

CASE 4060: Application of SIDNEY
LANIER FOR SALT WATER DISPOSAL,
LEA COUNTY, NEW MEXICO.

Case Number

4060

Application

Transcripts.

Small Exhibits

ETC.

dearnley-meier reporting service

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS
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BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION

Santa Fe, New Mexico

February 26, 1969

EXAMINER HEARING

IN THE MATTER OF:)
)
)
 Application of Sidney)
 Lanier for salt water)
 disposal, Lea County,)
 New Mexico.)
)

Case No. 4060

BEFORE: Elvis A. Utz, Examiner

TRANSCRIPT OF HEARING

MR. UTZ: Case 4060.

MR. HATCH: Case 4060, Application of Sidney Lanier for salt water disposal, Lea County, New Mexico.

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

MR. UTZ: Any other appearances?

(Whereupon, Applicant's Exhibits Numbers 1, 2, 3, 4, inclusive, were marked for identification.)

(Witness sworn.)

JAMES H. O'BRIANT

called as a witness on behalf of the applicant, having been first duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. McDERMOTT:

Q Will you state your name, please?

A James H. O'Briant.

Q Where are you employed?

A I am a Petroleum Engineer and a consultant, and I am representing Mr. Sidney Lanier.

Q Have you ever testified before the Oil Commission before?

A No, sir.

Q Would you give some of your educational and work experience for the Commission?

A Surely. I have a Bachelor of Science in Petroleum Engineer from the University of Oklahoma, Master of Science in Petroleum Engineering from the University of Texas. The last was received in 1959. At that time, I was employed by Atlantic Refining Company, and worked in various reservoir and operational type engineering jobs until August of 1966, at which time I resigned from Atlantic and opened an office as a Petroleum Engineer Consultant.

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

MR. UTZ: If he is familiar with this case, they are.

THE WITNESS: Yes, sir.

Q Are you acquainted with the application of Sidney Lanier in Case No. 4060 before the Commission today?

A Yes, sir.

Q Will you explain to the Commission what this application is?

A This is an application by Mr. Lanier to inject--to dispose of produced water into well No. 5A of the Ogg lease located in Section 35, Township 24 South, Range 36 East.

Q What is the present status of the lease to be used as

the injection well?

A The well is presently shut in, temporarily abandoned.

Q Referring to Exhibit 1, does this show all of the producing wells within a two-mile radius of the well to be used by Mr. Lanier?

A Yes, sir.

Q Does Exhibit 1 indicate the wells from which salt water will be disposed of?

A Yes, they are indicated by the blue circles.

Q Is the injection well indicated there by a red mark?

A Yes.

Q What is the producing zone in this area?

A Primary producing zone is the Yates Seven Rivers.

There are a few wells completed in the Queens Section. There is only one well located approximately one mile to the northeast that has or still may be producing from the Ellenberger.

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

A Approximately 10,000 barrels per day.

Q Is it your opinion that the Yates Seven Rivers formation will handle this adequately?

A Based on my experience in general with the Yates and the Seven Rivers, I think it will.

Q Do you have a log of the injection well?

A Yes, sir.

Q Is that entitled Exhibit 2?

A Yes.

Q Would you explain to the Commission the log as far as the formations involved?

A Near the bottom at 3,050 is the indicated top of the Yates formation. Then the top of the Seven Rivers interval is approximately 3,322. The total depth of the well at present is 3,532.

Q Is there any variance between the log and what is indicated on the application? The application states open hole interval from approximately 3,402 feet to 3,650 feet?

A Yes, there is a discrepancy. The original application contains an error in the total depth. I believe it states 3,650, as you mentioned. Mr. Lanier only owns rights down to 3,550. The present TD of the well and the TD from now on will be 3,532.

Q Referring to Exhibit Number 3, would you explain this to the Commission?

A Exhibit Number 3 is a diagrammatic sketch of the proposed completion for the injection well. It contains the well owner lease information, lease owner information at the top. It

shows the surface, the intermediate and the long string casing setting depths. It also contains information as to the amount of cement used to set each string, and it does state or show that the casing tubing annulus will be filled with a noncorrosive fluid. Three-inch tubing set at approximately 300 feet, the tubing and the packer will be internally lined.

I might mention at this time also that our present perforations are 3,314 to 3,347, 3,369 to 3,382. And the open hole interval from 3,404 to 3,532 embraces only the very bottom two or three feet of the Yates and most of the Seven Rivers.

Q Have you had any water analysis made of the producing wells in this area?

A Yes, we have.

Q Are they indicated on Exhibit Number 4?

A Yes.

Q What is the general conclusion from all these water analyses?

A The water analyses indicates all of the waters are very nearly the same. It is a slightly saline water, does contain very strong indication of hydrogen sulphide.

Q What is the closest or nearest fresh water formation in this area?

A I do not know the location of the nearest well, but

from the log information I have seen in the area, there appears not to be any chance of having fresh water below about 1,200 feet.

Q By the use of this salt water disposal well, will the correlative rights of any of the other producing wells here be injured in any way?

A No, sir.

Q Will this result in conservation of oil?

A Yes, sir.

MR. McDERMOTT: At this time, I would like to have Exhibits 1 through 4 admitted.

MR. UTZ: We have no objection, Exhibits 1 through 4 will be entered into the record of this case.

(Whereupon, Applicant's Exhibits Numbers 1, 2, 3, 4, inclusive, were admitted in evidence.)

Q Were these exhibits prepared by you or under your direction?

A Yes.

MR. McDERMOTT: That is all.

CROSS EXAMINATION

BY MR. UTZ:

Q Mr. O'Briant, at this point I am not real sure about where you are going to inject this water. Your application said

3,402 to 3,650.

A Yes, sir, that did contain an error in both the top and bottom interval. The actual injection interval, to begin with, the top interval will be 3,314, the base of the interval will be 3,532.

Q How much of this zone will be in the Yates?

A Well, the top of Seven Rivers, we have indicated from samples at 3,322, and our top perforation is at 3,314, so there will be eight feet into the base of the Yates.

MR. UTZ: We have a little problem here with the advertising. We can go one of two routes. We can hold this case and advertise it in the next docket, and that's already been advertised, hasn't it, for the 5th?

MR. HATCH: Yes.

MR. UTZ: So we could put it on for the Regular Hearing in the middle of March, and it probably wouldn't be necessary for you to come up. It is just a legality, advertising the correct intervals, calling the case, and if anybody wants to object, they have the opportunity. If they don't object, why, we write the order. Or you can get waivers from all the offsets.

MR. HATCH: I think with the time running as short as it is on this, I think the Commission would probably accept that. If somebody objects, of course, then--

MR. UTZ: I doubt you would have any problem.

THE WITNESS: Most of them are involved with Mr. Lanier.

MR. UTZ: All those offsets, four of them, are there listed here?

THE WITNESS: Well, referring to Exhibit Number 1, sir, the S. D. Ayres tract to the west, Mr. Lanier now owns a part interest in that lease. He does not own all of it, he owns part interest with Mr. Ayres.

But may I ask you a question off the record here concerning New Mexico procedure. When you say offsets--I mean waivers from the offset operators, you do not mean waivers from every operator in the field, do you?

MR. UTZ: No, direct offset and diagonal offset. Now, you listed here Gulf Texas Pacific, Sam Ayres, and A. L. Ayres as interested parties. I assume they are also offset operators. If you can give us those waivers as soon as possible, we will proceed with your case.

Did you complete your case?

MR. McDERMOTT: Yes.

MR. UTZ: Did you offer your exhibits?

MR. McDERMOTT: Yes, I did.

MR. UTZ: I believe you stated--well, your Exhibit

Number 3 answers the question I was about to ask. This is into the Jalmat producing zone?

THE WITNESS: Yes, sir.

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

I N D E X

| <u>WITNESS</u> | <u>PAGE</u> |
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| JAMES H. O'BRIANT | |
| Direct Examination by Mr. McDermott | 2 |
| Cross Examination by Mr. Utz | 7 |

| <u>EXHIBITS</u> | <u>MARKED</u> | <u>OFFERED AND ADMITTED</u> |
|---------------------------------------------|---------------|---------------------------------|
| Applicant's Exhibits Numbers 1 through 4 | 2 | 7 |

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 Special Hearing of Case No. 8060 held by me on July 26, 1969.
[Signature]

Examiner
New Mexico Oil Conservation Commission



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE
87801

GOVERNOR
DAVID F. CARGO
CHAIRMAN
LAND COMMISSIONER
ALEX J. ARMIGO
MEMBER
STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

March 14, 1969

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

Re: Case No. 4060
Order No. R-3708
Applicant:
Sidney Lanier

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

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. 4060
Order No. R-3708

APPLICATION OF SIDNEY LANIER
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 February 26, 1969,
at Santa Fe, New Mexico, before Examiner Elvis A. Uts.

NOW, on this 14th day of March, 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, Sidney Lanier, is the owner and
operator of the I. B. Ogg "A" Well No. 5, located in Unit J of
Section 35, Township 24 South, Range 36 East, NMPM, Jalmat 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 Seven Rivers formation,
with injection into the open-hole interval from approximately
3404 feet to 3532 feet.
- (4) That the injection should be accomplished through
3-inch plastic-lined tubing installed in a packer set at
approximately 3390 feet and that a hydrostatically balanced
column of inert fluid should be maintained in the casing-
tubing annulus.

-2-

CASE No. 4060
Order No. R-3708

(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, Sidney Lanier, is hereby authorized to utilize his I. B. Ogg "A" Well No. 5, located in Unit J of Section 35, Township 24 South, Range 36 East, NMPM, Jalmat Yates-Seven Rivers Pool, Lea County, New Mexico, to dispose of produced salt water into the Seven Rivers formation, injection to be accomplished through 3-inch tubing installed in a packer set at approximately 3390 feet, with injection into the open-hole interval from approximately 3404 feet to 3532 feet;

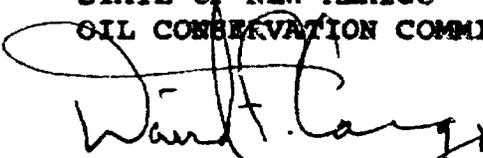
PROVIDED HOWEVER, that the tubing shall be plastic lined and that a hydrostatically balanced column of inert fluid shall be maintained in the casing-tubing annulus.

(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.

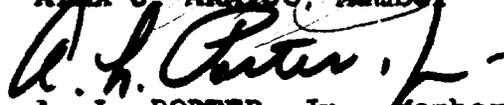
(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

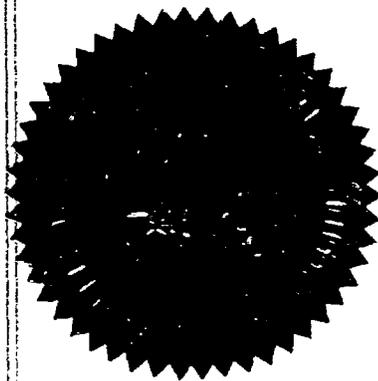
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


DAVID F. CARGO, Chairman


ALEX J. ARMILLO, Member


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


esr/

SIDNEY LANIER
P. O. BOX 3284
MIDLAND, TEXAS

March 12, 1969

59 MAR 13 AM 8 24

New Mexico Oil Conservation Commission
Attn.: Mr. Sam Nutter
Chief Engineer
Santa Fe
New Mexico

Re: Case No. 4060
Salt Water Disposal

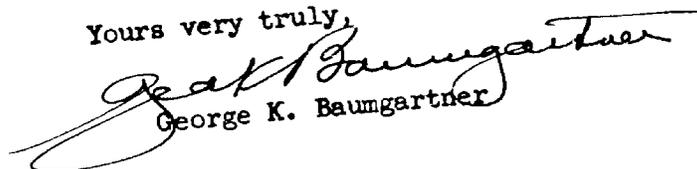
Dear Mr. Nutter:

I have your notation on my letter of March 8, 1969 in which I forwarded to your office the waivers requested.

We do not intend to dispose of water in the perforated interval. We are setting a packer just below the perforations and just above the open hole and will dispose of water in the open hole interval from 3404' to 3532'.

We trust that the above will clarify our position and you can approve our application. I am returning waivers within.

Yours very truly,


George K. Baumgartner

GKB:ms
Encl. :

SAM D. ARES
P. O. Box 2306
Odessa, Texas
79760

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

Gentlemen:

An application for hearing was filed by Sidney Lanier for authority to dispose of produced salt water in the open-hole interval 3402 to 3650 feet in his I. B. Ogg "A" No. 5, Unit J, Section 35, T24S, R36E, Lea County, New Mexico; whereas said application should have stated open-hole interval 3404 to 3532 feet.

As offset operator to the I. B. Ogg "A" lease, I have studied the records and the producing intervals of surrounding wells and hereby waive any and all objections to the disposal of produced salt water into the open hole interval 3404 to 3532 by Sidney Lanier in his I. B. Ogg "A" well No. 5.

Yours very truly,

SAM D. ARES

Sam D. Ares

Date Mar. 5, 69.

TEXAS PACIFIC OIL COMPANY

P. O. Box 4067
Midland, Texas
March 7, 1969

1969 MAR 10 AM 10 15

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

Gentlemen:

An application for hearing was filed by Sidney Lanier for authority to dispose of produced salt water in the open-hole interval 3402 to 3650 feet in his I. B. Ogg "A" No. 5, Unit J, Section 35, T24S, R36E, Lea County, New Mexico; whereas said application should have stated open-hole interval 3404 to 3532 feet.

As offset operator to the I. B. Ogg "A" lease, I have studied the records and the producing intervals of surrounding wells and hereby waive notice of hearing for the disposal of produced salt water into the open hole interval 3404 to 3532 by Sidney Lanier in his I. B. Ogg "A" well No. 5.

Yours very truly,

TEXAS PACIFIC OIL COMPANY

By *G. Weston*

Date 3/7/69

SIDNEY LANIER

P. O. BOX 3284
MIDLAND, TEXAS

March 8, 1969

RECEIVED
MAR 10 4 11 15

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

Re: Case No. 4060
Salt Water Disposal

Gentlemen:

Waivers from offset operators in the above referenced case have been obtained and are attached hereto.

We trust that your approval of the above case will be forwarded to our office at an early date.

Yours very truly,



George K. Baumgartner

GKB:ms
Encl.:

It is my understanding that you wish to dispose into the perforated interval from 3314' to 3347' and 3369' to 3382' as well as the open hole interval from 3404' to 3532' 3532'. The advertisement was for 3402' to 3650' and we therefore asked that you obtain waivers from the offsets to your proposed disposal zone. The waivers are for the open hole interval from 3404' to 3532' but do not mention the perforated intervals. Can you obtain waivers for disposal into the perforated interval from 3314' to 3382' and the open-hole interval from 3404' to 3532'?
San Miller - Chief Engineer NMOC

SAM D. ARES
P. O. Box 2306
Odessa, Texas
79760

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

Gentlemen:

An application for hearing was filed by Sidney Lanier for authority to dispose of produced salt water in the open-hole interval 3402 to 3650 feet in his I. B. Ogg "A" No. 5, Unit J, Section 35, T24S, R36E, Lea County, New Mexico; whereas said application should have stated open-hole interval 3404 to 3532 feet.

As offset operator to the I. B. Ogg "A" lease, I have studied the records and the producing intervals of surrounding wells and hereby waive any and all objections to the disposal of produced salt water into the open hole interval 3404 to 3532 by Sidney Lanier in his I. B. Ogg "A" well No. 5.

Yours very truly,

SAM D. ARES

Sam D. Ares

Date 3-5-69

TEXAS PACIFIC OIL COMPANY

P. O. Box 4067
Midland, Texas
March 7, 1969

63 MAR 10 5 11 8

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

Gentlemen:

An application for hearing was filed by Sidney Lanier for authority to dispose of produced salt water in the open-hole interval 3402 to 3650 feet in his I. B. Ogg "A" No. 5, Unit J, Section 35, T24S, R36E, Lea County, New Mexico; whereas said application should have stated open-hole interval 3404 to 3532 feet.

As offset operator to the I. B. Ogg "A" lease, I have studied the records and the producing intervals of surrounding wells and hereby waive notice of hearing for the disposal of produced salt water into the open hole interval 3404 to 3532 by Sidney Lanier in his I. B. Ogg "A" well No. 5.

Yours very truly,

TEXAS PACIFIC OIL COMPANY

By *E. W. Cotton*

Date 3/7/69

L

DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 26, 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 4052: Application of Mobil Oil Corporation for a pool creation and discovery allowable, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks the creation of the Lightcap-Pennsylvanian Pool in Chaves County, New Mexico, comprising the NE/4 NE/4 of Section 7, Township 8 South, Range 30 East, and for the assignment of approximately 35,650 barrels of oil discovery allowable to the discovery well, its C. L. O'Brien Well No. 1 located in Unit A of said Section 7.
- CASE 4036: (Continued from the February 5, 1969, Examiner Hearing) Application of Mobil Oil Corporation for a dual completion, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its C. L. O'Brien Well No. 1 located in Unit A of Section 7, Township 8 South, Range 30 East, Chaves County, New Mexico, to produce oil from an undesignated Pennsylvanian oil pool and the Lightcap (Devonian) Pool through parallel strings of tubing.
- CASE 4053: Application of El Paso Products Company for special pool rules, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special rules for the Gallegos-Gallup Pool, San Juan County, New Mexico, including provisions for the classification of oil and gas wells, 80-acre spacing for oil wells, and 320-acre spacing for gas wells.
- CASE 4054: Application of Amerada Petroleum Corporation for an unorthodox oil well location and amendment to Order No. R-2197, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill a producing oil well at an unorthodox location 1250 feet from the West line and 2220 feet from the South line of Section 28, Township 24 South, Range 37 East, in its Langlie Mattix Woolworth Unit Waterflood Project, Langlie-Mattix Pool, Lea County, New Mexico. Applicant also seeks the amendment of Order No. R-2197, which order authorized said waterflood project, to establish an administrative procedure whereby said project could be expanded to include additional lands and injection wells and producing wells at orthodox and unorthodox locations as may be necessary to complete an efficient injection and producing pattern without the necessity of showing well response.

- CASE 4055: Application of Albert Gackle 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 3290 feet to 3620 feet in his George Etz Well No. 3 located in Unit N of Section 27, Township 23 South, Range 36 East, Jalmat Pool, Lea County, New Mexico.
- CASE 4056: Application of Albert Gackle 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 Queen formation in the perforated interval from approximately 3642 feet to 3699 feet in his Sinclair "A" State Well No. 5 located in Unit I of Section 23, Township 23 South, Range 36 East, Langlie-Mattix Pool, Lea County, New Mexico.
- CASE 4057: Application of Charles B. Read for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special rules for the Quail-Queen Pool, Lea County, New Mexico, including a provision for 80-acre spacing and proration units.
- CASE 4058: Application of Hiram W. Keith and Dalton Haines for salt water disposal, Lea County, New Mexico. Applicants, in the above-styled cause, seek authority to dispose of produced salt water into the Seven Rivers formation in the open-hole interval from approximately 3874 feet to 3951 feet in their State Well No. 2 located in Unit K of Section 16, Township 21 South, Range 34 East, West Wilson Pool, Lea County, New Mexico.
- CASE 4059: Application of Hiram W. Keith and Dalton Haines for salt water disposal, Eddy County, New Mexico. Applicants, in the above-styled cause, seek authority to dispose of produced salt water into the Delaware formation in the open-hole interval from approximately 4030 feet to 4158 feet in their Eddy "AGA" State Well No. 2 located 660 feet from the North line and 1650 feet from the West line of Section 36, Township 26 South, Range 31 East, North Mason-Delaware Pool, Eddy County, New Mexico.
- CASE 4060: Application of Sidney Lanier 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 3402 feet to 3650 feet in his I. B. Ogg "A" Well No. 5 located in Unit J of Section 35, Township 24 South,

(Case 4060 continued)

Range 36 East, Jalmat Yates-Seven Rivers Pool, Lea County, New Mexico.

CASE 4061: Application of Millard Deck 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 Seven Rivers and Queen formations in the open-hole interval from approximately 3752 feet to 3872 feet in its Atha Well No. 1 located in Unit M of Section 31, Township 21 South, Range 36 East, South Eunice Pool, Lea County, New Mexico.

CASE 4062: Application of Kersey & Company for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Queen formation in the perforated interval from approximately 1835 feet to 1870 feet in the Bass Well No. 3 located in Unit F of Section 12, Township 19 South, Range 28 East, East Millman Queen-Grayburg Pool, Eddy County, New Mexico.

CASE 4063: Application of Kerr-McGee Corporation for the creation of a new gas pool and special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new pool for the production of gas from the Morrow formation by its Nix Well No. 1 located in Unit L of Section 11, Township 19 South, Range 26 East, Eddy County, New Mexico, and for the promulgation of special pool rules therefor, including a provision for 640-acre spacing.

CASE 4064: Application of Atlantic Richfield 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 4207 feet to 4286 feet in its Tucker Well No. 4 located in Unit O of Section 23, Township 7 South, Range 32 East, Chaveroo-San Andres Pool, Roosevelt County, New Mexico.

CASE 4065: Application of Humble Oil & Refining Company for an unorthodox oil well location and reclassification of a water well to an oil well, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to have its New Mexico State "S" Water Source Well No. 4 (CP-427), located at an unorthodox oil well location 650 feet from the West line and 175 feet from the

South line of Section 2, Township 22 South, Range 37 East, Lea County, New Mexico, reclassified as an oil well for the production of oil an undesignated San Andres Oil Pool and authority to produce same as an oil well.

- CASE 4066:** Application of Humble Oil & Refining Company for the consolidation of two non-standard gas proration units, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the consolidation of two existing non-standard 320-acre gas proration units into one standard 640-acre unit comprising all of Section 26, Township 21 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, to be dedicated to its New Mexico State "G" Wells Nos. 2 and 4 located in Units P and G, respectively, of said Section 26. Applicant further seeks authority to produce the allowable assigned to said unit from either of said wells in any proportion.
- CASE 4067:** Application of Benson-Montin-Greer Drilling Corporation for special pool rules, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the La Plata-Gallup Pool, San Juan County, New Mexico, including a provision for 160-acre spacing and proration units. Applicant further requests that said special rules provide that the unit allowable for a 160-acre unit in said pool be allocated on the basis of four times the normal unit allowable for Northwest New Mexico, and that no credit be given for depth factors. Applicant further requests that said special rules be limited in their application to the exterior boundaries of the La Plata-Mancos Unit Area.
- CASE 4068:** Application of Martin Yates III for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Delaware formation in its Yates & Hanson McCord Well No. 1 located in Unit E of Section 22, Township 23 South, Range 26 East, Dark Canyon Field, Eddy County, New Mexico. Applicant further seeks a procedure whereby its Cordie King Well No. 2 located in Unit K of said Section 22 may be approved for the disposal of salt water without the requirement of notice and hearing.

Examiner Hearing
February 26, 1969

- CASE 4045: (Continued from the February 5, 1969 Examiner Hearing)
Application of H & S Oil Company for an amendment to Order No. R-3357, as amended by Order No. R-3357-A, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-3357, as amended by Order No. R-3357-A, which order authorized the H & S West Artesia Unit Unit Waterflood Project. Applicant proposes to substitute the Roach Drilling Company-Leonard Well No. 18 located in Unit D of Section 17 as a water injection well in said project in lieu of the Cities Service-Mell Well No. 17 located in Unit M of Section 8, both in Township 18 South, Range 28 East, Artesia Pool, Eddy County, New Mexico.
- CASE 4069: Application of Union Oil Company of California for the creation of a new pool, assignment of discovery allowable, and the promulgation of special pool rules, Lea County, New Mexico.
- Applicant, in the above-styled cause, seeks the creation of a new Devonian oil pool for its Midway State Well No. 1 located in Unit F of Section 12, Township 17 South, Range 36 East, Lea County, New Mexico, and for the assignment of an oil discovery allowable in the amount of approximately 57,380 barrels to said well. Applicant further seeks the promulgation of special pool rules for said pool, including a provision for 80-acre proration units.
- CASE 4070: Application of C. E. LaRue and B. N. Muncy, Jr., for salt water disposal, Lea County, New Mexico. Applicants, in the above-styled cause, seek authority to dispose of produced salt water into the salt and Yates formations in the open-hole interval from approximately 1254 feet to 3000 feet in the La Rue-Muncy John "B" Well No. 2 located in Unit A of Section 35, Township 17, South, Range 32, East, Maljamar Grayburg-San Andres Pool, Lea County, New Mexico.

Case 4060

Heard ~~2-26~~ 69

Rec. 2-27-69

Grant Sidney Lanier permission
to convert his Ogg A #5, 1980/S+E
lines Sec. 35-245-36 E. to a SWD
well in Jalmat pool. Injection
shall be thru 3" plaster coated
tubing under packer set at approx
3200 ft. + into Yates & S.P.
perfs from 3344-3382 + open
hole from 3404-3532. Annulus
shall be filled with inert fluid.
w/ pressure gauge at surface.

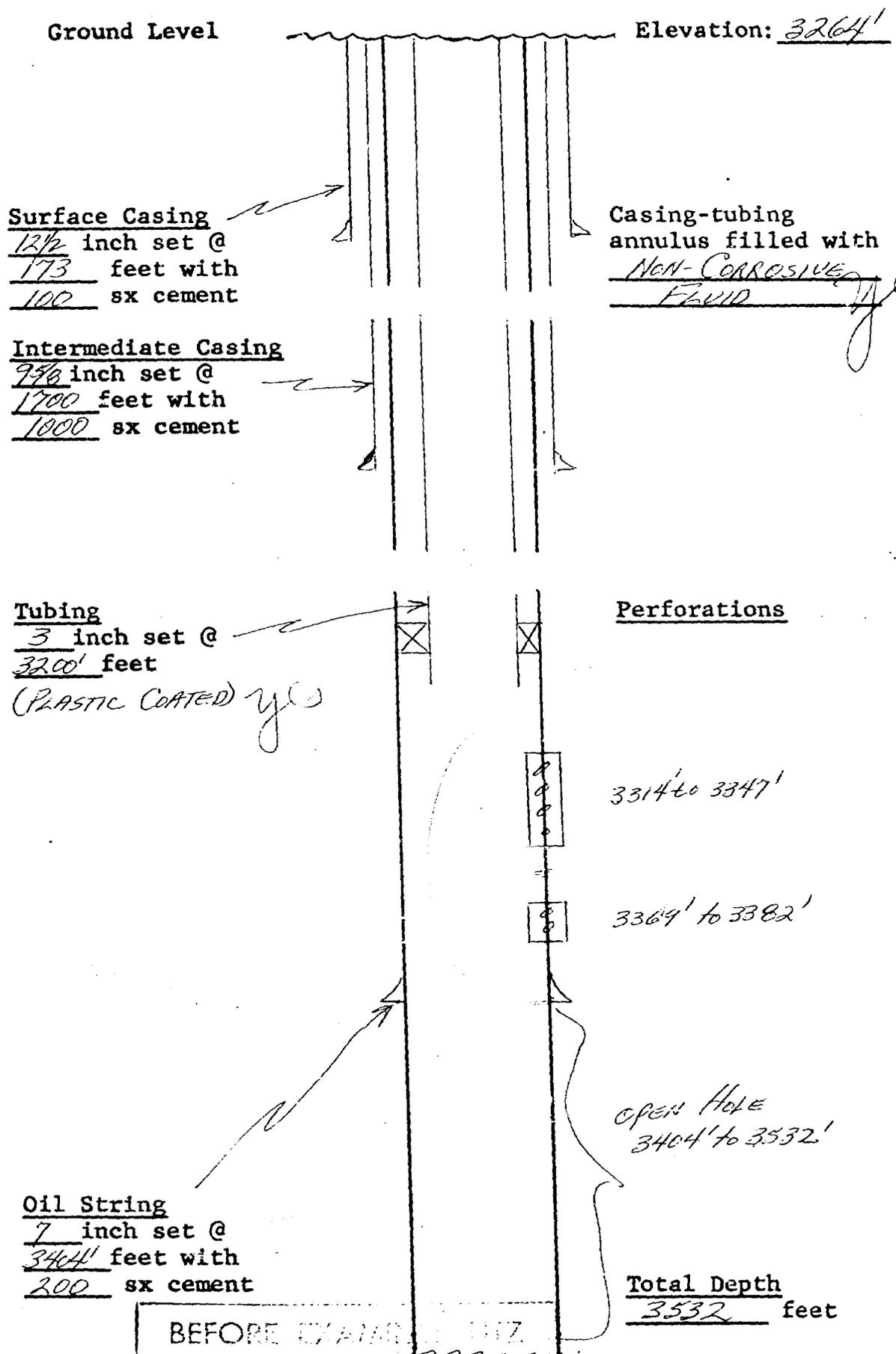
Must

Called W. J. Smith - 4:00 P.
& gave oral approval for
above work.

W. J. Smith

DIAGRAMMATIC SKETCH

Operator: SID LAWLER
 Lease: DGB "A" Identification No: LC-0326B-A
 Well No: 5 Location: 1980' FS AND FEL, SEC. 35, T-21-S
R-36-E, LEA COUNTY, NEW MEXICO



Surface Casing
 1 1/2 inch set @
 173 feet with
 100 sx cement

Casing-tubing
 annulus filled with
Non-Corrosive
Fluid

Intermediate Casing
 7/8 inch set @
 1700 feet with
 1000 sx cement

Tubing
 3 inch set @
 3200 feet
 (PLASTIC COATED)

Perforations

3314 to 3347'

3369 to 3382'

OPEN Hole
 3404' to 3532'

Oil String
 7 inch set @
 3404 feet with
 200 sx cement

Total Depth
 3532 feet

BEFORE EXAMINATION
 OIL CONSERVATION
 EXHIBIT NO. 3
 CASE NO. 4060

SAMPLE NO. _____

95-44-56

THE WESTERN COMPANY
Service Laboratory

WATER ANALYSIS

| | | | |
|-----------|----------------------|-------------------|----------------|
| Operator | Sidney Lanier | Date Sampled | 11-16-68 |
| Well | Ogg "A" | Date Received | 11-17-68 |
| Field | Jalmat | Submitted by | Hobbs District |
| Formation | Yates - Seven Rivers | Worked by | George Koehl |
| Depth | | Other Description | |
| County | Lea, New Mexico | | |

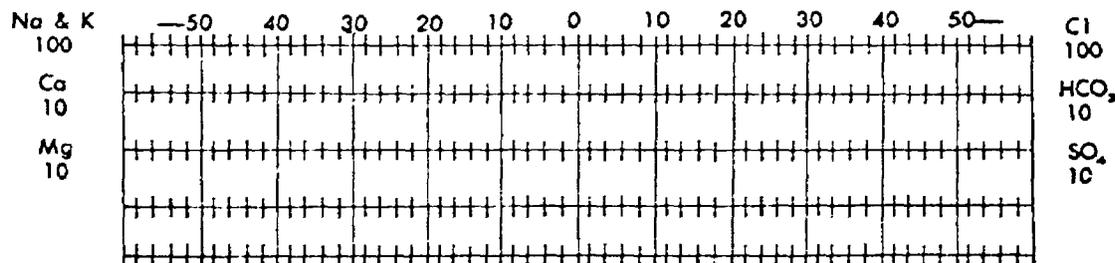
BEFORE EXAMINATION
 OIL CONSERVATION COMPANY
 EXHIBIT NO. 4
 CASE NO. 9060

CHEMICAL DETERMINATIONS

| | | | |
|----------------------|---------------|--------------------|-------------------|
| Density | 1.010 @ 70° F | pH | 7.1 |
| Iron | No Trace | Hydrogen Sulfide | Very Strong Trace |
| Sodium and Potassium | 2,210 ppm | Bicarbonate | 1,588 ppm |
| Calcium | 585 ppm | Sulfate | 1,300 ppm |
| Magnesium | 277 ppm | Phosphate | ppm |
| Chloride | 3,370 ppm | as Sodium Chloride | ppm |

Remarks:

for Stiff type plot (in meq./l.)



Per _____

SAMPLE NO. _____

37-24 30

THE WESTERN COMPANY
Service Laboratory

WATER ANALYSIS

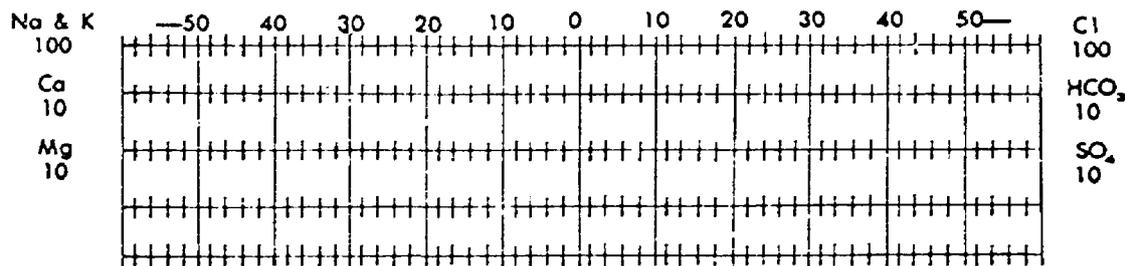
| | | | |
|-----------|----------------------|-------------------|----------------|
| Operator | Sidney Lanier | Date Sampled | 11-16-68 |
| Well | Ogg "B" | Date Received | 11-17-68 |
| Field | Jalmat | Submitted by | Hobbs District |
| Formation | Yates - Seven Rivers | Worked by | George Koehl |
| Depth | | Other Description | |
| County | Lea, New Mexico | | |

CHEMICAL DETERMINATIONS

| | | | |
|----------------------|---------------------------|--------------------|-------------------|
| Density | 1.011 @ 71 ^o F | pH | 7.6 |
| Iron | No Trace | Hydrogen Sulfide | Very Strong Trace |
| Sodium and Potassium | 4,490 ppm | Bicarbonate | 1,780 ppm |
| Calcium | 640 ppm | Sulfate | 1,300 ppm |
| Magnesium | 121 ppm | Phosphate | ppm |
| Chloride | 6,330 ppm | as Sodium Chloride | ppm |

Remarks:

for Stiff type plot (in meq./l.)



Per _____

SAMPLE NO _____

26-24-36

THE WESTERN COMPANY
Service Laboratory

WATER ANALYSIS

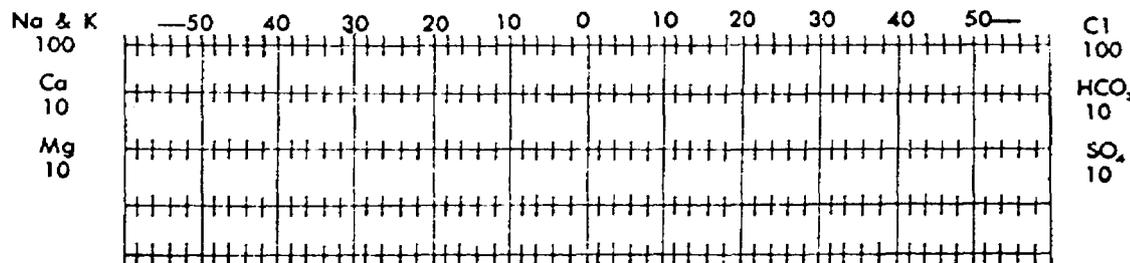
| | | | |
|-----------|----------------------|-------------------|----------------|
| Operator | Sidney Lanier | Date Sampled | 11-16-68 |
| Well | Woolworth | Date Received | 11-17-68 |
| Field | Jalpat | Submitted by | Hobbs District |
| Formation | Yates - Seven Rivers | Worked by | George Koehl |
| Depth | | Other Description | |
| County | Lea, New Mexico | | |

CHEMICAL DETERMINATIONS

| | | | |
|----------------------|---------------------------|--------------------|-------------------|
| Density | 1.010 @ 71 ^o F | pH | 7.5 |
| Iron | Very Faint Trace | Hydrogen Sulfide | Very Strong Trace |
| Sodium and Potassium | 1,700 ppm | Bicarbonate | 1,135 ppm |
| Calcium | 632 ppm | Sulfate | 1,980 ppm |
| Magnesium | 301 ppm | Phosphate | ppm |
| Chloride | 2,480 ppm | as Sodium Chloride | ppm |

Remarks:

for Stiff type plot (in meq./l.)



Per _____

SAMPLE NO. _____

2-25-68

THE WESTERN COMPANY
Service Laboratory .

WATER ANALYSIS

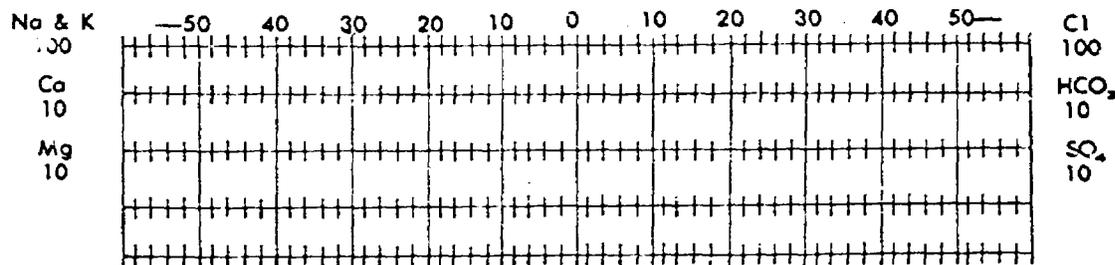
| | | | |
|-----------|----------------------|-------------------|----------------|
| Operator | Sam D. Ares | Date Sampled | 11-16-68 |
| Well | Arnott - Ramsay | Date Received | 11-17-68 |
| Field | Jalpat | Submitted by | Hobbs District |
| Formation | Yates - Seven Rivers | Worked by | George Koehl |
| Depth | | Other Description | |
| County | Lea, New Mexico | | |

CHEMICAL DETERMINATIONS

| | | | |
|----------------------|---------------|--------------------|--------------|
| Density | 1.005 @ 71° F | pH | 7.0 |
| Iron | No Trace | Hydrogen Sulfide | Strong Trace |
| Sodium and Potassium | 1,268 ppm | Bicarbonate | 1,770 ppm |
| Calcium | 304 ppm | Sulfate | 380 ppm |
| Magnesium | 200 ppm | Phosphate | ppm |
| Chloride | 1,720 ppm | as Sodium Chloride | ppm |

Remarks:

for Stiff type plot (in meq./l.)



Per _____

SAMPLE NO _____

35-29-36

THE WESTERN COMPANY
Service Laboratory

WATER ANALYSIS

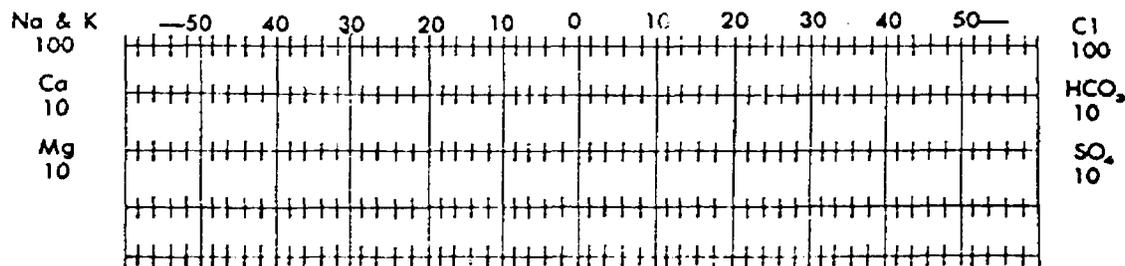
| | | | |
|-----------|------------------------|-------------------|----------------|
| Operator | A. L. Ares | Date Sampled | 11-16-68 |
| Well | Cities Service Federal | Date Received | 11-17-68 |
| Field | Jalpat | Submitted by | Hobbs District |
| Formation | Yates - Seven Rivers | Worked by | George Koehl |
| Depth | | Other Description | |
| County | Lea, New Mexico | | |

CHEMICAL DETERMINATIONS

| | | | |
|----------------------|---------------|--------------------|-------------------|
| Density | 1.005 @ 71° F | pH | 7.3 |
| Iron | No Trace | Hydrogen Sulfide | Very Strong Trace |
| Sodium and Potassium | 2.925 ppm | Bicarbonate | 1,516 ppm |
| Calcium | 520 ppm | Sulfate | 1,340 ppm |
| Magnesium | 268 ppm | Phosphate | ppm |
| Chloride | 4,330 ppm | as Sodium Chloride | ppm |

Remarks:

for Stiff type plot (in meq./l.)



Per _____

SAMPLE NO. _____

35-29-20

THE WESTERN COMPANY
Service Laboratory

WATER ANALYSIS

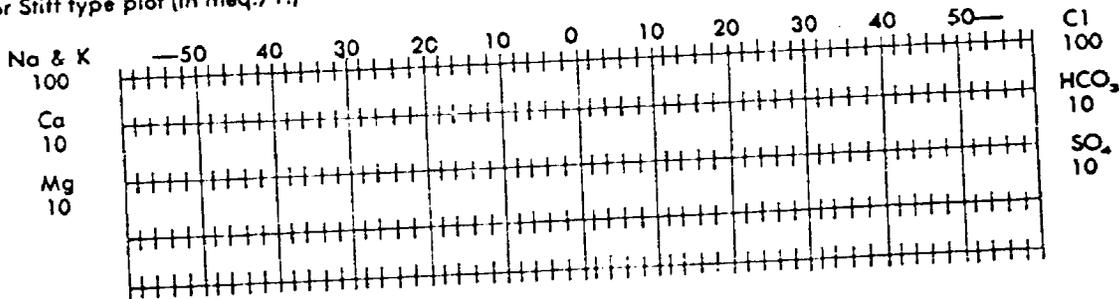
| | | | |
|-----------|----------------------|-------------------|----------------|
| Operator | Sam D. Ares | Date Sampled | 11-16-68 |
| Well | Everett | Date Received | 11-17-68 |
| Field | Jalmat | Submitted by | Hobbs District |
| Formation | Yates - Seven Rivers | Worked by | George Koehl |
| Depth | | Other Description | |
| County | Lea, New Mexico | | |

CHEMICAL DETERMINATIONS

| | | | |
|----------------------|--------------|--------------------|-------------------|
| Density | 1.005 @ 71°F | pH | 6.7 |
| Iron | No Trace | Hydrogen Sulfide | Very Strong Trace |
| Sodium and Potassium | 1,560 ppm | Bicarbonate | 1,640 ppm |
| Calcium | 400 ppm | Sulfate | 720 ppm |
| Magnesium | 238 ppm | Phosphate | ppm |
| Chloride | 2,320 ppm | as Sodium Chloride | ppm |

Remarks:

for Stiff type plot (in meq./l.)



Per _____

Oil Reports and Gas Services

P. O. BOX 763
HOBBS, NEW MEXICO

January 24, 1969

W. L. SMITH, OWNER

EX 3-2727

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

4060
Case #450

Gentlemen:

In accordance with Rule 1203 application is hereby made on behalf of Sidney Lanier 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-Seven Rivers formation.

Applicant proposes to re-enter the Sidney Lanier - I. B. Ogg "A" No. 5, located 1980 feet from South line and 1980 from East line of Section 35, Township 24 South, Range 36 East, Lea County, New Mexico, and deepen to approximately 3650 feet.

Injection will then be made into the open hole interval 3402 to 3650 through 2 7/8" plastic coated tubing below a packer set at approximately 3350 feet.

All salt water to be so disposed to be produced from the Yates-Seven Rivers formation of the Jalmat Pool.

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

A. L. Ares
P. O. Box 75
Santa Fe, New Mexico

Gulf Oil Corp.
P. O. Box 670
Hobbs, New Mexico

Sam Ares
P. O. Box 2300
Odessa, Texas

Texas Pacific Oil Company
P. O. Box 1069
Hobbs, New Mexico

Yours very truly,

OIL REPORTS AND GAS SERVICES

Donna Holler

(Mrs.) Donna Holler
Agent, Sidney Lanier

DH/kh

DOCKET MAILED

Date 2-13-69

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. 4060

Order No. R- 2708

AMS
APPLICATION OF SIDNEY LANIER
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 February 26, 1969,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this day of , 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, Sidney Lanier,
is the owner and operator of the I. B. Ogg "A" Well No. 5,
located in Unit J of Section 35, Township 24 South, Range
36 East, NMPM, Jalpat 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 ~~Seven Rivers~~ Seven Rivers
formations, with injection into the open-hole interval
from approximately 3402 feet to 3650 feet.

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

approximately ³³⁹⁰~~3200~~ feet, *and that a hydrostatically balanced column of inert fluid should be maintained in the casing tubing annulus.* ~~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, Sidney Lanier, is hereby authorized to utilize ~~xxx~~ his I. B. Ogg "A" Well No. 5, located in Unit J of Section 35, Township 24 South, Range 36 East, NMPM, Jalpat 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 3-inch tubing installed in a packer set at approximately ³³⁹⁰~~3200~~ feet, with injection into the ~~the~~ ^{perforated} open-hole interval from approximately ~~3344~~³⁴⁰² feet to ~~3532~~³⁶⁵⁰ feet;

PROVIDED HOWEVER, that the tubing shall be plastic-lined; *and that a hydrostatically balanced column of inert fluid shall be maintained in the casing-tubing annulus.* ~~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 ~~xxx~~ 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.