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MR. QUINTANA: We'll call next Case 8249.

MR. ROYBAL: Case 8249, application of Yates Petroleum Corporation for salt water disposal, Eddy County, New Mexico.

MR. QUINTANA: Are there any appearances in this case?

MR. DICKERSON: That, Mr. Examiner, was just readvertised.

The well location was--footage was in error so it was readvertised to correct the footage.

MR. QUINTANA: Case 8249 was readvertised to correct an error and it'll be taken under advisement.

(Hearing concluded.)

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C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY
that the foregoing Transcript of Hearing before the Oil Con-
servation Division was reported by me; that the said tran-
script is a full, true, and correct record of the hearing,
prepared by me to the best of my ability.

Sally W. Boyd CSR

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 8249
heard by me on SEPT. 5, 1984.
Gilbert P. Quintana Examiner
Oil Conservation Division

1 STATE OF NEW MEXICO
2 ENERGY AND MINERALS DEPARTMENT
3 OIL CONSERVATION DIVISION
4 STATE LAND OFFICE BLDG.
5 SANTA FE, NEW MEXICO

6 11 July 1984

7 EXAMINER HEARING

8 IN THE MATTER OF

9 Application of Yates Petroleum Cor-
10 poration for salt water disposal,
11 Eddy County, New Mexico.

CASE
8249

12 BEFORE: Richard L. Stamets, Examiner

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14 TRANSCRIPT OF HEARING

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17 A P P E A R A N C E S

18
19 For the Oil Conservation
20 Division:

21
22 For the Applicant:

Chad Dickerson
Attorney at Law
LOSEE, CARSON & DICKERSON
P. O. Drawer 239
Artesia, New Mexico 88210

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I N D E X

EDDIE MAHFOOD

Direct Examination by Mr. Dickerson 3

Cross Examination by Mr. Stamets 8

E X H I B I T S

Yates Exhibit One, Plat

Yates Exhibit Two, Affidavit of Mailing 7

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3 MR. STAMETS: We'll call next
4 Case 8249, being the application of Yates Petroleum Corpora-
5 tion for salt water disposal, Eddy County, New Mexico.

6 MR. DICKERSON: Mr. Examiner,
7 I'm Chad Dickerson of Artesia, New Mexico, appearing on be-
8 half of the applicant, and we have one witness.

9 MR. STAMETS: Any other appear-
10 ances in this case?

11 (Witness sworn.)

12 EDDIE MAHFOOD,
13 being called as a witness and being duly sworn upon his
14 oath, testified as follows, to-wit:

15
16 DIRECT EXAMINATION

17 BY MR. DICKERSON:

18 Q Mr. Mahfood, will you state your name,
19 your occupation, and where you reside, please?

20 A My name is Eddie Mahfood, Senior Engineer
21 for Yates Petroleum in Artesia.

22 A Mr. Mahfood, you have previously testi-
23 fied before this Division as a petroleum engineer and had
24 your credentials made a matter of record, haven't you?

25 A That is correct.

MR. DICKERSON: Is this witness

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qualified, Mr. Examiner?

MR. STAMETS: He is considered qualified.

Q Mr. Mahfood, will you briefly summarize the purpose of Yates' application in Case 8249?

A We're in need of a salt water disposal well in that area and so we're proposing to convert a gas well that is now depleted for use as a disposal well.

Q Will you refer to the plat which is attached to the Form C-108 filed in this case and direct the Examiner's attention to your disposal well and other matters of interest shown by that plat?

A There is a half mile circle in the middle of this map in Section 21 of 18, 26, and the proposed disposal well is in the center circle.

Q Directing your attention to the other gas well shown on that plat in the southeast quarter of Section 21, what's the status of that well?

A It is the present salt water disposal well in the area.

Q And that was the well authorized by Order Number R-5322 of this Division previously.

A That is correct.

Q That is also the only other well within the area of review which penetrates the proposed injection zone in your disposal well for which you seek application now, isn't it?

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A That is correct.

Q All the log data and the information required by the Form C-108 with respect to the previous well approval is already on file with this Division and has not been resubmitted with this application, is that correct?

A Yes.

Q Mr. Mahfood, would you briefly summarize the mechanical aspects of your proposed injection program?

A We propose to plastic coated tubing and set above all the perforations in the Morrow zone. The -- at the present time we have a bridge plug over the two bottom sets of perfs but we'll drill that out.

Q What is the proposed injection interval?

A The injection interval is 8901 to 9062.

Q Okay, what is the status of the casing and cement program in the existing wellbore?

A At the present time the casing is cemented to 7100 feet. Just for our own protection we propose to bring the cement to the surface, but that was not required for this hearing.

Q You haven't shown that in your application but you do propose to squeeze and --

A Circulate that.

Q -- cause the cement to be totally outside all casing in the wellbore.

A That is correct.

Q What are the other prospective productive

1
2 zones above and below the Morrow formation in this area, Mr.
3 Mahfood?

4 A In this well I don't believe there is any
5 until you get to the San Andres.

6 Q So the San Andres and Yeso prospective
7 zones far above the hole are the only other areas prospec-
8 tively productive in this wellbore?

9 A That is correct.

10 Q What is the proposed average and maximum
11 injection rate that Yates requests approval for?

12 A 1500 to 2000 barrels a day at pressures
13 of 1600 to 2200, if necessary.

14 Q And what mechanism will you have to moni-
15 tor the pressure?

16 A We'll have pressure gauges, pressure
17 gauge on the surface.

18 Q Is the -- what is the source of the water
19 to be disposed?

20 A It's produced water mostly from the Yeso
21 and San Andres wells in the area.

22 Q In this area, Mr. Mahfood, what are the
23 sources of underground fresh water?

24 A There is fresh water in the San Andres
25 Artesia zone and some perched -- there's perched water in
the Seven Rivers, I believe.

Q Now water analyses of the fresh water
sources have previously been submitted in Case Number 5800,

1
2 is that correct?

3 A That's correct.

4 Q Is there any stimulation program planned
5 for this well?

6 A None is required at this time for this
7 well.

8 Q Mr. Mahfood, have you examined all avail-
9 able geologic and engineering data and have you found any
10 evidence of open faults or any other hydrologic connection
11 between the disposal zone and any sources of fresh drinking
12 water?

13 A I have examined available data and found
14 no evidence of open faults or any other hydrological connec-
15 tion between the disposal zone and fresh water zones.

16 Q Mr. Mahfood, will you turn to what we
17 have marked Exhibit Number Two and tell the Examiner what
18 that is?

19 A Exhibit Number Two is an Affidavit of
20 Mailing to other operators within the half mile radius of
21 this well.

22 Q And Yates Petroleum Corporation is the
23 surface owner within that area, is that correct?

24 A Yes.

25 Q Do you have anything further you'd like
to add with regard to this application, Mr. Mahfood?

A No, I don't believe I have anything. We
do need another injection well for additional drilling in

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the area.

Q In your opinion will the granting of this application be in the interest of conservation, the prevention of waste, and the protection of correlative rights?

A Yes, I'm positive of that.

MR. DICKERSON: Yates moves admission of its Exhibits One and Two, Mr. Examiner, and that concludes our case.

MR. STAMETS: The exhibits will be admitted.

CROSS EXAMINATION

BY MR. STAMETS:

Q Mr. Mahfood, what is the injection interval again?

A The injected interval will be 8901 to 9062.

MR. STAMETS: Are there any other questions of the witness? He may be excused.

Anything further in this case?

The case will be taken under advisement.

(Hearing concluded.)

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I do hereby certify that the foregoing is
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the Examiner hearing of Case No. 8248
heard by me on 11-17-84 19 84.

[Signature], Examiner
Oil Conservation Division