

SUBJECT: SALT WATER DISPOSAL WELL

ORDER NO. SWD-159

THE APPLICATION OF YATES PETROLEUM
CORPORATION FOR A SALT WATER
DISPOSAL WELL.

ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION COMMISSION

Under the provisions of Rule 701, (C) Yates Petroleum Corporation, made application to the New Mexico Oil Conservation Commission on September 3, 1974, for permission to complete for salt water disposal its Federal LDY Well No. 3 located in Unit F of Section 27, Township 17 South, Range 25 East, NMPM, Eddy County, New Mexico.

The Secretary-Director finds:

1. That application has been duly filed under the provisions of Rule 701 (C) of the Commission Rules and Regulations;
2. That satisfactory information has been provided that all offset operators and surface owners have been duly notified; and
3. That the applicant has presented satisfactory evidence that all requirements prescribed in Rule 701 (C) will be met.
4. That no objections have been received within the waiting period prescribed by said rule.

IT IS THEREFORE ORDERED:

That the applicant herein, Yates Petroleum Corporation is hereby authorized to complete its Federal LDY Well No. 3 located in Unit F of Section 27, Township 17 South, Range 25 East, Eddy County, New Mexico, in such a manner as to permit the injection of salt water for disposal purposes into the San Andres formation at approximately 1291 feet to approximately 1415 feet through 2 3/8 inch tubing set in a packer located at approximately 1212 feet.

IT IS FURTHER ORDERED:

That the operator shall 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.

That the casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge at the surface to facilitate detection of leakage in the casing, tubing, or packer.

That the operator shall notify the supervisor of the Commission's Artesia District Office before injection is commenced through said well.

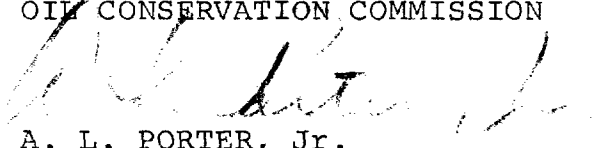
That the operator shall immediately notify the supervisor of the Commission's Artesia District Office of the failure of the tubing, casing, or packer in said well or the leakage of water from or around said well and shall take steps as may be timely or necessary to correct such failure or leakage.

PROVIDED FURTHER;

That jurisdiction of this cause is hereby retained by the Commission for such further order or orders as may seem necessary or convenient for the prevention of waste and/or protection of correlative rights; upon failure of applicant to comply with any requirement of this order after notice and hearing, the Commission may terminate the authority hereby granted in the interest of conservation. That applicant shall submit monthly reports of the disposal operation in accordance with Rule 704 and 1120 of the Commission Rules and Regulations.

APPROVED at Santa Fe, New Mexico, on this 9th day of September, 1974.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


A. L. PORTER, Jr.
Secretary-Director

SEAL