

**BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO**

**IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:**

CASE No. 3843
Order No. R-3488

**APPLICATION OF CONTINENTAL OIL COMPANY
FOR A PRESSURE MAINTENANCE PROJECT, LEA
COUNTY, NEW MEXICO.**

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on August 21, 1968, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 9th day of September, 1968, the Commission, a quorum being present, 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 Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Continental Oil Company, is the owner and operator of the Sholes "B-25" Well No. 5, located in Unit G of Section 25, Township 25 South, Range 36 East, NMPM, Jalmat Pool, Lea County, New Mexico.

(3) That the applicant seeks authority to institute a pressure maintenance project in the Jalmat Pool by the injection of water into the Seven Rivers formation in the perforated interval from approximately 3012 feet to 3110 feet in its Sholes "B-25" Well No. 5. In the alternative, the applicant seeks to have said well authorized for salt water disposal.

(4) That the subject well should be classified as a salt water disposal well.

(5) That the injection should be accomplished through 3 1/2-inch plastic-lined tubing installed in a packer set at approximately 3010 feet; that the casing-tubing annulus should be filled with an inert fluid; and that a pressure gauge should

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be attached to the annulus or the annulus left open at the surface in order to determine leakage in the tubing, casing, or packer.

(6) That approval of the subject application for salt water disposal will prevent the drilling of unnecessary wells and otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Continental Oil Company, is hereby authorized to utilize its Sholes "B-25" Well No. 5, located in Unit G of Section 25, Township 25 South, Range 36 East, NMPM, Jalmat Pool, Lea County, New Mexico, to dispose of produced salt water into the Seven Rivers formation, injection to be accomplished through 3 1/2-inch tubing installed in a packer set at approximately 3010 feet, with injection into the perforated interval from approximately 3012 feet to 3110 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 left open at the surface in order to determine leakage in the tubing, casing, or packer;

PROVIDED FURTHER, that all existing perforations in said disposal well above 3110 shall be squeeze-cemented prior to injection of water into said well.

(2) That the applicant shall submit monthly reports of its disposal operations in accordance with Rules 704 and 1120 of the Commission Rules and Regulations.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

David E. Cargo
DAVID E. CARGO, Chairman

Guyton B. Hays
GUYTON B. HAYS, Member

A. L. Porter, Jr.
A. L. PORTER, Jr., Member & Secretary

esr/

(Case 2839 continued)

authority to institute a waterflood project by the injection of water into the Delaware formation in the perforated interval from 5073 feet to 5145 feet in its Fields Well No. 2 located in Unit M of Section 25, Township 23 South, Range 32 East, Cruz-Delaware Pool, Lea County, New Mexico. In the alternative, applicant seeks to have said well authorized for salt water disposal.

CASE 3840: Application of Continental Oil Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Seven Rivers formation in the perforated interval from 3450 feet to 3600 feet in its Lynn "A-27" Well No. 1 located in Unit D of Section 27, Township 23 South, Range 36 East, Jalmat Pool, Lea County, New Mexico. In the alternative, applicant seeks to have said well authorized for salt water disposal.

CASE 3841: Application of Continental Oil Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Delaware formation in the perforated intervals from 4497 feet to 4507 feet in its Wilder Well No. 24 and from 4529 feet to 4535 feet in its Wilder Well No. 27 located in Units L and F, respectively, Section 26, Township 26 South, Range 32 East, El Mar-Delaware Pool, Lea County, New Mexico. In the alternative, applicant seeks to have said wells authorized for salt water disposal.

CASE 3842: Application of Continental Oil Company for a pressure maintenance project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pressure maintenance project by the injection of water into the Seven Rivers formation in the perforated interval from 3208 feet to 3255 feet in its Eaves "A" Well No. 10 located in Unit P of Section 19, Township 26 South, Range 37 East, Scarborough Yates-Seven Rivers Pool, Lea County, New Mexico, and promulgation of special rules for said project. In the alternative, applicant seeks to have said well authorized for salt water disposal.

CASE 3843: Application of Continental Oil Company for a pressure maintenance project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pressure maintenance project by the injection of water into the Seven Rivers formation in the perforated interval from 3012 feet to 3110 feet in its Sholes "B-25" Well No. 5 located in Unit G of Section 25, Township 25 South, Range 36 East, Jalmat Pool, Lea County, New Mexico, and promulgation of special rules for said project. In the alternative, applicant seeks to have said well authorized for salt water disposal.

DOCKET: EXAMINER HEARING - WEDNESDAY - AUGUST 21, 1968

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Daniel S. Nutter, Examiner, or Elvis A. Utz, Alternate Examiner:

CASE 3825: Application of Pan American Petroleum Corporation for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of the East Buffalo Valley Unit Area comprising 15,350 acres, more or less, of Federal, State and Fee lands in Township 14 South, Ranges 28 and 29 East, Chaves County, New Mexico.

CASE 3826: Application of Eugene E. Nearburg for salt water disposal, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Devonian formation in the open-hole interval from approximately 7965 feet to 8015 feet in his Magnolia Burt Federal Well No. 1 located in Unit P, Section 5, Township 8 South, Range 30 East, Cato Field, Chaves, County, New Mexico.

CASE 3837: Application of Continental Oil Company for the consolidation of three non-standard gas proration units, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of a 640-acre standard gas proration unit comprising all of Section 26, Township 23 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico, to be simultaneously dedicated to its Lynn B-1 Wells Nos. 1, 3, and 4 located in Units J, C, and M, respectively, of said Section 26, and authority to produce the allowable assigned to the unit from the subject wells in any proportion. Said Well No. 1 is presently dedicated to a 320-acre unit comprising the E/2 of said Section 26, said Well No. 3 is presently dedicated to a 160-acre unit comprising the NW/4 of said Section 26, and said Well No. 4 is presently dedicated to a 160-acre unit comprising the SW/4 of said Section 26.

In the alternative, applicant seeks the consolidation of the non-standard units comprising the E/2 and the SW/4 of said Section 26 into one 480-acre non-standard unit to be dedicated to said Well No. 1.

CASE 3838: Application of Continental Oil Company for an amendment to Order No. R-872 and an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-872 to permit the dedication of the non-standard proration unit authorized therein to its Lockhart "B" Well No. 4 located in Unit H of Section 14 and its Lockhart "B" Well No. 7 located at an unorthodox location 330 feet from the North line and 330 feet from the West line of Section 13, both in Township 21 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico. Applicant further seeks authority to produce the allowable assigned to said unit from either of the aforesaid wells in any proportion.

CASE 3839: Application of Continental Oil Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks

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- CASE 3844: Application of Rice Engineering & Operating, Inc., for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Queen, San Andres and Glorieta formations in the perforated intervals at approximately 3808-3834, 3962-3992, 5248-5261, and 5980-6054 feet in its Hobbs East San Andres SWD Well No. F-30 (formerly the Humble Oil & Refining Company S. E. Cain Well No. 1) located in Unit F of Section 30, Township 18 South, Range 39 East, Hobbs East San Andres Pool, Lea County, New Mexico.
- CASE 3845: Application of Rice Engineering & Operating, Inc., for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Grayburg, San Andres, and Glorieta formations in the open-hole interval from 3540 feet to 5616 feet in its Justis SWD Well No. H-2 (formerly the Resler & Sheldon-Bette Sue Well No. 2) located in Unit H of Section 2, Township 26 South, Range 37 East, Langlie-Mattix Pool, Lea County, New Mexico.
- CASE 3846: Application of Bco, Inc., and Harry L. Bigbee for downhole commingling, San Juan County, New Mexico. Applicants, in the above-styled cause, seek authority to commingle production from the Gallup, Greenhorn, Graneros, and Dakota formations in the wellbores of the Harry L. Bigbee Nancy Wells Nos. 3 and 4 located, respectively, in Units N and F of Section 12, Township 24 North, Range 8 West, Escrito-Gallup Oil Pool, San Juan County, New Mexico. Applicants further seek an administrative procedure whereby said commingling may be authorized for additional wells to be drilled in the area comprising all of Sections 12, 13, and the E/2 of Section 14; said township and range.
- CASE 3847: Application of K. K. Amini for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Bough "C" zone of the Pennsylvanian formation underlying the NE/4 of Section 5, Township 10 South, Range 34 East, Lea County, New Mexico. Said acreage to be dedicated to a well to be drilled in the SW/4 NE/4 of said Section 5, adjacent to the Vada-Pennsylvanian Pool.
- CASE 3848: Application of Continental Oil Company for a non-standard gas proration unit and an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the approval of a 296-acre non-standard gas proration unit comprising all of Lots 3, 4, 5, 6, 11, 12, 13, and 14, Section 2, Township 21 South, Range 25 East, Springs-Upper Pennsylvanian Gas Pool, Eddy County, New Mexico, said unit to be dedicated to its Levers Federal Well No. 1 located at an unorthodox location 1594 feet from the North line and 660 feet from the West line of said Section 2.