

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. 8470
Order No. R-7518-B

APPLICATION OF AMOCO PRODUCTION
COMPANY FOR AMENDMENT OF DIVISION
ORDER NO. R-7518, LEA COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on January 30, 1985, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 19th day of February, 1985, 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, Amoco Production Company, received authorization, by Division Order No. R-7518, dated May 3, 1984, as amended by Division Order No. R-7518-A, dated May 21, 1984, to utilize its State "FU" Well No. 3, located 1700 feet from the North line and 660 feet from the West line of Section 25, Township 18 South, Range 34 East, NMPM, Air Strip-Upper Bone Spring and Air Strip-Lower Bone Spring Pools (now consolidated and redesignated the Air Strip-Bone Spring Pool), Lea County, New Mexico, to dispose of produced salt water into the Bone Spring formation, with injection into the perforated interval from approximately 9206 feet to 9285 feet and from approximately 10,207 feet to 10,237 feet.

(3) The applicant now seeks to include the Wolfcamp formation as an additional injection interval to dispose of produced salt water into said well through additional perforations from approximately 10,574 feet to 10,621 feet and from approximately 10,744 feet to 10,766 feet.

(4) Prior to recommencing 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.

(5) The operator should notify the supervisor of the Hobbs district office of the Division of the date and time of the reinstallation of disposal equipment and of the mechanical integrity pressure test in order that the same may be inspected.

(6) The operator should take all steps necessary to ensure that the injected water enters only the proposed injection intervals and is not permitted to escape to other formations or onto the surface.

(7) Authorization of the additional perforated interval for disposal purposes will allow the applicant to dispose of greater volumes of produced salt water into said well, will prevent the drilling of unnecessary wells, will not impair correlative rights nor cause waste and should therefore be approved.

IT IS THEREFORE ORDERED THAT:

(1) Ordering Paragraph No. (1) on page 2 of said Division Order No. R-7518, as amended, is now hereby amended to read in its entirety as follows:

"(1) That the applicant, Amoco Production Company, is hereby authorized to utilize its State "FU" Well No. 3, located 1700 feet from the North line and 660 feet from the West line of Section 25, Township 18 South, Range 34 East, NMPM, Air Strip-Bone Spring and Air Strip Wolfcamp Pools, Lea County, New Mexico, to dispose of produced salt water into the Bone Spring and Wolfcamp formations, injection to be accomplished through 2 7/8-inch tubing installed in a packer set at approximately 9100 feet, with injection into the perforated interval from approximately 9206 feet to 9285 feet; 10,207 feet to 10,237 feet; 10574 feet to 10,621 feet; and 10,744 feet to 10,766 feet;

"PROVIDED HOWEVER, that the tubing shall be internally 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.

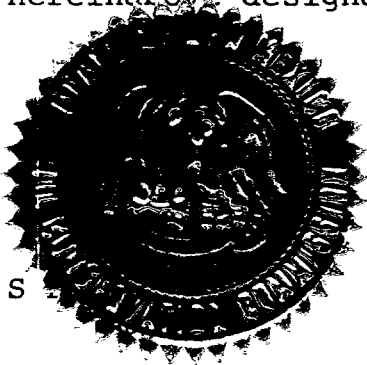
"PROVIDED FURTHER, that prior to recommencing injection operations, the casing in the subject well shall be pressure-tested to assure the integrity of such casing in a manner that is satisfactory to the supervisor of the Division's district office at Hobbs."

(2) Ordering Paragraph No. (4) on page 3 of said Division Order No. R-7518 is hereby amended to read in its entirety as follows:

"(4) That the operator shall notify the supervisor of the Hobbs 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 inspected."

(3) 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

R. L. Stamets
R. L. STAMETS,
Director