

CASE NO.

7660

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,
ETC.

1
2
3 STATE OF NEW MEXICO
4 ENERGY AND MINERALS DEPARTMENT
5 OIL CONSERVATION DIVISION
6 STATE LAND OFFICE BLDG.
7 SANTA FE, NEW MEXICO
8 1 September 1982

9 EXAMINER HEARING

10 IN THE MATTER OF:

11 Application of Pauley Petroleum,
12 Inc., for salt water disposal,
13 Roosevelt County, New Mexico.

CASE
7660

14 BEFORE: Richard L. Stamets

15 TRANSCRIPT OF HEARING

16 A P P E A R A N C E S

17
18
19 For the Oil Conservation
20 Division:

W. Perry Pearce, Esq.
Legal Counsel to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

21
22
23 For the Applicant:

James T. Jennings, Esq.
JENNINGS & CHRISTY
Roswell, New Mexico 87501

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

I N D E X

ED DURRETT

Direct Examianation by Mr. Jennings	3
Cross Examination by Mr. Stamets	17

E X H I B I T S

Applicant Exhibit One, Form	6
Applicant Exhibit Two, Letter	8
Aoplicant Exhibit Three, Log	12
Applicant Exhibit Four, Schematic	14
Applicant Exhibit Five, Letter	16
Applicant Exhibit Six, Notices	17

1
2 MR. STAMETS: We'll call next Case 7660.

3 MR. PEARCE: That is on the application
4 of Pauley Petroleum, Inc., for salt water disposal, Roosevelt
5 County, New Mexico.

6 MR. JENNINGS: I'm James T. Jennings, of
7 Jennings and Christy, in Roswell, appearing on behalf of the
8 applicant, Pauley Petroleum Company -- Pauley, Inc.

9 We will have one witness, Mr. Ed Durrett.

10
11 (Witness sworn.)

12
13 ED DURRETT

14 being called as a witness and being duly sworn upon his oath,
15 testified as follows, to-wit:

16
17 DIRECT EXAMINATION

18 BY MR. JENNINGS:

19 MR. JENNINGS: Mr. Examiner, I think that
20 I delivered a copy of a letter to the Commission, original
21 letter from Union Oil Company of California.

22 I'd like to --

23 MR. PEARCE: Do you want me to do that
24 now?

25 MR. JENNINGS: Please, if you would.

1
2 MR. PEARCE: All right. Mr. Examiner,
3 if I may, we have been delivered a copy of a letter from
4 Union Oil and Gas Division of Union Oil Company of California,
5 signed by Mr. Robert D. Lockhart, District Land Manager, ad-
6 vising us that Union Oil has no objection to the proposed
7 injection wells in Section 16 of 7 South, 33 East, Roosevelt
8 County.

9 MR. JENNINGS: Mr. Examiner, we had a
10 little bit of a foul up in Mr. Durrett not being familiar with
11 the procedure here and we have an application that was ori-
12 ginally filed for administrative approval, and the application
13 is in -- has been filed in good form and we're a little short
14 of copies of the application, and I have one additional com-
15 plete one, which I will give the Commission as an exhibit,
16 but if you could refer to that, and to expedite matters, I
17 will refer to this exhibit, the 108 Form as our Exhibit Num-
18 ber One, and then attached to that are the numerous items and
19 I will follow the same procedure and refer to these as items
20 attached to Exhibit Number One, if that meets with the Com-
21 mission's approval.

22 MR. STANETS: That sounds fine with me.
23 We may have to move a little slowly on that, Jim, because it
24 looks like this has been sorted through and may not be in the
25 same format that you have there.

1
2 MR. JENNINGS: Well, if you would like,
3 I'll be glad to switch with you.

4 MR. STAMETS: Well, maybe we'll hang on
5 to this one, since this is what we based the case on.

6 MR. JENNINGS: All right.

7 Q Would you state your name, place of busi-
8 ness, and residence, please?

9 A E. G. Durrett. My business is Durrett
10 and Associates, Consulting Company. I reside in Odessa, Texas,
11 at 109 Santa Rita Drive.

12 Q Mr. Durrett, what is your educational
13 background?

14 A I'm a petroleum geological engineer from
15 Texas A & M, Class of 1940.

16 Q What's your business experience since you
17 graduated from Texas A & M?

18 A Had fourteen years with Laughlin Brothers;
19 commencing in 1952 I went with Delta Drilling Company as
20 Drilling Superintendent; '54 I became Division Manager; and
21 in '56, Vice President of the western division in charge of
22 all operations including drilling, production, land, legal,
23 geological, and plants.

24 In 1972 I resigned to go independent as
25 a consultant, and also as an independent producer.

1
2 MR. JENNINGS: Mr. Examiner, is the wit-
3 ness considered qualified?

4 MR. STANETS: He is considered qualified.

5 Q Mr. Durrett, are you familiar with the
6 application filed herein, which was filed on an Oil Conserva-
7 tion Division Form No. C-108?

8 A Yes, sir, I am familiar and I did prepare
9 the exhibit.

10 Q And the application?

11 A And the application.

12 Q Generally just discuss the nature of this
13 application and what the applicant, Pauley Petroleum, Inc., is
14 seeking in this -- by this application.

15 A Pauley Petroleum desires to convert a
16 dry hole, which they tested to the Bough C, as a salt water
17 disposal well into the San Andres formation. The particular
18 injection zone that we propose has been perforated, acidized,
19 and tested for oil production firstly, and secondly, to deter-
20 mine the quality of water, if any, in that formation.

21 We found the formation to be barren and
22 suitable to injection, for injection of produced water from
23 the Pauley well half a mile to the north, which is a Bough C
24 well.

25 Q Mr. Pauley -- or excuse me, Mr. Durrett,

1
2 I now hand you what has been marked as Item Number Three to
3 Exhibit One and ask you to review that and tell what it is
4 and what it reflects.

5 A Yes, sir. This is the well data on the
6 No. 1 State, located in Section 16, which is the proposed in-
7 jection well, and the well was drilled, surface casing was
8 set at 398 feet and cement circulated to the surface.

9 8-5/8ths casing was set at 3922, well
10 into the San Andres formation. This casing string also had
11 cement circulated to the top and was witnessed by the Conser-
12 vation people that were responsible.

13 The well was drilled to 8470, K-4-1/2
14 casing set and the Bough C was tested and found to be low and
15 barren of oil production.

16 This well was then plugged back in ac-
17 cordance with the requirements of the Commission, and as filed
18 on your Form C-103, the 16th of June this year, and and was
19 in accordance with Form C-105, filed July the 12th.

20 The well has currently 3850 feet of 2-3/8ths
21 unlined tubing in the wellbore, which we propose to line for
22 water disposal purposes, so the well will have lined tubing.
23 We propose to set a Baker Model D packer at 3855 with a Baker
24 holddown to inject into perforations at 3862 to 74.

25 This well, as I say, was previously drilled

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

to test the Bough C and found it to be dry.

The original perforations were 8376 to 86 cemented with 70 sacks of cement on top of a Baker Model R packer at 8208.

We found no other producing zones higher or lower near the well.

And that's the data on Item Three.

Q Mr. Durrett, I now hand you what has been marked as Item Five attached to the same exhibit, and ask you to identify that and tell us if that's a map of the area?

A Yes, sir, Item Five delineates the area of the proposed disposal well as shown in the north portion of Section 16. The well in the south half of Section 9 to the north is the Pauley Petroleum Bough C producer from which water will be taken to be disposed of in Section 16.

Approximately a half a mile to the northwest Union of California has another Bough C well, as I would say, in the northwest of the northwest of Section 9. They have no objections to the injection of water into the proposed disposal well.

There are no other wells within the two mile radius.

Q Mr. Durrett, to continue our line of thought, I hand you now what has been marked as Exhibit Two,

1
2 Pauley Exhibit Two, and ask you if the map attached to Exhibit
3 Five is basically the same map as you just testified to?

4 A Yes, sir, it is the same, same area.

5 Q And is Exhibit Two -- Exhibit Two a let-
6 ter of August 6th, 1982, from Union Oil Company reflecting
7 the status of the acreage and the leasehold ownership within
8 a half mile radius?

9 A That is correct.

10 Q Have you examined the letter from Union,
11 Exhibit Number Two?

12 A Yes, sir, I have.

13 Q Does that fairly reflect the status of
14 the acreage in the area?

15 A To my knowledge, this reflects correct.

16 Q Referring to the exhibit, is there any
17 other acreage that is under lease to anyone other than to
18 Union Oil Company?

19 A Well --

20 Q Referring specifically to the southwest
21 quarter of Section 15.

22 A Yes. The southwest quarter of 15 re-
23 flects to be owned by Clinton Oil.

24 Q Is certain of the acreage open?

25 A Yes, sir. The southwest quarter of Section

10, the northwest quarter of 15, the south half of the southeast quarter, the northeast quarter of the southeast quarter, and the northwest quarter of Section 16 appear to be open.

Q Actually, Mr. Durrett, what's the status of the -- of the leasehold under the proposed wellsite?

A Mr. Jennings, I am advised by Pauley's land department that this well, State No. 1, through its drilling and testing and current state of application is holding the lease in force.

Q You don't know -- does that map show the expiration date of the lease?

A No, sir, I do not -- well, just a minute. Yes, it shows December 1st, 1981.

Q Mr. Durrett, would you now refer to what has been marked Item Number Six attached to the exhibit?

A Yes, sir. Item Six describes the wells within the area of review, as follows: Pauley Petroleum No. 1 Tucker Federal is the producer from which the water will come to the disposal well. It's located 1980 from the south line, and 1930 from the east line of Section 9, 7 South, 33 East, in Roosevelt County, with an elevation of 4414.

The well was drilled to a total depth of 9412 in the Mississippian. It is currently a Bough C oil well completed October the 19th, 1979, pumping 159 barrels

1
2 of oil and 370 barrels of water per day through perforations
3 from 8345 to 58. It is currently producing on the pump.
4 Casing is set at -- surface casing, 12-3/4, set at 398 feet
5 with 550 sacks of cement; 8-5/8ths at 3950 with 1924 sacks;
6 4-1/2 casing set at 9412 with 900 sacks of cement.

7 Q Now refer to what has been marked as
8 Item Seven attached to the same exhibit.

9 A Item Seven describes the proposed operation
10 of the disposal well. We propose to dispose of 350 barrels
11 of formation water daily in an open system. We'll have a re-
12 ceiving tank at the wellsite and pump out of that tank into
13 the well. The estimated injection pressure will be from 8-to-
14 1200 pounds maximum. We feel it will be some lower but we'll
15 give you that top.

16 We have attached to the exhibits a water
17 analysis of the produced water from the subject well in the
18 San Andres zone as stated by Halliburton. Chlorides are 88,000;
19 calcium 17,000; specific gravity 1.1; sulfates 150 parts;
20 bicarbonates 25; and soluble iron 150 parts.

21 That analysis is attached.

22 We have looked at the produced water in
23 the Chaveroo Field from the San Andres, about three or four
24 miles to the south, and it appears to be about the same kind
25 of water as produced in the Chaveroo.

1
2 The proposed injection zone in this well
3 was acidized with 2000 gallons of 15 percent NE acid, exten-
4 sively swabbed. The well swabbed completely dry. We recover-
5 ed only minor amounts of water, the analysis of which is at-
6 tached.

7 There are no productive oil or gas wells
8 within one mile of this zone. We could find little, if any,
9 water to report in this zone.

10 Q Mr. Durrett, I now hand you what has been
11 marked as Item Eight attached to the exhibit, and would point
12 out that it is on the same sheet as Item Number Six, for the
13 purpose of the record, and simultaneously I will also hand
14 you what has been marked Pauley's Exhibit Number Three, and
15 will you tell us what those documents are and then explain each
16 of them in connection with that item?

17 A Item Eight is the data on the proposed
18 injection zone. The electric log submitted shows the same
19 zone. We picked the top of the San Andres formation at 3352;
20 the bottom of the zone at 4743.

21 For your ready reference, we've also
22 included the Pi zone on the electric log 3900 feet.

23 The zone of interest are the perforations
24 indicated on the electric log from 3862 to 74, which we've
25 discussed earlier. The lithologic description is predominantly

1
2 a dolomite section with scattered anhydrites and shale
3 streaks.

4 The lithology of the proposed disposal
5 zone is a tan, finely crystalline dolomite.

6 We reviewed the underground drinking sup-
7 plies in the area. The only source is a plasticine Ogallala.
8 The deepest depth we found that water to be in the area is
9 300 feet. It is cased both by surface and intermediate
10 casing cemented to the surface.

11 Q Now I hand you what has been marked Item
12 Number Nine and ask you to explain that.

13 A Yes, sir. Item Nine asks for proposed
14 treatment of the well. We have stated that the zone has been
15 acidized with 2000 gallons of 15 percent NE acid. That's the
16 total treatment.

17 Q And now refer to Item Number Ten.

18 A Let's see here. Admitted here is the
19 detailed lithologic description from -- from the logging unit
20 while the well was drilled. All of this data is clearly
21 defined as to the reservoir description and lithology, along
22 with a graphic of the same data.

23 Q Now, Mr. Durrett, have you been able to
24 locate any fresh water within a mile of the area?

25 A No, sir. The closest fresh water supply

1
2 that we have found is beyond the one mile radius.

3 Q Now I refer you to what has been marked
4 Exhibit -- Item Twelve. Is that about the geological --

5 A Yes, this is an affirmative statement by
6 Mr. Leo Lammers (sic), who is the consulting geologist that
7 Pauley used on the subject well.

8 Mr. Lammers has stated that he examined
9 the available geologic and engineering data in the area of
10 review and found no evidence of open faults. He also believes
11 that the lithology of the Yates and Queen formations above the
12 San Andres will act as a barrier and prevent any hydrologic
13 connection between the proposed San Andres disposal well and
14 any underground drinking water sources.

15 Q When you originally filed this application
16 and sought administrative approval, did you send copies of
17 this -- of the application to anybody?

18 A Yes, we sent copies to Mr. Tommy Tucker.
19 I believe he was the only one that we had to notify.

20 We did send copies to the Portales News
21 Tribune, advertised for the statutory requirements for notice.
22 Notice of those deliveries by receipt of certified mail are
23 attached.

24 Q Now, Mr. Durrett, I hand you what has
25 been marked as Pauley's Exhibit Number Four, and ask you to

1
2 identify that and tell us what it is.

3 A Exhibit Four is a schematic of the pro-
4 posed salt water disposal well that indicates the plugging
5 in accordance with the Commission requirements in the lower
6 portion of the well. Casing was pulled at 4180. We show that
7 gap in. A cast iron bridge plug was set in the bottom of the
8 intermediate casing at 3914 with 9 sacks of cement on top of
9 the plug.

10 The zone was then perforated and tested
11 as indicated from 3862 to 74. We show the proposed permanent
12 packer installation at 3855; the tubing anchor immediately
13 above; the 2-3/8ths lined tubing from there to the surface.
14 We indicate the 8-5/8ths casing as cemented to the surface,
15 and the 12-3/4 casing as indicated to the surface.

16 We're also aware of the order concerning
17 the pressure control limiters on the proposed injection well,
18 and we propose to control pressure by redundant two pin Murphy
19 switches attached to the electrical switch gear on the pumping
20 installation.

21 That's also indicated on the plat -- or
22 on the schematic.

23 Q Mr. Durrett, how much water is currently
24 being produced from the Pauley well?

25 A The well will vary in water production

1
2 daily between 300 and 350 barrels. Now, a good round number
3 in our book is 10,000 barrels per month.

4 Q How much -- what is -- how are you cur-
5 rently -- currently disposing of that water?

6 A This water is currently being hauled by
7 trucking contractor to a disposal well elsewhere, unknown to
8 me.

9 Q Do you -- are you aware of -- of the cost
10 of -- current cost of disposing that well by trucking -- water
11 by trucking it?

12 A Yes, sir, acutely aware. Trucking costs
13 are averaging a dollar a barrel at the current time.

14 Q Mr. Pauley -- or Mr. Durrett, do you feel
15 that the granting of this application whereby the water will
16 be disposed of through this disposal well, is in the interest
17 of conservation and will prevent the -- prevent waste and the
18 premature abandonment of these wells?

19 A Yes, sir, it will improve the economics
20 of the oil production so that they will be longer lived.

21 Q Do you have anything further that you wish
22 to offer at this time?

23 A No, sir, I believe that's it.

24 MR. JENNINGS: At this time we would like
25 to offer what has been marked as Exhibit Number Five, which

1
2 is a letter from the Office of the Commissioner of Public
3 Lands, a copy of which you may have in your files, which is
4 generally to the effect that the Commissioner has no objection
5 to the conversion of the well, and I think further that the
6 lease is expired.

7 I just have one other thing, Mr. Examiner,
8 which I would like to offer at this time. I would offer the
9 copies of the notices sent to the Commissioner of Public Lands,
10 one of the -- to two of the operators in the area, Clinton
11 Oil and Union Oil, which are attached to -- to which are
12 attached the return certificates.

13 It's Number Six. At this time we would
14 offer all the exhibits.

15 Q Mr. -- I believe you testified, Mr. Durrett,
16 that the exhibits attached to Exhibit Number One were prepared
17 by you or under your supervision?

18 A Yes.

19 MR. JENNINGS: I believe that's all.

20 MR. STAMETS: The exhibits will be admit-
21 ted.

22
23 CROSS EXAMINATION

24 BY MR. STAMETS:

25 Q Mr. Durrett, in calculating the pressure

1
2 limit that we normally assign, that comes out to 772 pounds.
3 Does this, coupled with the opportunity to get that pressure
4 limit increased by a demonstration that you can do that with-
5 out frac in the formation or the confining strata, would
6 that be okay?

7 A Yes, sir, that will be fine.

8 Q Okay.

9 MR. STAMETS: Any other questions of the
10 witness? He may be excused.

11 Anything further in this case?

12 The case will be taken under advisement.

13
14 (Hearing concluded.)
15
16
17
18
19
20
21
22
23
24
25

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 Conserva-
tion Division was reported by me; that the said transcript
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. 7660,
heard by me on 9-6 1982
Richard L. Starn, Examiner
Oil Conservation Division

SALL. BOYD, C.S.R.
Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 431-7409



September 3, 1982

POST OFFICE BOX 20193
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-9434

Re: CASE NO. 7660
ORDER NO. R-7067

Pauley Petroleum, Inc.

Enclosed herewith are two copies of the above-referenced Division order recently entered in the subject case.

JOE D. RAMEY
Director

Copy of order also sent to:

Hobbs OCD x
Artesia OCD x
Aztec OCD

Other

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. 7650
Order No. R-7067

APPLICATION OF PAULEY PETROLEUM, INC.
FOR SALT WATER DISPOSAL, ROOSEVELT
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on September 1, 1982, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 3rd day of September, 1982, 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, Pauley Petroleum, Inc., is the owner and operator of the State Well No. 1, located in Unit B of Section 16, Township 7 South, Range 33 East, NMPM, Roosevelt County, New Mexico.

(3) That the applicant proposes to utilize said well to dispose of produced salt water into the San Andres formation, with injection into the perforated interval from approximately 3862 feet to 3874 feet.

(4) That the injection should be accomplished through 2 3/8-inch plastic lined tubing installed in a packer set at approximately 3855 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 annulus in order to determine leakage in the casing, tubing, or packer.

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. 7660
Order No. R-7067

APPLICATION OF PAULEY PETROLEUM, INC.
FOR SALT WATER DISPOSAL, ROOSEVELT
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on September 1, 1982, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 3rd day of September, 1982, 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, Pauley Petroleum, Inc., is the owner and operator of the State Well No. 1, located in Unit B of Section 16, Township 7 South, Range 33 East, NMPM, Roosevelt County, New Mexico.

(3) That the applicant proposes to utilize said well to dispose of produced salt water into the San Andres formation, with injection into the perforated interval from approximately 3862 feet to 3874 feet.

(4) That the injection should be accomplished through 2 3/8-inch plastic lined tubing installed in a packer set at approximately 3855 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 annulus in order to determine leakage in the casing, tubing, or packer.

(5) 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 775 psi.

(6) 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 San Andres formation.

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

(8) 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.

(9) 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, Pauly Petroleum, Inc., is hereby authorized to utilize its State Well No. 1, located in Unit B of Section 16, Township 7 South, Range 33 East, NMPM, Roosevelt County, New Mexico, to dispose of produced salt water into the San Andres formation, injection to be accomplished through 2 3/8-inch tubing installed in a packer set at approximately 3855 feet, with injection into the perforated interval from approximately 3862 feet to 3874 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 which will limit the wellhead pressure on the injection well to no more than 775 psi.

-3-

Case No. 7660
Order No. R-7067

(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 San Andres formation.

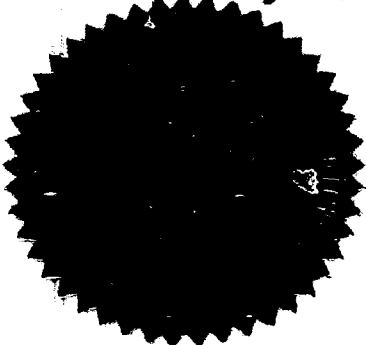
(4) That the operator shall notify the supervisor of the Hobbs district office of the Division of the date and time of the installation of disposal equipment so that the same may be inspected.

(5) That the operator shall immediately notify the supervisor of the Division's Hobbs 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 submit monthly reports of its disposal operations 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.



S E A L

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY
Director

fd/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

POST OFFICE BOX 208
STATE LAND OFFICE BUILDING
SANTA FE NEW MEXICO 87501

BEFORE EXAMINER STA 7-1-101
OIL CONSERVATION DIV

EXHIBIT NO. 1

CASE NO. 7660 ☐ Storage

Submitted by ☐ yes ☒ no Pauley

Hearing Date 9-1-82

Address: 10000 Santa Monica Blvd. Los Angeles, CA 90067

Contact party: R. L. Trimble

Phone: (213) 879-5000

APPLICATION FOR AUTHORIZATION TO INJECT

I. Purpose: ☐ Secondary Recovery ☐ Pressure Maintenance
Application qualifies for administrative approval? ☐ yes ☒ no

II. Operator: Pauley Petroleum, Inc.

Address: 10000 Santa Monica Blvd. Los Angeles, CA 90067

Contact party: R. L. Trimble

Phone: (213) 879-5000

III. Well data: Complete the data required on the reverse side of this form for each well proposed for injection. Additional sheets may be attached if necessary.

IV. Is this an expansion of an existing project? ☐ yes ☒ no
If yes, give the Division order number authorizing the project _____.

V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.

* VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.

VII. Attach data on the proposed operation, including:

1. Proposed average and maximum daily rate and volume of fluids to be injected;
2. Whether the system is open or closed;
3. Proposed average and maximum injection pressure;
4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and
5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).

* VIII. Attach appropriate geological data on the injection zone including appropriate lithologic detail, geological name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such source known to be immediately underlying the injection interval.

IX. Describe the proposed stimulation program, if any.

* X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division they need not be resubmitted.)

* XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.

XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground source of drinking water.

XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.

XIV. Certification

I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

Name: E. G. Durrett Title Agent TEL: (915) 337-5407

Signature: [Signature] Date: July 13, 1982

* If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be duplicated and resubmitted. Please show the date and circumstance of the earlier submittal. None.

DISTRIBUTION: Original and one copy to Santa Fe with one copy to the appropriate Division district office.

III. WELL DATA

A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:

- (1) Lease name; Well No.; location by Section, Township, and Range; and footage location within the section.
- (2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.
- (3) A description of the tubing to be used including its size, lining material, and setting depth.
- (4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.

- (1) The name of the injection formation and, if applicable, the field or pool name.
- (2) The injection interval and whether it is perforated or open-hole.
- (3) State if the well was drilled for injection or, if not, the original purpose of the well.
- (4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.
- (5) Give the depth to and name of the next higher and next lower oil or gas zone in the area of the well, if any.

XIV. PROOF OF NOTICE

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

- (1) The name, address, phone number, and contact party for the applicant;
- (2) the intended purpose of the injection well; with the exact location of single wells or the section, township, and range location of multiple wells;
- (3) the formation name and depth with expected maximum injection rates and pressures; and
- (4) a notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, P. O. Box 2088, Santa Fe, New Mexico 87501 within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

Union Oil and Gas Division, Central Region
Union Oil Company of California
500 North Maricopa Blvd., Midland, Texas 79701
P.O. Box 671, Midland, Texas 79702
Telephone (915) 682-9731

UNION

Robert V. Lockhart
District Manager

August 6, 1982

BEFORE EXAMINER STATEMENTS
OIL CONSERVATION DIVISION

EXHIBIT NO. _____

Jennings & Christy
P.O. Box 1180
Roswell, New Mexico 88201

CASE NO. _____

Submitted by Pauley

Attn: Jim Jennings

Logging Date 9-1-82

Gentlemen:

214031/Pauley Petroleum, Inc.
N/Chaveroo Prospect (7736)
Roosevelt County, New Mexico

After reviewing our records on the above-captioned prospect, I have determined the ownership of the leases surrounding the proposed SWD well in the NE/4 Section 16, T-7-S, R-33-E as follows:

All being in Township 7 South, Range 33 East:

Section 9, SW/4 - Union - HBP

Section 9, S/2SE/4, NE/4SE/4 - Union und. 25% down to 8410',
full rights below
Pauley Pet. Inc. und 75% down
to 8410'

Section 9, NW/4SE/4 - Pauley Pet. Inc. full interest down to
8410' w/Union retaining a 6.25% ORR and
full deep rights

Section 10, SW/4 - Appears to be open

Section 15, NW/4 - Appears to be open

Section 15, SW/4 - Clinton Oil - HBP

Section 16, SW/4, NW/4SE/4 - Union und. 25% down to 8410', full
rights below
Pauley Pet. Inc. und. 75% down to
8410'

Section 16, S/2SE/4, NE/4SE/4, NW/4 - Appears to be open

Jennings & Christy

Page 2

I have enclosed a plat of this area for your information. Also enclosed is a copy of a letter to Lawbar requesting termination of our farmout agreement if they had no further plans for drilling.

I hope this will be of some help to you.

Yours very truly,

UNION OIL COMPANY OF CALIFORNIA

Robert C. Gnagy
Landman

RCG:dh

Enclosures

Union Oil and Gas Division Central Region

Union Oil Company of California
500 North Maricopa, Midland, Texas 79701
P.O. Box 671, Midland, Texas 79702
Telephone (915) 682-9731

RECEIVED

JUL 26 1982

LAWBAR PETROLEUM INC.

July 22, 1982

Lawbar Petroleum, Inc.
10880 Wilshire Blvd.
Suite 2005
Los Angeles, California 90024

Attn: Mr. Lawrence E. Scott

214031/Pauley Petroleum, Inc.
N/Chaveroo Prospect (7736)
Roosevelt County, New Mexico

By the July 19, 1982, drilling report it appears that attempts to obtain production from the Pauley State No. 1 have ceased and they are seeking approval to convert it to a salt water disposal well.

In the absence of production, State of New Mexico Lease No. L-6822 will expire upon cessation of operations since it is in its 11th year.

If you have no further plans for drilling under the terms of our farmout agreement, we will assume this trade is terminated and amend our records to reflect the same.

Please advise the undersigned of your plans at your earliest convenience.

Yours very truly,

UNION OIL COMPANY OF CALIFORNIA

Robert C. Gnagy
Robert C. Gnagy
Landman

RCG:dh

Robert V. Lockhart
District Land Manager
Midland District

RECEIVED

JUL 29 1982

MIDLAND DISTRICT LAND

UNION

J. E. Scott
Lawbar Petroleum
7.26.82

Gentlemen:

[illegible]

Paulkey Petroleum, Inc.
 #1 State
 660'N & 1080'E, Section 16, T-7-S, R-33E
 Roosevelt County, New Mexico

SCHEMATIC - S.W.D. WELL

BEFORE EXAMINER STAMETS
 OIL CONSERVATION DIVISION

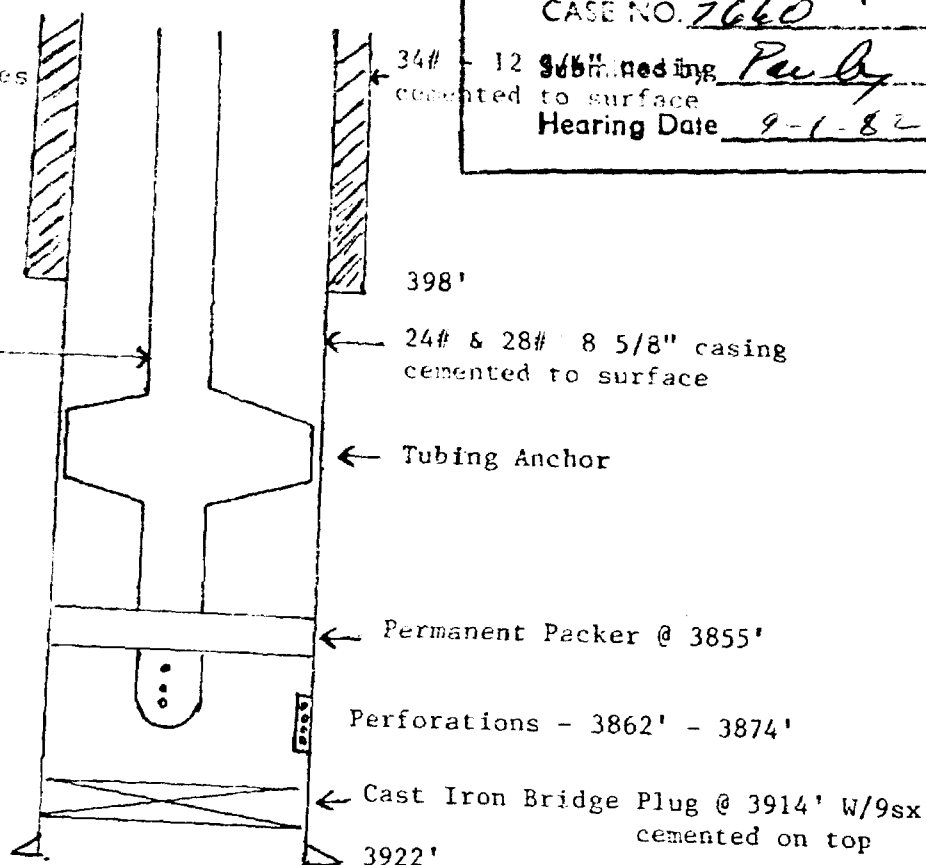
EXHIBIT NO. 4

CASE NO. 7640

34# - 12 34# Lined Tubing
 cemented to surface
 Hearing Date 9-1-82

Surface Pressure to be
 controlled with Murphy Switches

2 3/8" Lined Tubing

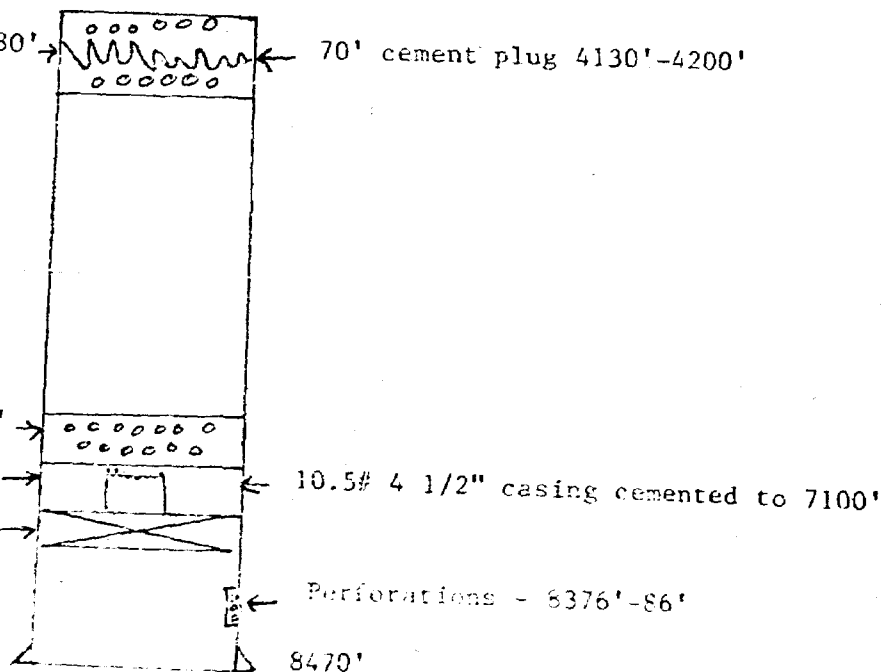


cut 4 1/2" casing @ 4180' 70' cement plug 4130'-4200'

70' cement plug 8108'-8208'

cut Tubing @ 8208'

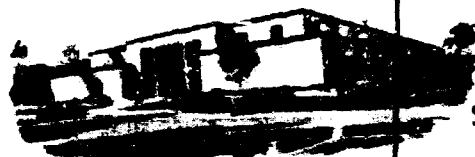
Prod. packer @ 8321'





ALEX J. ARMIJO
COMMISSIONER

State of New Mexico



Commissioner of Public Lands

August 27, 1982

BEFORE EXAMINER STAMETS
OIL CONSERVATION DIVISION

EXHIBIT NO. 5

CASE NO. 7660

Submitted by Pauley

Hearing Date 9-1-87

P. O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

Mr. James T. Jennings
Jennings & Christy Land Offices
P. O. Box 1180
Roswell, New Mexico 88202-1180

Re: 214031 - Pauley Petroleum, Inc. North Chaveroo Prospect 7736
Roosevelt County, New Mexico, Oil Conservation Division Case
#7660, Application of Pauley Petroleum, Inc., for Salt Water
Disposal

Dear Jim:

By copy of this letter being sent to the New Mexico Oil Conservation Division, this is our consent to convert the subject well to a Salt Water Disposal well.

For your information, which you may want to pass on to Pauley Petroleum, we have this date expired our Lease No. L-6822 owned by Union Oil Company of California, the record owner of the lease under which this well was drilled by Pauley Petroleum. This lease has been abandoned insofar as being extended by drilling under Paragraph 16 of said lease.

Pauley Petroleum should now apply for a "Salt Water Disposal Right-Of-Way Easement", for a 2½ acre square around the well bore in order to use the surface and well bore hole for disposal of salt water being produced from lands other than from this expired lease.

Enclosed is a complete set of application forms including the bond form and rules and regulations to be used in applying for this easement. Technically Pauley is in trespass until they receive the approved SWD Easement from the Commissioner.

If you have any questions on this, please call.

Very truly yours,

ALEX J. ARMIJO
COMMISSIONER OF PUBLIC LANDS

Ray D. Graham
BY: Ray D. Graham, Director
Oil and Gas Division
AC/505-827-2748

AJA/RDG/cb

cc: Oil Conservation Division

UNITED STATES POSTAL SERVICE
OFFICIAL BUSINESS

Pauley /jb

SENDER INSTRUCTIONS

Print your name, address, and ZIP Code in the space below.

- Complete Items 1, 2, 3, and 4 on the reverse.
- Attach to front of article if space permits, otherwise affix to back of article.
- Endorse article "Return Receipt Requested" adjacent to number.

PENALTY FOR PRIVATE
USE TO AVOID PAYMENT
OF POSTAGE, \$300



RETURN
TO



JENNINGS & CHRISTY

(Name of Sender)

P. O. Box 1180

(Street or P.O. Box)

Roswell, NM 88202-1180

(City, State, and ZIP Code)

**STICK POSTAGE STAMPS TO ARTICLE TO COVER FIRST CLASS POSTAGE.
CERTIFIED MAIL FEE, AND CHARGES FOR ANY SELECTED OPTIONAL SERVICES (see front)**

1. If you want this receipt postmarked, stick the gummed stub on the left portion of the address side of the article, leaving the receipt attached, and present the article at a post office service window or hand it to your rural carrier (no extra charge).
2. If you do not want this receipt postmarked, stick the gummed stub on the left portion of the address side of the article, detach and retain the receipt, and mail the article.
3. If you want a return receipt, write the certified mail number and your name and address on a return receipt card, Form 3811, and attach it to the front of the article by means of the gummed ends if space permits. Otherwise, affix to back of article. Endorse front of article **RETURN RECEIPT REQUESTED** adjacent to the number.
4. If you want delivery restricted to the addressee, or to an authorized agent of the addressee, endorse **RESTRICTED DELIVERY** on the front of the article.
5. Enter fees for the services requested in the appropriate spaces on the front of this receipt. If return receipt is requested, check the applicable blocks in Item 1 of Form 3811.
6. Save this receipt and present it if you make inquiry.

JAMES T. JENNINGS
BIM & CHRISTY II
K. DOUGLAS PERRIN
PHIL T. BREWER
DAMON RICHARDS

LAW OFFICES OF
JENNINGS & CHRISTY
1012 SECURITY NATIONAL BANK BUILDING
P. O. BOX 1180
ROSWELL, NEW MEXICO 86202-1180

TELEPHONE 622-8432
AREA CODE 505

August 20, 1982

Clinton Oil Company
217 N. Water Street
Wichita, Kansas 67202

Re: 214031 - Pauley Petroleum, Inc.
North Chaveroo Prospect 7736
Roosevelt County, New Mexico
Oil Conservation Division Case #7660
Application of Pauley Petroleum,
Inc., for Salt Water Disposal

BEFORE	EXAMINER STAMETS
OIL CONSERVATION DIVISION	
EXHIBIT NO.	6
CASE NO.	7660
Submitted by	<i>Pauley</i>
Hearing	

Gentlemen:

Pauley Petroleum, Inc., has filed an application before the OCD to dispose of produced water into the Pauley State No. 1 located 660 feet from the north and 1,980 feet from the west line of Section 16, Township 7 South, Range 33 East, and this matter has been set down for hearing before an examiner in Santa Fe at 9:00 a.m. on September 1, 1982. Pursuant to the rules we are herewith furnishing you with a copy of the application as filed, together with a copy of the notice issued by the Oil Conservation Division. If you do not have any objection to the application, we would appreciate it if you would advise the Oil Conservation Division, whose address is P. O. Box 2088, State Land Office Building, Santa Fe, New Mexico 87501, with a copy to us, or if you have any questions concerning the application, you may contact Mr. E. G. Durrett of Durrett & Associates, P. O. Box 4431, Odessa, Texas 79763, phone (915)337-5407.

Yours very truly,

JENNINGS & CHRISTY

James T. Jennings
JTJ/jb
Encl.

CERTIFIED MAIL NO. 0287883
RETURN RECEIPT REQUESTED

1. SERVICE: Complete items 1, 2, 3, and 4.
Add your address in the "RETURN TO" space on reverse.

(CONSULT POSTMASTER FOR FEES)

2. The following service is requested (check one):

☒ Show to whom and date delivered.....
☐ Show to whom, date, and address of delivery.....
☐ **RESTRICTED DELIVERY**
(The restricted delivery fee is charged in addition to the return receipt fee.)

3. ARTICLE ADDRESSED TO:
Commissioner of Public Lands
P. O. Box 1148
Santa Fe, NM 87504-1148

4. TYPE OF SERVICE:

<input type="checkbox"/> REGISTERED	<input type="checkbox"/> RETURNED	ARTICLE NUMBER 0287885
<input type="checkbox"/> CERTIFIED	<input type="checkbox"/> COO	
<input type="checkbox"/> RETURN RECEIPT		

(Always obtain signature of addressee or agent)

I have received the article described above.

SIGNATURE ☐ Addressee ☐ Authorized agent
Radio Museum

5. DATE OF DELIVERY

6. ADDRESSEE'S ADDRESS (Only if required)

7. UNABLE TO DELIVER REASON

8. RETURNED TO SENDER

No. 0287885

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL

(See Reverse)

1. SERVICE:

Com. of Public Lands
P. O. Box 1148
Santa Fe, NM 87501

POSTAGE	\$.71
CERTIFIED FEE	.75
OPTIONAL SERVICES	
RETURN RECEIPT SERVICE	.60
TOTAL POSTAGE AND FEES	\$2.06

POSTMARK OR DATE
 Pauley 8/20/82

PS Form 3800, Apr. 1976

UNITED STATES POSTAL SERVICE
OFFICIAL BUSINESS

Pauley /jb

SENDER INSTRUCTIONS
Print your name, address, and ZIP Code in the space below.
• Complete Items 1, 2, 3, and 4 on the reverse.
• Attach to front of article if space permits, otherwise attach to back of article.
• Endorse article "Return Receipt Requested" adjacent to number.

PENALTY FOR PRIVATE
USE TO AVOID PAYMENT
OF PENALTY, \$300



RECEIPTABLE COPY

RETURN
TO

JENNINGS & CHRISTY
(Name of Sender)

P. O. Box 1180
(Street or P.O. Box)

Roswell, NM 88202-1180
(City, State, and ZIP Code)

STICK POSTAGE STAMPS TO ARTICLE TO COVER FIRST CLASS POSTAGE, *
CERTIFIED MAIL FEE, AND CHARGES FOR ANY SELECTED OPTIONAL SERVICES. (see front)

- 1 If you want this receipt postmarked, stick the gummed stub on the left portion of the address side of the article, **leaving the receipt attached**, and present the article at a post office service window or hand it to your rural carrier (no extra charge).
- 2 If you do not want this receipt postmarked, stick the gummed stub on the left portion of the address side of the article, date, postmark and retain the receipt, and mail the article.
- 3 If you want a return receipt, write the certified mail number and your name and address on a return receipt card, Form 3811, and attach it to the front of the article by means of the gummed ends if space permits. Otherwise, stick to back of article. Endorse front of article **RETURN RECEIPT REQUESTED** adjacent to the number.
- 4 If you want delivery restricted to the addressee, or to an authorized agent of the addressee, endorse **RESTRICTED DELIVERY** on the front of the article.
- 5 Enter fees for the services requested in the appropriate spaces on the front of this receipt. If return receipt is requested, check the applicable blocks in item 3 of Form 3811.
- 6 Endorse receipt number and date on the back of the article.

JAMES T. JENNINGS
SIM B. CHRISTY II
K. DOUGLAS PERRIN
PHIL T. BREWER
DAMON RICHARDS

LAW OFFICES OF
JENNINGS & CHRISTY
1012 SECURITY NATIONAL BANK BUILDING
P.O. BOX 1180
ROSWELL, NEW MEXICO 88202-1180

TELEPHONE 622-8432
AREA CODE 505

August 20, 1982

Commissioner of Public Lands
P. O. Box 1148
Santa Fe, New Mexico 87504-1148

Attention: Mr. Floyd O. Prando

Re: 214031 - Pauley Petroleum, Inc.
North Chaveroo Prospect 7736
Roosevelt County, New Mexico
Oil Conservation Division Case #7660
Application of Pauley Petroleum,
Inc., for Salt Water Disposal

BEFORE	EXAMINER	STAMETS
OIL CON.	IN DIVISION	
NO. _____		
CASE NO.	_____	
Salt Water	_____	
Hearing	_____	

Gentlemen:

Pauley Petroleum, Inc., has filed an application before the OCD to dispose of produced water into the Pauley State No. 1 located 660 feet from the north and 1,980 feet from the west line of Section 16, Township 7 South, Range 33 East, and this matter has been set down for hearing before an examiner in Santa Fe at 9:00 a.m. on September 1, 1982. Pursuant to the rules we are herewith furnishing you with a copy of the application as filed, together with a copy of the notice issued by the Oil Conservation Division. If you do not have any objection to the application, we would appreciate it if you would advise the Oil Conservation Division, whose address is P. O. Box 2088, State Land Office Building, Santa Fe, New Mexico 87501, with a copy to us, or if you have any questions concerning the application, you may contact Mr. E. G. Durrett of Durrett & Associates, P. O. Box 4431, Odessa, Texas 79763, phone (915)337-5407.

Yours very truly,

JENNINGS & CHRISTY

James T. Jennings
JTJ/jjb
Encl.

CERTIFIED MAIL NO. 0287885
RETURN RECEIPT REQUESTED

UNITED STATES POSTAL SERVICE
OFFICIAL BUSINESS

Pauley /jb

SENDER INSTRUCTIONS

Print your name, address, and ZIP Code in the space below.

- Complete items 1, 2, 3, and 4 on the reverse.
- Attach to front of article if space permits, otherwise affix to back of article.
- Enclose article "Return Receipt Requested" adjacent to number.

PENALTY FOR PRIVATE
USE TO AVOID PAYMENT
OF POSTAGE, \$300



POSTMASTER: NO POSTAGE
NECESSARY IF MAILED IN THE
UNITED STATES

RETURN
TO



JENNINGS & CHRISTY

(Name of Sender)

P. O. Box 1180

(Street or P.O. Box)

Roswell, NM 88202-1180

(City, State, and ZIP Code)

No. 0287886

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL

(See Reverse)

SENT TO		Union Oil Co. of Cal.	
STREET AND NO.			
P. O. Box 671			
P.O. STATE AND ZIP CODE			
Midland, TX 79702			
POSTAGE		\$.71	
CONSULT POSTMASTER FOR FEES	CERTIFIED FEE	.70	
	SPECIAL DELIVERY	c	
	RESTRICTED DELIVERY	c	
	OPTIONAL SERVICES	SHOW TO WHOM AND DATE DELIVERED	.65
		SHOW TO WHOM DATE AND ADDRESS OF DELIVERY	c
		SHOW TO WHOM AND DATE DELIVERED WITH PROTECTED DELIVERY	c
RETURN RECEIPT SERVICE		SHOW TO WHOM DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	c
TOTAL POSTAGE AND FEES		\$2.06	
POSTMARK OR DATE		Pauley 8/20/82	

PS Form 3800, Apr. 1976

SENDER: Complete items 1, 2, 3, and 4.
Add your address in the "RETURN TO" space on reverse.

(CONSULT POSTMASTER FOR FEES)

1. The following service is requested (check one):
☒ Show to whom and date delivered _____
☐ Show to whom, date, and address of delivery.. _____

2. ☐ **RESTRICTED DELIVERY**
 (The restricted delivery fee is charged in addition to the return receipt fee.)

TOTAL \$ _____

B. ARTICLE ADDRESSED TO:
 Union Oil Co. of California
 P. O. Box 671
 Midland, TX 79702

4. TYPE OF SERVICE:
☐ REGISTERED ☐ INSURED
☒ CERTIFIED ☐ COB
☐ EXPRESS MAIL

ARTICLE NUMBER
 0287886

(Always obtain signature of addressee or agent)

I have received the article described above.

SIGNATURE ☐ Addressee ☐ Authorized agent
C. Peter

6. DATE OF DELIVERY
 AUG 24 1982

8. ADDRESSEE'S ADDRESS (Only if corrected)

7. UNABLE TO DELIVER BECAUSE:

7a. EMPLOYEE'S INITIALS
 MD

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

- **STICK POSTAGE STAMPS TO ARTICLE TO COVER FIRST CLASS POSTAGE.**
CERTIFIED MAIL FEE, AND CHARGES FOR ANY SELECTED OPTIONAL SERVICES. (see front)
1. If you want this receipt postmarked, stick the gummed stub on the left portion of the address side of the article, leaving the receipt attached, and present the article at a post office service window or hand it to your rural carrier. (No extra charge)
 2. If you do not want the receipt postmarked, stick the gummed stub on the left portion of the address side of the article, hand delivery and retain the receipt, and mail the article.
 3. If you want a return receipt, write the article's tracking number and your name and address on a return receipt card, Form 3811, and attach it to the front of the article by means of the gummed stub attached to the return receipt card. Endorse front of article **RETURN RECEIPT REQUESTED** and attach to the article.
 4. If you want to give the article to the addressee or to an authorized agent of the addressee, endorse the front of the article with the signature of the addressee or agent.
 5. If you want the article delivered to the addressee, endorse the appropriate spaces on the front of this receipt. If you want the article delivered to the addressee, check the appropriate box in item 1 of Form 3811.

JAMES T. JENNINGS
SIM E. CHRISTY JR.
K. DOUGLAS PERRIN
PHIL T. BREWER
DAMON RICHARDS

LAW OFFICES OF
JENNINGS & CHRISTY
1012 SECURITY NATIONAL BANK BUILDING
P. O. BOX 1180
ROSWELL, NEW MEXICO 88202-1180

TELEPHONE 622-8432
AREA CODE 505

August 20, 1982

Union Oil Co. of California
P. O. Box 671
Midland, TX 79702

Attention: Mr. Robert Lockhart

Re: 214031 - Pauley Petroleum, Inc.
North Chaveroo Prospect 7736
Roosevelt County, New Mexico
Oil Conservation Division Case #7660
Application of Pauley Petroleum,
Inc., for Salt Water Disposal

Gentlemen:

Pauley Petroleum, Inc., has filed an application before the OCD to dispose of produced water into the Pauley State No. 1 located 660 feet from the north and 1,980 feet from the west line of Section 16, Township 7 South, Range 33 East, and this matter has been set down for hearing before an examiner in Santa Fe at 9:00 a.m. on September 1, 1982. Pursuant to the rules we are herewith furnishing you with a copy of the application as filed, together with a copy of the notice issued by the Oil Conservation Division. If you do not have any objection to the application, we would appreciate it if you would advise the Oil Conservation Division, whose address is P. O. Box 2088, State Land Office Building, Santa Fe, New Mexico 87501, with a copy to us, or if you have any questions concerning the application, you may contact Mr. E. G. Durrett of Durrett & Associates, P. O. Box 4431, Odessa, Texas 79763, phone (915)337-5407.

Yours very truly,

JENNINGS & CHRISTY

James T. Jennings
JTJ/jb
Encl.

CERTIFIED MAIL NO. 0287886
RETURN RECEIPT REQUESTED



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

TONY ANAYA
GOVERNOR

February 14, 1983

POST OFFICE BOX 2008
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

Durrett & Associates
P.O. Box 4431
Odessa, Texas 79763

Attn: E. G. Durrett

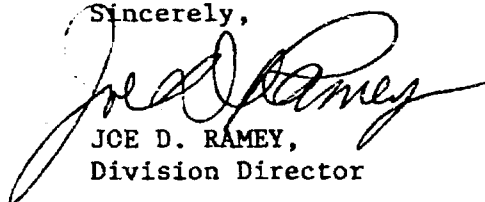
RE: SWD injection pressure increase for
Pauley Petroleum Incorporated #1
State, Roosevelt County, New Mexico

Dear Sir:

Pursuant to the Step Rate Test results that were submitted with your letter of February 7, 1983, the pressure limitation of 775 psi as authorized by Order R-7067 is hereby rescinded and replaced with the limit of 1,175 psi surface well head injection pressure.

If you have any questions regarding this matter contact Oscar Simpson at (505) 827-5822.

Sincerely,



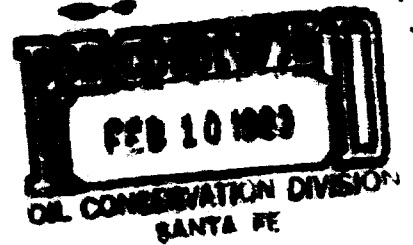
JOE D. RAMEY,
Division Director

cc: Hobbs Office (Evelyn)
Office File Case 7660
Santa Fe Office-Suzie Trujillo

OS/dv

Case File
7660

DURRETT & ASSOCIATES
CONSULTANTS
DRILLING - PRODUCTION
P. O. BOX 4431
ODESSA, TEXAS 79763
TELEPHONE 915/337-5407



February 7, 1983

State of New Mexico
Energy & Minerals Department
Oil Conservation Division
PO Box 2088
State Land Office Building
Santa Fe, New Mexico 87501

Attention: Mr. Oscar Simpson III

Subject: Pauley Petroleum, Inc.
#1 State
Roosevelt County, N.M.
Order #R-7067

Dear Mr. Simpson,

Pursuant to your letter of December 27, 1982 and subsequent telephone conversations between us, we enclose herewith Step Rate Test results as run and plotted by Halliburton Services. We trust that you now have all necessary data to grant pressure increase. We will appreciate your consideration for 1200# top side pressure. Thank you in advance.

Yours very truly,

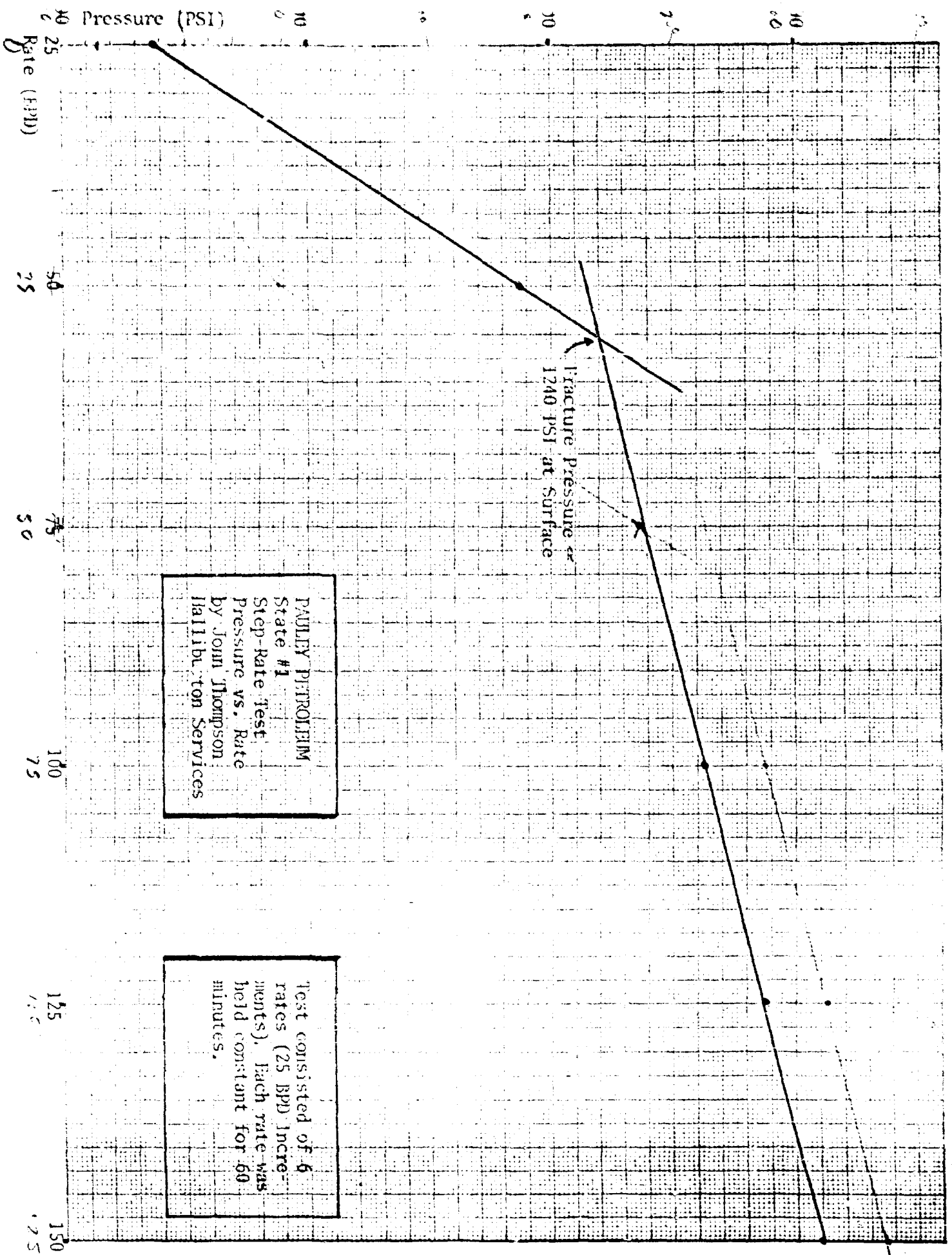
A handwritten signature in dark ink, appearing to read "E. G. Durrett". The signature is written in a cursive, slightly stylized font.

E G Durrett
Durrett & Associates

EGD/psc

Enclosures - 4

cc: Mr. R.L. Trimble



Paulley Pet.

State #1

1-31-82

#426782

Kate

Pressure

7

6

5

4

MALIBU PT. CO.

PART NO. 443 8839

HALLIBURTON DIVISION LABORATORY

HALLIBURTON SERVICES

MIDLAND DIVISION

HOBBS, NEW MEXICO 88240

LABORATORY WATER ANALYSIS

No. W83-128To Pauley Petroleum CompanyDate 2-1-83822 Building of the SouthwestMidland, TexasATTN: Mr. Jim Flinn

This report is the property of Halliburton Company and neither it nor any part thereof nor a copy thereof is to be published or disclosed without first securing the express written approval of laboratory management; it may however, be used in the course of regular business operations by any person or concern and employees thereof receiving such report from Halliburton Company.

Submitted by Unit B TGS R 33 E Date Rec. 2-1-83Well No. State #1 Sec 16 Depth FormationCounty Field Source Resistivity 0.083 @ 70°F.Specific Gravity 1.076pH 6.1Calcium (Ca) 5,800 *MPLMagnesium (Mg) 840Chlorides (Cl) 65,000Sulfates (SO₄) 950Bicarbonates (HCO₃) 170Soluble Iron (Fe) 20

Remarks:

*Milligrams per liter

Respectfully submitted,

Analyst: Brewer

HALLIBURTON COMPANY

cc:

By W. L. Brewer

CHEMIST

NOTICE

THIS REPORT IS LIMITED TO THE DESCRIBED SAMPLE TESTED. ANY USER OF THIS REPORT AGREES THAT HALLIBURTON SHALL NOT BE LIABLE FOR ANY LOSS OR DAMAGE, WHETHER IT BE TO ACT OR OMISSION, RESULTING FROM SUCH REPORT OR ITS USE.

Dockets Nos. 29-82 and 30-82 are tentatively set for September 15 and September 29, 1982. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: COMMISSION HEARING - THURSDAY - AUGUST 26, 1982

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

CASE 7656: Application of Cities Service Company for determination of reasonable well costs, Lea County, New Mexico. Applicant, in the above-styled cause, pursuant to the provisions of Section 70-2-17 C, NMSA, 1978 Comp., and Paragraph (5) of Division Order No. R-6781, seeks a determination of reasonable well costs for two wells drilled under the provisions of said Order No. R-6781 by Doyle Hartman on lands pooled by said order.

CASE 7657: Application of Harvey E. Yates Company for non-rescission of Order No. R-6873, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks the non-rescission of Order No. R-6873, which order pooled certain lands to be dedicated to a proposed Ordovician test well to be drilled thereon, being the W/2 of Section 18, Township 9 South, Range 27 East. Said order provided that should the unit well not be drilled to completion, or abandonment, within 120 days after commencement thereof, operator shall appear and show cause why the pooling order should not be rescinded.

CASE 7658: Application of Harvey E. Yates Company for a dual completion and downhole commingling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Seymour State #1 located in Section 18, Township 9 South, Range 27 East, in such a manner that Abo perforations from 4912 feet to 4929 feet would be commingled with Upper Atoka perforations from 5926 feet to 5952 feet and the aforesaid intervals dually completed with Lower Atoka perforations from 6008 feet to 6048 feet and produced through parallel strings of tubing.

Docket No. 28-82

DOCKET: EXAMINER HEARING - WEDNESDAY - SEPTEMBER 1, 1982

OIL CONSERVATION DIVISION - 9 A.M., MORGAN HALL,
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Richard L. Stamets, Examiner, or Daniel S. Mutter, Alternate Examiner:

CASE 7635: (Continued from August 18, 1982, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit CO₂-In-Action, Travelers Indemnity and all other interested parties to appear and show cause why the Trigg Well No. 3 located in Unit J, Section 25, Township 15 North, Range 28 East, San Miguel County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 7636: (Continued from August 18, 1982, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit CO₂-In-Action, Travelers Indemnity and all other interested parties to appear and show cause why the Amistad No. 1 located in Unit E of Section 18, and the Amistad No. 2 located in Unit D of Section 7, both in Township 19 North, Range 36 East, Union County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 7659: Application of Sun Exploration and Production Company for an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Pennsylvanian gas well drilled 660 feet from the North and West lines of Section 21, Township 7 South, Range 26 East, the W/2 of said Section 21 to be dedicated to the well.

CASE 7660: Application of Pauley Petroleum, Inc. for salt water disposal, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation in the perforated interval from 3862 feet to 3874 feet in its State Well No. 1 located in Unit B of Section 16, Township 7 South, Range 33 East.

CASE 7661: Application of George Gardella and Gary Plemans for an oil treating plant permit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority for the construction and operation of an oil treating plant for the purpose of treating and reclaiming sediment oil at a site in the NW/4 NW/4 of Section 33, Township 16 South, Range 33 East.

CASE 7630: (Continued from August 4, 1982, Examiner Hearing)

Application of Ralph Nix for an oil treating plant permit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority for the construction and operation of an oil treating plant for the purpose of treating and reclaiming sediment oil at a site in the SW/4 NE/4 of Section 18, Township 19 South, Range 26 East.

CASE 7662: Application of Carter Foundation Production Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its Blinn-Cade Waterflood Project by converting its Mattix Federal Wells Nos. 2, 5, 6, located in Units C, E, and D, respectively, in Section 3, Township 24 South, Range 37 East, by the injection of water into the Queen formation.

CASE 7639: (Continued from August 18, 1982 Examiner Hearing)

Application of Acoma Oil Corporation for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Wantz Abo, Drinkard and Blinbry Pool production in the wellbore of its S. J. Starkeys Lease Well No. 2, located in Unit B of Section 26, Township 21 South, Range 37 East.

CASE 7663: Application of Dugan Production Corporation for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Dakota formation underlying the S/2 of Section 18, Township 30 North, Range 14 West, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 7568: (Continued and Readvertised)

Application of Petroleum Corp. of Delaware for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Superior Federal Well No. 6 located in Unit N of Section 6, Township 20 South, Range 29 East, East Burton Flat Field, to produce oil from the Strawn formation through the casing-tubing annulus and gas from the Morrow formation through tubing.

CASE 7651: (Continued from August 18, 1982, Examiner Hearing)

Application of Mortex Gas & Oil Company for the amendment of Order No. R-6903, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-6903 to provide that non-consenting working interest owners shall have thirty days following final adjudication of title in which to pay their proportionate share of well costs.

CASE 7664: Application of Yates Petroleum Corporation for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Little Cuevo Unit Area, comprising 13,407 acres, more or less, of State and Fee lands in Township 17 South, Range 18 East.

CASE 7655: (Continued from August 18, 1982 Examiner Hearing)

Application of Yates Petroleum Corporation for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface down through the Abo formation underlying the NW/4 of Section 20, Township 7 South, Range 26 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 7665: Application of Harvey E. Yates Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Mississippian formation underlying the W/2 of Section 35, Township 13 South, Range 35 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASES 7666, 7667, 7668, and 7669: Application of Yates Petroleum Corporation for compulsory pooling, Chaves County, New Mexico. Applicant, in each of the four following cases, seeks an order pooling all mineral interests down through the Abo formation underlying the lands specified in each case, each to form a standard 160-acre gas spacing and proration unit to be dedicated to a well to be drilled at a standard location thereon. Also to be considered in each case will be the cost of drilling and completing said wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells and a charge for risk involved in drilling said wells:

CASE 7666: SW/4 Section 3;

CASE 7667: NW/4 Section 4;

CASE 7668: NW/4 Section 14;

All of the above being in Township 5 South, Range 24 East and

CASE 7669: NW/4 Section 2, Township 9 South, Range 25 East

CASE 7670: Application of Yates Petroleum Corporation for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying the W/2 of Section 26, Township 14 South, Range 27 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 7648: (Continued from August 18, 1982 Examiner Hearing)

Application of Rio Pecos Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the top of the Wolfcamp to the base of the Pennsylvanian formation underlying the W/2 of Section 35, Township 18 South, Range 24 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 7642: Application of Doyle Hartman for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface through the Jalmat Pool, underlying a previously approved 120-acre non-standard proration unit comprising the S/4 NE/4 and NE/4 NE/4 of Section 20, Township 25 South, Range 37 East, to be dedicated to a well to be drilled at a previously approved unorthodox location. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 7671: Application of Texas Eastern Developments, Inc. for an exception to Rule 307, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 307 of the Division Rules and Regulations to permit it to draw a vacuum on the Shiprock Gallup Oil Pool reservoir through 16 wells in Sections 16 and 17, Township 29 North, Range 18 West. Applicant further seeks an administrative procedure whereby it could extend the proposed vacuum system to include additional wells in the same reservoir.

CASE 7649: Application of Southern Union Exploration Company for retroactive exemption, San Juan and Rio Arriba Counties, New Mexico. Applicant, in the above-styled cause, seeks the retroactive exemption from Section 5 of the New Mexico Natural Gas Pricing Act of the following Basin Dakota infill wells: Jicarilla A No. 13-E in Unit N of Section 13 and Jicarilla A No. 10-E in Unit G of Section 23, both in Township 26 North, Range 4 West, and Jicarilla K No. 15-E in Unit A of Section 1, Township 25 North, Range 5 West, all in Rio Arriba County, and the Hodges No. 15-E in Unit J of Section 27, Township 26 North, Range 8 West in San Juan County. Also the following Ballard-Pictured Cliffs replacement well in San Juan County: Newcom No. 10-R in Unit M of Section 20, Township 26 North, Range 8 West. Each of the aforesaid wells was subject to the New Mexico Natural Gas Pricing Act until exempted from same by the Division on July 23, 1982, and applicant seeks the retroactive exemption of each of said wells to date of first delivery into the pipeline which ranges from December 24, 1980 to January 11, 1982.

CASE 7672: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, assigning discovery allowable, contracting, and extending certain pools in Chaves, Eddy, Lea, and Roosevelt Counties, New Mexico:

- (a) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Brushy Canyon production and designated as the Brushy Draw-Brushy Canyon Pool. Further, to assign approximately 25,410 barrels of discovery allowable to the discovery well, the J. C. Williamson UCBHWW Federal Well No. 1 located in Unit M of Section 25, Township 26 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 26 SOUTH, RANGE 29 EAST, NMPM
Section 25: SW/4

- (b) CREATE a new pool in Lea County, New Mexico classified as an oil pool for San Andres production and designated as the Hobbs Channel-San Andres Pool. The discovery well is the Bass Enterprises Production Company Humble City Unit Well No. 1 located in Unit D of Section 36, Township 17 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM
Section 36: NW/4

- (c) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the Humphreys Mill-Morrow Gas Pool. The discovery well is the Florida Exploration Company Reno Com Well No. 1 located in Unit D of Section 11, Township 25 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 25 SOUTH, RANGE 35 EAST, NMPM
Section 11: W/2

- (d) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Abo production and designated as the Justis-Abo Pool. The discovery well is the Santa Fe Energy Company Carlson B-25 Federal Well No. 3 located in Unit O of Section 25, Township 25 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM
Section 25: SE/4

- (e) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Upper Pennsylvanian production and designated as the McMillan-Upper Pennsylvanian Gas Pool. The discovery well is the Southland Royalty Company Pecos River Federal 20 Com Well No. 1 located in Unit J of Section 20, Township 19 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 27 EAST, NMPM
Section 20: E/2

- (f) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Strawn production and designated as the Mosley Canyon-Strawn Gas Pool. The discovery well is W. A. Moncrief, Jr., Jurnegan State Well No. 1 located in Unit C of Section 8, Township 24 South, Range 25 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 25 EAST, NMPM
Section 8: W/2

- (g) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Tubb production and designated as the West Nadine-Tubb Pool. The discovery well is the Tamarack Petroleum Company, Inc. Kornegay A Well No. 1 located in Unit F of Section 9, Township 20 South, Range 38 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 9: NW/4

- (h) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the Pitchfork Ranch-Morrow Gas Pool. The discovery well is the HNG Oil Company Madera 32 State Com Well No. 1 located in Unit C of Section 32, Township 24 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 34 EAST, NMPM
Section 32: W/2

- (i) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Yaso production and designated as the Seven Rivers-Yaso Pool. The discovery well is Chama Petroleum Corporation Irami Federal Well No. 1 located in Unit W of Section 34, Township 19 South, Range 25 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM
Section 34: SW/4

- (j) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Abo production and designated as the East Skaggs-Abo Pool. The discovery well is the Texaco Inc. C. H. Weir A Well No. 12 located in Unit G of Section 12, Township 20 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM
Section 12: NE/4

- (k) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Tubb production and designated as the Teague-Tubb Pool. The discovery well is the Alpha Twenty-One Production Company Lea Well No. 2 located in Unit A of Section 17, Township 23 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM
Section 17: NE/4

Examiner Hearing - SEPTEMBER 1, 1982

- (1) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Devonian production and designated as the Townsend-Devonian Pool. The discovery well is the Kimbark Oil and Gas Company New Mexico 1-4 State Com Well No. 1 located in Unit N of Section 4, Township 16 South, Range 35 East, NNPM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NNPM
Section 4: Lots 11, 12, 13, and 14

- (m) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Bone Spring production and designated as the Welch-Bone Spring Pool. The discovery well is the Quanah Petroleum, Inc. Ray B Federal Com Well No. 1 located in Unit K of Section 9, Township 26 South, Range 27 East, NNPM. Said pool would comprise:

TOWNSHIP 26 SOUTH, RANGE 27 EAST, NNPM
Section 9: SW/4

- (n) CONTRACT the horizontal limits of the Buckeye-Abo Pool in Lea County, New Mexico, by the deletion of the following described area:

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NNPM
Section 3: W/2 NW/4

- (o) CONTRACT the horizontal limits of the Vacuum-Abo Reef Pool in Lea County, New Mexico, by the deletion of the following described area:

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NNPM
Section 3: E/2 NW/4

- (p) EXTEND the Antelope Sink-Upper Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 23 EAST, NNPM
Section 13: W/2
Section 14: W/2

- (q) EXTEND the West Arkansas Junction-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 36 EAST, NNPM
Section 20: E/4

- (r) EXTEND the Atoka-Yaso Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NNPM
Section 26: E/2

- (s) EXTEND the Bilbrey-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 32 EAST, NNPM
Section 5: NW/4
Section .. E/2

- (t) EXTEND the Bunker Hill-Penrose Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 31 EAST, NNPM
Section 14: W/2 S/2 and NE/4

- (u) EXTEND the Cemetery-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 25 EAST, NNPM
Section 3: S/2
Section 4: All

- (v) EXTEND the Comanche Stateline Tansill-Yates-Seven Rivers-Queen Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 26 SOUTH, RANGE 36 EAST, NNPM
Section 26: NW/4
Section 27: NE/4 and E/2 NW/4

- (w) EXTEND the South Empire-Morrow Gas Pool in Eddy County, New Mexico to include therein:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM

Section 35: S/2

Section 36: W/2

- (x) EXTEND the South Empire-Wolfcamp Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM

Section 36: E/2 SE/4

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM

Section 31: NW/4 and S/2 NE/4

- (y) EXTEND the Forty Miner Ridge-Bone Spring Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 30 EAST, NMPM

Section 16: SE/4

- (z) EXTEND the Hardy-Tubb Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM

Section 2: Lots 11, 12, 13, 14, and S/2

Section 11: NW/4

- (aa) EXTEND the Northeast Lovington-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM

Section 20: NW/4

- (bb) EXTEND the West Milnesand-Pennsylvanian Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 34 EAST, NMPM

Section 19: W/2

- (cc) EXTEND the South Peterson-Pennsylvanian Associated Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 5 SOUTH, RANGE 33 EAST, NMPM

Section 30: SE/4

Section 31: N/2 NE/4

TOWNSHIP 6 SOUTH, RANGE 33 EAST, NMPM

Section 15: S/2

- (dd) EXTEND the Race Track-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 10 SOUTH, RANGE 28 EAST, NMPM

Section 18: NE/4 and S/2 SE/4

- (ee) EXTEND the Ross Draw-Wolfcamp Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 26 SOUTH, RANGE 30 EAST, NMPM

Section 23: S/2

Section 26: N/2

- (ff) EXTEND the West Sand Dunes-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 31 EAST, NMPM

Section 17: S/2

Section 20: All

- (gg) EXTEND the Saunders Permian-Upper Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 33 EAST, NMPM

Section 21: NE/4

State of New Mexico



ALEX J. ARMIJO
COMMISSIONER



Commissioner of Public Lands

August 27, 1982

P. O. BOX 148
SANTA FE, NEW MEXICO 87504-1148

Mr. James T. Jennings
Jennings & Christy Land Offices
P. O. Box 1180
Roswell, New Mexico 88202-1180

Re: 214031 - Pauley Petroleum, Inc. North Chaveroo Prospect 7736
Roosevelt County, New Mexico, Oil Conservation Division Case
#7660, Application of Pauley Petroleum, Inc., for Salt Water
Disposal

Dear Jim:

By copy of this letter being sent to the New Mexico Oil Conservation Division, this is our consent to convert the subject well to a Salt Water Disposal well.

For your information, which you may want to pass on to Pauley Petroleum, we have this date expired our Lease No. L-6822 owned by Union Oil Company of California, the record owner of the lease under which this well was drilled by Pauley Petroleum. This lease has been abandoned insofar as being extended by drilling under Paragraph 16 of said lease.

Pauley Petroleum should now apply for a "Salt Water Disposal Right-Of-Way Easement", for a 2½ acre square around the well bore in order to use the surface and well bore hole for disposal of salt water being produced from lands other than from this expired lease.

Enclosed is a complete set of application forms including the bond form and rules and regulations to be used in applying for this easement. Technically Pauley is in trespass until they receive the approved SWD Easement from the Commissioner.

If you have any questions on this, please call.

Very truly yours,

ALEX J. ARMIJO
COMMISSIONER OF PUBLIC LANDS

A handwritten signature in cursive script, reading "Ray D. Graham".

BY: Ray D. Graham, Director
Oil and Gas Division
AC/505-827-2748

AJA/RDG/cb

cc: Oil Conservation Division ✓

Union Oil and Gas Division: Central Region

Union Oil Company of California
500 North Mariefeld, Midland, Texas 79701
P.O. Box 671, Midland, Texas 79702
Telephone (915) 682-9731



Robert V. Lockhart
District Land Manager
Midland District

August 31, 1982

Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501

Gentlemen:

Application for Salt Water Disposal
Pauley Petroleum, Inc. #1 State
N/Chaveroo Prospect (7736)
Roosevelt County, New Mexico

Please be advised that Union Oil Company of California has no objections to the proposed injection of produced water into the Pauley Petroleum, Inc. Well No. 1 State. Said well being located 660' FNL and 1980' FEL, Section 16, T-7-S, R-33-E, N.M.P.M., Roosevelt County, New Mexico.

Yours very truly,

UNION OIL COMPANY OF CALIFORNIA

A handwritten signature in dark ink, reading "Robert V. Lockhart". The signature is written in a cursive style with a large, stylized "R" and "L".

Robert V. Lockhart
District Land Manager

RVL:RCG:dh

Set for
hearing.

DURRETT & ASSOCIATES
CONSULTANTS
DRILLING - PRODUCTION
P. O. BOX 4431
ODESSA, TEXAS 79763
TELEPHONE 915/337-5407

Received
7-16-82
7-16-82
DAS

July 13, 1982

State of New Mexico
Oil Conservation Division
District I
P. O. Box 1980
Hobbs, New Mexico 86240

Sept 13th
15th
29th } Hearing
dates.

Attention: Mr. J. T. Sexton

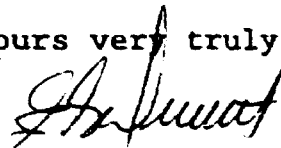
Dear Mr. Sexton:

Pursuant to a recent conversation between Mr. Leo Lammers representing Pauley Petroleum, Inc. and yourself, we enclose herewith Form C-108 together with all requested attachments to complete the file together with electric logs of the subject well in the event we have not earlier furnished same.

After the required waiting time, we respectfully request administrative approval pursuant to Rule 701-D-1.

Thank you very much for all of your previous courtesies to us.

Yours very truly,



E. G. Durrett
Agent for
Pauley Petroleum, Inc.

EGD/scg

cc: Oil Conservation Division - Principal Office (two copies)✓
Pauley Petroleum, Inc. - Mr. R. L. Trimble
Mr. Thomas E. Tucker - Landowner

APPLICATION FOR AUTHORIZATION TO INJECT

- I. Purpose: ☐ Secondary Recovery ☐ Pressure Maintenance ☒ Disposal ☐ Storage
Application qualifies for administrative approval? ☐ yes ☐ no
- II. Operator: Pauley Petroleum, Inc.
Address: 10000 Santa Monica Blvd. Los Angeles, CA 90067
Contact party: R. L. Trimble Phone: (213) 879-5000
- III. Well data: Complete the data required on the reverse side of this form for each well proposed for injection. Additional sheets may be attached if necessary.
- IV. Is this an expansion of an existing project? ☐ yes ☒ no
If yes, give the Division order number authorizing the project _____.
- V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.
- * VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.
- VII. Attach data on the proposed operation, including:
1. Proposed average and maximum daily rate and volume of fluids to be injected;
 2. Whether the system is open or closed;
 3. Proposed average and maximum injection pressure;
 4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and
 5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).
- *VIII. Attach appropriate geological data on the injection zone including appropriate lithologic detail, geological name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such source known to be immediately underlying the injection interval.
- IX. Describe the proposed stimulation program, if any.
- * X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division they need not be resubmitted.)
- * XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.
- XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground source of drinking water.
- XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.
- XIV. Certification
- I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.
- Name: E. G. Duggett Title: Agent TEL: (915) 337-5407
Signature: [Signature] Date: July 13, 1984
- * If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be duplicated and resubmitted. Please show the date and circumstance of the earlier submittal. None.

III. WELL DATA

A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:

- (1) Lease name; Well No.; location by Section, Township, and Range; and footage location within the section.
- (2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.
- (3) A description of the tubing to be used including its size, lining material, and setting depth.
- (4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.

- (1) The name of the injection formation and, if applicable, the field or pool name.
- (2) The injection interval and whether it is perforated or open-hole.
- (3) State if the well was drilled for injection or, if not, the original purpose of the well.
- (4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.
- (5) Give the depth to and name of the next higher and next lower oil or gas zone in the area of the well, if any.

XIV. PROOF OF NOTICE

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

- (1) The name, address, phone number, and contact party for the applicant;
- (2) the intended purpose of the injection well; with the exact location of single wells or the section, township, and range location of multiple wells;
- (3) the formation name and depth with expected maximum injection rates and pressures; and
- (4) a notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, P. O. Box 2088, Santa Fe, New Mexico 87501 within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

Item III

WELL DATA

For Water Disposal Well

A.

- (1) Pauley Petroleum, Inc. #1 State. Located 660' FNL and 1980' FEL, Section 16, T-7-S, R-33-E, Roosevelt Co., N.M.

(2) Casing Record

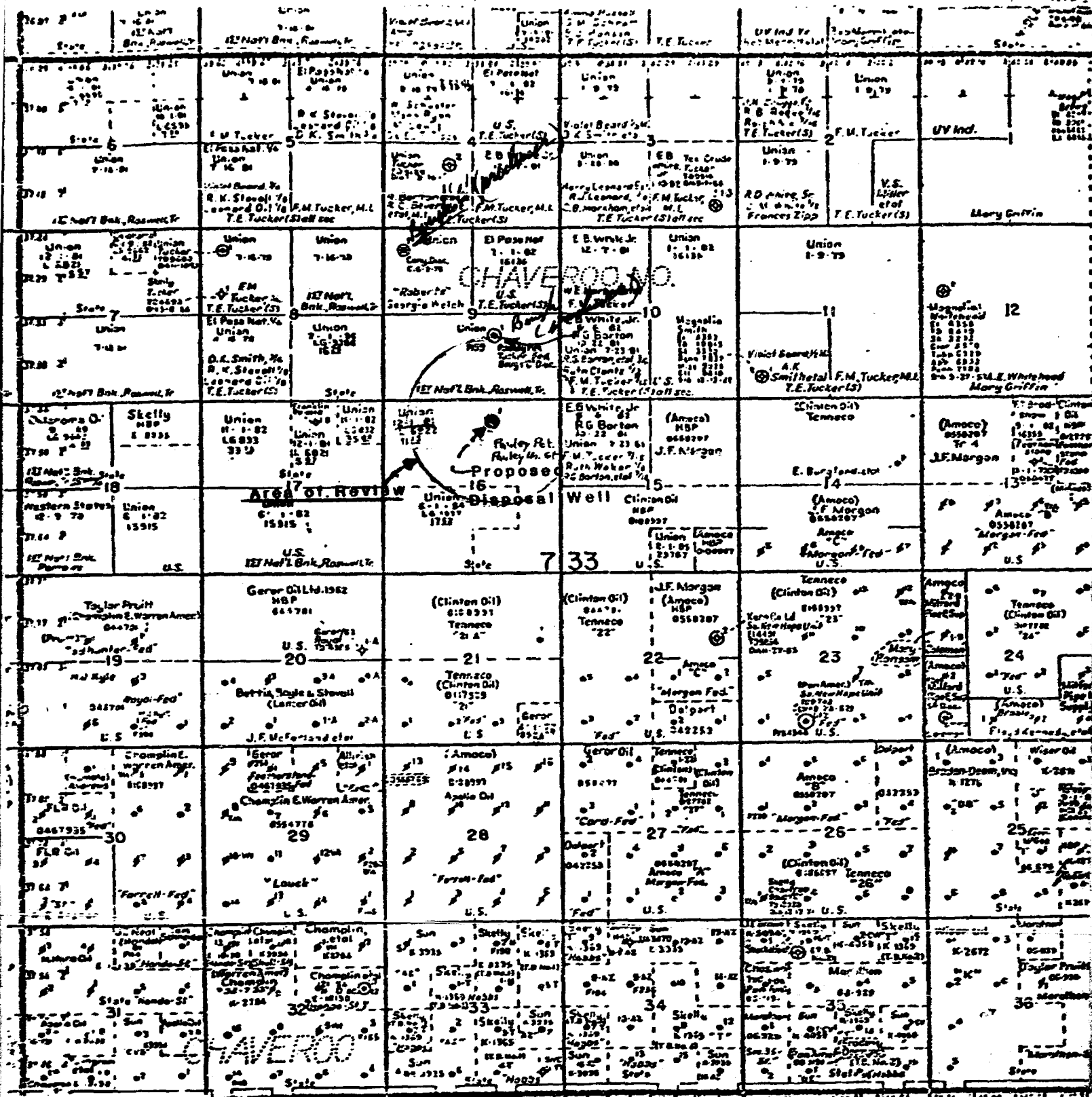
398' 12 $\frac{3}{4}$ " casing set @ 398' - 400 sx Cl "C" w/ 2% CaCl.
Cement Circulated ✓
3922' 8 $\frac{5}{8}$ " casing set @ 3922' - 1500 sx Howco Lt & Cl "C"
Cement Circulated ✓
8470' 4 $\frac{1}{2}$ " casing set @ 8470' - 475 sx Posmix Top Cement - 7100'
(Top Cement determined by Temperature Survey)
Well plugged back in accordance w/ Form C-103 filed 6/16/82,
and Form C-105 filed 7/12/82.

- (3) 3850± 2 $\frac{3}{8}$ " Eue 8 RD J-55 Tubing (unlined) *will line*
(4) Baker Model "D" Packer w/ Baker Hold down - to be set @ 3855'

B.

- (1) San Andres Formation - No field or pool.
(2) 3862-74' - Perforated
(3) Well originally drilled to test Bough "C" for oil - dry.
(4) Original Perforations: 8376-86', Cemented w/ 70 sx cmt. on top of Baker Model "R" Packer @ 8208'.
(5) No other producing zones higher or lower near well.

Roosevelt County New Mexico



Scale 1"=4000'

Item VI

Wells within Area of Review are as follows:

Name: Pauley Petroleum No. 1 Tucker Federal

Location: Roosevelt County, New Mexico
Section 9-T7S-R33E
1980'- FSL & 1980' FEL
Elevation: 4414' KB T.D. 9412 Mississippian

Type of well: Pennsylvanian Bough "C" Oil Well.

Date Completed: 10-19-79, pumping 159 BO plus 370 BWPD

Completion Interval: perforations 8345-58' Bough "C"

Current Status: Producing on pump

Casing Record: 12-3/4"/@ 398' / 550 sx
8-5/8"/@ 3950' / 1924 sx
4-1/2"/@ 9412 / 900 sx

Item VIII

Data on proposed injection zone.

Zone: San Andres

Top: 3352 (+1062) Bottom: 4743 (-329)

Proposed Disposal Interval : Perforations 3862'-3874'

Lithologic Description: The San Andres is predominately a dolomite section with scattered anhydrite and shale streaks. The lithology of the proposed disposal zone is a tan finely crystalline dolomite.

Underground Drinking supplies in area of review

Source: Pleistocene Ogallala Formation

Depth to Bottom: 300'

Item VII

DATA ON PROPOSED OPERATION

Pauley Petroleum, Inc.

#1 State

1. Propose to dispose of 350 BBL formation water daily.
2. System will be open (In storage tank at site).
3. Estimated Injection Pressure 800# - 1200# maximum.
4. Water analysis of produced water attached. The produced water is comparative to San Andres water in the Chaveroo San Andres Field which is approximately 85,000 ppm saline.
5. The proposed Injection Zone in this well was acidized w/ 2000 gal. 15% NE Acid and swabbed dry. There are no wells productive of oil or gas within one mile in this zone. We can find no water in this zone to report.

X
HALLIBURTON SERVICES
MIDLAND DIVISION
HOBBS, NEW MEXICO 88240
LABORATORY WATER ANALYSIS

No. W79-838

To Lawbar Oil Company

Date 9-1-79

Box 4431

Odessa, Texas

This report is the property of Halliburton Company and neither it nor any part thereof nor a copy thereof is to be published or disclosed without first securing the express written approval of laboratory management; it may however, be used in the course of regular business operations by any person or concern and employees thereof receiving such report from Halliburton Company.

Submitted by _____ Date Rec. 9-1-79

Well No. Tucker Federal #1 Depth _____ Formation _____

County _____ Field _____ Source _____

Resistivity _____ 0.094 @ 74° F.

Specific Gravity _____ 1.100

pH _____ 5.0

Calcium (Ca) _____ 17,000 *MPL

Magnesium (Mg) _____ Nil

Chlorides (Cl) _____ 88,000

Sulfates (SO₄) _____ 150

Bicarbonates (HCO₃) _____ 25

Soluble Iron (Fe) _____ 150

Remarks:

*Milligrams per liter.

Respectfully submitted,

Analyst: Brewer

HALLIBURTON COMPANY

cc:

By W. L. Brewer
CHEMIST

NOTICE

THIS REPORT IS LIMITED TO THE DESCRIBED SAMPLE TESTED. ANY USER OF THIS REPORT AGREES THAT HALLIBURTON SHALL NOT BE LIABLE FOR ANY LOSS OR DAMAGE, WHETHER IT BE TO ACT OR OMISSION, RESULTING FROM SUCH REPORT OR ITS USE.

Item IX

PROPOSED TREATMENT

Pauley Petroleum, Inc.

#1 State

Disposal Well - San Andres

This zone has previously been acidized with 2000 gal. 15% NE Acid.

Item X

PAULEY PETROLEUM COMPANY
PAULEY UNION STATE NO. 1
660' FNL & 1980' FEL
SEC 16, T 7 S, R 33 E
ROOSEVELT COUNTY, NEW MEXICO
4414' KB

GEOLOGIC REPORT PREPARED
BY KEN BRYANT, BRYLOGGING
800 E. FIESTA
CARLSBAD, NEW MEXICO 88220
505-885-6005

PAULEY UNION STATE NO, 1

660' FNL & 1980' FEL SEC 16, T7S, R33E

4414'KB

TOP OF THE SAN ANDRES AT 3352'

SAN ANDRES PI NAKER AT 3890'

4414
3352
+1062
414

10-19 to 10-22-81

BIT NUMBER 4 SMITH HTC

CASING SET AT 3922' B 5/8"

WOB 50,000	WEIGHT 10.2
RPM 50-55	VIS 29-32
PP 1,000	PH 8-9.5
	C 3
	CL 150,000-155,000
	OIL 2%

DEVIATION SURVEY AT 3860' OF 3/4°.

AUTOMATIC DRILLER DID NOT WORK PROPERLY FROM 3,000 to 3,200'.

10-19-81 443 feet drilled
10-20-81 250 feet drilled
10-21-81 230 feet drilled
10-22-81 205 feet drilled
10-23-81 52 feet & SET CASING

DETAILED DESCRIPTION OF SAMPLES BY KEN BRYANT FROM 3000' to 3922'
 3 AT 10 FOOT INTERVALS.

3000' to 3200'	10% LS	WH VFX SM CHLKY
	90% SH	RD RD-BN FM-SFT SLTY IP SL CALC
3200' to 3270'	90% SH	RD RD-BN FM-SFT SLTY IP SL CALC
	10% ANHY	MLKY WH CLR XLN
3270' to 3330'	10% SS	CLR RD FG SM FRI SUR-RND WELL SORTED SHLY IP
	80% SH	RD RD-BN RM-SFT SLTY IP SL CALC
	10% ANHY	MLKY WH CLR XLN
3330' to 3340'	100% SH	RD RD-BN FM-SFT SLTY IP SL CALC
3340' to 3360'	10% DOL	TN GY FX DNS SL SUCRO
	80% SH	AA
	10% ANHY	MLKY WH CLR XLN
3360' to 3370'	30% DOL	TN GY FX DNS SL SUCRO
	50% SH	RD RD-BN FM-SFT SLTY IP SL CALC
	20% ANHY	MLKY WH CLR XLN
	TR LS	WH VFX CHLKY
3370' to 3380'	100% DOL	TN GY FX DNS SL SUCRO
3380' to 3420'	80% DOL	TN GY FX DNS SL SUCRO
	20% ANHY	MLKY WH CLR XLN
	TR LS	WH VFX CHLKY
3420' to 3440'	70% DOL	TN GY FX DNS SL SUCRO
	30% ANHY	MLKY WH CLR XLN
3440' to 3480'	80% DOL	TN VFX TR VUG POR
	20% ANHY	WH MLKY CLR XLN
3480' to 3490'	70% DOL	TN VFX TR VUG POR
	30% ANHY	WH MLKY CLR XLN
3490' to 3500'	60% DOL	TN VFX TR VUG POR
	10% SH	RD RD BN FM-SFT SLTY IP SL CALC
	30% ANHY	MLKY WH CLR XLN
3500' to 3530'	50% DOL	TN GY FX DNS SL SUCRO
	50% ANHY	MLKY WH CLR XLN
3530' to 3620'	30% DOL	TN GY FX DNS SL SUCRO
	70% ANHY	MLKY WH CLR XLN
3620' to 3690'	20% DOL	TN GY FX DNS SL SUCRO OOL
	80% ANHY	MLKY WH CLR XLN

DESCRIPTION -CONTINUED

3690' to 3720'	30% DOL	TN GY FX DNS SUCRO ABNDT OOL
	70% ANHY	MLKY WH CLR XLN
3720' to 3740'	50% DOL	TN GY FX DNS SL SUCRO ABNDT OOL
	50% ANHY	MLKY WH CLR XLN
3740' to 3780'	70% DOL	TN GY FX DNS SL SUCRO ABNDT OOL
	30% ANHY	MLKY WH CLR XLN
3780' to 3830'	100% DOL	TN DY FX DNS SL SUCRO
3830' to 3860'	80% DOL	TN VFX 10% YEL FLU POOR CUT
	20% ANHY	MLKY WH CLR XLN
3860' to 3920'	100%DOL	TN VFX 20% YEL FLU GOOD CUT

THERE WERE ABUNDANT SHALE CAVINGS PRESENT THROUGHOUT

IF WE CAN BE OF ANY FURTHER SERVICE IN THE EVALUATION OF THIS PORTION OF THE WELL DO NO HESITATE TO CALL ME AT 505-885-6005 or 505-885-0397 AT ANY TIME. WE APPRECIATE THE OPPORTUNITY TO WORK WITH YOU IN THE EVALUATION OF THIS WELL AND LOOK FORWARD TO WORKING WITH YOU AGAIN SOON.

YOURS TRULY,



KEN BRYANT

800 E. FIESTA

CARLSBAD, NEW MEXICO 88220

505-885-6005

Item XI

There are no fresh water wells within one mile of disposal well.

Item XII

LEO J. LAMMERS

Geologist

C-115 Petroleum Center
900 Northeast Loop 410
San Antonio, Texas 78209
Phone: (512) 824-8430

July 9, 1982

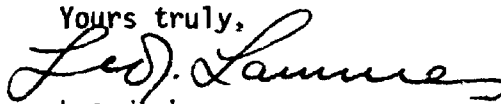
Oil Conservation Division
P. O. Box 2088
State Land Office Building
Santa Fe, New Mexico 87501

Re: Salt Water Disposal Well
Pauley Petroleum
Pauley Union St. No. 1
Sec. 16-7S-33E
Roosevelt County, New Mexico

Gentlemen:

I have examined the available geologic and engineering data in the area of review around the proposed disposal well and find no evidence of open faults. Also, I believe the lithology of the Yates and Queen formations (anhydrites and shales) above the San Andres will act as a barrier and prevent any hydrologic connection between the proposed San Andres disposal zone and any underground drinking water source.

Yours truly,



Leo J. Lammers
CPGS #3757

LJL:ts

Item XIII

PROOF OF NOTICE

Certified Mail Return Receipt Requested, sent to Mr. Tommy Tucker - Landowner. Xerox copy of receipt enclosed.

There are no other lease hold operators within one-half mile.

Certified Mail Return Receipt Requested, sent to Portales News Tribune. Xerox copy of receipt enclosed.

P16 0877100

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO	
Mr. Tommy Tucker	
STREET AND NO.	
c/o Mrs. Laura Tucker	
P.O. STATE AND ZIP CODE	
Elida, New Mexico 88116	
POSTAGE	\$
CERTIFIED FEE	¢
SPECIAL DELIVERY	¢
RESTRICTED DELIVERY	¢
OPTIONAL SERVICES	
RETURN RECEIPT SERVICE	
SHOW TO WHOM AND DATE DELIVERED	¢
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY	¢
SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	¢
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	¢
TOTAL POSTAGE AND FEES	\$
POSTMARK OR DATE	

PS Form 3800, Apr. 1976

P16 0877099

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO	
Portales News Tribune	
STREET AND NO.	
PO Box 848	
P.O. STATE AND ZIP CODE	
Portales, NM 88130	
POSTAGE	\$
CERTIFIED FEE	¢
SPECIAL DELIVERY	¢
RESTRICTED DELIVERY	¢
OPTIONAL SERVICES	
RETURN RECEIPT SERVICE	
SHOW TO WHOM AND DATE DELIVERED	¢
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY	¢
SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	¢
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	¢
TOTAL POSTAGE AND FEES	\$
POSTMARK OR DATE	

PS Form 3800, Apr. 1976

ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

Paulay Petroleum, Inc.
APPLICATION OF ~~GULF OIL CORPORATION~~
FOR SALT WATER DISPOSAL, ~~LEA~~ COUNTY,
NEW MEXICO. *Roosevelt*

7660
CASE NO. 7629
Order No. ~~R-7053~~
6-7067

W P P

ORDER OF THE DIVISION

BY THE DIVISION:

[Handwritten initials]
This cause came on for hearing at 9 a.m. on ~~August 4,~~
1982, at Santa Fe, New Mexico, before Examiner Richard L.
Stamets. *September 1,*

NOW, on this 19th day of August, 1982, 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, *Paulay Petroleum, Inc.*
~~Gulf Oil Corporation~~, is the
owner and operator of the ~~Arnott-Ramsay (NCT-E)~~ Well No. ~~5~~ 1,
located in Unit B of Section 16, Township 25 South, Range 37 ~~33~~
East, NMPM, ~~Lea~~ County, New Mexico. *Roosevelt*

(3) That the applicant proposes to utilize said well to
dispose of produced salt water into the ~~Seven Rivers~~ *San Andres*
formation, with injection into the ~~open hole~~ *perforations* interval from approximately
3169 feet to 3385 feet. *3862 3874*

(4) That the injection should be accomplished through
2-3/8 inch plastic lined tubing installed in a packer set at
approximately 3855 feet; ~~that the saltwater perforations from 2990~~
~~feet to 3158 feet should be squeezed;~~ 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 annulus in order to determine leakage in the
casing, tubing, or packer.

-2-
Case No. 7629
Order No. R-7058

(5) 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 ~~635~~ ⁷⁷⁵ psi.

(6) 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 ~~Seven Rivers~~ ^{San Andres} formation.

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

(8) 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.

(9) 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:

perforated
(1) That the applicant, ^{*Pauly Petroleum, Inc.*} ~~Gulf Oil Corporation~~, is hereby authorized to utilize its ~~Archie Ramsay~~ ^{*State*} (NCT-E) Well No. ~~13~~ ^{*357*} located in Unit ~~B~~ ^{*San Andres*} of Section 16, Township ~~35~~ ^{*35*} South, Range ~~37~~ ^{*37*} East, NMPM, ~~Lea County~~ ^{*San Andres*}, New Mexico, to dispose of produced salt water into the ~~Seven Rivers~~ formation, injection to be accomplished through 2 3/8-inch tubing installed in a packer set at approximately 3855 feet, with injection into the ~~open~~ ^{*San Andres*} hole interval from approximately ~~3169~~ ^{*3862*} feet to ~~3385~~ ^{*3874*} feet;

PROVIDED HOWEVER, that the tubing shall be plastic-lined; ~~that the Jalmat perforations from 3090 feet to 3150 feet shall be plugged;~~ 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 which will limit the wellhead pressure on the injection well to no more than ~~635~~ ⁷⁷⁵ psi.

Case No. 7629
Order No. R-7053

San Andres
(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 ~~Yates and Seven-Rivers~~ formation.

(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 so that the same may be inspected.

(5) That the operator shall immediately notify the supervisor of the Division's Hobbs 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 submit monthly reports of its disposal operations 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,
Director

S E A L

