

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

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

CASE NO. 9189
Order No. R-8569

APPLICATION OF RAY WESTALL FOR SALT
WATER DISPOSAL, EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on September 9, 1987, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 22nd day of December, 1987, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, Ray Westall, seeks authority to utilize his Merland Well No. 1, located 990 feet from the South line and 1870 feet from the East line (Unit O) of Section 24, Township 22 South, Range 26 East, NMPM, Eddy County, New Mexico, to dispose of produced salt water into the South Carlsbad-Delaware Pool, with injection into the Cherry Canyon formation through the perforated interval from approximately 3670 feet to 3720 feet.

(3) The operator of said well 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 either by the proposed injection well or via surrounding injection, production, and/or plugged and abandoned wells.

(4) At the time of the hearing a representative of Corinne Grace, operator of the Grace-Atlantic Well No. 1 located approximately 1000 feet north (1980 feet from the South and East lines, Unit J of said Section 24) of the subject well

and an interest owner in the area-of-review (1/2 mile radius of the proposed disposal well) appeared at the hearing and presented testimony in opposition to this application.

(5) Evidence presented in this case indicates that all of the wells in the area-of-review are sufficiently plugged and abandoned or have adequate cement across, above and below the proposed injection interval to assure that injected fluid will remain within said interval.

(6) Said well is on the outskirts of the city of Carlsbad, New Mexico in a somewhat populated area and is within a quarter of a mile from a "baseball complex" where, at times, crowds gather.

(7) At the time of the hearing the opposition in this case raised concerns about the safe operation of a disposal well within this populated and active area.

(8) A disposal well operated in a prudent manner and in accordance with Rules 702, 703, 704, 705, 706, 708 and 1120 of the Division's General Rules and Regulations should not be more of a hazard than any of the oil and gas wells presently operating in the immediate area.

(9) The injection should be accomplished through 2-7/8 inch plastic-lined tubing installed in a packer set at approximately 3660 feet; the casing-tubing annulus should be filled with an inert fluid; and a pressure gauge or approved leak-detection device should be attached to the annulus in order to determine leakage in the casing, tubing, or packer.

(10) Prior to commencing injection operations, the casing in the subject well should be pressure-tested throughout the interval from the surface down to the proposed packer setting depth, to assure the integrity of such casing.

(11) 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 734 psi.

(12) 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 Cherry Canyon formation.

(13) 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 and of the mechanical integrity pressure test in order that the same may be witnessed.

(14) Approval of the subject application will prevent the drilling of unnecessary wells and otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, Ray Westall, is hereby authorized to utilize his Merland Well No. 1, located 990 feet from the South line and 1870 feet from the East line (Unit O) of Section 24, Township 22 South, Range 26 East, NMPM, Eddy County, New Mexico, to dispose of produced salt water into the South Carlsbad-Delaware Pool, injection to be accomplished through 2 7/8-inch tubing installed in a packer set at approximately 3660 feet, with injection into the Cherry Canyon formation through the perforated interval from approximately 3670 feet to 3720 feet;

PROVIDED HOWEVER THAT, the tubing shall be internally plastic-lined; the casing-tubing annulus shall be filled with an inert fluid; and 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, and/or packer.

PROVIDED FURTHER THAT, prior to commencing injection operations, the casing in the subject well shall be pressure-tested to assure the integrity of such casing in a manner that is satisfactory to the supervisor of the Division's district office at Artesia.

(2) 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 734 psi.

(3) 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 Cherry Canyon formation.

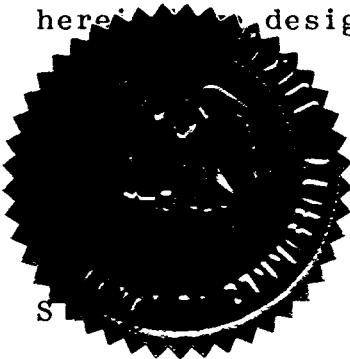
(4) The operator shall notify the supervisor of the Artesia district office of the Division of the date and time of the installation of disposal equipment and of the mechanical integrity pressure test in order that the same may be witnessed.

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

(7) 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 hereinafter designated.



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in cursive script, appearing to read "William J. Lemay".

WILLIAM J. LEMAY
Director