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April 29, 1985

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APR 30 1985

HAND DELIVERED

OIL CONSERVATION DIVISION

R. L. Stamets, Director
Oil Conservation Division
New Mexico Department of
Energy and Minerals
Post Office Box 2088
Santa Fe, New Mexico 87501

Case 8605

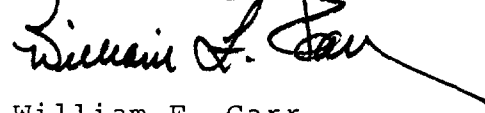
Re: Application of Doyle Hartman to Permit HCW Exploration,
Inc. to Show Cause Why Certain Salt Water Disposal Should
be Permitted, Lea County, New Mexico.

Dear Mr. Stamets:

Enclosed in triplicate is the Application of Doyle Hartman
in the above-referenced case. Mr. Hartman respectfully requests
that this matter be placed on the docket for the May 22, 1985
Examiner hearings.

Your attention to this request is appreciated.

Very truly yours,



William F. Carr

WFC/cv
enclosures

cc: Mr. Doyle Hartman
W. Thomas Kellahin, Esq.

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

RECEIVED

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OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION
OF DOYLE HARTMAN TO PERMIT HCW
EXPLORATION, INC. TO SHOW CAUSE
WHY CERTAIN SALT WATER DISPOSAL
SHOULD BE PERMITTED, LEA COUNTY,
NEW MEXICO.

Case 8605

APPLICATION FOR SHOW CAUSE HEARING

Comes now, DOYLE HARTMAN, by and through his undersigned attorneys, and hereby makes application to the Division for a hearing to require HCW Exploration, Inc. to appear and show cause why Division Order R-3690 which authorizes the disposal of produced water into the Seven Rivers formation in the Etz No. 3 well should not be rescinded, and in support thereof would show the Division:

1. Applicant is the owner of certain oil and gas interests in the SE/4 of Section 27, Township 23 South, Range 36 East, N.M.P.M., Lea County, New Mexico, and applicant proposes to drill a well thereon to test the Jalmat Pool, Seven Rivers formation. (See Oil Conservation Division Case 8594).

2. HCW Exploration, Inc., operates the Etz No. 3 salt water disposal well which is located in the SE/4 SW/4 of Section 27.

3. The Etz No. 3 salt water disposal well is disposing produced water into the Seven Rivers formation in the open hole interval from 3357 feet to 3620 feet, and to date has been used

for the disposal of more than 5,666,000 barrels of produced water.

4. The disposal of this volume of produced water into the Seven Rivers formation through the Etz No. 3 Well has resulted in the needless waste of Jalmat gas reserves in the SE/4 of said Section 27 and other Jalmat leases, and this damage is continuing to occur due to the crossflow mechanism which is taking place in the abandoned Etz No. 4 Well located in the NE/4 SE/4 of said Section 27.

5. Section 70-2-12, N.M.S.A. (1978) directs the Division, among other things:

To prevent the drowning by water of any stratum or part thereof capable of producing oil and gas, or both oil and gas, in paying quantities, and to prevent the premature and irregular encroachment of water, or any other kind of water encroachment, which reduces or tends to reduce the total ultimate recovery of crude petroleum oil or gas, or both such oil or gas, from any pool;

6. That the encroachment of water which has been and continues to be injected by HCW Exploration, Inc. in its Etz No. 3 disposal well is causing the watering out of stratum capable of producing gas under the SE/4 of said Section 27, and thereby tends to reduce the total ultimate recovery of gas therefrom which, in turn, results in the waste of natural gas and impairs the correlative rights of the mineral interest owners in the SE/4 of said Section 27.

7. That the continued disposal of produced water in the Etz No. 3 salt water disposal well will cause the waste of natural gas, will impair correlative rights, and Order R-3690

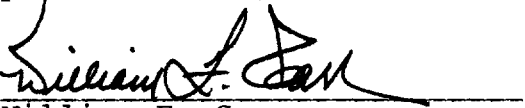
which authorizes this disposal should, therefore, be rescinded and the operator of that well directed to immediately cease all disposal of produced water in said well.

WHEREFORE, applicant hereby requests that a hearing be set before a duly appointed Examiner of the Oil Conservation Division on May 22, 1985, to permit HCW Exploration, Inc. to appear and show cause why Oil Conservation Division Order R-3690 should not be rescinded, and that after notice and hearing as required by law, the Division enter its order rescinding Order R-3690, directing that the disposal of produced water in the Etz No. 3 salt water disposal well immediately cease, and making such other provisions as may be proper in the premises.

Respectfully submitted,

Campbell & Black, P.A.

By


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ATTORNEYS FOR DOYLE HARTMAN