CASE 6188: SAM D. ARES FOR SALT WATER DISPOSAL, LEA COUNTY, NEW MEXICO

Case No.

Application

Transcripts

Small Exhibits



OIL CONSERVATION COMMISSION

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

87501

LAND COMMISSIONER PHIL R. LUCERO April 4, 1978



DIRECTOR JOE D. RAMEY

> 6188 Re: CASE NO. ORDER NO. Post Office Box 1769 Applicant: Santa Fe, New Mexico

Sam D. Ares

Dear Sir:

Mr. Jason Kellahin

Kellahin & Fox Attorneys at Law

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

Yours very truly, JOE D. RAMEY Director

JDR/fd

Copy of order also sent to:

Hobbs OCC X. Artesia OCC Aztec OCC_

0ther

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. 6188 Order No. R-5690

APPLICATION OF SAM D. ARES 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 March 22, 1978, at Santa Fe, New Mexico, before Examiner, Richard L. Stamets.

NOW, on this 4th day of April, 1978, 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

- (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, Sam D. Ares, is the owner and operator of the Zattu Cushing Well No. 1, located in Unit F of Section 23, Township 24 South, Range 36 East, NMPM, Jalmat Gas 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 3,465 feet to 3,497 feet.
- (4) That the injection should be accomplished through 2 3/8-inch plastic lined tubing installed in a packer set at approximately 3,250 feet; that the casing-tubing annulus should be filled with an inert fluid; and that a pressure gauge or approved leak detection device should be attached to the annulus in order to determine leakage in the casing, tubing, or packer.

-2-Case No. 6188 Order No. R-5690

- (5) That the injection into the disposal zone should be at a pressure no higher than hydrostatic pressure.
- (6) That the operator should notify the supervisor of the Hobbs district office of the Oil Conservation Division of the New Mexico Energy and Minerals Department of the date and time of the installation of disposal equipment so that the same may be inspected.
- (7) That the operator should take all steps necessary to ensure that the injected water enters only the proposed injection interval and is not permitted to escape to other formations or onto the surface.
- (8) 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, Sam D. Ares, is hereby authorized to utilize its Zattu Cushing Well No. 1, located in Unit F of Section 23, Township 24 South, Range 36 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico, to dispose of produced salt water into the Seven Rivers formation, injection to be accomplished through 2 3/8-inch tubing installed in a packer set at approximately 3,250 feet, with injection into the open-hole interval from approximately 3,465 feet to 3,497 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 be equipped with an approved leak detection device in order to determine leakage in the casing, tubing, or packer.

- (2) That the injection well or system shall be equipped in such a manner as to limit the formation injection pressure in the well to no more than hydrostatic pressure.
- (3) That the operator shall notify the supervisor of the Hobbs district office of the Oil Conservation Division of the date and time of the installation of disposal equipment so that the same may be inspected.

-3-Case No. 6188 Order No. R-5690

- (4) That the operator shall immediately notify the supervisor of the Division's Hobbs district office of the failure of the tubing, casing, or packer, in said well or the leakage of water from or around said well and shall take such steps as may be timely and necessary to correct such failure or leakage.
- (5) That the applicant shall submit monthly reports of its disposal operations in accordance with Rules 704 and 1120 of the Division Rules and Regulations.
- (6) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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

> STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

PHIL R. LUCERO, Chairman

FNERY C. ARNOLD, Member

JOE D. RAMEY, Member & Division Director

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BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION Santa Fe, New Mexico March 22, 1978

EXAMINER HEARING

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IN THE MATTER OF:
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Application of Sam D. Ares for salt
Water disposal, Lea County, New
Mexico.
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CASE
Water disposal, Lea County, New
Mexico.

BEFORE: Richard L. Stamets, Examiner.

TRANSCRIPT OF HEARING

For the New Mexico Oil Conservation Commission:

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

For the Applicant:

Jason W. Kellahin, Esq. KELLAHIN & FOX Attorneys at Law 500 Don Gaspar Avenue Santa Fe, New Mexico

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INDEX

	Page
1. Appearances	1
2. The Witness, Mr. H. R. Harris	
Direct Examination by Mr. Kellahin	3
Cross Examination by Mr. Stamets	11
Witness Excused	14
3. Reporter's Certificate	15
EXHIBIT INDEX	
Applicant's Exhibit No. 1, Plat	5
Applicant's Exhibit No. 2, Tabulation	5
Applicant's Exhibit No. 3, Schematic Drawing	5
Applicant's Exhibit No. 4, Log	5
Applicant's Exhibit No. 5, Log	5
Applicant's Exhibit No. 6, Schematic Drawing	6
Applicant's Exhibit No. 7, Water Analysis	7
Applicant's Exhibit No. 8, Water Analysis	7
Applicant's Exhibit No. 9, Water Analysis	7
Applicant's Exhibit No. 10, Cross Section	8
Applicant's Exhibit No. 11, Document	9
Exhibits No. 1 thru No. 11, Admitted	11

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MR. STAMETS: Call the next case, Case 6188.

MS. TESCHENDORF: Case 6188, application of Sam D. Ares for salt water disposal, Lea County, New Mexico.

MR. STAMETS: Call for appearances in this case?

MR. KELLAHIN: If the Examiner please, Jason

Kellahin, Kellahin and Fox, Santa Fe, appearing on behlf

of the applicant and we have one witness to be sworn.

(THEREUPON, the witness was sworn.)

H. R. HARRIS

was called as a witness by the applicant, and having been first duly sworn, testified upon his oath as follows, to-wit:

DIRECT EXAMINATION

BY MR. KELLAHIN:

- Q Would you state your name, please?
- A. H. R. Harris.
- Q And where are you located, Mr. Harris?
- A. Midland, Texas.
- Q What business are you engaged in?
- A. Well, I am the President of Saxet Oil Corporation and general operations manager.
- Q Do you in that work do consulting work for other operators?
 - A. That's correct.

Q Have you ever testified before the Oil Conservation

Commission or one of its Examiners and made your qualifications

as an engineer a matter of record?

A. Yes, I have.

MR. KELLAHIN: Are the witness' qualifications acceptable?

MR. STAMETS: Yes, they are.

- Q (Mr. Kellahin continuing.) Could you state just what is proposed by the applicant in this case, Mr. Harris?
- A. Sam D. Ares wishes to apply for an application to convert an old well to a water disposal well on the Zattu-Cushing Lease in Lea County.
- Q Now, have you made a study of the proposal and prepared exhibits in connection with that?
 - A That's correct.
- Q Referring to what has been marked as Applicant's Exhibit Number One, would you identify that exhibit, please?
- A. Exhibit Number One is an exhibit prepared under my direction of the surrounding wells surrounding this Sam D. Ares Zattu-Cushing Lease and shows the various casing programs and so forth.
 - Q This is Exhibit One --
 - A. Oh, is this One? Well. my list has --
- Q. This is Exhibit One and would you identify that, please?

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1	forma	atio	ons.									

- Q What is the radius of the circle of study?
- A That's a half-mile radius.
- Q Now, referring to Exhibit Number Two, that is the tabulation showing on those wells?
 - A. That's correct.
- Q Do you have anything to state in connection with Exhibit Number Two?
 - A. No, I think I have pretty well outlined it.
- Q Now, referring to what has been marked as Exhibit
 Number Three, would you identify that exhibit, please?
- A. It's a schematic drawing of the casing programs and the various perforations in the wells surrounding the Cushing Lease.

MR. STAMETS: I have got some problems with my copies, now. The tabulation is Exhibit Two and the schematics are Three?

MR. KELLAHIN: Yes, that's correct.

- Q (Mr. Kellahin continuing.) Exhibit Four is --
- A. Number Four is the gamma ray neutron log on this well showing the various formations.
 - Q Now, Number Five, would you identify that exhibit?
 - A. Number Five is a cement bond log indicating the

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condition of the cement behind the oil string casing.

- Q. Does that appear to show the cement bond is good and will protect the horizon behind the pipe?
- A. That's true. It indicates as far as we can tell that it does have a good bond.
- Q Now, Exhibit Number Six, would you identify that exhibit?
- A Now, this is a schematic drawing of the proposed disposal well in which we indicate where we will set our plastic lined tubing on a packer and dispose of the produced water through an open hole below the shoe of the six and five-eighths casing at thirty-four sixty-five to a total depth of thirty-five oh five.
 - Q What formation will that be going into, then?
- A. It will be going into the lower water bearing zone of the Seven Rivers.
- Q Is that the same formation in which the produced water is coming from, the upper portion?
- A. The production and the water will be coming from the upper very top of the Seven Rivers and we will be reinjecting it into the very bottom of that.
 - Q That has been done throughout this area has it not?
- A. It is being done now and has been the common practice out there to dispose of your produced water.
 - Q. Will you use a plastic lined tubing?

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A.	Yes.
<i>t</i> 1.	168.

- Q Do you propose to fill the casing tubing annulus with an inert fluid?
 - A. Two percent KCL with a corrosion inhibitor.
 - Q And will you set a pressure gauge at the surface?
 - A. Correct.
- Q. That will assure -- you will know if there are any leaks that will occur in the tubing, is that correct?
 - A. That's correct.
- Now, Exhibit Number Seven, will you identify that exhibit, please?
 - A. This is a water analysis on the produced water.
 - Q Who prepared that water analysis?
- A. I don't have a copy of that. Do you have a copy of that?
 - Q. No.
 - MR. STAMETS: The top of mine says ABJ Laboratories
- A. Oh, that's Byran Jackson, yes. That's who prepared it.
 - Q (Mr. Kellahin continuing.) Exhibits Eight and Nine, would you identify those, please?
 - A. After filing our application we were advised that we should investigate the water in the ranchers' water wells in the area. We obtained samples of the Cooper water well which is located on the Cooper property, in fact, in the old

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Cooper-Jal Cemetery and that well is approximately one hundred and eighty feet deep and according to Mr. Cooper it penetrated the red bed approximately ten feet and is very good water.

- Q And Exhibit Nine is?
- A. Exhibit Nine is a water well on the Post property and it is -- total depth six hundred and fifty feet and producing from the Santa Rosa formation and it looks like it is pretty good water. Both of these wells have been out there for years.
- Q How close are they to your proposed disposal well, approximately?
- A. They are at least a half a mile from the disposal well.
 - Q In excess of half a mile?
- A. Their location is shown on the analysis -- let's see -- the Cooper well will be over a half a mile and so will the Johnny Post well.
- Q Now, referring to what has been marked as Exhibit Number Ten, a cross section, will you discuss that exhibit, please?
- A. Well, in order to get an idea just how the Seven Rivers and the Yates formations -- this is an east-west cross section indicating the top of the Yates formation and the top of the Seven Rivers formation and it indicates that the TP Well No. 4 Cooper appears to be on the peak of the Yates

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and the Seven Rivers tops. The highest well in the area.

The Sam D. Ares No. 2 Well, which is the present producing well, is down dip slightly and the No. 1 Well dropped off considerably on the top of the Yates and the Seven Rivers.

- Now, that is the proposed disposal well?
- A. That will be the disposal well and by disposing of this water I don't see any possibility of contaminating any other producing zones or anything of that type.

Of course, as you go further west, why, the Reese and Yates continue to drop off.

- Q. Now, referring to Exhibit Number Ten, would you identify that exhibit?
 - A. Which one is that?
 - Q Number Eleven, I am sorry.
- A. This is a proposal of the estimated amount of water to be disposed of in volume. Now, the Sam D. Ares well will have approximately eight hundred and fifty barrels a day when it is completed in the lower zone. It is presently completed as a gas well and we had to do that because we didn't have a disposal well available.

So, we plugged it back. It was originally completed as an oil well but it was making so much water and the cost of hauling that water, which is forty-eight cents a barrel, was prohibitive to continue to produce a small oil well.

So, it was plugged back and it is now making

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approximately four hundred and fifty barrels of water per month and we are hauling that water at this time. That's primarily the reason for converting this well to a disposal well.

Then, we can recomplete this well in the lower zone and pick up our oil and gas. It is making no oil now.

- Q Will that enable Sam Ares to produce oil that would not otherwise be recovered?
- A. That's right. We are not producing any oil right now.
- Q And it will prolong the life of this well, is that correct?
- A. That's correct. TP and Phillips who have offset wells are producing this oil at this time which we have a forty acre lease there and we feel like they are draining our oil.
 - Q What are they doing with their water?
- A. Phillips has their own water disposal well similar to what -- they are disposing under the same system that we are proposing.
 - Q. In the same zone?
- A. Same zone. Now, TP at present is hauling their water and when we first proposed this we talked to them and they indicated that they wated to use the facilities and estimated that they would have approximately fifteen hundred barrels of

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oil per day.

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Q Is that shown on Exhibit Number Eleven?

A. Right.

Q What is the total you have on the estimated amount of water to be disposed of?

A. Two thousand three hundred fifty barrels per day.

Q What kind of pressure do you anticipate there will be on this well to take that amount of water?

A. It will be on a vacuum.

Q As the well is completed and as the offset wells are completed and cemented do you see any possibility of contamination of either producing zones or other zones including fresh water?

A. I do not.

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

A. That's correct.

MR. KELLAHIN: At this time we offer Exhibits One through Eleven.

MR. STAMETS: These exhibits will be admitted.

MR. KELLAHIN: That's all we have, Mr. Stamets.

CROSS EXAMINATION

BY MR. STAMETS:

Q Mr. Harris, on Exhibit Number Six, which is the

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schematic of the injection well, there are two sets of perforations shown above the packer?

- A. That's correct.
- Q Have these been squeezed?

A. They haven't but they will be when we see -- see, we haven't done anything to this well. Of course, the first thing that we will do is we will go in and squeeze off all of our upper perforations and cleanout to TD. At the present time it is plugged back to thirty-four ninety-seven, and we will cleanout to total depth, thirty-five oh five, and establish our rate of disposal.

Then, proceed to run our plastic coated tubing and packer and fill our annulus with KCL water and a corrosion inhibitor.

Q Now, the cross section, Exhibit Number Ten, indicates that this is an old producing zone. When was this abandoned?

A. It was abandoned, the lower zone open hole, it was abandoned, oh, I would say -- we were not operating it when it was abandoned.

When Sam Ares acquired it, it wasn't producing then.

Mobile Oil or the old Magnolia Petroleum had it originally

and they first produced the lower zone and then plugged it

back. They did this plug-back here to thirty-four ninety
seven -- the cement and so forth -- and produced the open hole

there for awhile and then it got down to where it was making

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all water and no oil and they eventually sold the lease to Sam D. Ares.

- Q. Is this a deeper zone than most of the wells in the area are producing from?
- A. Yes. The open hole zone is the old original pay that they had out there which has been turned to water on all of the wells. At this time all of the companies are either perforating the Yates, the Yates Dolomite, or the very extreme top of the Seven Rivers.

Sometimes if you have got a good cement job you can perforate that very top porosity and then you can get a well that will produce I'll say twenty to thirty percent oil and the rest water.

Now, Phillips is running Rita pumps out there which produce twenty-eight to three thousand barrels a day and of course moving a lot of oil.

But if it wasn't for the fact that you can dispose into the lower reefon a vacuum, it would be hard to justify the economics of pumping some of those wells.

- Q. So, Phillips is actually producing this zone in this general vicinity?
- A. The very top of the Seven Rivers, not the lower zone that we are injecting. As far as I know, no one is producing the lower zone because it is all water.
 - Q. Now, Mr. Harris, I am looking at Exhibit Number

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Three, and just taking the top one, for example, we have got a five-sack cement plug in the base of some seven inch pipe there at about thirty-four seventy-five, and if this were a high-pressure injection system that might be a little suspect in itself.

If you have got a vacuum system out there perhaps an inadequate plug like this would it cause any problem?

- A. I wouldn't think so. They have been injecting in this zone down on the Ogg Lease and Sam Ares has another disposal well already been there for several years and we just haven't encountered any on a vacuum, it is just gone.
- Q So, you really don't anticipate any injection pressure at all and if the order that was issued limited you to injection on a vacuum you would be satisified?
 - A. That's correct.

MR. STAMETS: Any other questions of the witness?

He may be excused. Anything further in this case?

MR. KELLAHIN: That's all.

MR. STAMETS: The case will be taken under advisement.

(THEREUPON, the case was concluded.)

REPORTER'S CERTIFICATE

I, SIDNEY F. MORRISH, a Certified Shorthand Reporter,

do hereby certify that the foregoing and attached Transcript

Hearing before the New Mexico Oil Conservation Commission

was reported by me, and the same is a true and correct record

the said proceedings to the best of my knowledge, skill and

ability.

Sidney F Morrish, C.S.R.

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and, end	4.1.82 15326 U.S. M.I. C.A. Plemmons, A. Mes. J.E. Watkins, etal, S	R.E. 15 17 R.W. May Mrs JE Walking Gorron Chall	May Woodwarth, Est. etal 02765	Sales Energy Carriering	(Tiber Ingly ire	C D. Weelmarth 25	Navises will Joes Jack	4. L. Straine
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	1995	Momie L. 15044	([exoco)	اي ا	• • • • •	COLOR LEGEND		
eKibbon elol	Stote Texaco				. 1.2 . m	Exhibit 1	Type of We	ell
	HBP 053646	Texaco El Paso Nat. HBP 5-1-61	Et Pose 1 Piot Park	Form. Ja	<u>ation</u> lmat	_	Injectic	n
Minas dividadi			14167 1364 C 23 17 165 7 31 17 11.33 17	La	nglie Matti x	_	Salt Water Su	er Disposal
Minas dividus Superior 5 1 5 1	1 1.			8∞ Cπ	ster Ellenburger			
	Francisco e en mario de la compagnica de l La compagnica de la comp	en Bernard (1985), en l'Arage que el personne de la compact de la compac	L veta fee 1 3 . G. W.	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	1 Periodetalett see t	US MI	TOO TOO	Chientes Texas Instruments
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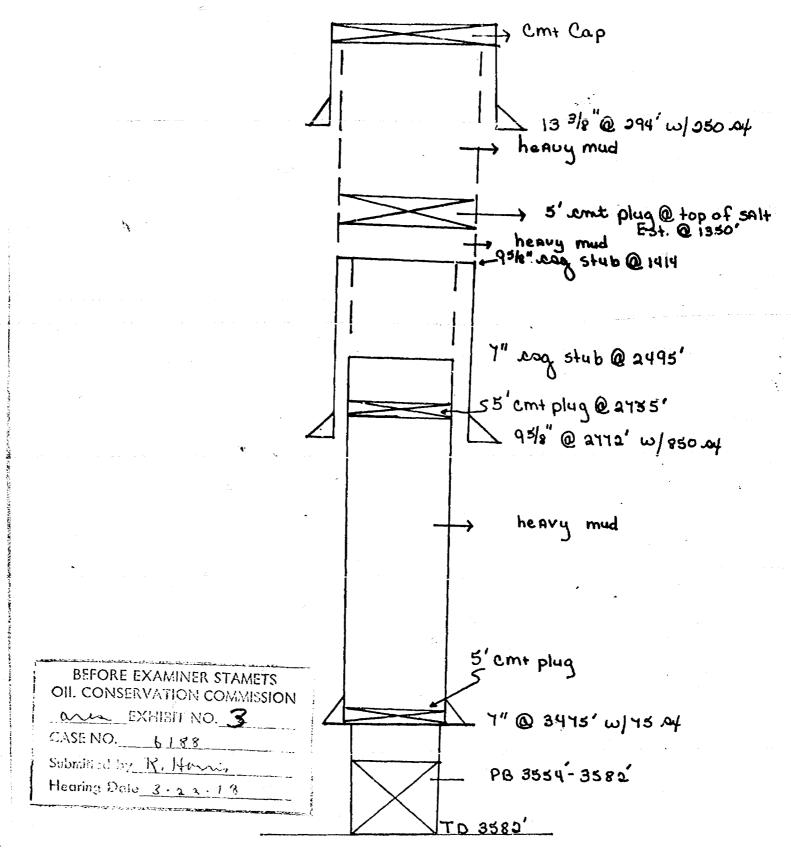
BEFORE EXAMINER STAMETS OIL CONSERVATION COMMISSION EXHIBIT NO. 3 CASE NO. 5 73 Submitted by R. 122-78 Hearing Date 3 7 2-78 Hearing Date 1 2-78 Lease

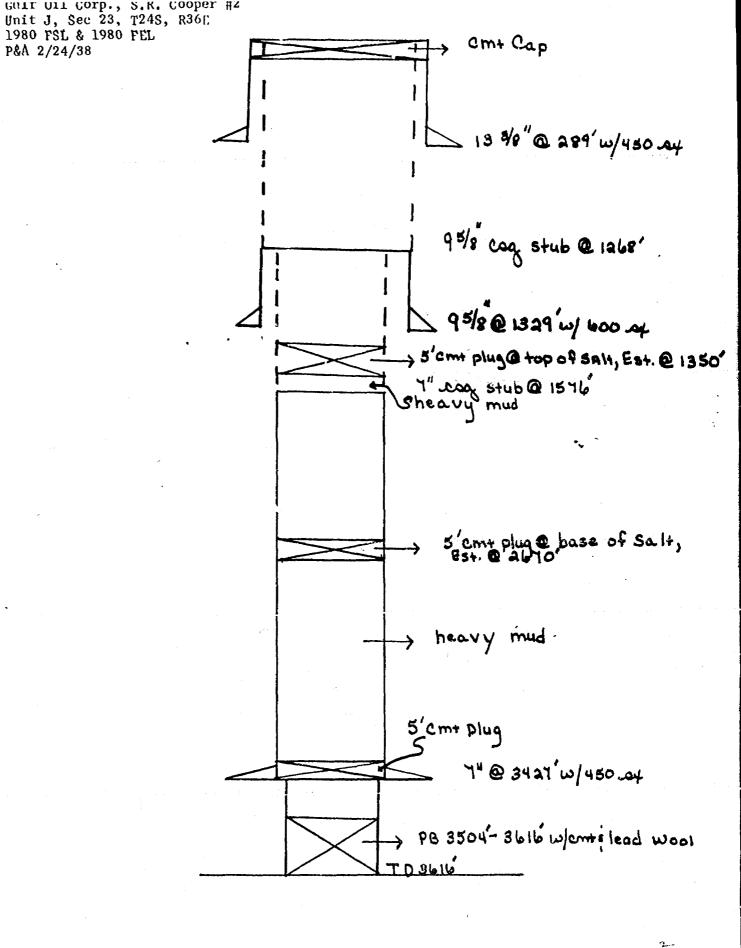
A TABULATION
OF WELLS WITHIN 1/2 - MILE
OF
SAM D. ARES - ZATTU CUSHING NO. 1

S. Frite	Submitted by K. Key	\ 							
Opera or Hearing Date	Date 3.22-78	We 1.	Unit Casing	Depth Set	Sacks Cement	Cement,	Total Depth	Producing Interval	Footage
Sam D. Ares	Zattu Cushing	\	8 5/8 5 1/2	444 3230 ~	.175 550	Circ 2200	3234	3172 - 3176	2310 FNL & 2310 FWL, 23-248-35E
Continental Oil	Gates A-23	 	13 3/8 9 5/8	258 1689 3470	150 600 400	Circ 400 2675	3515	ОН 3470-3515	660 FNL & 1080 FWL, 23-248-363
Gulf Oil	S. R. Cooper		13 3/8 9 5/8 7	294 2772 3475	250 850 75	Circ 1414 2495	3582	ОН 3475-3582	1980 FNE & 1980 FEE. 23-245-36E
Gulf Oil	S. R. Cooper	 to	13 9 5/8 7	289 1329 3427	250 600 450	Circ 1268 1576	3616	3130-3230 3230-3616	1980 FSL & 1980 FEL. 23-248-36E
Humble Off	S. R. Cooper		12 1/2 9 5/8 7	316 2764 3535	175 650 200	Circ Circ 1810	3572	3559-3572	660 FNL & 1980 FEL, 23-248-36E
Phillips Pet.	C. D. Woolworth		12 1/2 9 5/8 7	317 1415 3445	300 300 300	Circ 408 2661	3503	OH 3445-3503	2310 FSL & 330 FWL, 23-248-36E
Phillips Pet.	C. D. Woolworth	. 2	12 1/2 9 5/8 7	305 1401 3468	275 200 300	Circ 331 2361	3503	ОН 3462-3503	2310 FSL & 1650 FWL, 23-248-36E
Phillips Pet.	C. D. Woolworth	ω Fn	12. 1/2 9. 5/8 7	303 1390 3468	200 300 300	Circ 951 2408	3512	ОН 3468-3512	2310 FNL & 339 FWL, 23-24S-36E
Phillips Pet.	C. D. Woolworth	7	12 1/2 7 5/8 5 1/2	z 13 2900 3472	150 700 100	Circ Circ 2275	3500	ОН 3472-3500	660.4 FSL & 1990 FWL, 23-24-36E

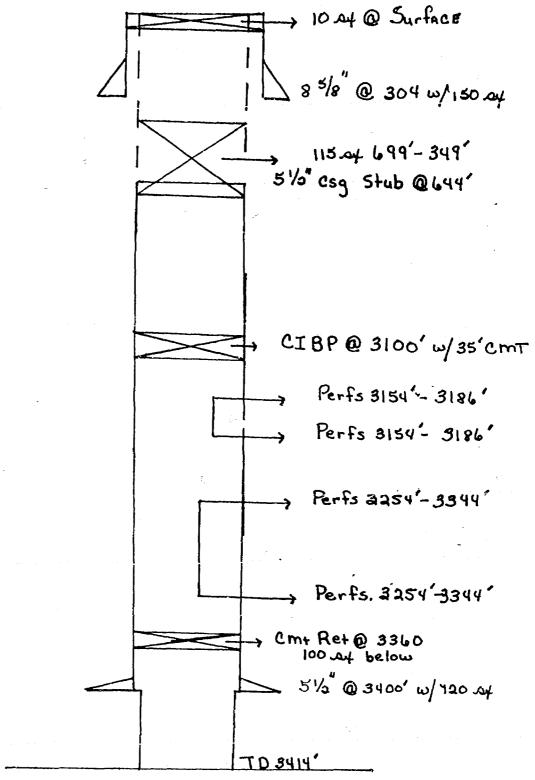
Operator	Lease	Well No.	l . Unit	Casing	Depth Set	Sacks	Cement Top	Total Depth	Producing Interval	Footage
Phillips Pet.	C. D. Woolworth		ド	8 5/8 5 1/2	419 3192	300 300	Circ 2200	3192	3152-3157	1980 FSL & 1980 FWL, 23-245-36E
Reserve Oil & Gas	Cooper Ja! Uni,t	237	0	13 3/8 9 5/8 7	308 2789 3470	130 800 175	Circ , Circ , 1953	3602	ОН 3470-3602 .	660 FSL & 1980 FEL, 23-245-36E
Texas Pacific	S. R. Cooper	tu -	. L	8 5/8 5 1/2	1245 3300	750 400	Circ 1000	3300	3124-3149	2310 FSL & 2310 FEL, 23-24S-36E
Texas Pacific	S. R. Cooper	4	ဂ	13 3/8 o 5/8	40 1266	Redi-Mix Surface 600	Circ			
Texas Pacific	S. R. Cooper "A"		හ	13 3/8	40	Redi-Mix	Circ			
				8 5/8 2 3/8	1239 3043	650 1250	Circ	3300	3105-3166	990 FNL & 2610 FEL, 23-248-363
vorldwide Energy	o. I. Gates	.	Ð	10 3/4 7 5/9 5 1/2	250 1840 3450	300 500 400	Circ Circ	3514	3500-3510	660 FNL & 660 FWL, 23-248-36E
J. R. Come	Mobil Myers	4	н	8 5/8 5 1/2	304 3400	150 720	Circ 644	3414	OH 3400-14	1980 FSL & 660 FEL, 22-248-360
Scony Mobil 011	Myers Permit		₽÷i	10 8 5/8 6 5/8	1315 2968 3498	100 150 75	411 1380 2105	3509	Perf- 3116-3455 OH 3498-3509	2310 FSL & 330 FEL, 22-24S-36E
Stanolind Oil	Myers "A"	, -	JI:	16 9 5/8 7	240 2985 3472	175 225 150	Circ 450 2040	3.514	ОН 3472-3514	2310 FNL & 330 FEL, 22-24S-36E
Chompson & Cone	Pan-American Myers		ж	8 5/8 5 1/2	286 3573	200 400	Circ 2490	3501	3250-3360	.1650 FNL & 330 FEL, 22-24S-36E

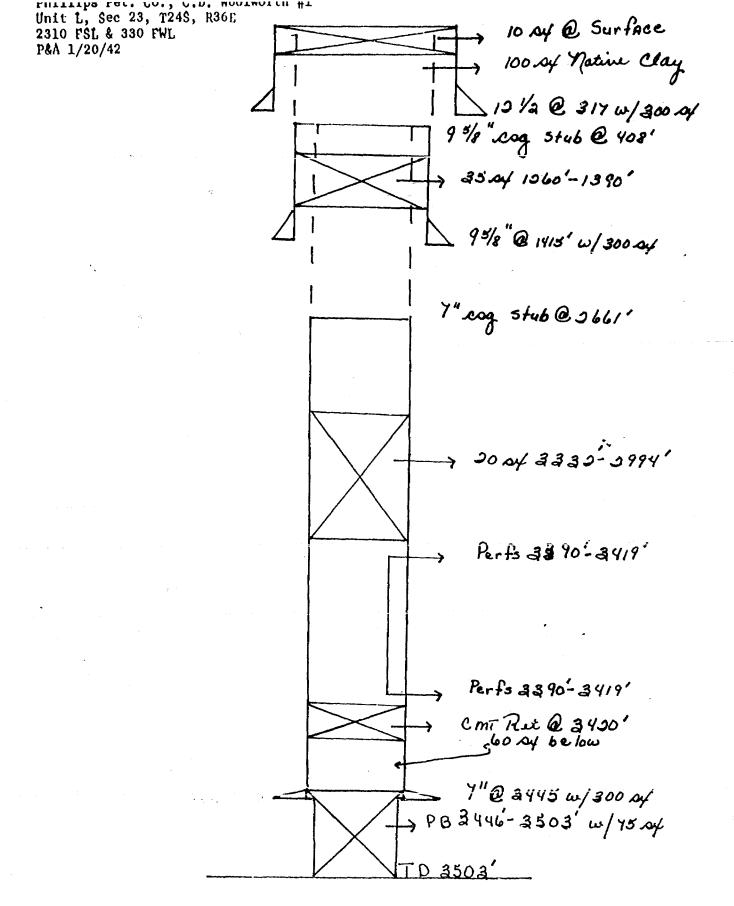
1980 FNL & 1980 FEL P&A 8/23/38





Unit I, Sec 22, T24S, R36E 1980 FSL & 660 FEL P&A 11/26/74





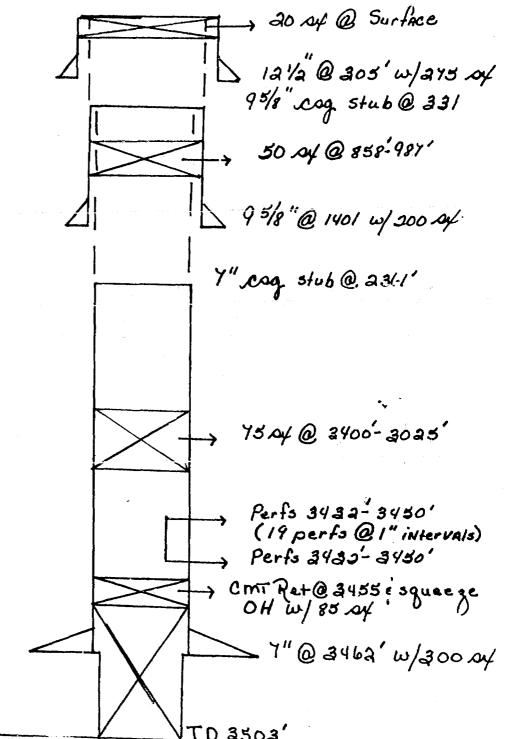
l

unit E, Sec 23 T248, R30E 2310 FNL & 339 FWL P&A 12/31/41 10 Ay @ Surface 12 1/2 @ 303 w/ 200 A4 9 5/8" coa stub @ 951' 30 pt 1300-1374 4 5/8" @ 1390' w/ 300 sof 7" coa stub @ 2408' 20 AJ 3357- 3244' Perfs 3300'- 3413' C:NT Ret @ 3357 w/ 100 Ay Perfs 3300-3413'
Cmī Re+@13415 w/60 exp
Perfs 3416-3453' Perfs 3416-3453' 4000 W 89 h E @ " F -

TD 3512

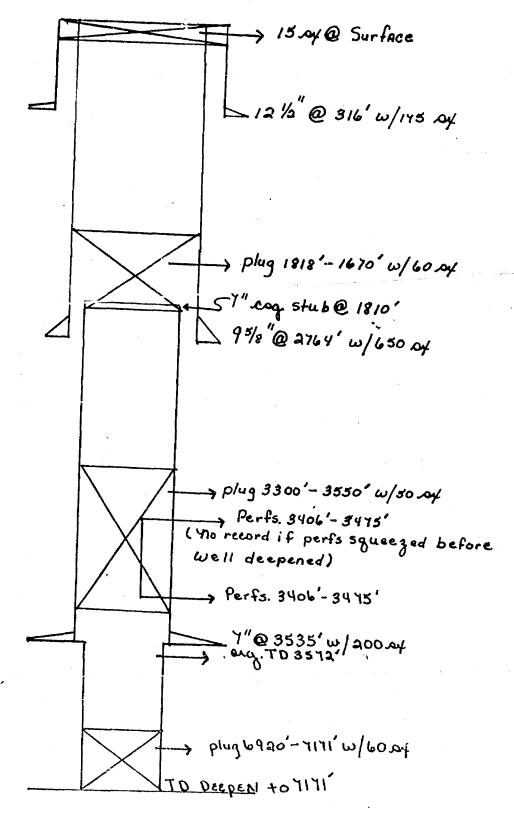
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Unit K, Sec 23, T24S, R36E 2310 FSL & 1650 FWL P&A 2/15/45

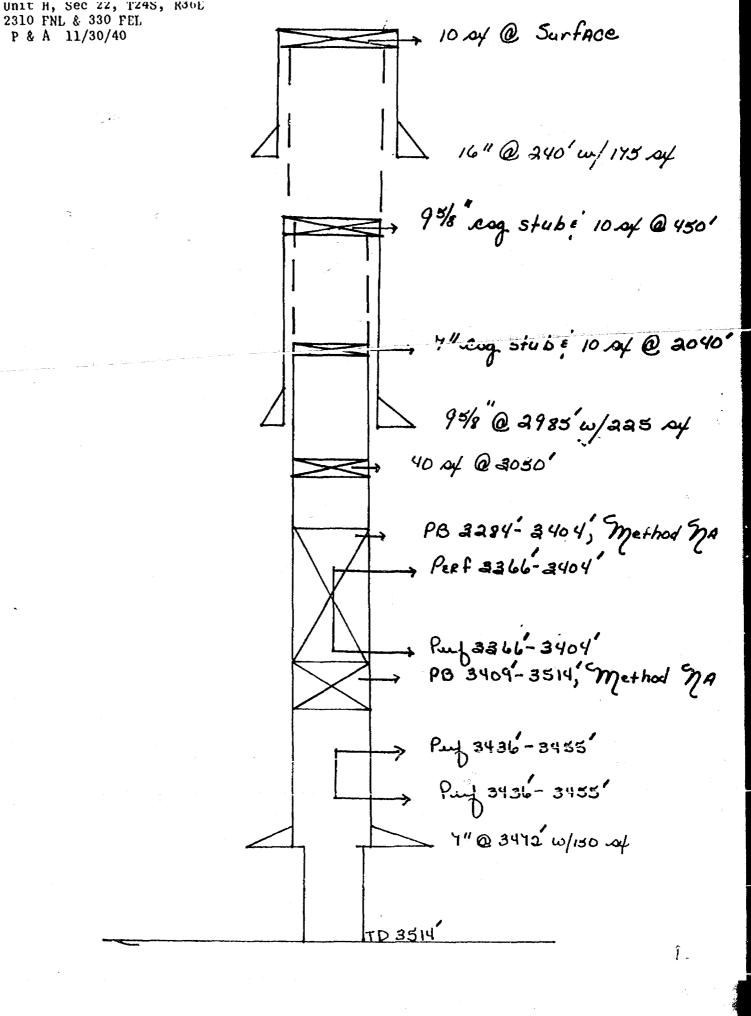


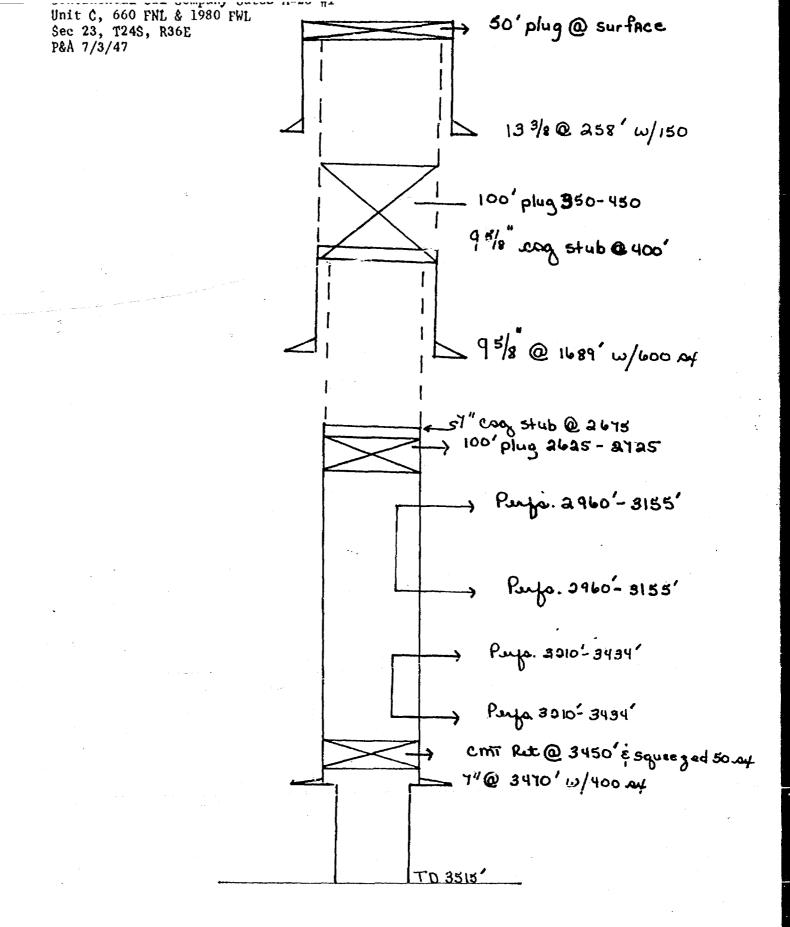
Unit I, Sec 22, T24\$, R36E 2310 FSL & 330 FEL 25 At @ Surface 140 Af 348'-461' 111 @ duta pas" 01 10" @ 1315 W/ 100 Ay -> 40 DY 1318'- 1425 8 5/8 coa stub @ 1380' > 35 pt 2122,-1884, > 189 @ 30 pg, m/ 120 pt + Perfs. 3116-3330 - Squeezed total 350 pt Perfs. 3116-3330 , CMT Ret @ 3350 -> Perfs. 3363'-3373'
-> Perfs. 3363'-3373' + Squeezed total 650 py > Perfs. 3395'-3398 >> Perfs. 3400'-3445' org. TD 3438 + Perfs 3400' - 3445 Perfs 5455- 5485' > Perfs 3455- 3485' . plug back to 3485, method NA = 6 3/8" @ 3498' ω/75 ργ TD-Despen to 3509' 7.

P&A 2/15/64



4





O Pressure Gauge ► 10-3/4" @ 1267 w/200 sx - Annulus loaded w/2 KCl water ≥ 8 5/8" @ 2825 w/350 sx Perf 3030-41 To be squeeze - 3050 Top good cement by Bond Log Perf 3210-16, squeeze w/600 sx, re-perf / 3210-14 2 3/8" plastic coated tubing set on Baker loc-set packer @ 3250 **⊳** 6 5/8" ⊌ 3465 w/կ00 sx PB 3497 TD 3505 BEFORE EXAMINER STAMETS OIL CONSERVATION COMMISSION are EXHIBIT NO. 6 Proposed Salt Water Disposal Well CASE NO. 6188 Submitted by R. Howio Hearing Date___

Sam D. Ares

Zattu Cushing No. 1

2310' FNL 1650'FWL Sec. 23, T24S, R368

A BJ LABERATERY REPERT

BYRON JACKSON INC.

SUBJECT

: WATER ANALYSIS

FORMATION : YATES

C @MPANY: SAXETT

LEASF: --- Zatto Cushing

WELL NO:1

.WELL DEPTH: 3200 + FEET

COUNTY: LEA

STATE : TEXAS

FIELD: CUSHING

PU REP: JOE BURCHEIFLD

DATE:8-21-73

SPECIFIC GRAVITY: 1-008-

PRINCIPAL CONSTITUENTS

		RFACT	ING VALUE	
RADICAL	PARTS PER MILLION	FOUTVALENTS PER	MILLIEN PERCENT	
SEDIUM	1704.	74.41	29.87	
CALCIUM	. 47 4 .	23.64	9.19	
MAGNESIUM	314+	25.RI	10.36	
IRON	20.	0.71	0.29	
CHLEPIDE	2579•	72.71	29.20	
SULFATE	1587 •	33.02	13.25	
BICARBONATE	1147.	18.82	7.55	
CARBONATE- *	• O • ·	0.		
HYDRØXIDE	0.	0.	0.	

REACTION VALUE

PERCENT

PRIMARY SALINITY: 59.73
SECONDARY SALINITY: 25.16
PRIMARY ALKALINITY: 0.
SECONDARY ALKALINITY: 15.11

GENERAL REMARKS:

BEFORE EXAMINER STAMETS
OIL CONSERVATION COMMISSION

EXHIBIT NO. 7

CASE NO. 188

Submitted by R House

Hearing Date 3.23.78

LAR. NO. :7027
DISTRICT :0DFSSA
ANALYZED BY :JKP
DISTRIBUTION:JB

SIGNED J. K. Parker

WOLF PETRO LAB, INC. DIAL EMERSON 6.9701 DIAL EMERSON 6.7171 2411 WEST 42ND STREET

Analyzed By:

P. O. BOX 643 ODESSA, TEXAS

79760

WATER ANALYSIS

	t Oil
Charge Cor	poration
Test No. WP	L-78-231
Date of Run_	3-5-78
Date Received	2 2 7 7

	from Water Well - C, R-36-E TD-180',				
Secured from	, 1, 55 25		neased round		
At Lea Co	ounty, New Mexico		Secured by	S. Ares	
Purpose			Time	Date	
Sampling Conditions:					
C	ONSTITUENTS REPORTED AS F	PARTS PER MILLION	UNLESS OTHERWISE :	SPECIFIED	
P Alkalinity CaCO, _	4	Dissolved	Oxygen O:		·
Total Alkalinity CaCO	270	Free Car	bon Dioxide CO,	0	
Chloride Cl	100	Hydroger	n Sulfide H ₂ S	0	
Calcium Ca CO3	182	Chromate	e CrO,		<u>-</u> -
Magnesium MgCC	78	Mangane	se Mn		
Sulfate SO,	580	Sodium -	- Na	328	
Total Hardness CaCO	260	Carbonat	e CO,	1	
	<u></u>				
	.04			•	
Total Iron (Oil)			Gravity @ 60		
Total Holl (Oll)		COUPON DATA			
Coupon No.	Initial Wt. Grams	Test Period	Terminal Wt. Grams	Wt. Loss Grams	
				AMINER STAMETS ATION COMMISSION	
Average Corrosion Rate	MPY: Coupon No.		EXI-	HBIT NO	
Average Corrosion Rate	MPY: Coupon No.		CASE NO. 6	188	,
Description of Corresion			Submitted by	R Harris	
Description of Corresion.			Hearing Date_	3.22.78	
Copies To: 4-Saxet	Oil Corporation	1-File			L
міdla	Box 187 ind, Texas 79701		Analyzed By:		

WOLF PETRO LAB, INC. DIAL EMERSON 6-9701 DIAL EMERSON 6-7171 2411 WEST 42ND STREET

P. O. BOX 643 ODESSA, TEXAS

WATER ANALYSIS

Saxet Oil -Charge Corporation
Test No. WPL-78-230
Date of Run 3-5-78
Date Received 3-3-78

A Sample of Water fr T-24-S, R-3	om Water Well -	Post Property, Producing Fro	- Located in t m the Santa Ro	the NE/4, Sec.22,
Secured from	•	•		
At Lea Coun	ty. New Mexico		Secured by	S. Ares
Purpose			_ Time	Date
Sampling Conditions:				
CONSTIT	ruents reported as p	ARTS PER MILLION UN	LESS OTHERWISE SP	ECIFIED
P Alkalinity CaCO,	5	Dissolved O	xygen O,	
Total Alkalinity CaCO,	260	Free Carbon	n Dioxide CO,	0
Chloride Cl	105	Hydrogen S	Sulfide H ₂ S	0
Calcium Ca CO3	155	Chromate -	- CrO,	
Magnesium Mg CO3	55	Manganese	Mn	
Sulfate SO,	550	Sodium I	Na	337
Total Hardness CaCO,	210	Carbonate -	- 00,	1
Silica SiO ₂	<u> </u>	Bicarbonate	e HCO,	156
Alumina - Al ₂ O ₃		Total Dissol	lved Solids	1462
Phosphate PO.		pH @	0 °F	8.20
Total Iron (Water)	.03	Specific Co	aductance Micromhos	1624
Total Iron (Oil)		Specific Gra	vity @ <u>60 </u> °F	1.0030
		COUPON DATA		
Coupon No.	Initial Wt. Grams	Test Period	Terminal Wt. Grams	Wt. Loss Grams
		· · · · · · · · · · · · · · · · · · ·		
			1	CAMINER STAMETS VATION COMMISSION
Average Corrosion Rate MPY: (Coupon No.			HIBIT NO. 9
Average Corrosion Rate MPY: (Coupon No.			5188
Description of Corrosion			Submitted by	R. Horris
			Hearing Date	3-22.78
	1 Corporation	1-File	personal constant and a second	act to the same to
P.O. Box Midland,	187 Texas 79701		Analyzed By:	

Sam D. Ares Zattu Cushing No. 1

Injection Pressure: None - vacuum

Formation: Seven Rivers Reef

Estimated Volume: 2350 barrels per day

Source of water:

Operator	Lease	Daily Volume
Sam D. Ares	2. Cushing	850 Barrels
Texas Pacific Oil Company	S. R. Cooper	1500 Barrels 2350 Barrels

1/0%	BEFORE EXAMINER STAMETS
Ì	OIL CONSERVATION
	DICE NO hIVE
į	R. Harris
•	3.22.78 Hadrag Dillo 3.22.78

A TABULATION
OF WELLS WITHIN 1/2 - MILE
OF
OF
SAM D. ARES - ZATTU CUSHING NO. 1

								: . •		
Operator	Lease	Well No	Uni t	Casing	Depth Set	Sacks Cement	Cement, Top	Total Depth	Producing Interval	Footage
Sam D. Ares	Zattu Cushing	2	ÞΙJ	8 5/8 5 1/2	444 3230	175 550	Circ 2200	3234	3172 - 3176	2310 FNI & 2310 FWL, 23-24S-36E
Continental Oil	Gates A-23)d	O	13 3/8 9 5/8	258 1689 3470	150 600 400	Circ 400 2675	3515	ОН 3470-3515	660 FNL & 1980 FWL, 23-248-36E
Oulf Oil	S. R. Cooper	;~ -	6	13 3/8 9 5/8 7	294 2772 3475	250 850 75	Circ 1414 2495	3582	OH 3475-3582	1980 FNL & 1980 FEL. 23-248-36E
Gulf Oil	S. R. Cooper	. 10	Ċ,	? 9 5/8 7	289 1329 3427	250 600 450	Circ 1268 1576	3616	3130-3230 3230-3616	1980 FSL & 1980 FEL. 23-248-36E
Humble Oil	S. R. Cooper		₩ ₩	12 1/2 9 5/8 7	316 2764 3535	175 650 200	Circ Circ 1810	3572	3559-3572	660 FNL & 1980 FEL, 23-248-36E
Phillips Pet.	C. D. Woolworth	· p	۳	12 1/2 9 5/8 7	317 1415 3445	300 300	Circ 408 2661	3503	ОН 3445-3503	2310 FSL & 330 FWL, 23-24S-36E
Phillips Pet.	C. D. Woolworth	; 2	*	12 1/2 9 5/8 7	305 1401 3468	275 200 300	Circ 331 2361	3503	ОН 3462-3503	2310 FSL & 1650 FWL, 23-24S-36E
Phillips Pet.	C. D. Woolworth	W	tri	12 1/2 9 5/8 7	303 1390 3468	300 300	Circ 951 2408	3512	ОН 3468-3512	2310 FNL & 339 FWL, 23-24S-36E
Phillips Pet.	C. D. Woolworth	7	z	12 1/2 7 5/8 5 1/2	Z13 2900 3472	150 700 100	Circ Circ 2275	3500	ОН 3472-3500	4
									•	

(1)9

Operator	Lease	Well No.	ll b. Unit	Casing	Depth	Sacks	Cement Top	Total Depth	Producing Interval	Footage 2	
Phillips Pet.	C. D. Woolworth	17	ァ	8 5/8 5 1/2	419 3192	300 300	Circ 2200	3192	3152-3157	1980 FSL & 1980 FWL, 23-24S-56E	
Reserve Oil & Gas	Cooper Jal Unit	237	3	13 3/8 9 5/8 7	308 2789 3470	130 800 175	Circ ,	3602	он 3470-3602 .	660 FSL & 1980 FBL, 23-245-3(E	
Texas Pacific	S. R. Cooper	 ω	C,	8 5/8 5 1/2	1245 3300	750 400	Circ 1000	3300	3124-3149	2310 FSL & 2310 FEL, 23-248-56E	
Texas Pacific	S. R. Cooper	4	O.	13 3/8	40 ·	Redi-Mix Su r face	Circ	e			
				5 1/2	3302	950	Circ	3302	3106-3175	2310 FNL & 2310 FEL, 23-245-16E	
Temas Pacific	S. R. Cooper "A"		w		40	Redi-Mix Surface	irc				
				2 3/8	1239 3043	550 1 25 0	Circ	3300	3106-3166	990 FNL & 2610 FEL, 23-245-36E	
Worldwide Energy	R. I. Gates		1 D	10 3/4 7 5/8 5 1/2	250 1840 3450	300 500 400	Circ	3514	3500-3510	CONTRACTOR OF SECTIONS OF SECTIONS	
J. R. Come	Mobil Myers		⊬ -1	S 5/8 5 1/2	3400	150 7 2 0	Circ 644	3414	OH 3400-14	1980 FSL & 550 FEL, 22-248-36E	
Scony Mobil 011	Myers Permit		н	10 8 5/8 6 5/8	1315 2968 3498	100 150 75	411 1380 2105	3509	<pre>perf- 3116-3455 OH 3498-3509</pre>	2310 FST & 330 FEL, 22-248-36E	
Stanolind Oil	Myers "A"	1	3 .	16 9 5/8 7	240 2985 3472	175 225 150	Circ 450 2040	3514	OH 3472-3514	2310 FNL & 330 FEL, 22-248-365	
Thompson & Cone	Pan-American Myers	, 	æ	8 5/8 5 1/2	.286 3573	200	Circ 2490	3501	3250-3360	1650 FNL & 330 FEL, 22-24S-36.3	5

P.819 2003)

CASE 6184: Application of Mesa Petroleum Company for compulsory pooling, Eddy County, New Mexico.

Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the E/2 of Section 24, Tornship 18 South, Range 24 East, 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 and 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.

CASE 6185: (This Case will be dismissed)

Application of Mesa Petroleum Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the W/2 of Section 32, Township 18 South, Range 35 East, Lea 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.

CASE 6186: Application of Sun Production Company for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 320-acre non-standard gas proration unit comprising the NE/4 of Section 20 and the NW/4 of Section 21, both in Township 22 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico, to be dedicated to applicant's Boren & Greer Gas Unit Well No. 2 to be located 890 feet from the North line and 1780 feet from the West line of said Section 21.

CASE 6187: Application of Continental Oil Company for downhole commingling, Lea County, New Mexico.

Applicant, in the above-styled cause, seeks approval for the downhole commingling of Elinebry and Drinkard production in the wellbore of its Hawk B-1 Well No. 1 located in Unit F of Section 9, Township 21 South, Range 37 East, Lea County, New Mexico.

CASE 6170: Application of Aminoil USA, Inc., for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for its Westlake Unit Area comprising 1920 acres, more or less, of State lands in Township 24 South, Range 33 East, Lea County, New Mexico.

CASE 6188: Application of Sam D. Ares 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 through the open-hole interval from 3465 feet to 3497 feet in his Zattu Cushing Well No. 1 located in Unit F of Section 23, Township 24 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico.

CASE 6189: Application of Merrion & Bayless for downhole commingling, Rio Arriba County, New Mexico.

Applicant, in the above-styled cause, seeks authority to commingle Pictured Cliffs and Mesaverde production in the wellbore of its North Lindrith Com Well No. 2, to be drilled in the NW/4 of Section 20, Township 26 North, Range 2 West, Rio Arriba County, New Mexico.

JABON W+ KELLAHIN ROBERT E. FOX W. THOMAS KELLAHIN

KELLAHIN and FOX ATTORNEYS AT LAW BOO DON GASPAR AVENUE P. O. BOX 1769 SANTA FE, NEW MEXICO 87501

February 20, 1978



Mr. Joe Ramey, Director Oil Conservation Commission P. O. Box 2088 Santa Fe, New Mexico 87501

Re: Sam D. Ares, Application for Salt Water Disposal, Lea County, New Mexico

Dear Mr. Ramey:

Enclosed please find the application for Sam D. Ares. We would appreciate this being set for the March 22, 1978 hearing.

ery trul pours,

W. Thomas Kellahin

WTK:kfm

Enclosure

OIL CONSERVATION COMMISSION OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF SAM D. ARES, FOR SALT WATER DISPOSAL, LEA COUNTY, NEW MEXICO

APPLICATION

COMES NOW Sam D. Ares and applies to the Oil Conservation Commission of New Mexico for authority to convert his Zattu Cushing No. 1 well to salt water disposal and in support thereof would show the commission:

- 1. That Applicant seeks permission to convert his Zattu Cushing No. 1 well to salt water disposal said well being located 2310 feet from the North line and 1650 feet from the West line of Section 23, T24S, R36E, NMPM, Lea County, New Mexico for the injection of fluids into the Seven Rivers formation.
- 2. Applicant attaches hereto and incorporates by reference Exhibit "A" being all the required exhibits to be submitted in accordance with proposed Rule 701 of the Commission Rules.
- 3. That the establishment of the salt water disposal well will not impair the correlative rights of others.

WHEREFORE applicant respectfully requests this matter be set for hearing before the Commission's duly appointed examiner and that after notice and hearing as required by law, the Commission enter its order approving the application as requested.

Respectfully submitted,

SAM D. ARES

Kellahin & Fox P. O. Box 1769

Santa Fe, New Mexico 87501

ATTORNEYS FOR APPLICANT

BEFORE THE

OIL CONSERVATION COMMISSION OF NEW MEXTCO

IN THE MATTER OF THE APPLICATION OF SAM D. ARES, FOR SALT WATER DISPOSAL, LEA COUNTY, NEW MEXICO



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SAM D. ARES

Kellahin & Fox P. O. Box 1769

Santa Fe, New Mexico 87501

ATTORNEYS FOR APPLICANT

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. 6188

Order No. R- 5690

G V

APPLICATION OF SAM D. ARES 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 March 22, 1978, at Santa Fe, New Mexico, before Examiner, Richard L. Stamets

NOW, on this day of , 1978 , 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, Sam D. Ares
 , is the owner and operator of the Zattu Cushing Well No. 1
 , located in Unit F of Section 23 , Township 24 South , Range 36 East , NMPM, Jalmat Gas 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 3,465 feet to 3,497 feet.
- (4) That the injection should be accomplished through

 2 3/8 —inch plastic lined tubing installed in a packer

 set at approximately 3250 feet; that the casing-tubing annulus should be filled with an inert fluid; and that a pressure gauge or approved leak detection device should be attached to the

annulus in order to determine leakage in the casing, tubing, or packer.

- with a pressure or acceptable substitute which will no hister than hydro state on the injection well to no more than 700 psi.
- the Hobbs district office of the Commission of the date and time of the installation of disposal equipment so that the same may be inspected.
- (7) That the operator should take all steps necessary to ensure that the injected water enters only the proposed injection interval and is not permitted to escape to other formations or onto the surface.
- (g) 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 app	licant,	Sam D. Ar	es		
is hereby	authorized t	o utilize :	its Zatt	u Cushi	ng Well No	. 1 ,
located in	n Unit F	of Section	23 G T	ownship	24 South	
Range 36	East,	NMPM,	Jalmat Gas	Pool		
Lea	County,	New Mexico	, to dispo	se of p	coduced sa	lt
water into	the Seven	Rivers		· 	Formation,	injec-
tion to be	e accomplishe	d through		2	78	inch {
tubing ins	stalled in a	packer set	at approx	imately	3250	feet,
with injec	ction into th	e open-hol	<u>e</u> interv	al from	approxima	tely
3.465	feet to 3,	497 feet	t:			

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 shall be equipped with an approved leak detection device in order to determine leakage in the casing, tubing, or packer.

-3-			
CASE	NO.		

- (2) That the injection well or system shall be equipped

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 with a pop-off valve or acceptable substitute which will

 formation injection in the

 limit the wellhead pressure on the injection well to no

 more than 700 poi. Ay does the pressure.
- (3) That the operator shall notify the supervisor of Dillersus Division the Hobbs district office of the Commission of the date and time of the installation of disposal equipment so that the same may be inspected.
- (4) That the operator shall immediately notify the super-Division's visor of the Commission's Hobbs district office of the failure of the tubing, casing, or packer, in said well or the leakage of water from or around said well and shall take such steps as may be timely and necessary to correct such failure or leakage.
- (5) That the applicant shall submit monthly reports of its disposal operations in accordance with Rules 704 and 1120 Division of the Commission Rules and Regulations.
- (6) That jurisdiction of this cause is retained for the entry of such further orders as the Germission may deem necessary.

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

> State of NM Oil Countervalian Commes

Lucero Chairman

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