

RICE *Engineering & Operating, Inc.*

Post Office Box 1142

Telephone EXpress 5-9174

HOBBS, NEW MEXICO

July 29, 1963

2839

New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Re: Rule 701 - Permit for
Injection of Water (Salt
Water Disposal)
Rule 104 - Unorthodox Location

Gentlemen:

Rice Engineering & Operating, Inc. of Hobbs, New Mexico, hereby applies for administrative approval from the New Mexico Oil Conservation Commission for the purpose of securing a permit under Rule 701 and an exception to Rule 104 to drill and complete a salt water disposal well on the Texaco Inc. State "CQ" Lease in Section 35, Township 10 South, Range 33 East, South Lane Pool, Lea County, New Mexico. The proposed disposal well will be known as Rice Engineering & Operating, Inc. South Lane SWD Well K-35.

Rice Engineering & Operating, Inc. further deposes and states the following:

- A. That said well is to be located 1980 feet from the South line and 1700 feet from the West line of Section 35, Township 10 South, Range 33 East, N.M.P.M. (See Exhibit "A")
- B. That said well will be drilled through the porous zone of the San Andres formation.
- C. That said well will have 10-3/4" O.D. casing set at approximately 350 feet and cement circulated. Injection casing will be 7" O.D. casing set at approximately 3925 feet and cemented with 400 sacks. (See Exhibit "B")
- D. That said well by agreement between Rice Engineering & Operating, Inc. and Texaco Inc. shall be utilized by the South Lane Salt Water Disposal System as a disposal well.
- E. That the salt water to be injected is produced in the South Lane-Pennsylvanian, Middle Lane-Pennsylvanian and the Inbe-Pennsylvanian Pools.

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F. That the volume of salt water to be disposed shall be approximately 5500 barrels per day.

Therefore, Rice Engineering & Operating, Inc. requests that the New Mexico Oil Conservation Commission grant administrative approval to dispose of salt water in the Rice Engineering & Operating, Inc. South Lane SWD Well K-35.

Respectfully submitted,

RICE ENGINEERING & OPERATING, INC.

By W. G. Abbott
W. G. Abbott
Division Manager

LBG/jp

RICE ENGINEERING & OPERATING, INC.

P. O. Box 1142

Telephone EX3-9174

Hobbs, New Mexico

July 26, 1963

TO: South Lane Salt Water Disposal Committee

Re: South Lane SWD System

Gentlemen:

A meeting of the South Lane Salt Water Disposal Committee was held in the Humble Oil & Refining Company conference room in Hobbs, New Mexico at 9:30 A.M., July 25, 1963.

The companies attending and their representatives present are listed on the attached roster. Mr. Howard Wright of T. F. Hodge stated that he was authorized to cast proxy votes for Sam Boren, Tom Brown Drilling Company, Inc., Cabot Corporation and Midwest Oil Corporation.

Rice Engineering gave a progress report regarding securing the Skelly Bogle Farms Unit No. 1 well for disposal and revealed that court action would be required to secure clear title to the well.

A proposal from L. R. French, Jr. that he complete the Skelly Bogle Farms Unit No. 1 well for disposal and charge all other operators 2¢ per barrel of water was considered and rejected.

Costs of a new well were discussed and Mr. Howard Wright, T. F. Hodge, made the motion, seconded by Mr. B. K. Bevill, Humble, that a new well be drilled for disposal approximately 1980' FSL and 1700' FWL Section 35-T10S-R33E, Lea County, New Mexico. The motion was unanimously approved.

The Committee recommended that the well be equipped with 10-3/4" surface pipe set below fresh water sands (350') with cement circulated, 9-7/8" hole be drilled to 5400' (bottom of San Andres) and 7" set at 4000' (top of San Andres) with 400 sxs. Available drilling contractors, rates and other miscellaneous completion details were discussed.

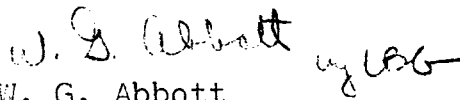
South Lane SWD System
Page 2

The above proposed completion program was approved unanimously.

Necessary approvals, easements and contractors bids are to be obtained as rapidly as possible.

Yours very truly,

RICE ENGINEERING & OPERATING, INC.


W. G. Abbott
Division Manager

GJ/jp

Attachment: Roster

SOUTH LANE SWD SYSTEM

ROSTER

9:30 A.M.

Hobbs, New Mexico

July 25, 1963

Gordon Jones, Rice Engineering & Operating, Inc., 1020 Hoover,
Great Bend, Kansas

L. B. Goodheart, Rice Engineering & Operating, Inc., Box 1142,
Hobbs, New Mexico

Howard Wright, T. F. Hodge, 203 Waynick & Welch Building,
Midland, Texas

B. K. Bevill, Humble Oil & Refining Company, Box 2100,
Hobbs, New Mexico

Kenneth L. Collins, Tenneco Oil Company, Box 279, Hobbs,
New Mexico

Larry Shannon, Apache Corporation, 2005 Wilco Building,
Midland, Texas

W. B. Hubbard, Texaco Inc., Box 728, Hobbs, New Mexico

B. B. Bingham, Texaco Inc., Box 728, Hobbs, New Mexico

RELINQUISHMENT OF BUSINESS LEASE

In consideration of the purchase by Rice Engineering & Operating, Inc. of Hobbs, New Mexico hereinafter referred to as the Purchaser of the improvements of the lands hereinafter described, and embraced in Business Lease No. GI 282 receipt for the purchase of which said improvements is hereby acknowledged, and in order that a new Business Lease on said lands may be issued to the said Purchaser, I (we) hereby relinquish to the State of New Mexico, all my (or our) right, title, claim and interest to the hereinafter described lands embraced in the above mentioned lease, to-wit:

All that certain parcel or tract of land in the SW/4 of Section 35, Township 10 South, Range 33 East, Lea County, New Mexico, being fully described as follows:

Beginning at a point 1815 feet north and 1535 feet east of the southwest corner of said Section 35; thence north 330 feet; thence east 330 feet; thence south 330 feet; thence west 330 feet to the point of beginning, and containing 2½ acres more or less.

And I state in answer to the following questions: What consideration, if any, other than the improvements is being paid or promised you for making this relinquishment?

\$1.00 and O.V.C.

I, Hal Bogle do solemnly swear (or affirm) that the statements and answers to questions in this relinquishment are true and correct to the best of my knowledge and belief.

Dated this 29th. day of July, 1963.

Attest:

[Signature]
Asst. Sec.

By [Signature]
Lessee Hal Bogle Prop.

Subscribed and sworn to before me this 29 day of July, 1963.

[Signature]
Notary Public

My Commission expires:

August 10, 1964

Approved in favor of the above-named Purchaser

this _____ day _____, 19__.

Commissioner of Public Lands

Relinquishment fee \$5.00

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

APPLICATION
TO DISPOSE OF SALT WATER BY INJECTION INTO A POROUS FORMATION
NOT PRODUCTIVE OF OIL OR GAS

Operator Rice Engineering & Operating, Inc. Address P. O. Box 1142, Hobbs, New Mexico

Lease South Lane SWD Well No. K-35 County Lea

Unit K Section 35 Township 10 South Range 33 East

This is an application to dispose of salt water produced from the following pool(s):

South Lane-Pennsylvanian, Middle Lane-Pennsylvanian and Inbe-Pennsylvanian

Name of Injection Formation(s) San Andres

Top of injection zone Approximately 3925' Bottom of injection zone Approx. 5350'

Give operator, lease, well no., and location of any other well in this area using this same

zone for disposal purposes None

CASING PROGRAM

	Diameter	Setting Depth	Sacks Cement	Top of Cement
Surface	10-3/4"	350'	200	Circulated
Intermediate	7"	3925'	400	2535 est.
Long String				

Will injection be through tubing, casing, or annulus? Tubing

Size tubing: 5-1/2" Setting depth: 3925' Packer set at None

Name and Model No. of packer: Annulus will be filled with oil

Will injection be through perforations or open hole? Open hole

Proposed interval(s) of injection: 3925' to 5350'

Well was originally drilled for what purpose? Salt water disposal

Has well ever been perforated in any zone other than the proposed injection zone? No

List all such perforated intervals and sacks of cement used to seal off or squeeze each:

None

Give depth of bottom of next higher zone which produces oil or gas: None

Give depth of top of next lower zone which produces oil or gas: Approx. 9750'

Give depth of bottom of deepest fresh water zone in area: Unknown

Expected volume of salt water to be injected daily (barrels): 5500 barrels

Will injection be by gravity or pump pressure? Gravity Estimated pressure: _____

Is system open or close type? Close Is filtration or chemical treatment necessary? No

Is the water to be disposed of mineralized to such a degree as to be unfit for domestic, stock, irrigation, and/or other general use? Yes

Is any water occurring naturally within the proposed disposal formation mineralized to such a degree as to be unfit for domestic, stock, irrigation, and/or other general use? Yes

List all offset operators to the lease on which this well is located and their mailing address

Tenneco Oil Company, P. O. Box 279, Hobbs, New Mexico

Texaco Inc., P. O. Box 728, Hobbs, New Mexico

Cabot Corporation, P. O. Box 4395, Midland, Texas

Note: All operators listed are members of the South Lane SWD System and have approved drilling of this well.

Name and address of surface owner State of New Mexico

Have copies of this application been sent by registered mail or given to all offset operators, surface owners, and to the New Mexico State Engineer? Yes

Is a complete electrical log of this well attached? This is to be run when drilled.

Operator: Rice Engineering & Operating, Inc.

By: *Gordon Jones*

Title: *acting Manager*

STATE OF NEW MEXICO)
) ss.
County of Lea)

BEFORE ME, The undersigned authority, on this day personally appeared Gordon Jones known to me to be the person whose name is subscribed to the above instrument, who being by me duly sworn on oath states that he is duly authorized to make the above report and that he has knowledge of the facts stated therein and that said report is true and correct.

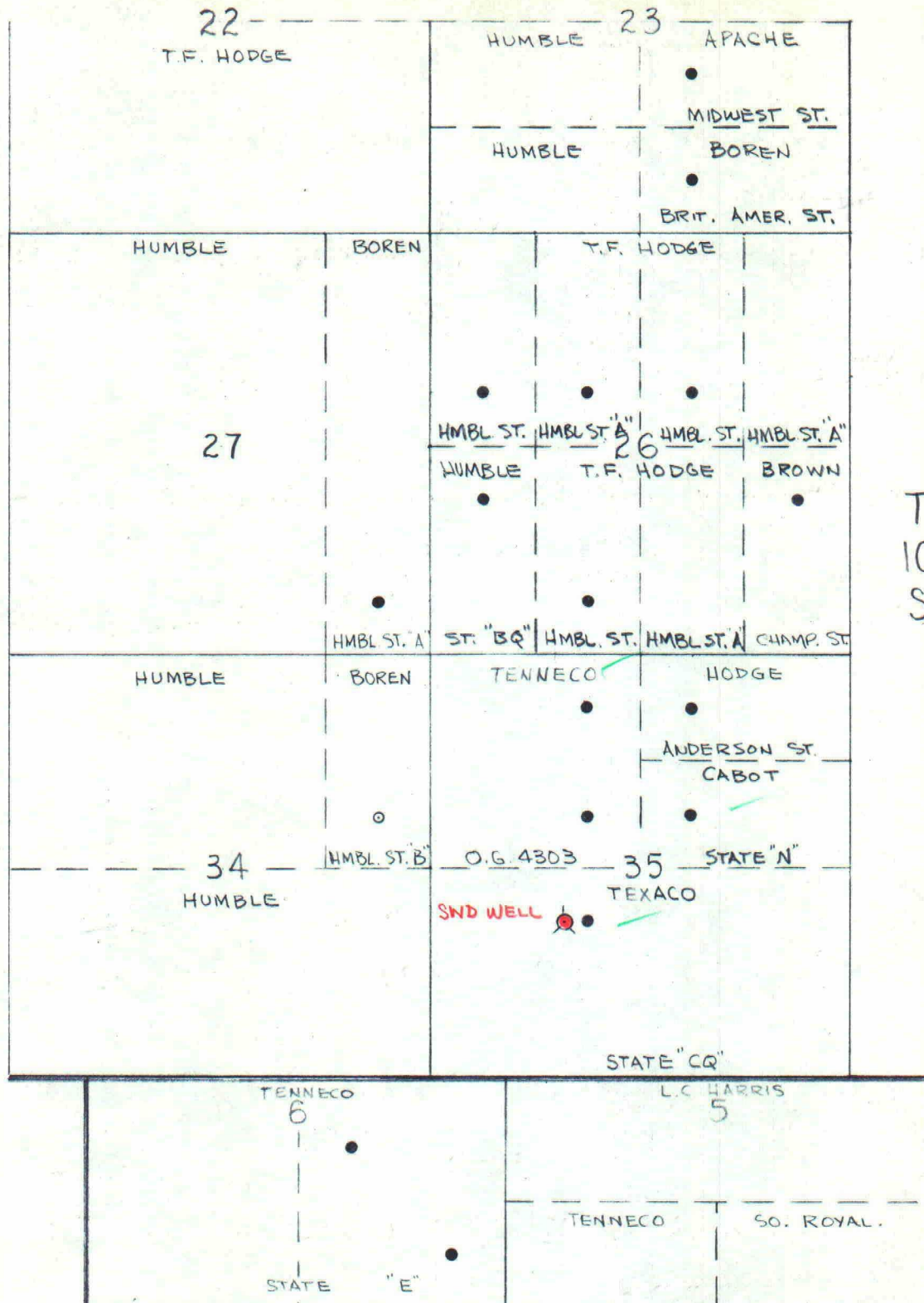
SUBSCRIBED AND SWORN TO before me this the 30th day of July, 19 63.

San Antonio Paul
Notary Public in and for the County of Lea

10-7-64
My Commission Expires

NOTE: Should waivers from all offset operators, the surface owner, and the State Engineer not accompany an application, the New Mexico Oil Conservation Commission will hold the application for a period of fifteen (15) days from date of receipt by the Commission's Santa Fe office. If at the end of said fifteen-day period, no protest nor request for hearing is received by the Santa Fe office, the application will then be processed.

R-33-E



R-34-E

EXHIBIT "A"

DWN	LBG	7-27-68	SOUTH LANE SWD WELL K-35	SCALE 1" = 2000'
			LOCATION PLAT	
			Rice Engineering & Operating, Inc.	DWG NO.
			Hobbs, New Mexico	A-162

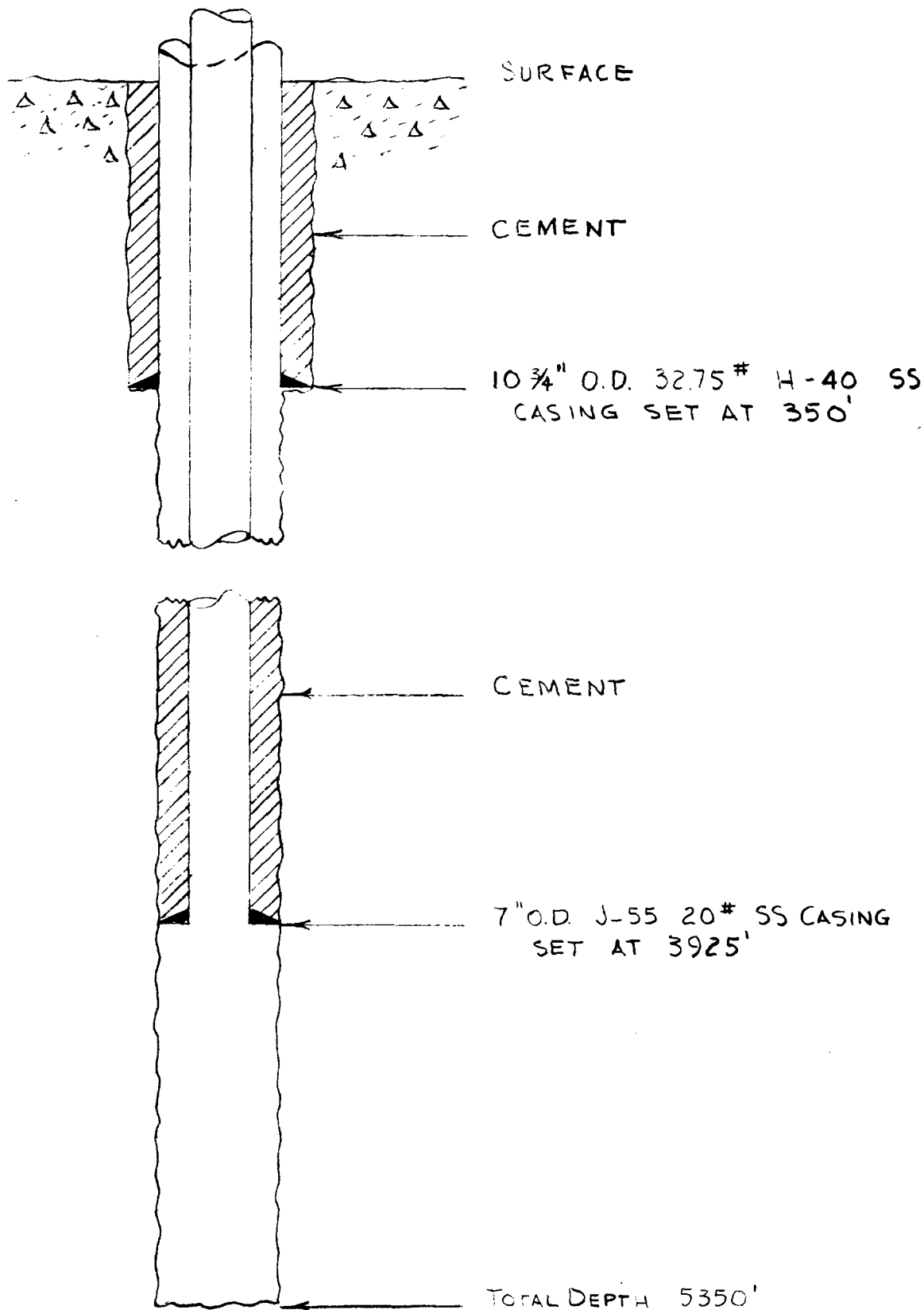


Exhibit "B"

DWN	LBG 7-27-68	SOUTH LANE SWD WELL K-35 PROPOSED COMPLETION	SCALE NONE
			DWG NO. A-163
		Rice Engineering & Operating, Inc. Hobbs, New Mexico	



STATE OF NEW MEXICO
STATE ENGINEER OFFICE
SANTA FE

S. E. REYNOLDS
STATE ENGINEER

August 5, 1963

ADDRESS CORRESPONDENCE TO:
STATE CAPITOL
SANTA FE, N. M.

Mr. A. L. Porter, Jr.
Secretary=Director
Oil Conservation Commission
Santa Fe, New Mexico

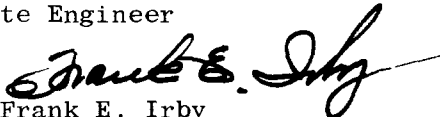
Dear Mr. Porter:

Reference is made to the application of Rice Engineering & Operating, Inc., to dispose of salt water by injection into a porous formation through Well No. K-35, Lea County in Township 10 South, Range 33 East in the South Lane-Pennsylvanian, Middle Lane-Pennsylvanian and Inbe-Pennsylvanian pools.

After reviewing the application with particular reference to the casing and tubing program, it appears that no threat of contamination will occur to the fresh waters which may exist in the area. Therefore, this office offers no objection to the granting of the application.

Very truly yours,

S. E. Reynolds
State Engineer

By: 
Frank E. Irby
Chief
Water Rights Division

FEI/ma
cc-Rice Engineering & Operating, Inc.
F. H. Hennighausen