

OIL CONSERVATION DIVISION
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300 YATES PETROLEUM BUILDING

P. O. DRAWER 239

ARTESIA, NEW MEXICO 88211-0239

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August 7, 1991

Mr. William J. LeMay, Director
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Case 10379

Dear Mr. LeMay:

Enclosed for filing, please find four copies of Application of Thomas Ray Sivley for an unorthodox oil well location for its Federal Silver No. 2 in Lea County, New Mexico. I am including a pre-addressed envelope and ask that you return a file-marked copy to me for my records.

We ask that this case be set for hearing, after allowing twenty days for notice to the offset operator, and that we be furnished with a copy of the docket for said hearing.

Very truly yours,

LOSEE, CARSON, HAAS & CARROLL, P.A.



Ernest L. Carroll

ELC:kth
Enclosures

cc w/encl: Thomas Ray Sivley
Union Oil Company

BEFORE THE OIL CONSERVATION DIVISION
OF THE STATE OF NEW MEXICO

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AUG 09 1991

OIL CONSERVATION DIVISION

CASE NO. 10319

IN THE MATTER OF THE APPLICATION OF
THOMAS RAY SIVLEY FOR AN UNORTHODOX
OIL WELL LOCATION, LEA COUNTY,
NEW MEXICO

APPLICATION

COMES NOW THOMAS RAY SIVLEY, by and through its attorneys, Losee, Carson, Haas & Carroll, P. A. and in support hereof, respectfully states:

1. Applicant is the operator of the Lynch formation underlying:

Township 20 South, Range 34 East, N.M.P.M.

Section 28: S/2

and proposes to drill its Federal Silver Lease No. 2 at a point located 1400' from the south line and 1600' from the east line of said Section 28.

2. The applicant seeks an exception to the well location requirements of Rule 104-C.I(a) of the Oil Conservation Division to permit the drilling of the well at the above-mentioned unorthodox location to a depth sufficient to adequately test the Lynch formation. Said unorthodox location is closer than 330' to the east and south boundaries of proration unit. Applicant is the operator of the spacing units which adjoin the proposed spacing unit on the two sides and the single corner closest to the proposed well.

3. A 40-acre oil proration unit comprising the NW/4 SE/4 of said Section 28 should be dedicated to such well.

4. Operator presently operates the Federal Silver No. 1 located 1980' from the south line and 1980' from the east line of Section 28. Said well is located within the proposed spacing unit but has been plugged in the Lynch formation, and is incapable of being produced from the Lynch formation.

5. The approval of this application will afford applicant the opportunity to produce its just and equitable share of oil, will prevent economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

WHEREFORE, applicant prays:

A. That this application be set for hearing before an examiner and that notice of said hearing be given as required by law.

B. That upon hearing the Division enter its order granting applicant permission to drill a well 1400' from the south line and 1600' from the east line of said Section 28, which is reasonably presumed to be productive of oil from the Lynch formation.

C. And for such other relief as may be just in the premises.

THOMAS RAY SIVLEY

By: 
Ernest L. Carroll

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Attorneys for Applicant