

CASE 4033: Application of PHILLIPS
for salt water disposal, Lea
County, New Mexico.

Case Number

4033

Application

Transcripts.

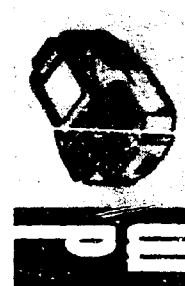
Small Exhibits

ETC.

dearnley-meier

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

1120 SIMMS BLDG. • P. O. BOX 1092 • PHONE 243-4691 • ALBUQUERQUE, NEW MEXICO



BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
January 22, 1969

EXAMINER HEARING

IN THE MATTER OF:)

Application of Phillips Petroleum)
Company for salt water disposal,)
Lea County, New Mexico.)

Case No. 4033

BEFORE: Elvis A. Utz, Examiner.

TRANSCRIPT OF HEARING

MR. UTZ: Case 4033.

MR. HATCH: Case 4033, application of Phillips Petroleum Company for salt water disposal, Lea County, New Mexico.

MR. KELLAHIN: Jason Kellahin, of Fox and Kellahin, Santa Fe, appearing for the applicant. We will have one witness that I would like to have sworn, please.

(Witness sworn.)

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

W. J. MUELLER

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

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q State your name, please.

A My name is W. J. Mueller.

Q By whom are you employed, and in what position?

A I am an Associate Reservoir Engineer for Phillips Petroleum Company, in the southwest region, Odessa, Texas.

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

A Yes, sir.

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

MR. UTZ: Yes, they are.

Q Mr. Mueller, are you familiar with the application of Phillips Petroleum Company in Case 4033?

A Yes, sir.

Q What is proposed by Phillips in this application?

A Phillips proposes to re-enter a plugged and abandoned well, its Cruces Federal No. 5, located in Unit P of Section 26, Township 20 South, Range 34 East, in the Lynch Yates-Seven Rivers Pool of Lea County, New Mexico. The re-entry of this well would be for produced water into the pay interval, the Yates Formation, which tested water on initial completion in this well, and it never was productive.

Q This well has never produced?

A No, sir.

Q From this formation?

A That's right.

Q Referring to what has been marked as Exhibit Number 1, will you identify that exhibit?

A Exhibit Number 1 is a completed New Mexico Oil Conservation Commission form C-108, on the Cruces Federal Well No. 5, showing its location, casing sizes, setting depths, tops of cement, the proposed tubing installation, packer, perforated

intervals.

Q What are the perforated intervals?

A The perforated intervals are from 3,606 to 3,622, 3,646 to 3,668, 3,712 to 3,740. These intervals were perforated on initial testing of this well, and we plan just to drill out and inject water back into these intervals.

Q What volume of water will you inject into this well?

A I anticipated the leases only producing in the neighborhood of 10 to 12 barrels of water per day, and trucking is still economical, but we do anticipate an increase in water production from this lease probably to a maximum of 500. At such time as trucking becomes uneconomical, we will re-enter this well for conversion, and inject whatever volume of water is produced on our Cruces Lease.

Q The source of water will be from the wells located on the Cruces Federal Lease?

A Yes, there are five Cruces wells there.

Q And they are all producing from the Yates-Seven Rivers Formation?

A Yes.

Q In the same pool?

A Right.

Q Now, referring to what has been marked as Exhibit Number

2, would you identify that exhibit?

A Exhibit Number 2 is a diagrammatic sketch of our proposed installation here in the Cruces Number 5, showing the plugged-back TD. We plan to drill out to 3,649, reopen up the three Yates Sand perforation intervals that were initially opened, and install a Baker model packer at 3,570.

Q Will the casing tubing annulus be filled with an inert fluid?

A Yes, sir.

Q Will you put a pressure gauge at the surface?

A Yes, sir.

Q This will be a closed system, is that right?

A Yes, sir.

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

A Exhibit Number 3 is a water analysis from the Cruces No. 5 during its initial testing in 1959. The water obtained on a swab test of the lower interval, 300 barrels of salt water in 10 hours.

Q Now, this is the same water as you will be injecting in the well, is it not?

A Yes, sir, this is an analysis of both what is in the formation, and also what we are producing from the other wells.

Q You do not anticipate any difficulty in this well taking water?

A No, sir.

Q Do you anticipate it will take it on a vacuum, or will you have to use pressure?

A Due to the low volumes initially anticipated, we hope it will be a gravity system. In years to come, I am sure as the volumes get bigger, it could possibly go to pressure.

Q Referring to what has been marked as Exhibit Number 4, would you identify that exhibit?

A Exhibit Number 4 is a plat of the area of the Lynch Yates Pool, showing the Phillips Cruces Lease outlined in red, as the south half of Section 26, 20 South, 34 East. It shows the five producing wells colored coated green, the 1, 2, 3, 4, and 6, and has a blue arrow pointing to the plugged and abandoned Cruces No. 5.

Q That is the well which you propose to convert to water injection?

A Yes, sir.

Q What are the other arrows with the --

A The pink arrows shown on this map are with the C numbers and R numbers. The C numbers refer to New Mexico Oil Conservation Commission cases relative to converting these wells

to disposal by other operators in the area, and the R numbers are an order that was already approved and written for conversion of the Sinclair well.

Q Is it your understanding that all of those wells have been approved for water injection?

A Yes, to the best of my knowledge, all orders have been written and approved.

Q Referring to what has been marked as Exhibit Number 5, will you explain that?

A Exhibit Number 5 is a radioactivity log of the proposed injection well, Cruces 5, with the intervals marked and the top of the Yates Formation.

Q Now, the completion as you propose to make of this disposal well, will that in your opinion adequately protect any fresh water zones or producing zones encountered in this well bore?

A Yes, sir.

Q In your opinion, as a petroleum engineer, will the disposal of water in this producing formation result in a reduced recovery of oil from the formation?

A No, I would not anticipate that at all, since we will only be returning the produced water we are now taking from that

formation on the lease.

Q Will the use of the well for salt water disposal have an adverse effect on either your wells or any offsetting wells?

A I would not anticipate that.

Q Were Exhibits 1 through 5 prepared by you or under your supervision?

A Yes, sir.

MR. KELLAHIN: At this time, I will offer in evidence Exhibits 1 through 5.

MR. UTZ: Exhibits 1 through 5 will be entered into the record of this case.

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

MR. KELLAHIN: That completes the direct examination.

CROSS EXAMINATION

BY MR. UTZ:

Q Mr. Mueller, is it my understanding that you are not intending to convert this well immediately?

A This is right.

Q And it would be some future date whenever your water production gets high enough to where it is uneconomic?

A Yes.

Q This might be a year or so?

A That is true, or it could be six months. It depends on how the trucking costs go. We don't anticipate it this year, in all probability.

MR. UTZ: Any other questions of the witness?
You may be excused. Are there any statements? The case will be taken under advisement.

I N D E X

<u>WITNESS</u>		<u>PAGE</u>
W. J. MUELLER		
Direct Examination by Mr. Kellahin		2
Cross Examination by Mr. Utz		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 true and correct copy of the transcript of
 the hearing held before the New Mexico Oil Conservation
 Commission on January 22, 1969, at 4033.

Theresa M. [Signature]
 New Mexico Oil Conservation Commission

DAVID F. CARGO
CHAIRMAN

State of New Mexico
Oil Conservation Commission



LAND COMMISSIONER
GUYTON D. HAYS
MEMBER

P. O. BOX 2088
SANTA FE

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

January 24, 1969

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

Re: Case No. 4033
Order No. R-3666
Applicant:
Phillips Petroleum Company

Dear Sir:

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

Very truly yours,

A handwritten signature in cursive script, reading "A. L. Porter, Jr.", is written over the typed name.

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

Bureau of Land Management

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. 4033
Order No. R-3666

APPLICATION OF PHILLIPS PETROLEUM
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 22, 1969,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 24th 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, Phillips Petroleum Company, is the
owner and operator of the Cruces Federal Well No. 5, located in
Unit P of Section 26, 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-Seven Rivers
formations, with injection into the perforated interval from
approximately 3606 feet to 3740 feet.

(4) That the injection should be accomplished through
2 3/8-inch plastic-lined tubing installed in a packer set at
approximately 3570 feet; that the casing-tubing annulus should
be filled with an inert fluid; and that a pressure gauge should

-2-

CASE No. 4033
Order No. R-3666

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:

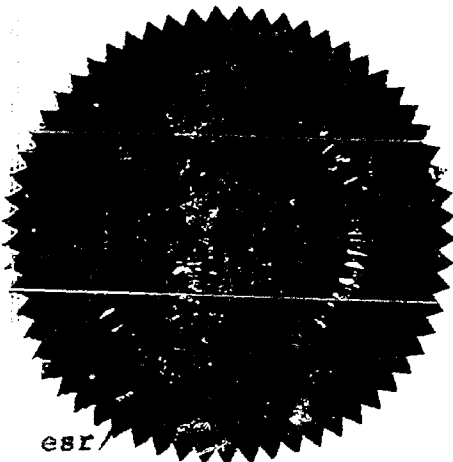
(1) That the applicant, Phillips Petroleum Company, is hereby authorized to utilize its Cruces Federal Well No. 5, located in Unit P of Section 26, Township 20 South, Range 34 East, NMPM, Lynch Yates-Seven Rivers Pool, Lea County, New Mexico, to dispose of produced salt water into the Yates-Seven Rivers formations, injection to be accomplished through 2 3/8-inch tubing installed in a packer set at approximately 3570 feet, with injection into the perforated interval from approximately 3606 feet to 3740 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
DAVID F. CARGO, Chairman

Alex J. Armijo
ALEX J. ARMILLO, Member

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

esr

Case 4033

Heard 1-22-69

Rec - 1-22-69.

Grant Phillips permission to
convert their Cruiser D2d #5-P.
26-20S-34E. to ~~an~~ SWD well.
Injection shall be into the Lyman
Yates - SR. thru 2 3/8 Int. Plastic
coated tubing + under a packer and
thru perforations from 3606 - 3790.
Annulus shall be filled with inert
fluid w/ pressure gauge at surface.
- School. Int.

- CASE 4032: In the matter of the hearing called by the Oil Conservation Commission upon its own motion to consider the establishment of non-standard gas proration units and unorthodox gas well locations, where necessary, in the Aztec and Blanco-Pictured Cliffs Gas Pools in Sections 6, 7, 18, 19, 30, and 31, Townships 29 and 30 North, Ranges 8 and 9 West, San Juan County, New Mexico. Said non-standard units and locations being necessitated by variations in said legal subdivisions of the U. S. Public Land Surveys.
- CASE 4033: 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 Yates-Seven Rivers formations in the perforated interval from 3606 feet to 3740 feet in its Cruces Federal Well No. 5 located in Unit P of Section 26, Township 20 South, Range 34 East, Lynch Yates-Seven Rivers Pool, Lea County, New Mexico.
- CASE 4034: 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 Yates-Seven Rivers formations in the open-hole interval from 3360 feet to 3520 feet in its C. D. Woolworth Well No. 9 located in Unit B of Section 27, Township 24 South, Range 36 East, Jalmat Yates-Seven Rivers Pool, Lea County, New Mexico.
- CASE 4035: Application of Phillips Petroleum Company for a waterflood project, Lea 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 its Philmex Well No. 5 located in Unit N of Section 27, Township 17 South, Range 33 East, Maljamar Grayburg-San Andres Pool, Lea County, New Mexico.

DOCKET: EXAMINER HEARING - WEDNESDAY - JANUARY 22, 1969

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

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

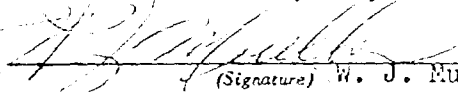
- CASE 4013: (Continued and Readvertised)
Application of Redfern Development Corporation and Wil-Mc Oil Corporation for salt water disposal, Lea County, New Mexico. Applicants, in the above-styled cause, seek authority to dispose of produced salt water into the San Andres formation in the interval from 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.
- CASE 4029: Application of General American Oil Company for a waterflood expansion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its pilot waterflood project in the Grayburg zone of the San Andres formation in the Grayburg-Jackson Pool, Eddy County, New Mexico, authorized by Order No. R-2324, by the conversion to water injection of 13 additional injection wells located in Township 17 South, Ranges 29 and 30 East, Eddy County, New Mexico.
- CASE 4030: Application of Argus 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 Seven Rivers formation in the perforated and open-hole interval from approximately 3554 feet to 3775 feet in its J. T. Lynn A-28 Well No. 3, located 2310 feet from the South line and 1650 feet from the East line of Section 28, Township 23 South, Range 36 East, Jalmat Yates-Seven Rivers Pool, Lea County, New Mexico.
- CASE 4031: 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 Yates-Seven Rivers formations in the open-hole interval from approximately 2964 feet to 3119 feet in its C. W. Shepherd Federal "B" Well No. 5 located in Unit I of Section 1, Township 26 South, Range 36 East, Jalmat Yates-Seven Rivers Pool, Lea County, New Mexico.

NEW MEXICO OIL CONSERVATION COMMISSION

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

OPERATOR Phillips Petroleum Company			ADDRESS Phillips Bldg., Room 8-2 Odessa, Texas 79760		
LEASE NAME Cruces Federal		WELL NO. 5	FIELD Lynch Yates-Seven Rivers		COUNTY Lea
LOCATION UNIT LETTER P ; WELL IS LOCATED 330 FEET FROM THE South LINE AND 992 FEET FROM THE East LINE, SECTION 26 TOWNSHIP 20-S RANGE 34-E NMPM.					
CASING AND TUBING DATA					
NAME OF STRING	SIZE	SETTING DEPTH	SACKS CEMENT	TOP OF CEMENT	TOP DETERMINED BY
SURFACE CASING	8-5/8"	162'	115	Surface	Circulation
INTERMEDIATE	--	--	--	--	--
LONG STRING	4-1/2"	3759'	328	741'	Temp. Survey
TUBING	2-3/8"	3570'	NAME, MODEL AND DEPTH OF TUBING PACKER Baker Model "D" @ 3570'		
NAME OF PROPOSED INJECTION FORMATION Yates-Seven Rivers			TOP OF FORMATION 3590'		BOTTOM OF FORMATION 3760'+
IS INJECTION THROUGH TUBING, CASING, OR ANNULUS? Tubing		PERFORATIONS OR OPEN HOLES? Perforations	PROPOSED INJECTION INTERVAL (S) 3608-3622' 3646-3668'		
IS THIS A NEW WELL DRILLED FOR DISPOSAL? No		IF ANSWER IS NO, FOR WHAT PURPOSE WAS WELL ORIGINALLY DRILLED? Oil (P & A in Nov., 1959)		HAS WELL EVER BEEN PERFORATED IN ANY ZONE OTHER THAN THE PROPOSED INJECTION ZONE? No	
LIST ALL SUCH PERFORATED INTERVALS AND SACKS OF CEMENT USED TO SEAL OFF OR SQUEEZE EACH None					
DEPTH OF BOTTOM OF DEEPEST FRESH WATER ZONE IN THIS AREA 100 Ft.		DEPTH OF BOTTOM OF NEXT-HIGHER OIL OR GAS ZONE IN THIS AREA None		DEPTH OF TOP OF NEXT LOWER OIL OR GAS ZONE IN THIS AREA	
ANTICIPATED DAILY INJECTION VOLUME (BBLs.)	MINIMUM 50	MAXIMUM 500	OPEN OR CLOSED TYPE SYSTEM Closed	IS INJECTION TO BE BY GRAVITY OR PRESSURE? Gravity	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 --			WATER TO BE DISPOSED OF Yes	NATURAL WATER IN DISPOSAL ZONE Yes	ARE WATER ANALYSES ATTACHED? Yes
NAME AND ADDRESS OF SURFACE OWNER (OR LESSEE, IF STATE OR FEDERAL LAND)					
LIST NAMES AND ADDRESSES OF ALL OPERATORS WITHIN ONE-HALF (1/2) MILE OF THIS INJECTION WELL					
Burk Royalty Company, Box 1627, Fort Stockton, Texas					
Mallard Petroleum, Inc., 1206 V & J Tower, Midland, Texas					
Sinclair Oil and Gas Company, Box 1920, Hobbs, N. M. 88240					
<div style="text-align: center; border: 2px solid black; padding: 10px; transform: rotate(-15deg); display: inline-block;"> BEFORE EXAMINED BY OIL CONSERVATION COMMISSION CASE NO. 4033 </div>					
HAVE COPIES OF THIS APPLICATION BEEN SENT TO EACH OF THE FOLLOWING?		SL. FACE OWNER	EACH OPERATOR WITHIN ONE-HALF MILE OF THIS WELL		THE NEW MEXICO STATE ENGINEER
			Yes		No
ARE THE FOLLOWING ITEMS ATTACHED TO THIS APPLICATION (SEE RULE 701-B)		PLA. OF AREA	ELECTRICAL LOG	DIAGRAMMATIC SKETCH OF WELL	
		Yes	Yes	Yes	

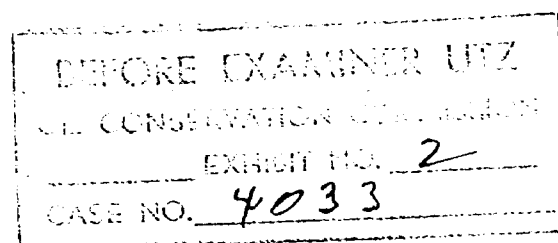
I hereby certify that the information above is true and complete to the best of my knowledge and belief.

 (Signature) W. J. Mueller	Associate Reservoir Engineer (Title)	1-14-69 (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.

Proposed Installation

8-5/8" Casing at 162'
Cement Circ.



Perforations:
3606-3622'
3646-3663'
3712-3740'

2-3/8" Internally Coated Tubing at 3570'
in Baker Model "D" Packer at 3570'

PBTD
3749'
3760' TD

4-1/2" Casing at 3759'
TOC Cement 741'

Phillips Petroleum Company
Cruces Federal No. 5
Unit P-26-20S-34E Lea County, New Mexico



DOWELL INCORPORATED

FIELD LABORATORY REPORT

WATER ANALYSIS

TO: Phillips Petroleum Company
208 North Turner
Hobbs, New Mexico

DATE SAMPLE SUBMITTED

11-24-59

SAMPLE SOURCE

Zone No. 1

LABORATORY LOCATION

Hobbs, New Mexico

COMPANY

Phillips Pet. Co

POOL

Lynch

COUNTY

Lea

FORMATION

Lower Yates

SUBMITTED BY

Barton

REPORT NUMBER

1251

WELL

Graces #5

LOCATION

26-29-34

STATE

New Mexico

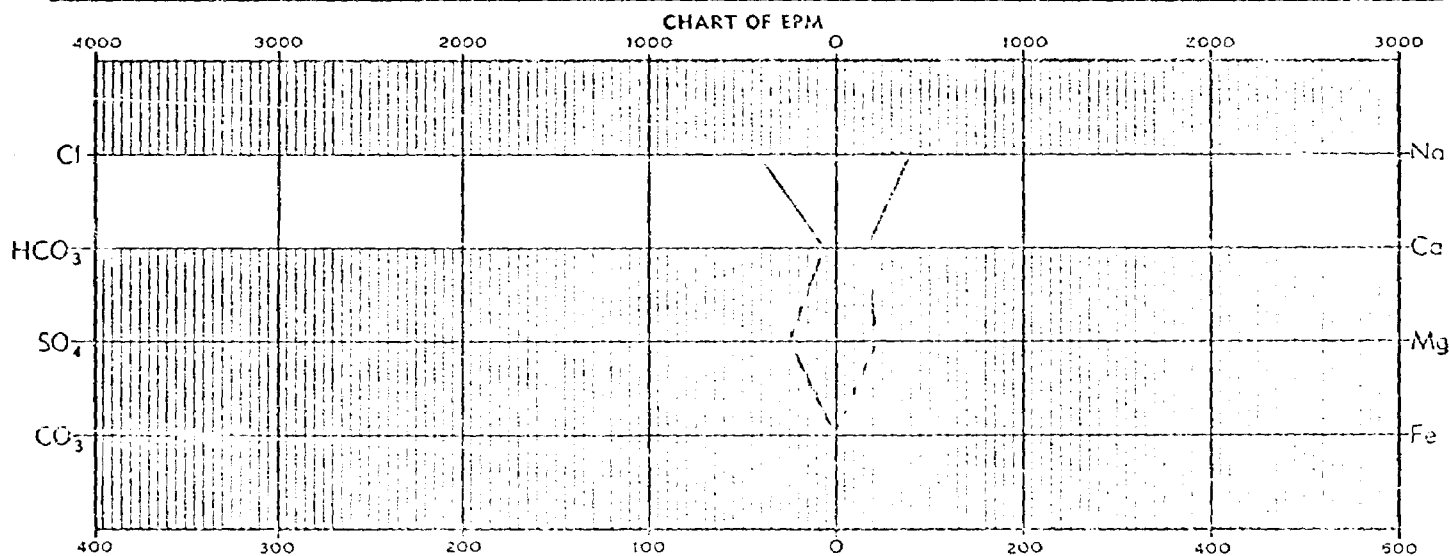
DEPTH

3713-3756'

TESTS DESIRED

Analysis

	PPM	EPM		PPM	EPM
CALCIUM	630	31	CHLORIDE	15400	132
MAGNESIUM	525	43	SULFATE	1275	26
SODIUM	9100	391	BICARBONATE	440	7
IRON			CARBONATE	Trace	
HYDROGEN SULFIDE			HYDROXIDE		
SPECIFIC GRAVITY	1.019	AT 74	°F pH	7.3	CoCl ₂ /MgCl ₂ .35
% SALT SATURATION					



REMARKS:

DATE
ANALYST
CHECKED
3
CASE NO. 4033

CHEMIST

11-24-59

DATE

JASON W. KELLAHIN
ROBERT E. FOX

KELLAHIN AND FOX
ATTORNEYS AT LAW
54 1/2 EAST SAN FRANCISCO STREET
POST OFFICE BOX 1769
SANTA FE, NEW MEXICO 87501

January 7, 1969

8 JAN 8 1969

TELEPHONE 982-4315
AREA CODE 505

Oil Conservation Commission of New Mexico
Post Office Box 2088
Santa Fe, New Mexico

Gentlemen:

I enclose the following for filing:

1. Application for approval of salt water disposal, Lynch Yates-Seven Rivers Pool, Lea County, New Mexico;
2. Application for approval of salt water disposal, Jalmat Yates-Seven Rivers Pool, Lea County, New Mexico, and
3. Application for approval of a waterflood project on the Philmex Lease, Maljamar-Grayburg-San Andres Pool, Lea County, New Mexico

all for Phillips Petroleum Company.

Yours very truly,

Jason W. Kellahin
JASON W. KELLAHIN

[Wk:peg
Enc. as stated

cc Joe V. Peacock with enclosures

BEFORE THE

OIL CONSERVATION COMMISSION OF NEW MEXICO

APPLICATION OF PHILLIPS PETROLEUM
COMPANY FOR APPROVAL OF SALT WATER
DISPOSAL, LYNCH YATES-SEVEN RIVERS
POOL, LEA COUNTY, NEW MEXICO

Case 4033

A P P L I C A T I O N

Comes now PHILLIPS PETROLEUM COMPANY and applies to
the Oil Conservation Commission of New Mexico for authority
to dispose of produced water into the Yates-Seven Rivers
formation and in support thereof would show the Commission:

1. Applicant proposes to dispose of produced water in
the Cruces Federal No. 5 Well, located in Unit P of Section
26, Township 20 South, Range 34 East, in the Lynch Yates-
Seven Rivers Pool.

2. Disposal will be in the perforated interval from
3605 to 3740 feet.

3. Injection of water into the disposal well will be
through tubing, under a packer.

WHEREFORE, applicant prays that this application be
set for hearing before the Commission or the Commission's duly
appointed examiner, and that after notice and hearing as
required by law, the Commission enter its order approving
disposal of produced water as prayed for.

Respectfully submitted,

PHILLIPS PETROLEUM COMPANY

By: William L. Fox
William L. Fox
Post Office Box 1735
Santa Fe, New Mexico

ATTORNEY FOR APPLICANT

1-9-69

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. 4033Order No. R- 3666

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

ORDER OF THE COMMISSIONBY THE COMMISSION:

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NOW, on this _____ day of January, 1969, the Commission, a
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FINDS:

(1) That due public notice having been given as required by
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(3) That the applicant proposes to utilize said well to
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formations, with injection into the perforated interval
from approximately 3606 feet to 3740 feet.

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

approximately 3570 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, Phillips Petroleum Company, is hereby authorized to utilize its Cruces Federal Well No. 5 located in Unit P of Section 26, 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-Seven Rivers formation^s, injection to be accomplished through 2 3/8-inch tubing installed in a packer set at approximately 3570 feet, with injection into the perforated interval from approximately 3506 feet to 3740 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 hereinafter designated.

2.

Cruces Fed. #5
P - 26 - 205 - 34 E
Lynch - Yates - 7 R Pool - Lee
Yates - 7 R - formation
per 3606 - 3740