

Date : 12-7-89

OIL CONSERVATION DIVISION
RECEIVED

To : State of New Mexico
Energy and Minerals Department
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501
Attn: David Catalanach

1989 DEC 11 AM 9 37

New Mexico Oil Conservation Department
P.O. Box 1980
Hobbs, New Mexico 88341-1980
Attn: Jerry Sexton

From : Sirgo Operating Inc.
P.O. Box 3531
Midland, Texas 79702

Re : West Dollarhide Queen Sand Unit
Discussion of Exhibit "A" For Approved C-108

In reference to my letter of 4-26-89 on the subject of
permitting injection wells in the West Dollarhide Queen Sand
Unit.

We have performed some of the work that was outlined in the
letter. And we have found that in the cases where the
existing well had 7" casing set in the Queen interval we had
relatively good success deepening the well through the entire
Queen interval and running a string of 4-1/2" casing. In the
cases where the existing well has 5-1/2" casing set in the
Queen interval we see no chance for success in deepening
these wells completely through the Queen interval and running
a string of 2-7/8" casing. These failures will be
attributable to the fact that most of these wells are already
plugged and abandoned, also to small tool sizes, and small
space tolerances.

Our financial agent has asked us to redrill these injection
wells rather than try the risky reentry of existing plugged
wells with 5-1/2" casing. We feel this is wise, both for the
project and the protection of fresh water (i.e. if we get
into a situation where the existing 5-1/2" casing fails in
the salt section and because of the small tolerances and
corrosion, we are unable to repair the casing we would
serious jeopardize the quality of the fresh water zones higher
up).

Please find below a list of wells that will be drilled to replace those wells with 5-1/2" casing. These new wells were approved on the C-108 dated 4-4-88.

new well no. 108	replacing existing well no. 7
new well no. 110	replacing existing well no. 27
new well no. 128	replacing existing well no. 2
new well no. 129	replacing existing well no. 3
new well no. 131	replacing existing well no. 5
new well no. 133	replacing existing well no. 22
new well no. 136	replacing existing well no. 30
new well no. 138	replacing existing well no. 32
new well no. 139	replacing existing well no. 34
new well no. 140	replacing existing well no. 38
new well no. 143	replacing existing well no. 39
new well no. 152	replacing existing well no. 15
new well no. 153	replacing existing well no. 19

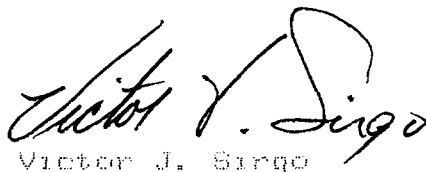
Economically we see that it is much more cost effective to redrill these locations, rather than attempt to reenter these wellbores only to inevitably have to plug it and redrill the location.

With this in mind we respectfully request that the Amendment "A" of the Division Order No. WFX-570 be ammended to show the above mentioned new wells as approved for water injection. In each of these cases the replacement well has already been approved on the original C-108 dated April 4th, 1988.

Also find attached a map showing the wells to be drilled and the wells they are replacing.

I realize this contradicts part of my letter dated 4-26-89, I apologize for this circumstance, and I do appreciate your prompt response to our situation.

If you need any further information please contact me at 915-685-0878.


Victor J. Sirgo

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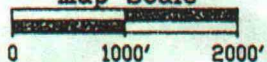
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DOLLARHIDE PARTNERS, INC.
WEST DOLLARHIDE QUEEN SAND UNIT
Lea County, New Mexico

Map Scale



Date: 9-13-88

T. SCOTT HICKMAN & ASSOCIATES, INC.
PETROLEUM CONSULTANTS

- Active Producer
- Active Injector
- New Injector to be drilled
- ◆ Plugged & Abandoned