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Santa Fe, New Mexico

Re: CASE NO. 7886  
ORDER NO. R-7300

Applicant:

Union Oil Company of California

Dear Sir:

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

Yours very truly,

JOE D. RAMEY  
Director

JDR/fd

Copy of order also sent to:

Hobbs OCD	<u>      x      </u>
Artesia OCD	<u>      x      </u>
Aztec OCD	<u>                  </u>

Other \_\_\_\_\_

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:

CASE NO. 7886  
Order No. R-7300

APPLICATION OF UNION OIL COMPANY OF  
CALIFORNIA FOR SALT WATER DISPOSAL,  
EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on May 25, 1983, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 6th day of June, 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, Union Oil Company of California, is the owner and operator of the Wersell Federal Well No. 1, located 810 feet from the North line and 1980 feet from the West line of Section 4, Township 22 South, Range 27 East, NMPM, Eddy County, New Mexico.

(3) That the applicant proposes to utilize said well to dispose of salt water produced from the Delaware formation in the same wellbore into a lower zone in the Delaware formation, with injection into the perforated interval from approximately 4822 feet to 4838 feet.

(4) That the injection should be accomplished through 2 3/8-inch plastic lined tubing installed in a packer set at approximately 4500 feet; and that an approved leak detection device should be attached to the annulus in order to determine leakage in the casing, tubing, or packer.

(5) 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 965 psi.

(6) 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 injection interval.

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

(8) 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.

(9) 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, Union Oil Company of California, is hereby authorized to utilize its Wersell Federal Well No. 1, located 810 feet from the North line and 1980 feet from the West line of Section 4, Township 22 South, Range 27 East, NMPM, Eddy County, New Mexico, to dispose of salt water produced from the Delaware formation in the same wellbore into a lower zone in the Delaware formation, injection to be accomplished through 2 3/8-inch plastic lined tubing installed in a packer set at approximately 4500 feet, with injection into the perforated interval from approximately 4822 feet to 4838 feet;

PROVIDED HOWEVER, that the casing-tubing annulus shall 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 with a pressure limiting switch or other acceptable device which will limit the wellhead pressure on the injection well to no more than 965 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 Delaware formation.

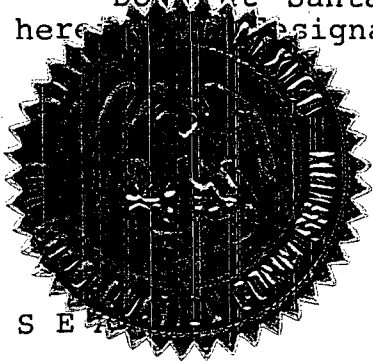
(4) That the operator shall notify the supervisor of the Artesia district office of the Division of the date and time of the installation of disposal equipment so that the same may be inspected.

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



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STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

*Joe D. Ramey*  
JOE D. RAMEY,  
Director