

CASES
Diane

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

MR
ms.
JZR

2100

CASE NO. 7972

Order No. R-7382

APPLICATION OF BIRD OIL CORPORATION
FOR SALT WATER DISPOSAL, MCKINLEY
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on October 12,
1983, at Santa Fe, New Mexico, before Examiner Richard L.
Stamets.

NOW, on this _____ day of October, 1983, the Division
Director, 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 Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Bird Oil Corporation, is the owner and operator of the Bird Federal 12 Well No. 5, located 2310 feet from the North line and 910 feet from the West line of Section 12, Township 19 North, Range 5 West, NMPM, McKinley County, New Mexico.

(3) That the applicant proposes to utilize said well to dispose of produced salt water into the Mesaverde formation, with injection into the perforated interval from approximately 2,004 feet to 2,175 feet.

(4) That the applicant proposes that the injection should be accomplished through 2 3/8-inch unlined tubing installed in packers set at approximately 1985 feet and 2015 feet.

(5) That the evidence in this case demonstrated that the applicant would not actually inject into the perforated interval between said packers and the approved injection interval should only be from 2015 feet to 2175 feet.

(6) That the applicant presented no evidence to demonstrate that the use of unlined tubing should be permitted in said well for an extended period.

(7) That the Bird Oil Corporation Bird Federal 12 Well No. 1 located 1980 feet from the South~~h~~line and 880 feet from the West line of said Section 12 is apparently not plugged in a manner such as to assure that the injected water could not move vertically through its wellbore to other formations.

(8) That the applicant should be required to work with the supervisor of the Division's district office at Aztec to determine if or how injection through the unlined tubing may be safely conducted and to formulate a plan for replugging said Bird Federal 12 Well No. 1.

(9) That temporary authority to inject should be granted for a period of up to ^{seven}~~six~~ months to permit the operator time to conduct such work with said supervisor.

(10) That the Director of the Division should be permitted to administratively extend the authority to inject upon a recommendation by said supervisor.

(11) That a pressure gauge or approved leak detection device should be attached to the casing-tubing annulus of said well in order to determine leakage in the casing, tubing, or packer.

(12) That the injection well or system should be equipped with a pressure limiting switch or other acceptable device which will limit the wellhead pressure on the injection well to no more than 403 psi.

(13) That the Director of the Division should be authorized to administratively approve an increase in the injection pressure upon a proper showing by the operator that such higher pressure will not result in migration of the injected waters from the Mesaverde formation.

(14) That the operator should notify the supervisor of the Aztec district office of the Division of the date and time of the installation of disposal equipment so that the same may be inspected.

(15) 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.

(16) 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, Bird Oil Corporation, is hereby authorized to utilize its Bird Federal 12 Well No. 5, located 2310 feet from the North line and 910 feet from the West line of Section 12, Township 19 North, Range 5 West, NMPM, McKinley County, New Mexico, to dispose of produced salt water into the Mesaverde formation, injection to be accomplished through $\frac{2}{3}$ -inch tubing installed in packers set at approximately 1985 feet and 2015 feet, with injection into the perforated interval from approximately 2,015 feet to 2,175 feet;

PROVIDED HOWEVER, 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.

PROVIDED FURTHER; that the applicant shall consult with the supervisor of the Division's district office at Aztec to determine if and how injection may safely be conducted through unlined tubing and to formulate a plan for the proper replugging of the Bird Oil Corporation Bird Federal 12 Well No. 1 located in Unit L of said Section 12.

(2) That the injection well or system shall be equipped with a pressure limiting switch or other acceptable device which will limit the wellhead pressure on the injection well to no more than 403 psi.

(3) That the Director of the Division may authorize an increase in injection pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the injected fluid from the Mesaverde formation.

(4) That the operator shall notify the supervisor of the Aztec district office of the Division of the date and time of the installation of disposal equipment so that the same may be inspected.

(5) That the operator shall immediately notify the supervisor of the Division's Aztec 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.

(6) That the applicant shall submit monthly reports of its disposal operations in accordance with Rules 702, 703, 704, 705, 706, 708, and 1120 of the Division Rules and Regulations.

(7) That the approval for salt water disposal granted by this order shall expire on May 31, 198~~7~~⁴. ✓

(8) That the Director of the Division may administratively approve the further use of said well for salt

water disposal upon ^{the} ~~a~~ recommendation of the supervisor of said
Aztec district office.

(9) That jurisdiction of this cause is retained for the
entry of such further orders as the Division may deem
necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

JOE D. RAMEY,
Director

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