BEFORE THE OIL CONSERVATION DIVISION NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION OF DOYLE HARTMAN, OIL OPERATOR FOR CORRECTION OF ORDER NO. R-3621 TO REFLECT THE TRUE DISPOSAL INTERVAL OF THE MCKINNEY STATE WELL NO. 1, SECTION 36, TOWNSHIP 24 SOUTH, RANGE 36 EAST, LEA COUNTY, NEW MEXICO

M.S.

CASE NO. 3976

PRE-HEARING STATEMENT

This Pre-Hearing Statement is submitted by Doyle Hartman, Oil Operator in accordance with Rule 1208.B.,19 NMAC 15.N.

APPEARANCES OF PARTIES

APPLICANT ATTORNEYS

Doyle Hartman, Oil Operator J.E. Gallegos

Gallegos Law Firm

460 St. Michael's Drive, Bldg. 300

Santa Fe. NM 87505

505-983-6686

To Hartman's knowledge, no other party has entered an appearance or filed opposition in this matter.

HARTMAN'S STATEMENT OF THE CASE

Hartman filed this application in order to correct Order R-3621, entered by the Oil Conservation Commission on December 9, 1968, to reflect the true interval of a saltwater disposal well, the McKinney State Well No. 1, located in Section 36, Township 24 South, Range 36 East, Langlie Mattix Pool, Lea County, New Mexico. This saltwater disposal well was originally approved by Order R-3621 by the Commission in December, 1968. The Commission approved a disposal depth of only 3,210 feet, rather than the advertised depth of 3,400 feet as was stated on the face of the application itself. The depth figure approved

by the Commission was based upon testimony during the hearing that the well had been plugged back at an earlier date to a depth of 3,210 feet.

Hartman acquired the McKinney State Well No. 1 on January 2, 1986, and has operated the well since that time for purposes of saltwater disposal. Hartman recently became aware of the contents of Order R-3621 in conversations with representatives of the Division's office in Hobbs, New Mexico. Well records of both Hartman and the NMOCD, and the well configuration itself, revealed that the McKinney State Well No. 1 was never plugged back to 3,210 feet, and was not plugged back at that depth at the time of the application and the issuance of Order R-3621. The testimony provided to the Commission in 1968 was erroneous and lead to the erroneous terms of the subject order.

From 1968 to the present, the McKinney State Well No. 1 has disposed of produced water, for the benefit of Hartman, Hartman's predecessors in interest, and offset well operators, into an open-hole completion depth of 3,148 to approximately 3,490 feet, without problem or incident. Hartman has recently performed well work to optimize injectivity by cleaning fill and sulfate reducing bacteria from the open-hole completion/injection interval. A new 7" Baker Lok-Set injection packer was installed in the well on April 10, 2001, at 3064', the same packer setting depth that has been utilized since 1976. Also, as part of the recent well work, on March 29, 2001, a cement bond log was run from 0' to 3,148'. Based upon an evaluation of the bond log, the 7" O.D. production casing was successfully pressure tested on March 30, 2001, from 0' to 2,980', to a surface pressure of 2000 psi, documenting that the McKinney State No. 1 wellbore possesses sound mechanical integrity.

Approval of this application will prevent waste and protect correlative rights, and bring Order R-3621 into conformance with the true and correct factual state of the McKinney Well No. 1 injection interval.

PROPOSED EVIDENCE

<u>HARTMAN</u>

WILL-CALL WITNESSES (Name and Expertise)	ESTIMATED TIME	EXHIBITS
John Allred Petroleum Engineer	10 min.	10
Steve Hartman Petroleum Engineer	10 min.	6

Counter exhibits may be presented to rebut, explain or otherwise address testimony or exhibits of the Division or any other party who appears at the hearing.

Additional rebuttal witnesses may be called, depending on the evidentiary presentation made by other parties appearing at the hearing.

PROCEDURAL MATTERS

None at this time.

Respectfully submitted,

GALLEGOS LAW FIRM, P.C.

MICHAEL J. CONDON

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