

CASE 4068: Application of MARTIN
YATES III FOR SALT WATER DISPOSAL,
EDDY COUNTY, NEW MEXICO

- add number

4068

Application
Transcripts.

Small Exhibits

ETC.

dearnley-meier

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 Martin Yates III)
for salt water disposal, Eddy)
County, New Mexico)

Case No. 4068

BEFORE: Elvis A. Utz, Examiner

TRANSCRIPT OF HEARING

MR. UTZ: Case 4068.

MR. HATCH: Application of Martin Yates
III for salt water disposal, Eddy County, New Mexico.

MR. LOSEE: A. J. Losee, of Artesia, New
Mexico -- one witness, Mr. Armstrong.

(Witness sworn)

M. L. ARMSTRONG,

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

BY MR. LOSEE:

Q Will you state your name and residence, Mr.
Armstrong?

A M. L. Armstrong, Artesia, New Mexico.

Q What is your occupation?

A Well, I guess I'm an oil worker.

Q Employed by Yates Petroleum?

A Yes.

Q Have you previously been employed by the
Oil Conservation Commission?

A Yes, sir.

Q Have you previously testified before that
Commission?

A Yes, sir.

Q Are Mr. Armstrong's qualifications acceptable?

MR. UTZ: Yes, they are acceptable.

MR. LOSEE: Mr. Armstrong, is the purpose of this application by Martin Vates III to secure permission to convert the plugged and abandoned McCord Number One Well in the southwest northwest of Section Twenty-two, as a salt water disposal well?

A Yes.

Q And, also, does the application request authority for an administrative procedure, if necessary, to convert the Cordie King Number Two, also a plugged and abandoned well in the northeast southwest of said section?

A Right.

Q As a salt water disposal?

A Yes.

Q Would you ask the Commission to refer to the map that is attached to the application- -

A Exhibit One?

Q Yes -- now, what does this map show?

A It shows the exact location of the wells that they intend to inject the water in.

Q Does it also show the location of the producing well- -

A Yes- -

Q - -from which the water is coming?

A - -yes, it does.

Q In what field are these wells located?

A Dark Canyon -- that's right; isn't it? Yes.

Q That's Delaware Production?

A Delaware Production.

Q What is the closest Delaware Production; is there any within five miles of this?

A I don't think there is.

Q At what depth is the Delaware Sand found in the Producing Cordie King Number One?

A 1863 to 1882.

Q Please refer to what has been marked as Exhibit Two, being the diagramatic sketch of the Cordie King Number Two Well, as it's proposed to be completed for -- no, that's wrong- -

A No - - McCord.

Q It's the Bell McCord Number One, as it's proposed to be completed- -

A Yes.

Q Would you explain to the Examiner what is shown by this sketch?

A This has seven inch OD casing, run down to 1833, and it's cemented to -- the temperature survey shows it to be cemented up to 255 from the top of the ground.

Q Now, the proposal is to inject water- -

A Yes, sir.

Q --down that casing into the open-hole interval below the casing?

A That is right.

Q Is that the same Delaware formation from which the produced water is coming?

A Right.

Q Now, is there any electric log on this well?

A There's no electric log.

Q If required by the Commission, would Mr. Yates be willing to inject down tubing and with a

nacker?

A Yes.

Q Now, this well, is not located on the oil and gas lease of Mr. Yates; is it?

A That's right.

Q It's located on a salt water disposal lease that Mr. Yates holds?

A Yes.

Q Which has a five-year term on it?

A Right.

Q Now, as an alternate disposal well, does Mr. Yates propose to use the Cordie King Number Two?

A Yes; in case that he injects that long, or they stop his injection lease after five years.

Q All right. Please refer to what has been marked as Exhibit Three, and explain what is shown by this exhibit, Mr. Armstrong?

A Exhibit Three -- Cordie King Number Two. This well was drilled as -- for an oil well. It didn't produce, and it had 1885 at a seven inch OD casing, and they -- in plugging the well, they knocked the casing off at the top of the cement, which is 1185, and set their plugs in.

Q Now, if it's used as a disposal well, what will Mr. Yates do to the well?

A He'll have to either reverse circulate or drill it out with a split- -

Q All right -- and he'll set some seven inch- -

A He'll set some four inch- -

Q Four- -

A - -inside the seven.

Q Down below where the casing- -

A Yes -- on the floor -- approximately, 1200 foot.

Q And circulate cement- -

A Circulate cement to the surface.

Q Now, is there any electric log on this well?

A No.

Q And in this well, would injection proposed to be made of the same formation from which the produced water is- -

A That's right.

Q Also, again, if requested by the Commission, would Mr. Yates be willing to inject through tubing and

a nacker?

A That's right; he would.

Q How much water is proposed to be disposed of in these injection -- in these disposal wells?

A About forty barrels a day.

Q And that's from what zone?

A It's from --

Q Delaware?

A Delaware.

Q Is there any fresh water in the area?

A Yes, there is.

Q Do you know at approximately what depths, Mr. Armstrong?

A There's one at 290, and there's another one at 515 to 5- - or to 620. I kind of believe that that was drilled with cable tools -- well, I know it was drilled with cable tools, and I'm sure they don't know just where the water is that's below the 515 -- they hit it there, and they had water on down.

Q All right. Mr. Armstrong, does he propose to gravity this water into the well?

A Yes.

Q Is he going to treat it before he disposes of it?

A Well- -

Q Do you know?

A No, I don't. I don't think he needs to.

Q All right. Do you have an opinion, Mr. Armstrong, as to whether this proposed disposal of produced water in the Bell McCord Number One, or in the Cordie King Number Two, with the proposal Mr. Yates submits, will protect existing fresh water in the area -- in the oil and gas zones?

A I think so, for there's dry holes all around it that was -- **that was** tight, and it won't go too awful far.

Q And there are no oil zones, in effect, what you are saying, up the hole in those wells?

A That's right.

Q Did you prepare Exhibits One through Three?

A Yes.

Q We'll offer Exhibits One through Three.

MR. UTZ: Without objection, Exhibits One through Three will be entered into the Record,

(WHEREUPON Exhibits One through Three were offered in evidence.)

CROSS EXAMINATION

BY MR. UTZ:

Q Mr. Armstrong, did you say where this water was coming from?

A From -- one water was 290; the next they show is from 515 to 620.

Q No, I mean the water you intend to inject in these wells?

A It comes from Cordie King Number One.

Q That's the well on the southwest quarter of twenty-two?

A Yes.

MR. LOSEE: Yes.

MR. UTZ: This well will -- serve only one well, then?

A That's right.

Q And it's producing forty barrels a day now?

A Of water -- yes.

Q Any other questions of the witness? You may be excused. Statements? We'll take the case under advisement.

* * * * *

I N D E X

WITNESS

M. L. ARMSTRONG

Direct Examination by Mr. Losee. . . . 3 - 10

Cross Examination by Mr. Utz. . . . 11 - 11

EXHIBITSMARKEDOFFERED AND
ADMITTEDApplicant's
1 through 3

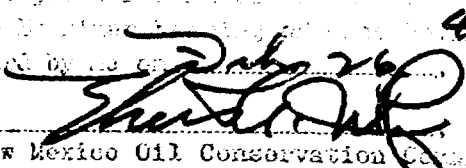
2

1 through 3

STATE OF NEW MEXICO)
) ss
 COUNTY OF BERNALILLO)

I, CA FENLEY, 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.


 CA FENLEY - COURT REPORTER

I do hereby certify that the foregoing is
 a complete record of the hearing held before
 the New Mexico Oil Conservation Commission on
 held by me on July 26, 1969.

 New Mexico Oil Conservation Commission



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE
87501

March 5, 1969

GOVERNOR
DAVID F. CARGO
CHAIRMAN

LAND COMMISSIONER
ALEX J. ARMijo
MEMBER

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

Mr. A. J. Losee
Attorney at Law
Post Office Box 239
Artesia, New Mexico 88210

Re: Case No. 4063
Order No. R-3699
Applicant:
Martin Yates III

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 x

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. 4068
Order No. R-3699

APPLICATION OF MARTIN YATES III
FOR SALT WATER DISPOSAL, EDDY
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 5th 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, Martin Yates III, is the owner and operator of the Yates & Hanson Bell McCord Well No. 1 and the Cordie King Well No. 2, located in Units E and K, respectively, of Section 22, Township 23 South, Range 26 East, NMPM, Dark Canyon Field, Eddy County, New Mexico.

(3) That the applicant proposes to utilize its aforesaid Yates & Hanson Bell McCord Well No. 1 to dispose of produced salt water into the Delaware formation, with injection into the open-hole interval from approximately 1833 feet to 1893 feet.

(4) That the injection should be accomplished through tubing installed in a packer set at approximately 1800 feet; that the casing-tubing annulus should be filled with an inert fluid; and that a pressure gauge should be attached to the

CASE No. 4068
Order No. R-3699

annulus or the annulus left open at the surface in order to determine leakage in the casing, tubing, or packer.

(5) That the applicant further seeks the establishment of an administrative procedure whereby its aforesaid Cordie King Well No. 2 in the Dark Canyon Field may be approved for the disposal of produced salt water without the requirement of notice and hearing.

(6) That an administrative procedure should be established whereby the aforesaid Cordie King Well No. 2 may be authorized for the disposal of produced salt water into the Delaware formation in the open-hole interval from approximately 1888 feet to 1906 feet, provided injection is accomplished through tubing installed in a packer set at approximately 1850 feet and provided further that the casing-tubing annulus is filled with an inert fluid and that a pressure gauge is attached to the annulus or the annulus left open at the surface in order to determine leakage in the casing, tubing, or packer.

(7) 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, Martin Yates III, is hereby authorized to utilize its Yates & Hanson Bell McCord Well No. 1, located in Unit E of Section 22, Township 23 South, Range 26 East, NMPM, Dark Canyon Field, Eddy County, New Mexico, to dispose of produced salt water into the Delaware formation, injection to be accomplished through tubing installed in a packer set at approximately 1800 feet, with injection into the open-hole interval from approximately 1833 feet to 1893 feet;

PROVIDED HOWEVER, 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 as an exception to Rule 701 of the Commission Rules and Regulations, the Secretary-Director is hereby authorized to

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Order No. R-3699

approve the applicant's Cordie King Well No. 2, located in Unit K of Section 22, Township 23 South, Range 26 East, NMPM, Dark Canyon Field, Eddy County, New Mexico, for the disposal of produced salt water into the Delaware formation in the open-hole interval from approximately 1888 feet to 1906 feet, when an application for such authority has been filed and the Secretary-Director determines that approval of the application will prevent the drilling of unnecessary wells and otherwise prevent waste and protect correlative rights;

PROVIDED HOWEVER, that, for said salt water disposal purposes, injection shall be accomplished through tubing installed in a packer set at approximately 1850 feet; 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.

(4) 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/

Case 4068.

Heard 2-26-68

Rec. 2-28-69

Grant Minter Yates. II permission
to convert his Bell McCord #1
1980/N, 660/W 22-23S-36E to an
5u D well. Injection shall be thru
tubing & under a packer set at
approx 1800'. Injection shall be
into the Delaware fm. into open
hole from 1833 to 1893.
Dark Canyon pool.

Also Grant permission to
convert his Cordie King #2
1650/S-4W. 22-23S-26E. Injection
shall be thru tubing & under a packer
set at approx. 1850'. into the
Delaware fm. into open hole
from 1888-1906 ft.

Annulus on both wells
shall be filled w/ inert fluid.
Thus to the

Have Rose (Chairman) O. L. Linn.
approved to go ahead.
[Signature]

DOCKET: EXAMINER HEARINGS - 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 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 1,380 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.

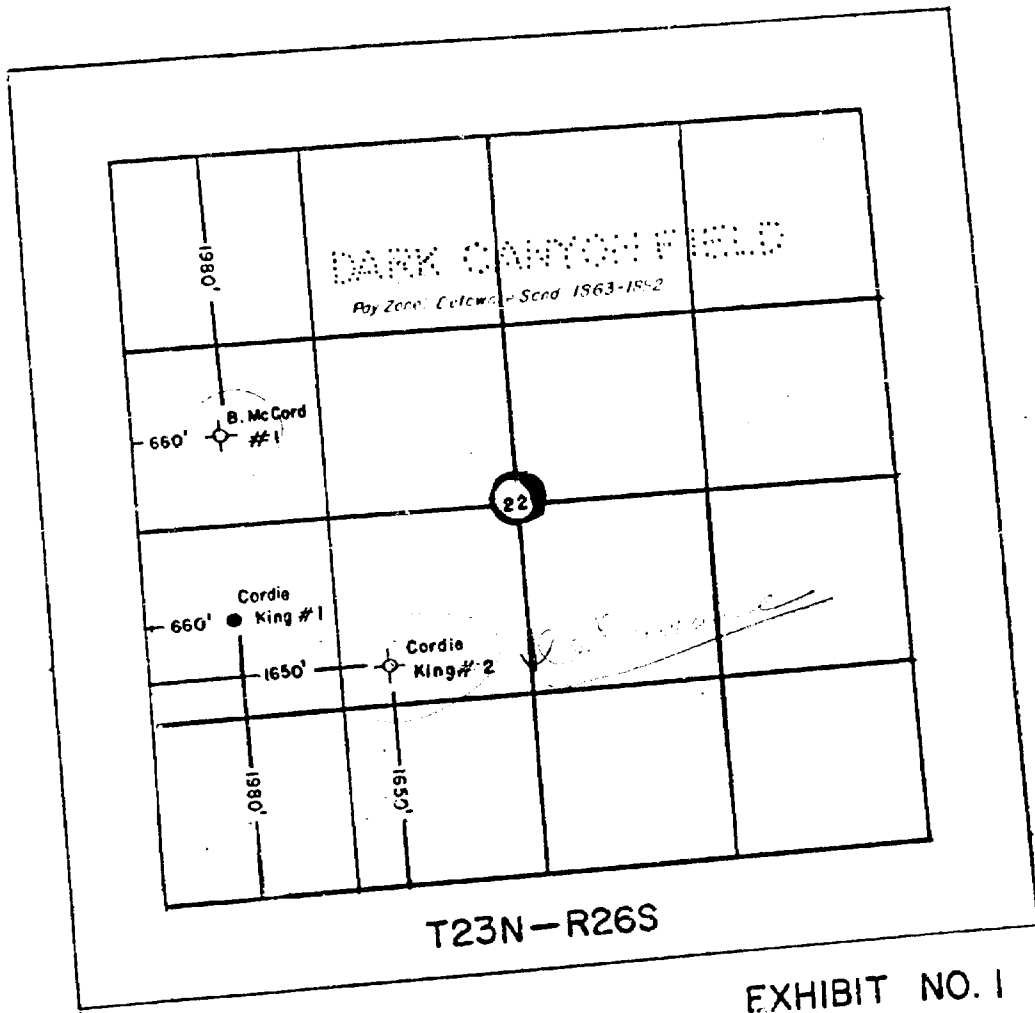
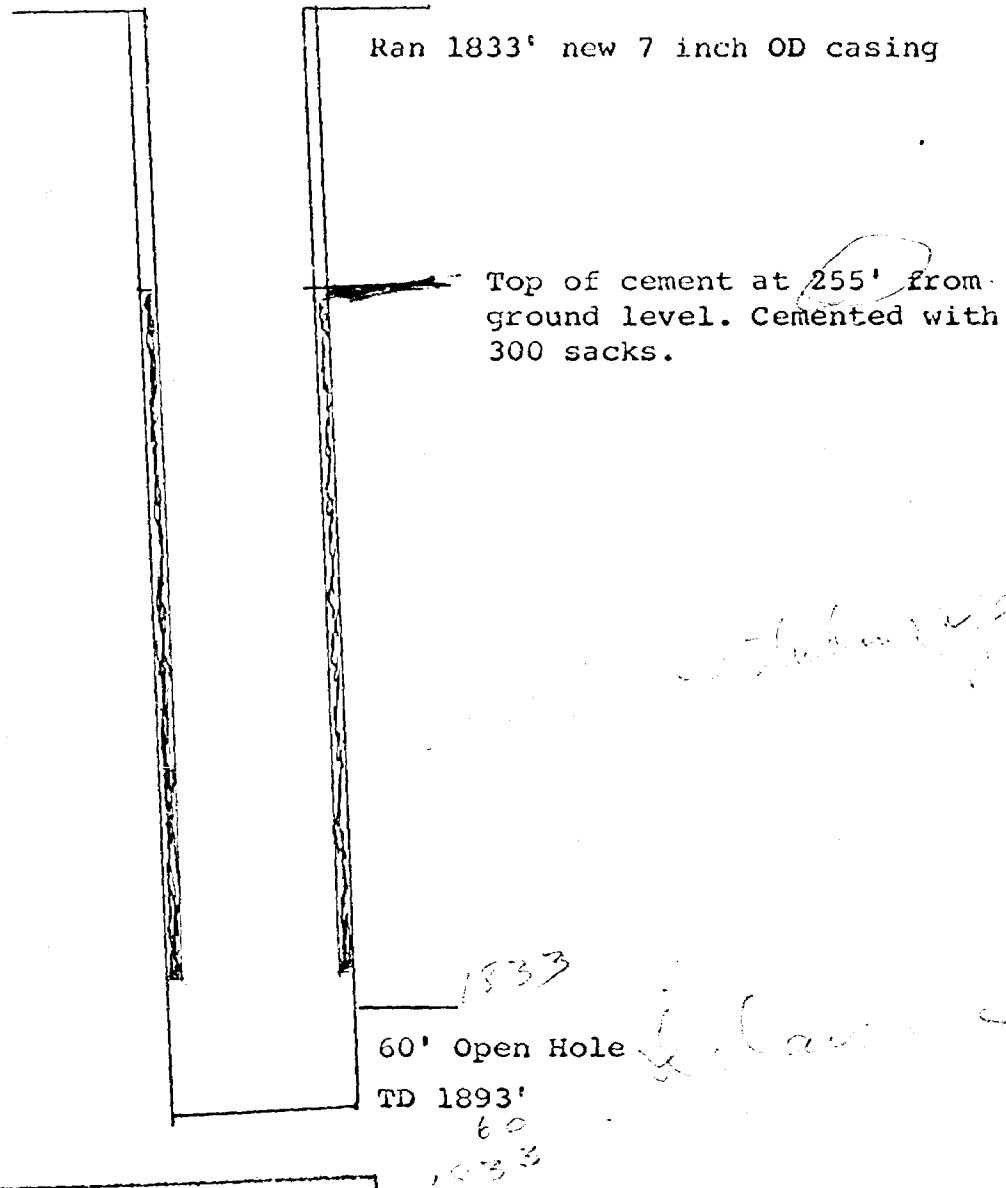


EXHIBIT NO. 1

BEFORE JAMES H. HARRIS
OIL COMPANY
C. 4068

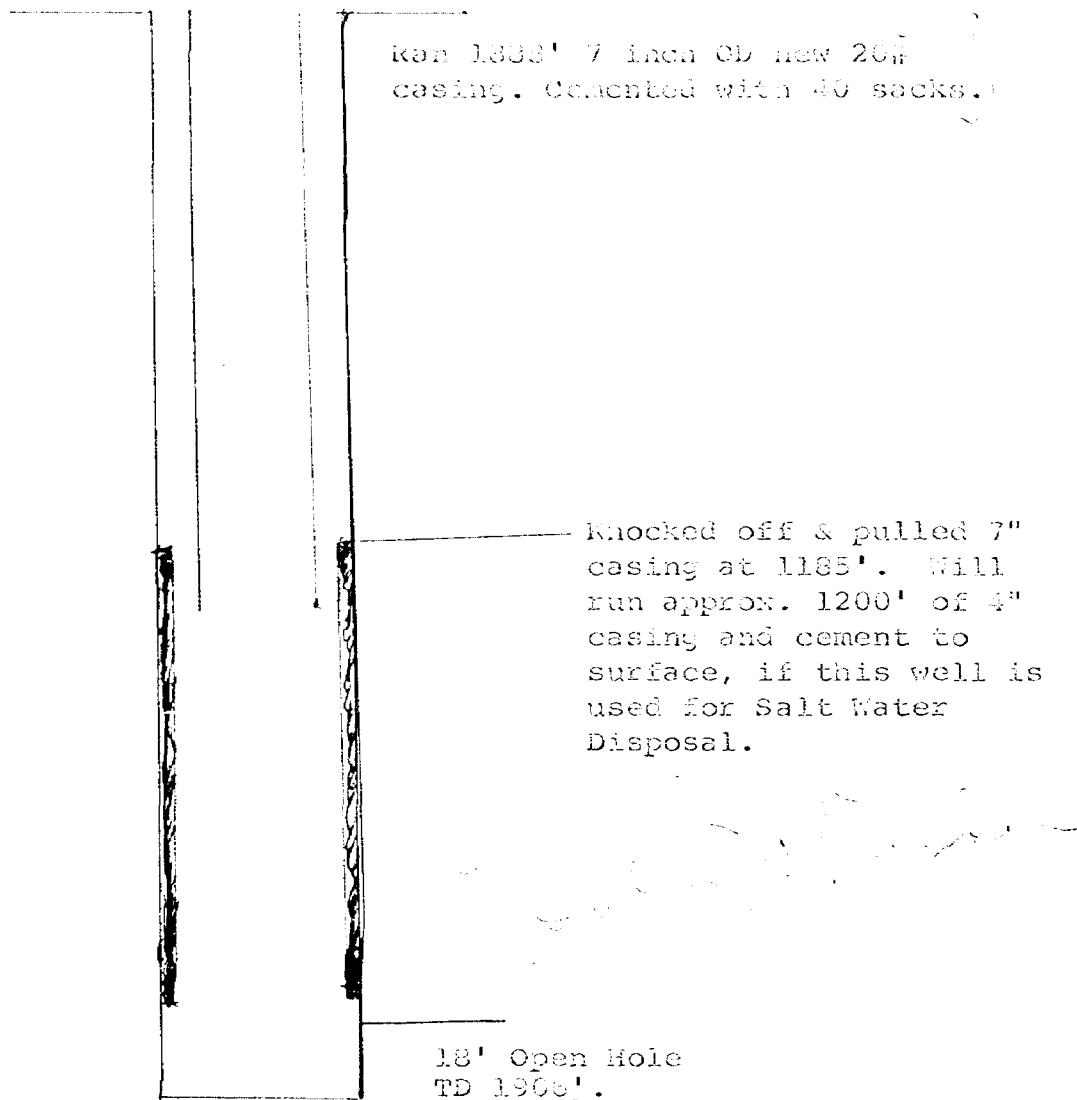
DIAGRAMATIC SKETCH
BELL McCORD NO. 1
1930' FNL & 660' FNL
SEC. 22-23-26E



BEFORE EXAMINER/UTZ
OIL CONSERVATION COMMISSION
EXHIBIT NO. 2
CASE NO. 4068

EXHIBIT NO. 2

DIAGRAMATIC SKETCH
 CORDILL RICE NO. 2
 1830' F.L. & 1030' FSL
 SEC. 22-23S-20E



| | |
|------|------|
| BEE | Z |
| OL | ON |
| CAS. | 4068 |

EXHIBIT NO. 3

JOEL M. CARSON

LAW OFFICES
A. J. LOSEE
CARPER BUILDING - P. O. DRAWER 239
ARTESIA, NEW MEXICO 88210

AREA CODE 505
746-3508

February 4, 1969

RECEIVED
FEB 5 1969

Case 4068

Mr. A. L. Porter, Jr.
Secretary-Director
New Mexico Oil Conservation Commission
P.O. Box 2088
Santa Fe, New Mexico

Re: Application of Martin Yates
III for salt water disposal
well, Eddy County, New
Mexico
Our File No. 2335-68

Dear Mr. Porter:

Enclosed herewith you will please find triplicate copies of application for a salt disposal well and for an establishment of administrative procedure for approval of an additional salt water disposal well filed herein on behalf of Martin Yates III. Please set this matter for hearing before the examiner at the earliest possible date and advise us of its setting.

Very truly yours,



A. J. Losee

AJL:hb
Enclosures
cc: Martin Yates III

DOCKET MAILED

Date *2-13-69*

BEFORE THE OIL CONSERVATION COMMISSION

OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
MARTIN YATES III FOR SALT WATER
DISPOSAL, EDDY COUNTY, NEW MEXICO

NO. 4068

APPLICATION

COMES MARTIN YATES III, by his attorney, A. J. Losee,
and states:

1. Applicant is the operator for salt water disposal purposes of the Yates & Hanson No. 1 McCord abandoned well located in the SW/4 NW/4 of Section 22, Township 23 South, Range 26 East, N.M.P.M. and applicant proposes to utilize said well to dispose of approximately forty barrels of produced salt water into the Delaware formation.

2. There is attached hereto and by reference made a part hereof a plat showing the location of the subject disposal well and the location of all other wells and leases within a radius of one mile.

3. That injection into the above described well is proposed to be made down the casing and a diagramatic sketch of the proposed injection well showing all casing strings, including diameters and approximate setting depths, quantities used and tops of cement, approximate perforated or open-hole intervals together with any log of the proposed injection well, will be submitted at the time of hearing this application.

4. That applicant seeks the establishment of administrative procedure whereby salt water could be disposed of in the

Cordie King No. 2 Well, located in the NE/4 SW/4 of Section 22,
Township 23 South, Range 26 East N.M.P.M.

5. The approval of the Yates & Hanson No. 1 McCord Well
as a salt water disposal well and the establishment of administra-
tive procedure to approve the Cordie King No. 2 Well as a salt
water disposal well will be in the interest of conservation and
will prevent waste.

WHEREFORE, Applicant prays the orders of the Commission
as follows:

1. That this matter be set for hearing before an
examiner duly appointed by the Commission and that due notice
be given thereof as required by law.

2. That after hearing, an order be entered authorizing
(a) the disposal of produced salt water in the Yates & Hanson
McCord No. 1 Well, and (b) the establishment of administrative
procedure for the disposal of salt water in the Cordie King
No. 2 Well.

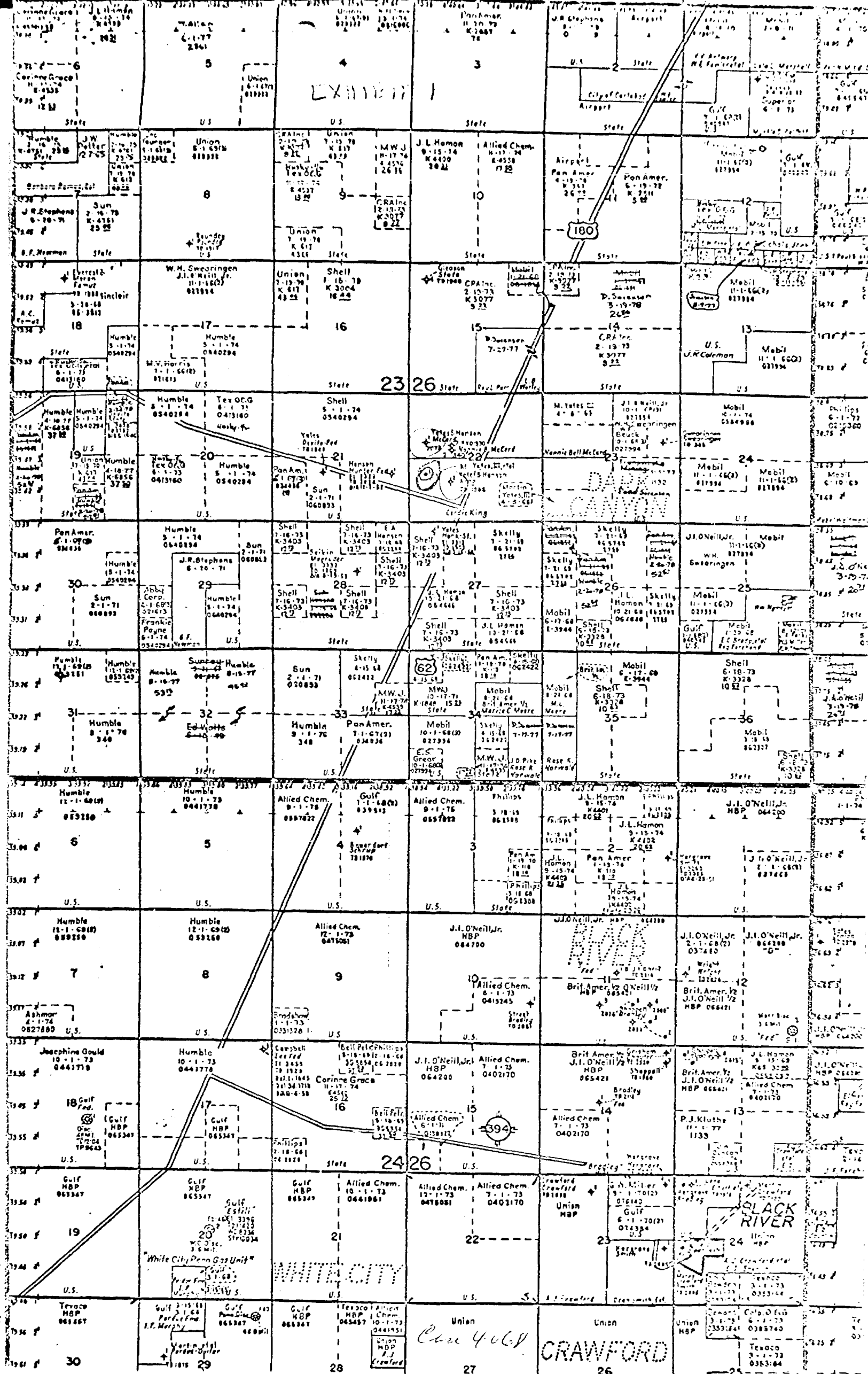
3. And for such other relief as may be just in the
premises.

MARTIN YATES III

By: 

A. J. Losee
Attorney for Applicant
P. O. Drawer 239
Artesia, New Mexico

EXHIBIT 1



Union
Care 4668
CRAWFORD

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. 4068

Order No. R- 3699

APPLICATION OF MARTIN YATES III
FOR SALT WATER DISPOSAL, EDDY
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 27th day of February, 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, Martin Yates III, is the owner and
operator of the Yates & Hanson ^{Beal} McCord Well No. 1 and the Cordie
King Well No. 2, located in Units E and K, respectively, of
Section 22, Township 23 South, Range 26 East, NMPM, Dark Canyon
Field, Eddy County, New Mexico.

(3) That the applicant proposes to utilize its aforesaid
Yates & Hanson McCord Well No. 1 to dispose of produced salt
water into the Delaware formation with injection into the
open hole interval from approximately 1833 feet to
1893 feet.

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

approximately 1800 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 the applicant further seeks the establishment of an administrative procedure whereby its aforesaid Cordie King Well No. 2 in the Dark Canyon Field may be approved for the disposal of produced salt water without the requirement of notice and hearing.

(6) That an administrative procedure should be established whereby the aforesaid Cordie King Well No. 2 may be authorized for the disposal of produced salt water into the Delaware formation in the open-hole interval from approximately 1888 feet to 1906 feet, provided injection is accomplished through tubing installed in a packer set at approximately 1850 feet and provided further that the casing-tubing annulus ~~is~~ is filled with an inert fluid and that a pressure gauge is attached to the annulus or the annulus left open at the surface in order to determine leakage in the casing, tubing, or packer.

under → Unit E of Section 22, Township 23 South, Range 26 East, NMPM, Dark Canyon Field, Eddy County, New Mexico, to dispose of produced salt water into the Delaware formation, injection to be accomplished through inch tubing installed in a packer set at approximately 1800 feet, with injection into the open-hole interval from approximately 1888 feet to 1906 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 as an exception to Rule 701 of the Commission Rules and Regulations, the Secretary-Director is hereby authorized to approve the applicant's Cordie King Well No. 2, located in Unit K of Section 22, Township 23 South, Range 26 East, NMPM, Dark Canyon Field, Eddy County, New Mexico, ^{for the disposal of produced water} ~~as a salt water disposal well~~ ^{for the disposal of produced water} when an application for such authority has been filed and the Secretary-Director determines that approval of the application will prevent the drilling of unnecessary wells and otherwise prevent waste and protect correlative rights;

Provided However, that, for said salt water disposal purposes, injection shall be accomplished through tubing installed in a packer set at approximately 1850 feet; and 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.

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