

*Entered May 21, 1974
R.H.P.*

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. 5238
Order No. R-4787

APPLICATION OF YATES PETROLEUM
CORPORATION FOR SALT WATER DISPOSAL
AND AN ADMINISTRATIVE PROCEDURE,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on May 8, 1974,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 21st day of May, 1974, 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, Yates Petroleum Corporation, seeks
authority to dispose of produced salt water into the San Andres
formation through three wells in the Eagle Creek-San Andres
Pool, Eddy County, New Mexico, as follows:

through 2 3/8-inch plastic or cement-lined tubing set
in a packer at approximately 1160 feet, with perforations
from 1286 to 1456 feet in applicant's Federal BZ Well No. 6,
located in Unit N of Section 21, Township 17 South, Range
25 East, NMPM, Eddy County, New Mexico.

through 2 3/8-inch plastic or cement-lined tubing set in
a packer at approximately 1200 feet with perforations from
1270 to 1440 feet in applicant's Ingram Jackson BV Well
No. 2, located in Unit D of Section 26, Township 17 South,
Range 25 East, NMPM, Eddy County, New Mexico.

through 2 3/8-inch uncoated tubing set in cement at 1450
feet with perforations from 1295 to 1372 feet in applicant's
Gissler AV Well No. 1, located in Unit C of Section 23,
Township 17 South, Range 25 East, NMPM, Eddy County, New
Mexico.

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(3) That applicant further requests the establishment of a procedure whereby additional disposal wells in the Eagle Creek-San Andres Pool may be approved by the Commission without the necessity for notice and hearing.

(4) That the mechanics of the proposed conversion to disposal of applicant's Federal BZ Well No. 6 and its Ingram Jackson BV Well No. 2 are sound and in accord with good conservation practices provided that maximum injection pressure at the surface shall be no more than 850 psi.

(5) That the mechanics of the proposed conversion to disposal of applicant's Gissler AV Well No. 1 are unacceptable for the following reasons: the setting of the tubing string in cement rather than in a packer within a string of casing does not provide adequate assurance that injection of salt water will be confined to the perforated interval; the subject well does not have two strings of casing through the artesian water zone as required by the Special Pool Rules for the Eagle Creek-San Andres and Penasco Draw-San Andres-Yeso Pools; the subject well, having no annular space, does not provide for an adequate method to detect and measure tubing leakage; the uncoated tubing proposed to be used would be vulnerable to salt water corrosion.

(6) That applicant's request to convert its Federal BZ Well No. 6 and its Ingram Jackson BV Well No. 2 to disposal should be granted.

(7) That applicant's request to convert its Gissler AV Well No. 1 to disposal should be denied.

(8) That an administrative procedure should be established whereby additional disposal wells within the Eagle Creek-San Andres Pool may be approved by the Commission without the necessity for notice and hearing.

IT IS THEREFORE ORDERED:

(1) That the applicant is hereby authorized to convert to salt water disposal its Federal BZ Well No. 6, located in Unit N of Section 21, and its Ingram Jackson BV Well No. 2, located in Unit D of Section 26, both in Township 17 South, Range 25 East, NMPM, Eagle Creek-San Andres Pool, Eddy County, New Mexico.

(2) That disposal in each well shall take place through 2 3/8-inch plastic or cement-lined tubing set in a packer at approximately 1160 feet in the case of applicant's Federal BZ Well No. 6, and at approximately 1200 feet in the case of applicant's Ingram Jackson BV Well No. 2. The casing-tubing annulus of each well shall be filled with an inert fluid and equipped with a pressure gauge or other attention-attracting leak detection device.

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(3) That the applicant's request for authorization to convert to disposal its Gissler AV Well No. 1, located in Unit C of Section 23, Township 17 South, Range 25 East, NMPM, Eagle Creek-San Andres Pool, Eddy County, New Mexico, is hereby denied.

(4) That the Secretary-Director may approve additional disposal wells within the Eagle Creek-San Andres Pool upon proper application in accordance with the appropriate provisions of Rule 701.b and 701.c of the Commission Rules and Regulations.

(5) That any injection well authorized by this order or administratively under Order (4) of this order shall be equipped with an acceptable pressure regulating device to ensure that wellhead injection pressure shall not exceed 850 psi.


(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


I. R. TRUJILLO, Chairman

ALEX J. ARMIJO, Member


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

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