

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. 8249  
Order No. R-7600

APPLICATION OF YATES PETROLEUM  
CORPORATION FOR SALT WATER DISPOSAL,  
EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on July 11, 1984, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 23rd day of July, 1984, 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, Yates Petroleum Corporation, is the owner and operator of the Dayton Townsite Well No. 1, located 1980 feet from the North line and 1980 feet from the East line of Section 21, Township 18 South, Range 26 East, NMPM, Eddy County, New Mexico.

(3) That the applicant proposes to utilize said well to dispose of produced salt water into the Morrow formation, with injection into the perforated intervals from approximately 8,901 to 9,062 feet.

(4) That the applicant proposes to circulate cement on the long string (injection) of casing in said well.

(5) That the injection should be accomplished through 2 7/8-inch plastic lined tubing installed in a packer set at approximately 8,853 feet; that the casing-tubing annulus should be filled with an inert fluid; and that a pressure gauge or approved leak detection device should be attached to the

-2-

Case No. 8249  
Order No. R-7600

annulus in order to determine leakage in the casing, tubing, or packer.

(6) 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 1780 psi.

(7) 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 Morrow formation.

(8) 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.

(9) 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.

(10) 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, Yates Petroleum Corporation, is hereby authorized to utilize its Dayton Townsite Well No. 1, located 1980 feet from the North line and 1980 feet from the East line of Section 21, Township 18 South, Range 26 East, NMPM, Eddy County, New Mexico, to dispose of produced salt water into the Morrow formation, injection to be accomplished through 2 7/8-inch tubing installed in a packer set at approximately 8853 feet, with injection into the perforated interval from approximately 8,901 to 9,062 feet.

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

(2) That the injection well or system shall be equipped with a pressure limiting switch or other acceptable device

-3-

Case No. 8249  
Order No. R-7600

which will limit the wellhead pressure on the injection well to no more than 1780 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 Morrow formation.

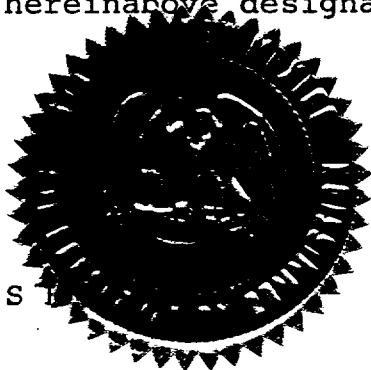
(4) That the operator shall notify the supervisor of the Artesia district office of the Division of the date and time of the installation of disposal equipment so that the same may be inspected.

(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 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) 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 hereinabove designated.



STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

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