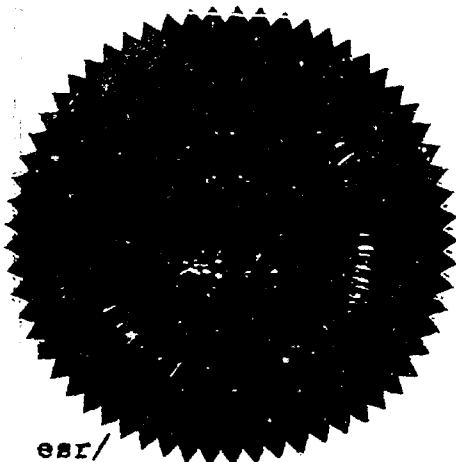
(1) That the applicant, Burk Royalty Company, is hereby authorized to utilize its Hanson "C" Well No. 4, located in Unit K of Section 23, Township 20 South, Range 34 East, NMPM, Lynch Yates-Seven Rivers Pool, Lea County, New Mexico, to dispose of produced salt water into the Yates formation, injection to be accomplished through 2 3/8-inch tubing installed in a packer set at approximately 3500 feet, with injection into the perforated interval from approximately 3564 feet to 3570 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 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, Chairman

ALEX J. ARNEGO, Member

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

esr/

DOCKET: EXAMINER HEARING - WEDNESDAY - JANUARY 8, 1969

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 A. L. Porter, Jr., Alternate Examiner:

CASE 4016: Application of American Trading and Production Corporation for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its Southeast Lea Unit Well No. 2 located in Unit L of Section 25, Township 20 South, Range 35 East, Lea County, New Mexico, in such a manner as to permit the production of gas from an undesignated Wolfcamp gas pool and gas from an undesignated Morrow gas pool through parallel strings of tubing.

CASE 3709: (Reopened)

In the matter of Case No. 3709 being reopened pursuant to the provisions of Order No. R-3366, which order established 80-acre spacing units for the Akah Nez-Devonian Oil Pool, San Juan County, New Mexico, for a period of one year. All interested parties may appear and show cause why said pool should not be developed on 40-acre spacing units.

CASE 4017: Application of Corinne Grace for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying Section 8, Township 21 South, Range 24 East, North Indian Hills-Morrow Gas Pool, Eddy County, New Mexico. Said acreage to be dedicated to a well to be drilled in the SE/4 of said Section 8. Also to be considered will be the costs of drilling said well, a charge for the risk involved, a provision for the allocation of actual operating costs, and the establishment of charges for supervision of said well.

CASE 4018: Application of Solar Oil Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause seeks approval for the dual completion (conventional) of its Fanning "B" Well No. 1 located in Unit A of Section 33, Township 23 South, Range 37 East, Lea County, New Mexico, to produce oil from the Teague-Blinbry and underlying Drinkard Pools through parallel strings of tubing.

- CASE 4019: Application of Sinclair Oil Corporation for salt water injection, Lea County, New Mexico. Applicant, in the above styled cause, seeks authority to inject produced salt water into the Yates formation in the perforated interval from approximately 3860 feet to 4050 feet in its Mescalero Ridge Unit Well No. 2 located in Unit B of Section 28, Township 19 South, Range 34 East, Quail Ridge-Yates Pool, Lea County, New Mexico.
- CASE 4020: Application of Burk Royalty 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 formation in the perforated interval from 3564 to 3585 feet in its Hanson "C" Well No. 4 located in Unit K of Section 23, Township 20 South, Range 34 East, Lynch Yates-Seven Rivers Pool, Lea County, New Mexico.
- CASE 4015: (Continued from December 27, 1968, Examiner Hearing)
- 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.

CASE 4010: (Continued from December 27, 1968, Examiner Hearing)

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 4013: (Continued from December 27, 1968, Examiner Hearing)

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 4042 feet to 4179 feet in the Wil-Mc State "K" Well No. 1, located in Unit O of Section 11, Township 10 South, Range 32 East, Mescalero-San Andres Pool, Lea County, New Mexico. (The above perforated interval is in lieu of the originally advertised interval from 4200 feet to 4300 feet.)

R-34-E

12

BEFORE EXAMINER NUTTER  
OIL CONSERVATION COMMISSION  
EXHIBIT NO. 2  
CASE NO. 4020

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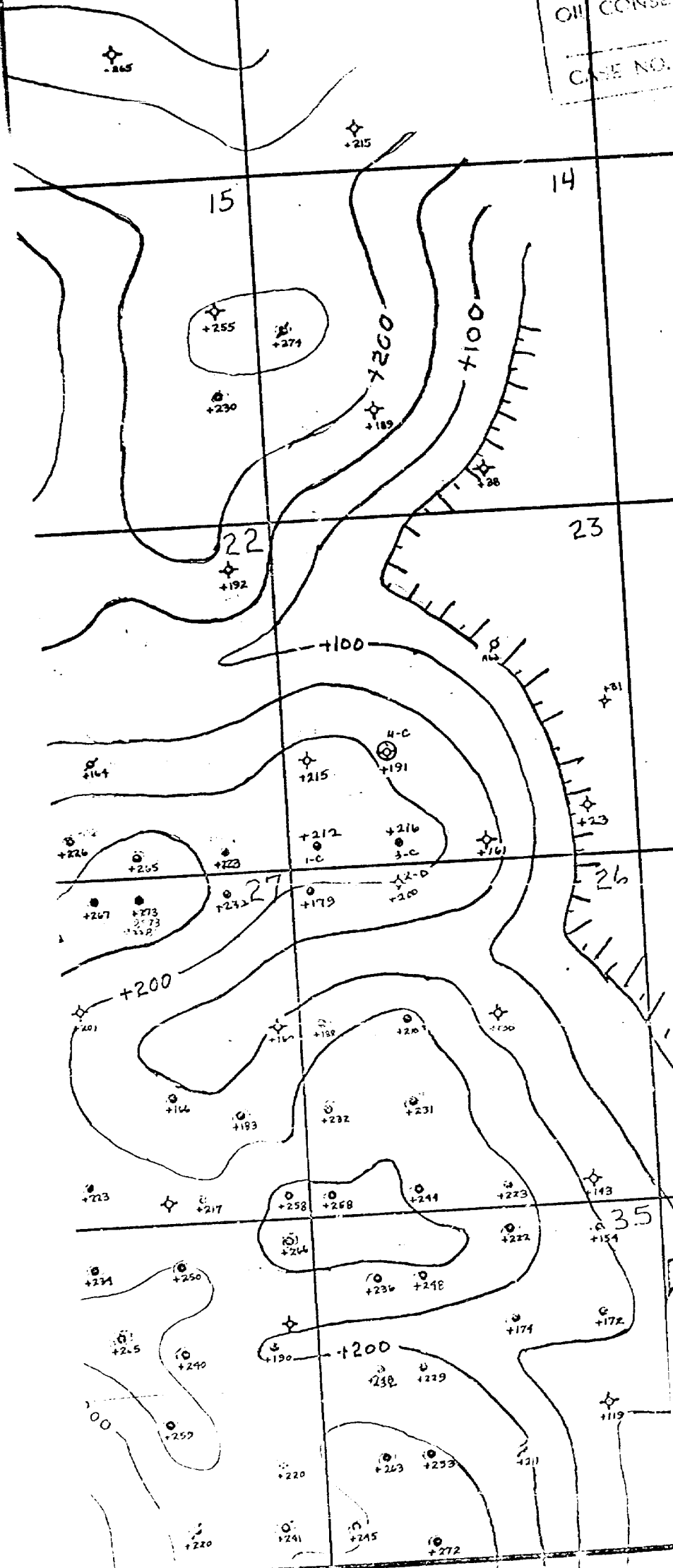
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LYNCH FIELD STRUCTURE MAP

Datum: Top Yates formation  
C. I.: 50 feet

○ Proposed Salt Water Disposal Well

William J. LeMay - Geologist



## NEW MEXICO OIL CONSERVATION COMMISSION

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

APPLICANT <b>Dark Royalty Company</b>		ADDRESS <b>800 Oil &amp; Gas Building Wichita Falls, Texas</b>			
LEASE NAME <b>Hanson NCH</b>	WELL NO. <b>4</b>	FIELD <b>Lynch</b>	COUNTY <b>Lea</b>		
LOCATION UNIT LETTER <b>K</b> ; WELL IS LOCATED <b>1650</b> FEET FROM THE <b>South</b> LINE AND <b>1650</b> FEET FROM THE <b>West</b> LINE, SECTION <b>23</b> TOWNSHIP <b>20 S</b> RANGE <b>34 E</b> NMPM.					
CASING AND TUBING DATA					
NAME OF STRING	SIZE	SETTING DEPTH	SACKS CEMENT	TOP OF CEMENT	TOP DETERMINED BY
SURFACE CASING	<b>8 5/8</b>	<b>258</b>	<b>100</b>	<b>Circulated</b>	
INTERMEDIATE					
LONG STRING	<b>5 1/2</b>	<b>3692</b>	<b>500</b>	<b>Circulated</b>	
TUBING	<b>2 3/8</b>	<b>3500</b>	NAME, MODEL AND DEPTH OF TUBING PACKER <b>Baker Model "N" @ 3500</b>		
NAME OF PROPOSED INJECTION FORMATION <b>Yates</b>		TOP OF FORMATION <b>3492</b>		BOTTOM OF FORMATION <b>3700 est</b>	
IS INJECTION THROUGH TUBING, CASING, OR ANNULUS? <b>Tubing</b>		PERFORATIONS OR OPEN HOLES? <b>Perforations</b>		PROPOSED INTERVAL(S) OF INJECTION <b>3564-3570</b>	
IS THIS A NEW WELL DRILLED FOR DISPOSAL? <b>No</b>		IF ANSWER IS NO, FOR WHAT PURPOSE WAS WELL ORIGINALLY DRILLED? <b>Oil production; was non-commercial</b>		HAS WELL EVER BEEN PERFORATED IN ANY ZONE OTHER THAN THE PROPOSED INJECTION ZONE? <b>Yes</b>	
LIST ALL SUCH PERFORATED INTERVALS AND SACKS OF CEMENT USED TO SEAL OFF OR SQUEEZE EACH <b>3574-76, 3583-85, plug back with 60' pea gravel &amp; 18' cal-seal</b>					
DEPTH OF BOTTOM OF DEEPEST FRESH WATER ZONE IN THIS AREA <b>260</b>		DEPTH OF BOTTOM OF NEXT HIGHER OIL OR GAS ZONE IN THIS AREA <b>None</b>		DEPTH OF TOP OF NEXT LOWER OIL OR GAS ZONE IN THIS AREA <b>3700 (est) - Seven Rivers</b>	
ANTICIPATED DAILY INJECTION VOLUME (BBLs.) <b>5</b>	MINIMUM <b>5</b>	MAXIMUM <b>25</b>	OPEN OR CLOSED TYPE SYSTEM <b>Open</b>	IS INJECTION TO BE BY GRAVITY OR PRESSURE? <b>Gravity</b>	APPROX. PRESSURE (PSI)
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 <b>Yes</b>			WATER TO BE DISPOSED OF <b>Yes</b>		
NAME AND ADDRESS OF SURFACE OWNER (OR LESSEE, IF STATE OR FEDERAL LAND) <b>Lessee: Dan C. Berry, Box 638, Eunice, New Mexico</b>			NATURAL WATER IN DISPOSAL ZONE <b>Yes</b>		
LIST NAMES AND ADDRESSES OF ALL OPERATORS WITHIN ONE-HALF (1/2) MILE OF THIS INJECTION WELL					
<b>D. L. Hammifin, 319 Central Building, Midland, Texas</b>					
<b>Pennzoil United, Inc., Wall Towers West Bldg., Midland, Texas</b>					
<b>Richfield Oil Corp., Patio Bldg., Midland, Texas</b>					
<b>Sunset International Petroleum Corp., Two-O-One Wall Bldg., Midland, Texas</b>					
<b>Sinclair Oil Corp., Box 1470, Midland, Texas</b>					
<b>A. J. Vogel, Box 143, Midland, Texas</b>					
HAVE COPIES OF THIS APPLICATION BEEN SENT TO EACH OF THE FOLLOWING?		SURFACE OWNER		EACH OPERATOR WITHIN ONE-HALF MILE OF THIS WELL	
ARE THE FOLLOWING ITEMS ATTACHED TO THIS APPLICATION (SEE RULE 701-B)		PLAT OF AREA		ELECTRICAL LOG	
				DIAGRAMMATIC SKETCH OF WELL	

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

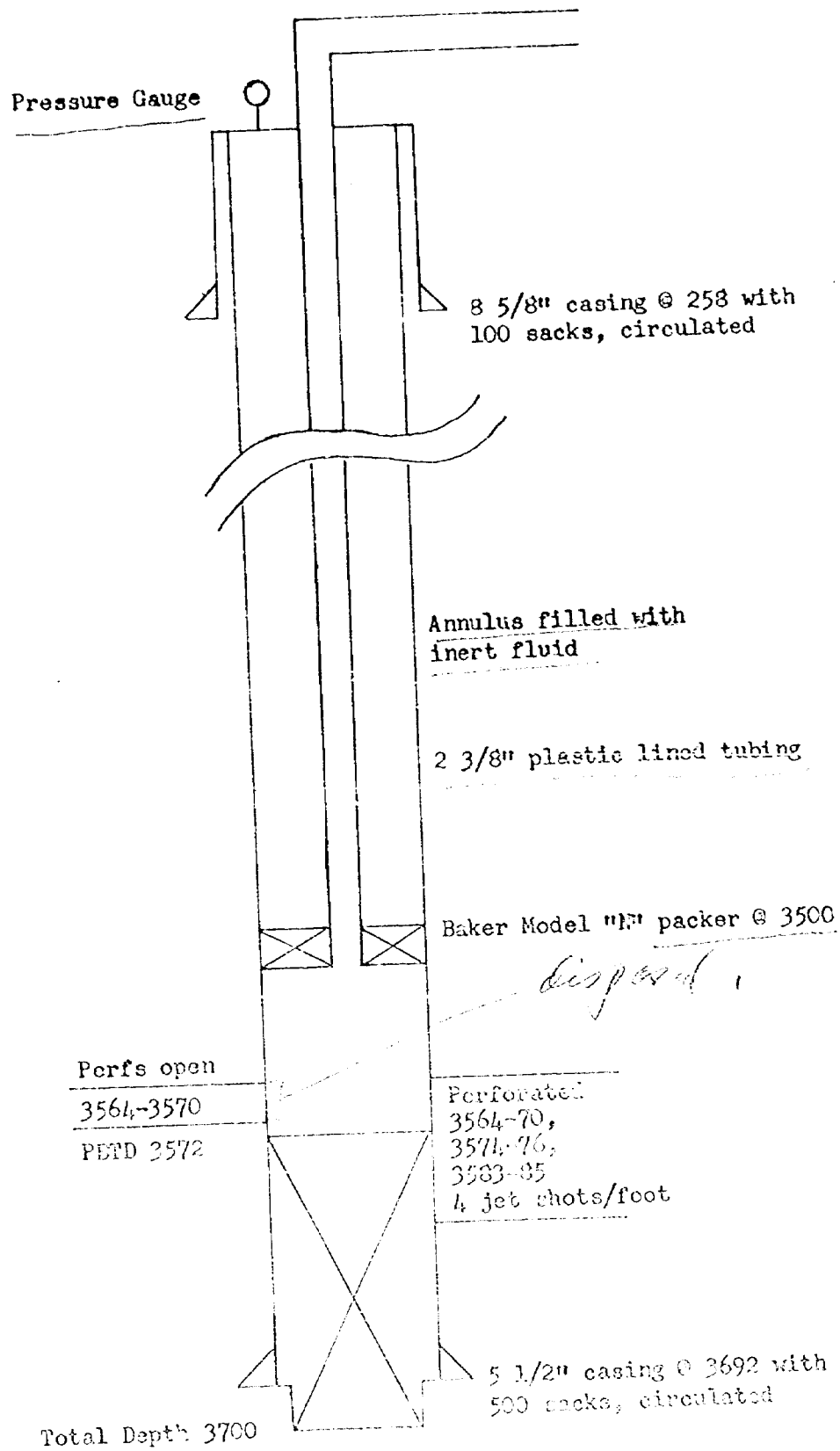
(Signature)

(Title)

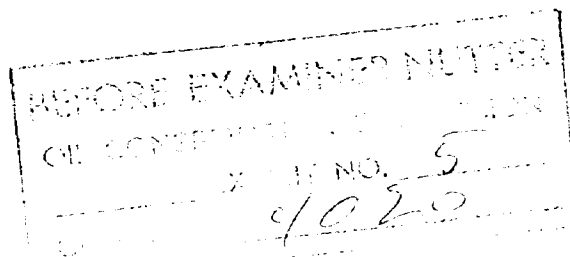
(Date)

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 set for hearing, if the applicant so requests. SEE RULE 701.

DIAGRAMMATIC SKETCH  
Of Proposed Installation of  
Water Injection Equipment



Proposed for: Burk Royalty Company  
Hanson "C" No. 4  
1650' FSL & 1650' FWL  
Sec. 23, T20S, R34E  
Lynch Pool  
Lea County, New Mexico



*Oil Reports and Gas Services*

P. O. BOX 763  
HOBBS, NEW MEXICO

December 17, 1968

W. L. SMITH, OWNER

EX 3-2727

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

*Page 4020*

Gentlemen:

In accordance with Rule 1203, application is hereby made on behalf of Burk Royalty Company 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 Yates formation.

Said injection to be made into the Burk Royalty Company - Hanson "C" No. 4, located 1650 feet from the South line and 1650 feet from the West line of Section 23, Township 20 South, Range 34 East, Lynch Yates - Seven Rivers Pool, Lea County, New Mexico; injection to be made through 2 3/8" plastic coated tubing below Baker Model "N" packer set at approximately 3500 feet into perforations 3564 to 3585 feet.

Water to be so disposed will be produced from the Burk Royalty Company Hanson "D" lease in Section 26, Township 20 South, Range 34 East.

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

Aztec Oil & Gas Co.  
Box 847  
Hobbs, New Mexico

D. L. Hannifin  
319 Central Building  
Midland, Texas

Pennzoil United, Inc.  
Wall Towers West Bldg.  
Midland, Texas

Phillips Pet. Co.  
4th & Washington  
Odessa, Texas

Richfield Oil Corp.  
Patio Building  
Midland, Texas

Shell Oil Company  
Box 1509  
Midland, Texas

Sinclair Oil Corp.  
Box 1470  
Midland, Texas

Sunset International  
Petroleum Corp.  
Two-O-One Wall Bldg.  
Midland, Texas

A. J. Vogel  
Box 143  
Midland, Texas

Yours very truly,

OIL REPORTS AND GAS SERVICES

*Donna Holler*  
(Mrs.) Donna Holler  
Agent, Burk Royalty Company

DN/kh

DOCKET MAILED

Date 12-20-68



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. 4020Order No. R- 3661

*GMH*

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

*John*

ORDER OF THE COMMISSIONBY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 8, 1969,  
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this        day of January, 1969, 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, Burk Royalty Company,  
is the owner and operator of the Hanson "C" Well No. 4,  
located in Unit K of Section 23, Township 20 South, Range  
34 East, NMPM, Lynch Yates-Seven Rivers Pool, Lea  
County, New Mexico.

(3) That the applicant proposes to utilize said well to  
dispose of produced salt water into the yates  
formation, with injection into the perforated interval  
from approximately 3564 feet to 3570 feet.

(4) That the injection should be accomplished through  
2 3/8-inch plastic-lined tubing installed in a packer set at

approximately 3500 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, Burk Royalty Company, is hereby authorized to utilize its Hanson "C" Well No. 4 located in Unit K of Section 23, Township 20 South, Range 34 East, NMPM, Lynch Yates-Seven Rivers Pool, Lea County, New Mexico, to dispose of produced salt water into the Yates formation, injection to be accomplished through 2 3/8-inch tubing installed in a packer set at approximately 3500 feet, with injection into the perforated interval from approximately 3564 feet to 3570 ~~3585~~ 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 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.