CASE 5942: OCC COMPLIER THE AMENDMENT OF RULE 1115 OF COMMISSION RULES AND REGULATIONS ALSO CONSIDER THE AMENDMENT OF FORM C-115 AND DELETION OF RULE 1120.

Case Mumber 5942

Application

Transcripts.

Small Exhibits

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	Page)
1	BEFORE THE	
2	NEW MEXICO OIL CONSERVATION COMMISSION Santa Fe, New Mexico	
3	June 22, 1977	
4	EXAMINER HEARING	
5	IN THE MATTER OF:	
6)	
7	The hearing called by the OCC on its own) motion to consider Rules 1115.)	CASE 5942
8	**************************************	
9	BEFORE: Richard L. Stamets, Examiner	
10	MDANICODIDM OF HEADING	
11	TRANSCRIPT OF HEARING	
12	APPEARANCES	
13	For the New Mexico Oil Lynn Teschendorf, Es Conservation Commission: Legal Counsel for th	q.
14	State Land Office Bu Santa Fe, New Mexico	ilding
15	Danga Toy New Mexico	•
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MR. STAMETS: We will call Case 5942 in the matter of the hearing called by the Oil Conservation Commission on its own motion to consider the amendment of Rules 1115 of the Commission Rules and Regulations to provide for the reporting of salt water disposal, secondary recovery and other injection well volumes and pressures on Commission Form C-115, Operator's Monthly Report.

This case was originally heard at the Examiner hearing and was readvertised with respect to McKinley County.

Is there anything further in this case? The case will be taken under advisement.

Page	3	

REPORTER'S CERTIFICATE

I, SIDNEY F. MORRISH, a Certified Shorthand Reporter, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me, and the same is a true and correct record of the said proceedings to the best of my knowledge, skill and ability.

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do nerety certify that the foregoing is a complete record of the proceedings of Case No. 5947. Hew Mexico Oil Conservation Commission

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION ON ITS OWN MOTION TO CONSIDER THE AMENDMENT OF RULE 1115 OF THE COMMISSION RULES AND REGULATIONS, THE AMENDMENT OF COMMISSION FORM C-115, OPERATOR'S MONTHLY REPORT, AND THE DELETION OF COMMISSION RULE 1120.

CASE NO. 5942 Order No. R-5505

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 8, 1977, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 9th day of August, 1977, 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 in the interest of more efficient administration of its rules concerning reporting of the injection of water into producing formations for the enhancement of production, and in the interest of reducing the administrative burden to both the Commission and the oil operators of this state in preparing and tabulating such reports, Commission Form C-115, Operator's Monthly Report, and Commission Form C-115-EDP, Operator's Monthly Report (electronic data processing), should be revised to provide space for the inclusion c' water injection figures on said report.
- (3) That in keeping with the above-described revision of Commission Forms C-115 and C-115-EDP, Rule 1115 of the Commission Rules and Regulations should be amended to read in its entirety as follows:

*RULE 1115. OPERATOR'S MONTHLY REPORT (Form C-115)

*Operator's Monthly Report, Form C-115 or Form C-115-EDP, shall be filed on each producing lease and each secondary recovery project injection well within the State of New Mexico

-2-Case No. 5942 Order No. R-5505

The construction of

for each calendar month, setting forth complete information and data indicated on said forms in the order, format, and style prescribed by the Secretary-Director. Oil production from wells which are producing into common storage shall be estimated as accurately as possible on the basis of periodic tests.

"The reports on this form shall be filed by the producer as follows:

"Original to the Oil Conservation Commission at Santa Fe; one copy to the District Office of the Commission in which district the lease is located; and one copy to each (ransporter involved. Each report for each month shall be postmarked not later than the 24th day of next succeeding month. Failure of an operator to file this report in accordance with the provisions of this rule may result in cancellation of Form C-104 for the affected well or wells."

- (4) That inasmuch as water injection for production enhancement (secondary recovery) would be reported on Commission Form C-115 rather than on Commission Form C-120 as at present, there would no longer be any need for said Form C-120, and it should be abolished, but Form C-120-A, Salt Water Disposal Report, should be retained.
- (5) That in keeping with the above-described abolishment of Form C-120, Rule 1120 of the Commission Rules and Regulations should be amended to read in its entirety as follows:

"RULE 1120. MONTHLY WATER DISPOSAL REPORT (Form C-120-A)

"Each operator of a salt water disposal system shall report such operations on Form C-120-A. Form C-120-A shall be filed in DUPLICATE (one copy with the Santa Fe office and one copy with the appropriate district office) and shall be postmarked not later than the 15th day of the second succeeding month."

(6) That the effective date of the revision of Form C-115 and Form C-115-EDP should be August 1, 1977, and its use should be permitted after that date for filing monthly production reports provided however, that monthly water injection reports should continue to be required on Form C-120 until February 1, 1978.

Case No. 5942 Order No. R-5505

- (7) That Form C-120 should be abolished effective February 1, 1978, and the reporting of all production as well as of water injection for secondary recovery purposes should be required on Form C-115 and Form C-115-EDP, as revised herein, after February 1, 1978.
- (8) That the amendment of Commission Rule 1115, as described in Finding No. (3) above, and Commission Rule 1120, as described in Finding No. (5) above, should become effective February 1, 1978.
- (9) That the above-described revisions, changes, and amendments will not cause waste nor impair correlative rights, and should be approved.

IT IS THEREFORE ORDERED:

- (1) That effective August 1, 1977, Commission Form C-115, Operator's Monthly Report, and Commission Form C-115-EDP, Operator's Monthly Report (electronic data processing), are hereby revised as shown by Exhibits 1 and 2 attached hereto and made a part hereof.
- (2) That effective February 1, 1978, Rule 1115 of the Commission Rules and Regulations is hereby amended to read in its entirety as follows:

"RULE 1115. OPERATOR'S MONTHLY REPORT (Form C-115)

"Operator's Monthly Report, Form C-115 or Form C-115-EDP, shall be filed on each producing lease and each secondary recovery project injection well within the State of New Mexico for each calendar month, setting forth complete information and data indicated on said forms in the order, format, and style prescribed by the Secretary Director. Oil production from wells which are producing into common storage shall be estimated as accurately as possible on the basis of periodic tests.

"The reports on this form shall be filed by the producer as follows:

*Original to the Oil Conservation Commission at Santa Fe; one copy to the District Office of the Commission in which district the lease is located; and one copy to each transporter involved. Each report for each month shall be postmarked not later than the 24th day of next succeeding month. Failure -4-Case No. 5942 Order No. R-5505

of an operator to file this report in accordance with the provisions of this rule may result in cancellation of Form C-104 for the affected well or wells."

(3) That effective February 1, 1978, Rule 1120 of the Commission Rules and Regulations is hereby amended to read in its entirety as follows:

"RULE 1120. MONTHLY WATER DISPOSAL REPORT (Form C-120-A)

"Each operator of a salt water disposal system shall report such operations on Form C-120-A. Form C-120-A shall be filed in DUPLICATE (one copy with the Santa Fe office and one copy with the appropriate district office) and shall be postmarked not later than the 15th day of the second succeeding month."

- (4) That effective February 1, 1978, Commission Form C-120, Monthly Injection Report, is hereby abolished.
- (5) That although the use of the new revised Form C-115 and C-115-EDP will not be required until February, 1978, for filing production and injection figures for January, 1978, operators are encouraged to acquire a supply of the new forms and commence their use as soon as possible to assure a smooth transition from the old form to the new revised form when the new form becomes mandatory, provided however, that injection reports must continue to be filed on the old Form C-120 through January, 1978 (for injection during December, 1977) and injection figures may be included or omitted, at the operator's discretion, on any new Form C-115 or Form C-115-EDP filed prior to February, 1978.
- (6) 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 herein-above designated.

STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

PHILTR. LUCERO Chairman

JOE D. BAMEY, Member & Secretary

Form C-118 (Rev. B-J-77)

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V...VENTED phased out February 1, 1978. Injection Report, will also be required until said form is to February 1, 1973, if desired; however, Form C-120, Monthly tion volumes and pressures may be included on forms filed prior Order No. R-5505 effective August 1, 1977. immediately and will become mandatory February 1, 1978. Injec-V....VENTED ON LEASE Lease Numbe PRESS. This is a specimen of Form C-115 as revised by Commission MONTHLY ACTUAL BARRELS
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OIL CONSERVATION COMMISSION

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

LAND COMMISSIONER



DIRECTOR JOE D. RAMEY

PHILR LUCERO August 12, 1977

STATE GEOLOGIST										
EMERY	C.	ARNOLD								

Mr. Antone Peterson Amoco Production Company	Re:	CASE NO. ORDER NO	5942 .R-5505
Box 3092 Houston, Texas 77001		Applican	t:
•		011 Con	servation Commission
Dear Sir:			
Enclosed herewith are to Commission order recent			
Yours very truly, JOE D. RAMEY	<u> </u>		3)
Director			
JDR/fd			
Copy of order also sent	to:		
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BOX 2088 SANTA FE, NEW MEXICO

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NEW MEXICO OIL CONSERVATION COMMISSION BOX 2088 SANTA FE, NEW MEXICO

OPERATOR'S MONTHLY REPORT

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PROPOSED RULE

RULE 1115. OPERATOR'S MONTHLY REPORT (Form C-115)

Operator's Monthly Report, Form C-115 or Form C-115-EDP, shall be filed on each producing lease, each secondary recovery project injection well, and (except as provided in Rule 1120) each calt water disposal well, within the State of New Mexico for each calendar month, setting forth complete information and data indicated on said forms in the order, format, and style prescribed by the Secretary Director. Oil production from wells which are producing into common storage shall be estimated as accurately as possible on the basis of periodic tests.

The reports on this form shall be filed by the producer as follows:

Original to the Oil Conservation Commission at Santa Fe; one copy to the Oil Conservation Commission District Office at Hobbs; one copy to the District Office in which district the lease is located; and one copy to each transporter involved. Each report for each month shall be postmarked not later than the 24th day of next succeeding month. Failure of an operator to file this report in accordance with the provisions of this rule may result in cancellation of Form C-104 for the affected well or wells.

Exhibit 2

aight date

PROPOSED RULE

RULE 1120. MONTHLY WATER DISPOSAL REPORT (Form C-120-A)

Each operator of a salt water disposal system which system handles produced waters for more than one operator, from more than one pool, which disposes into formations not productive of oil or gas, or which disposes into surface facilities shall report such operations on Form C-120-A. Form C-120-A shall be filed in DUPLICATE (one copy with the Santa Fe office and one copy with the appropriate district office) and shall be postmarked not later than the 15th day of the second succeeding month.

Exhibit 3

Control of the State of the Sta

NEW MEXICO OIL CONSERVATION COMMISSION Santa Fe, New Mexico 8 June 1977

BEFORE THE

IN THE MATTER OF:

In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider the amendment of Rule 1115 of the Commission Rules and Regulations to provide for the reporting of salt water disposal, secondary recovery, and other injection well volumes and pressures on Commission Form C-115, Operator's Monthly Report. Further to be considered will be the amendment of Form C-115 and the deletion of Rule 1120.

CASE 5942

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

APPEARANCES

For the New Mexico Oil Conservation Commission: Lynn Teschendorf, Esq.
Legal Counsel for the Commission
State Land Office Building
Santa Fe, New Mexico

For Amoco Production Company: Antone Peterson, Esq.
Amoco Production Company
Houston, Texas

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RICHARD L. STAMETS

Direct Examination by Ms. Teschendorf

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 EXHIBITS

	Offered	Admitted
Commission Exhibit One-A and One-B, Forms	11	11
Commission Exhibit Two, Rule 1115	11	11
Commission Exhibit Three, Rule 1120	11	11

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SIG MOUTISM REPORTING SERVICE

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Phone (505) 982-9312

please?

MR. NUTTER: We'll next call Case Number 5942, which is in the matter of the hearing called by the Oil Conservation Commission on its own motion to consider the amendment of Rule 1115 of the Commission Rules and Regulations to provide for the reporting of salt water disposal, secondary recovery, and other injection well volumes and pressures on Commission Form C-115, Operator's Monthly Report. Further to be considered will be the amendment of Form C-115 and the deletion of Rule 1120.

I'll call for appearances in Case Number 5942.

MS. TESCHENDORF: Lynn Teschendorf, appearing on behalf of the Commission. I have one witness.

MR. NUTTER: Are there other appearances?

MR. PETERSON: Antone Peterson with Amoco Production

Company, I'd just like to make a short statement.

MR. NUTTER: Will the witness stand and be sworn.

(THEREUPON, the witness was duly sworn.)

MR NUTTER: Ms. Teschendorf.

RICHARD L. STAMETS

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

DIRECT EXAMINATION

SIG MOTTISh reporting service General Court Reporting Service Calle Mejia, No. 122, Santa Fe, New Mexico 875 Phone (505) 982-9212

BY MS. TESCHENDORF:

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- Q State your name and place of residence, please.
- A. R. L. Stamets. I'm Technical Support Chief for the Oil Conservation Commission here in Santa Fe, New Mexico.
- And are your credentials a matter of record?
 - A. I have and they are.
- Q Do your duties as Technical Support Chief include making recommendations to the Commission as to the amendment of the rules and the amendment of forms and the adoption of new rules for the Commission?
 - A. Yes, they do.
 - Q Are you familiar with Case Number 5942?
 - A. Yes, I am.
 - And what is the purpose of the case?
- A. Basically, the purpose of this case is to revise or amend Rules 1115 and 1120, to amend the requirements of reporting injection volumes and pressures on secondary recovery project injection wells, and as originally conceived, some salt water disposal wells. I think I will propose that we not include salt water disposal wells, and definitely, the changes will not cover pressure maintenance project injection wells.

Further, I propose that we revise Form C-115 to make room for this injection well reporting and make some

sid morrish reporting service General Court Reporting Service Calle Mejia, No. 122, Santa Pe, New Mexico 875 Phone (505) 982-9212 other changes to clean up the form.

Why is the Commission making these proposals?

A Well, there are several reasons for including injection wells on the Form C-115 now. One of the reasons is
no we'll be able to keep track of the status of injection
wells by computer. Right now we're able to follow producing
wells, whether active or shut in, and make certain that
operators have filed for temporary abandonment or plug inactiv
wells, but we're not able to do this on injection wells by
computer since we don't have this information in the record.
By including the injection volumes and pressures we will then
have that in the computer and can keep track of it.

Also, we have been employing more and more pressure limitations in injection projects. We can put this limitation in the computer and the computer then will monitor pressure limits, as well.

Further, the pending Environmental Protection

Agency Underground Injection Control Program Regulations

would appear to require a variety of reports from the Commission relative to injection wells, volumes and related data.

The only way I know to generate these on a regular basis and also in our annual reports with accuracy will be through use of the computer.

Once the figures are in the computer they can be used in a variety of ways, many different reports, ones that

we can't even contemplate now can be produced, and, hopefully, this will simplify the reporting process by doing away with Form C-120, operators will only have to report their injection wells and their producing wells one time instead of twice.

And of course, this will reduce the chance for error.

Q How are you planning on accomplishing this?

A. Well, first off, we're going to revise Form C-115 and to provide the additional space required for reporting the injection volumes and pressures.

I propose we drop the "Used on Lease" and "Vented" columns on Form C-115 and at this time I'd Like to refer to Exhibits 1-A and 1-B.

Exhibit 1-A is the new proposed Form C-115 and 1-B is the old Form C-115. And you'll see that the first two columns after the "Well" and "Well Status" columns are now called "Injection", "Volume" and "Pressure", and the operator will simply list the injection wells in order with other wells on the lease and show the volumes and the pressures in these columns.

Q What other changes do you propose to make on Form C-115?

A Well, we've tried to -- incidentally, the C-115 that went out with the docket is not the one that I am proposing here today and I've got a few copies of that if any-body would like to see it.

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on this form. We've tried to add more room on the body of the form for reporting and those of you that can see it can see that now we have a single top line, much less space required at the top of the form. We have tried to fill in the pool name, lease name, section of the form because many operators try and put a lease name in there, which complicates our processes quite a bit.

I'm suggesting that the word "Transporter" be used for disposition of gas rather than "Purchaser". This has always been a problem with operators and the Commission trying to determine who should be reported in there and I would propose along with this that we issue a memorandum indicating that the one to be shown there is the transporter or purchaser as shown on Form C-104.

we have moved the "Oil Transporter" and "Other Disposition" columns on the disposition of oil to make them more
logical. Before the order was "Oil on Hand", "Barrels to
Transporter", "Other", "Code", and then "Transporter". And
now it's going to be "Oil on Hand", "Barrels to Transporter",
"Transporter Code", "Other Disposition", and then the code
for that disposition. It seems to be a much more logical
order.

We now show the distribution in the bottom lefthand corner; we've added went and lease use codes to other dispo-

sid morrish reporting service General Court Reporting Service 825 Calle Mejia, No. 122, Santa Fo, New Mexico 8750 Phone (505) 982-9212 sition; made a small difference there. The first two other dispositions are used off lease and used for drilling and that used to say destination must be shown on Form C-111 and just for brevity we say now detail on Form C-111.

We have provided for a typed name and position in addition to the often illegible signature blank at the end of it.

Q. What other rule changes are you proposing in addition to the form changes?

A. Rule changes are shown on Exhibit Number Two and Exhibit Number Three and there will be some changes to these two exhibits, since at this time I do not propose that we include salt water disposal wells.

Rule 1115, that's just exactly the same as it is currently, except for an addition, which I have underlined on Exhibit Number Two and I would propose to make some changes.

Mr. Nutter, if you would mark these on your copy and then I will read what it says. At the beginning of the underlined section, where there is the word "lease" and then a comma, if you'll encircle the word "and" at that point, and then come down to the next line where it says "project in-jection well", cross out the remainder of that line and then the remainder of the underlined section, Rule 1115 would then read: "Operators Monthly Report, Form C-115", or "Form C-115

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EDP, shall be filed on each producing lease and each secondary recovery project injection well within the State of New Mexico for each calendar month setting forth the information and data indicated on said form in the order, format, and style prescribed by the Secretary-Director.

Oil production from the wells which are producing into common storage shall be estimated as accurately as possible on the basis of periodic tests."

There are no other changes in that rule.

MR. NUTTER: The remaining rule is the same as it is at the present time?

A. That's correct.

Exhibit Number Three, then, is the proposal for Rule 1120. As advertised, this called -- this case called for the deletion of Rule 1120, but because of retaining Form C-120-A for the reporting of salt water disposal, we will do less than delete Rule 1120. We will just simply amend it to eliminate the need for filing Form C-120.

The changes to be made on this particular rule will be to cross out the last two words of the first line, all of the second and third lines, and all but the last word of the fourth line.

Rule 1120 would then read: "Each operator of a salt water disposal system shall report such operations on Form C-120-A. Form C-120-A shall be filed in duplicate, one

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Phone (505) 982-3212

copy with the Santa Fe office and one copy with the appropriate District Office and shall be postmarked not later than the 15th day of the second succeeding month."

MR. NUTTER: Now, what did you cross out on --

- A In the first line, the last two words.

 MR. NUTTER: Right.
- A. The second and third lines in total, and in the fourth line, everything but the last word.

MR. NUTTER: Okay.

Q (Ms. Weschendorf continuing.) Do you have anything else?

A. Yes. I would like to point out that Rule 704 provides for the filing of injection data on Form C-120 and Form C-120-A. Now, 704 is a part of our general rules and regulations on injection wells, and we expect to be revising this entire section after the Environmental Protection Agency comes out with its Underground Injection Program Regulations.

In any event, this discrepancy will be corrected before 1-1-78, which I would propose as the effective date of the rule change. Now, I would like see Form C-115, and as I have proposed it, be effective on August the 1st, 1977. The need for this is because operators will have to adjust their computer programs, when they use computer programs to file production reports, to accommodate for the new order that we have on Form C-115, and we advised all operators of

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the necessity for filing injection well data beginning with the first of next year. We will have to get these forms into the hands of all operators.

Q Were Exhibits One through Three prepared by you or under your supervision?

A. They were.

MS. TESCHENDORF: I'll offer Exhibits One through Three.

MR. NUTTER: Exhibits One through Three in this case will be admitted in evidence.

Do you have any further questions? Does anyone have any questions for this gentle an?

MR. PETERSON: Yes, Mr. Examiner. Antone Peterson for Amoco Production Company. Amoco wholeheartedly supports the Commission's revision of the rules and Form C-115, with the exception, Amoco would prefer that the volumes of injection be inserted at the end of the form, as was done on the example at the top of the docket sheet, which was passed out earlier.

We think since it is an addition to the form it would be clearer and possibly lead to fewer clerical errors if they were inserted at the end of the form rather than as proposed today. We don't think the empire will stand or fall with this minor revision, but we would offer that.

MR. NUTTER: Thank you.

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Phone (565) 982-921

sider this particular point and our data processing people prefer the information to be in the first column because just simply, it's easier to find there. As the key entry operators progress down the form less and less information is found on the righthand side of the form, so that all we have on the righthand side, generally, is lease disposition, and it is, of course, more difficult for the eye to follow across the blank lines and pick this information up then, on the lefthand column -- or righthand column, and this is the reason we have proposed it for the lefthand side.

I appreciate your point and it's something we did consider and we still make this recommendation.

MR. NUTTER: Mr. Stamets, you're not proposing at this time, then, to amend 704 but that would be the subject of another hearing later on?

MR. STAMETS: Yes, I think it will be; I know it will be before the effective date of these rule hearings.

MR. NUTTER: I see, and we might mention that there's mention of Form C-120 in Rule 701, also.

MR. STAMETS: That entire section, I'm sure, is going to be amended before the end of the year.

MR. NUTTER: Are there any further questions of Mr. Stamets?

He may be excused. Do you have anything further,

Б

Ms. Teschendorf?

MS. TESCHENDORF: No, I don't.

MR. NUTTER: Does anyone have anything they wish to offer in Case Number 5942?

> We'll take the case under advisement. (Hearing concluded.)

REPORTER'S CERTIFICATE

I, SALLY WALTON BOYD, a Certified Shorthand Reporter, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me, and the same is a true and correct record of the said proceedings to the best of my knowledge, skill and ability.

sid morrish reporting service
General Court Reporting Service
825 Calle Meja, No. 122, Santa Fe, New Mexico 87561
Phone (505) 982-9212

I do hereby certify that the foregoing is The markets construct of the brokedgi Oil Conservation

Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXPENSES HEARING - NEDWEDAY - JUNE 8, 1977

9 A.M. - OIL COMPRENATION CONTINUISM COMPERENCE ROOM, SPATE LAND OFFICE FUILDING, SANTA FE, NEW MEXICO

The following cases will be Leard before Famiel S. Matter, Examiner, or Richard L. Starets, Alternate Examiner:

-TESE 5942:

In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider the amendment of Rule 1115 of the Commission Rules and Regulations to provide for the preporting of salt water disposal, secondary recovery, and other injection well volumes and pressures on Commission Form C-115, Operator's Monthly Report. Further to be considered will be the amendment of Form C-115 and the deletion of Rule 1120.

(Please see two potential configurations of Form C-115 enclosed)

- CASE 5943: In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider adoption of the following:
 - 1. Rule 407, requiring notice to the Commission by the operator of the disconnection of any gas wells from intrastate transportation facilities.
 - 2. Rule 1130, setting forth the requirements of the notice of disconnection.
 - 3. Form C-130, NOTICE OF DISCOMMENTION, requiring notice of the reason(s) for disconnection.
- CASE 5920: (Continued from May 11, 1977 Examiner Hearing)

Application of New Mexico Salt Water Disposal Co., 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 Devonian fermation through the perforated interval from approximately 13,000 feet to 13,500 feet in its Sinclair State Lea Well No. 1, located in Unit M of Section 1, Township 11 South, Range 34 East, Sand Springs-Devonian Pool, Lea County, New Mexico.

- CASE 59/4: Application of Read & Stevens, Inc., for an unorthodox gas well location, Eddy County, New Mexico.

 Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Hissom-State Com Vol. No. 1 located in Unit M of Section 23, Township 21 South, Range 27 Fast, Burton Flats-Morrow Gas Fool, Eddy County, New Mexico, the S/2 of said Section 23 to be dedicated to the well.
- CASE 5945: Application of F1 Paso Natural Gas Company for downhole commingling, San Juan County, New Mexico.

 Applicant, in the above-styled cause, seeks approval for the downhole commingling of South BlancoPictured Cliffs and Blanco Mesaverde production in the wellbore of its Blanco Well No. 15 located in Unit K of Section 36, Township 28 North, Range 8 West, San Juan County, New Mexico.
- Application of Amoco Production Company for a dual completion and a non-standard provation unit,
 Reosevelt County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual
 completion of its Swearingen "C" Well No. 1 located in Unit N of Section 18, Townshir 5 South,
 Range 33 East, Reosevelt County, New Mexico, to produce gas from the Pennsylvanian and oil from
 the Fusselman formations. Applicant also seeks approval for a 160-acre non-standard Pennsylvanian
 gas proration unit comprising the SW/A of said Section 18.
- CASE 5947: Application of Texaco Inc., for a unit agreement, Lea County, New Yexico. Applicant, in the above-styled cause, seeks approval for its Central Vacuum Unit Area commission 2046 acres, note or less, of State and fee lands in Sections 25, 30, 31 and 36, Township 17 South, Range 35 Fast, and Sections 5, 7, and 12, Township 18 South, Range 35 East, Lea County, New Mexico.
- CASE 5948: Application of Texaco Inc., for a waterflood project, Les County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a materflood project on its Central Vacuum Unit Area by the injection of water into the Grayburg-San Andres formation through 54 wells, Vacuum Pool, Lea County, New Mexico.
- CASE 5949: Application of Mess Petroleum Company for compulsory receing, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying Section 34, Township 24 South, Range 26 Fast, Eddy County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

BOX 2088 SANTA FE, NEW MEXICO

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PROPOSED RULE

RULE 1115. OPERATOR'S MONTHLY REPORT (Form C-115)

Operator's Monthly Report, Form C-115 or Form C-115-EDP, shall be filed on each producing lease, each second / recovery project injection well, and (except as provided in Rule 1120) each salt water disposal well, within the State of New Mexico for each calendar month, setting forth complete information and data indicated on said forms in the order, format, and style prescribed by the Secretary Director. Oil production from wells which are producing into common storage shall be estimated as accurately as possible on the basis of periodic tests.

The reports on this form shall be filed by the producer as follows:

Original to the Oil Conservation Commission at Santa Fe; one copy to the Oil Conservation Commission District Office at Hobbs; one copy to the District Office in which district the lease is located; and one copy to each transporter involved. Each report for each month shall be postmarked not later than the 24th day of next succeeding month. Failure of an operator to file this report in accordance with the provisions of this rule may result in cancellation of Form C-104 for the affected well or wells.

Exhibit 2

PROPOSED RULE

RULE 1120. MONTHLY WATER DISPOSAL REPORT (Form C-120-A)

Each operator of a salt water disposal system which system handles produced waters for more than one operator, from more than one pool, which disposes into formations not productive of oil or gas, or which disposes into surface facilities shall report such operations on Form C-120-A. Form C-120-A shall be filed in DUPLICATE (one copy with the Santa Fe office and one copy with the appropriate district office) and shall be postmarked not later than the 15th day of the second succeeding month.

Exhibit 3

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BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION ON ITS OWN MOTION TO CONSIDER THE AMENDMENT OF RULE 1115 OF THE COMMISSION RULES AND REGULATIONS, THE AMENDMENT OF COMMISSION FORM C-115, OPERATOR'S MONTHLY REPORT, AND THE DELETION OF COMMISSION RULE 1120.

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CASE NO. 5942

Order No. R- 5505

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 8, 1977, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this day of , 1977, 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 in the interest of more efficient administration of first rules concerning the reporting of water injection into producing formations for the enhancement of production, and in the interest of reducing the administrative burden to both the Commission and the oil operators of this state in preparing and tabulating such reports, Commission Form C-115, Operator's Monthly Report, and Commission Form C-115-EDP, Operator's Monthly Report (electronic data processing), should be revised to provide space for the inclusion of water injection figures on said report.
- (3) That in keeping with the above-described revision of Commission Forms C-115 and C-115-EDP, Rule 1115 of the Commission Rules and Regulations should be amended to read in its entirety as follows:

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"RULE 1115. OPERATOR'S MONTHLY REPORT (Form C-115)

"Operator's Monthly Report, Form C-115 or Form C-115-EDP, shall be filed on each producing lease and each secondary recovery project injection well within the State of New Mexico for each calendar month, setting forth complete information and data indicated on said forms in the order, format, and style prescribed by the Secretary-Director. Oil production from wells which are producing into common storage shall be estimated as accurately as possible on the basis of periodic tests.

"The reports on this form shall be filed by the producer as follows:

"Original to the Oil Conservation Commission at Santa Fe; sne copy to the Oil Conservation

Commission District Office at Webbs, one copy of the Commission

to the District Office in which district the lease is located; and one copy to each transporter involved. Each report for each month shall be postmarked not later than the 24th day of next succeeding month. Failure of an operator to file this report in accordance with the provisions of this rule may result in cancellation of Form C-104 for the affected well or wells."

(4) That inasmuch as water injection for production enhance—
(secondary helowery)
ment would be reported on Commission Form C-115 rather than on
Commission Form C-120 as at present, there would no longer be any
need for said Form C-120, and it should be abolished, but Form
C-120-A, Salt Water Disposal Report, should be retained.

(5) That in keeping with the above-described abolishment of Form C-120, Rule 1120 of the Commission Rules and Regulations should be amended to read in its entirety as follows:
"RULE 1120. MONTHLY WATER DISPOSAL REPORT (Form C-120-A)

"Each operator of a salt water disposal system shall report such operations on Form C-120-A. orm C-120-A shall be filed in DUPLICATE (one copy with the Santa Fe office and one copy with the appropriate district office) and shall be postmarked not later than the 15th day of the second succeeding month."

- (6) That the effective date of the revision of Form C-115 and Form C-115-EDP should be August 1, 1977, and its use should be permitted after that date for filing monthly production reports, provided however, that monthly water injection reports should continue to be required on Form C-120 until February 1, 1978.
- (7) That Form C-120 should be abolished effective February 1, 1978, and the reporting of all production as well as of water injection for secondary recovery purposes should be required on Form C-115 and Form C-115-EDP, as revised herein, after February 1, 1978.
- (8) That the amendment of Commission Rule 1115, as described in Finding No. (3) above, and Commission Rule 1120, as described in Finding No. (5) above, should become effective February 1, 1978.
- (9) That the above-described revisions, changes, and amendments will not cause waste nor impair correlative rights, and should be approved.

IT IS THEREFORE ORDERED:

- (1) That Commission Form C-115, Operator's Monthly Report, and Commission Form C-115-EDP, Operator's Monthly Report (electronic data processing), we revised as shown by Exhibits 1 and 2 attached hereto and made a part hereof.
- (2) That Rule 1115 of the Commission Rules and Regulations is hereby amended to read in its entirety as follows:
 "RULE 1115. OPERATOR'S MONTHLY REPORT (Form C-115)

"Operator's Monthly Report, Form C-115 or Form C-115-EDP, shall be filed on each producing lease and each secondary recovery project injection well within the State of New Mexico for each calendar onth, setting forth complete information and data

should continue to be required on Form C-120 until February 1, 1978.

- (7) That Form C-120 should be abolished effective February 1, 1978, and the reporting of all production as well as of water injection for secondary recovery purposes should be required on Form C-115 and Form C-115-EDP, as revised herein, after February 1, 1978.
- (8) That the amendment of Commission Rule 1115, as described in Finding No. (3) above, and Commission Rule 1120, as described in Finding No. (5) above, should become effective February 1, 1978.
- (9) That the above-described revisions, changes, and amendments will not cause waste nor impair correlative rights, and should be approved.

IT IS THEREFORE ORDERED:

- (1) That Commission Form C-115, Operator's Monthly Report, and Commission Form C-115-EDP, Operator's Monthly Report (electronic data processing), we revised as shown by Exhibits 1 and 2 attached hereto and made a part hereof.
- (2) That Rule 1115 of the Commission Rules and Regulations is hereby amended to read in its entirety as follows:

 "RULE 1115. OPERATOR'S MONTHLY REPORT (Form C-115)

"Operator's Monthly Report, Form C-115 or Form C-115-EDP, shall be filed on each producing lease and each secondary recovery project injection well within the State of New Mexico for each calendar month, setting forth complete information and data indicated on said forms in the order, format, and style prescribed by the Secretary Director. Oil production from wells which are producing into common storage shall be estimated as accurately as possible on the basis of periodic tests.

"The reports on this form shall be filed by the producer as follows:

"Original to the Oil Conservation Commission at Santa Fe; one copy to the Oil Conservation

Commission District Office at Hobbs; one copy of the Commission to the District Office in which district the lease is located; and one copy to each transporter involved. Each report for each month shall be postmarked not later than the 24th day of next succeeding month. Failure of an operator to file this report in accordance with the provisions of this rule may result in cancellation of Form C-104 for the affected well or wells."

(3) That Rule 1120 of the Commission Rules and Regulations is hereby amended to read in its entirety as follows:

"RULE 1120. MONTHLY WATER DISPOSAL REPORT 9Form C-120-A)

"Each operator of a salt water disposal system shall report such operations on Form C-120-A. Form C-120-A shall be filed in DUPLICATE (one copy with the Sznta Fe office and one copy with the appropriate district office) and shall be postmarked not later than the 15th day of the second succeeding month."

- (4) That Commission Form C-120, Monthly Injection Report, is hereby abolished.
- (5) That although the use of the new revised Form C-115 and C-115-EDP will not be required until February, 1978, for filing production and injection figures for January, 1978, operators are encouraged to acquire a supply of the new forms and commence their use as soon as possible to assure a smooth transition from the old form to the new revised form when the new form becomes mandatory, provided however, that injection reports must continue to be filed on the old Form C-120 through January, 1978 (for injection during December, 1977) and injection figures may be included or omitted, at the operator's discretion, on any new Form C-115 or Form C-115-EDP filed prior to February, 1978.
- (6) 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

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(3) That Rule 1120 of the Commission Rules and Regulations is hereby amended to read in its entirety as follows:
"RULE 1120. MONTHLY WATER DISPOSAL REPORT 9Form C-120-A)

"Each operator of a salt water disposal system shall report such operations on Form C-120-A. Form C-120-A shall be filed in DUPLICATE (one copy with the Santa Fe office and one copy with the appropriate district office) and shall be postmarked not later than the 15th day of the second succeeding month."

- effective 7ebruary 1,1978,

 (4) That Commission Form C-120, Monthly Injection Report,
 is hereby abolished.
- (5) That although the use of the new revised Form C-115 and C-115-EDP will not be required until February, 1978, for filing production and injection figures for January, 1978, operators are encouraged to acquire a supply of the new forms and commence their use as soon as possible to assure a smooth transition from the old form to the new revised form when the new form becomes mandatory, provided however, that injection reports must continue to be filed on the old Form C-120 through January, 1978 (for injection during December, 1977) and injection figures may be included or omitted, at the operator's discretion, on any new Form C-115 or Form C-115-EDP filed prior to February, 1978.
- (6) 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.

Oll reproved.

June 8 hearing Case 5942

Replication of OCC on it's own mition to consider the ormen of ment of Rule 1115 of the Commission Rules and Regulations to provide for the reporting of soltwater disposal, secondary recovery, and other injection will a volumes and pressures on Commission Form C-115. Further to be considered will be the amendment of Form C-115.

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Application of the OCC on No own motion for the amendment of Rule 1115 of the Commission Rules and Regulations