

CASE 5050: Appli. of READ AND
STEVENS, INC. FOR SALT WATER
DISPOSAL, CHAVES COUNTY, N.M.

CASE No.

5050

Application,

Transcripts,

Small Exhibits

ETC.

dearnley, meier & associates

209 SIMMS BLDG., P.O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO 87103
1216 FIRST NATIONAL BANK BLDG. EAST • ALBUQUERQUE, NEW MEXICO 87108

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
CONFERENCE ROOM, STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO

August 22, 1973

EXAMINER HEARING

IN THE MATTER OF:

Application of Read and
Stevens, Inc. for salt water
disposal, Chaves County,
New Mexico.

Case No. 5050

BEFORE: Richard L. Stamets,
Examiner.

TRANSCRIPT OF HEARING

dearnley, meier & associates

200 SIMMS BLDG., P.O. BOX 1092, PHONE 243-6691, ALBUQUERQUE, NEW MEXICO 87103
1216 FIRST NATIONAL BANK BLDG. EAST, ALBUQUERQUE, NEW MEXICO 87108

1 MR. STAMETS: Case 5050.

2 MR. DERRYBERRY: Case 5050: Application of Read
3 and Stevens, Inc. for salt water disposal, Chaves County,
4 New Mexico. This was approved by administrative Order 147,
5 and should be dismissed.

6 MR. STAMETS: This case will be dismissed, the
7 purpose of it being accomplished by administrative order.

8 * * * *

9
10 STATE OF NEW MEXICO)
11) ss
12 COUNTY OF BERNALILLO)

13 I, RICHARD E. McCORMICK, a Certified Shorthand
14 Reporter, in and for the County of Bernalillo, State of New
15 Mexico, do hereby certify that the foregoing and attached
16 Transcript of Hearing before the New Mexico Oil Conservation
17 Commission was reported by me; and that the same is a true
18 and correct record of the proceedings to the best of my
19 knowledge, skill and ability.

20
21 *Richard E. McCormick*
22 CERTIFIED SHORTHAND REPORTER

23 I do hereby certify that the foregoing is
24 a complete record of the proceedings in
25 the Examiner hearing of Case No. 5050,
heard by me on *August 22*, 1973.
Richard L. Hamel, Examiner
New Mexico Oil Conservation Commission



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE
87501

I. R. TRUJILLO
CHAIRMAN

LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER

STATE GEOLOGIST
A. L. PORTER, JR.

SECRETARY - DIRECTOR

September 17, 1973

Mr. Donald Stevens
Attorneys at Law
Post Office Box 1797
Santa Fe, New Mexico

Re: CASE NO. 5050

ORDER NO. R-4623

Applicant:

Read & Stevens

Dear Sir:

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

Very truly yours,

A. L. Porter, Jr.

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC x
Artesia OCC x
Aztec OCC

Other _____

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE NO. 5050
Order No. R-4623

APPLICATION OF READ AND STEVENS,
INC. FOR SALT WATER DISPOSAL,
CHAVES COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on August 22, 1973,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 13th day of September, 1973, the Commission,
a quorum being present, having considered the record and the
recommendations of the Examiner, and being fully advised in the
premises,

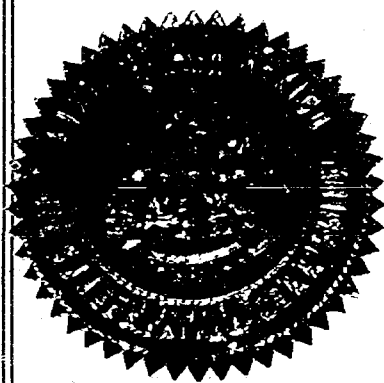
FINDS:

That the applicant's request for dismissal should be
granted.

IT IS THEREFORE ORDERED:

That Case No. 5050 is hereby dismissed.

DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.



STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

I. R. Trujillo
I. R. TRUJILLO, Chairman

ALEX J. ARMILLO, Member

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

S E A L

dr/

DOCKET: EXAMINER HEARING - WEDNESDAY - AUGUST 22, 1973

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

The following cases will be heard before Richard L. Stamets, Examiner, or Elvis A. Utz, Alternate Examiner:

CASE 4548: (Reopened) (Continued from the August 9, 1973, Examiner Hearing)

In the matter of Case No. 4548 being reopened pursuant to the provisions of Order No. R-4157, which order established special rules and regulations for the Catclaw Draw-Morrow Gas Pool, Eddy County, New Mexico, including a provision for 640-acre proration units. All interested parties may appear and show cause why said pool should not be developed on 320-acre spacing.

CASE 5046: Application of David Fasken for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill a gas well at an unorthodox location 660 feet from the South and West lines of Section 7, Township 18 South, Range 26 East, West Atoka-Morrow Gas Pool, Eddy County, New Mexico, to which well the S/2 of said Section 7 would be dedicated.

CASE 5047: Application of Chace Oil Company for the amendment of Order No. R-4555, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of the special rules and regulations for the South Lindrith Gallup-Dakota Pool, Rio Arriba County, New Mexico, as promulgated by Order No. R-4555, to provide for the classification of oil wells and gas wells, the assignment of 320-acre units to gas wells, and to provide for approval of unorthodox locations for wells drilled as oil wells but classified as gas wells upon completion.

CASE 5048: Application of Roger C. Hanks for creation of a pool and special rules therefor, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of the South Dagger Draw-Upper Pennsylvanian Pool for his Preston Federal Well No. 1 located in Unit L of Section 35, Township 20 South, Range 24 East, Eddy County, New Mexico. Applicant further seeks the promulgation of special rules for said pool, including a provision for 320-acre spacing for all wells in said pool, for the classification of oil wells and gas wells, for a limiting gas-oil ratio of 8,000 to 1, and for the assignment of a depth bracket allowable for oil wells of 267 barrels of oil per day.

CASE 5049: Application of Mobil Oil Corporation for a triple completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the triple completion (conventional) of its Federal "LL" Well No. 1 located in Unit N of Section 13, Township 23 South, Range 26 East, South Carlsbad Field, Eddy County, New Mexico, to produce gas from the Canyon, Atoka, and Morrow formations through three strings of tubing.

CASE 5050: Application of Read and Stevens, Inc. for salt water disposal, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority

(Case 5050 continued from Page 1)

to dispose of produced salt water into the Montoya formation in the perforated interval from 6225 feet to 6245 feet in its Federal "1," Well No. 1, located in Unit B of Section 21, Township 6 South, Range 27 East, Haystack-Cisco Pool, Chaves County, New Mexico.

CASE 5051: Application of Hillin Production Company for special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the Winchester-Morrow Gas Pool, Eddy County, New Mexico, including a provision for 320-acre spacing and specified well locations.

CASE 5052: Application of Atlantic Richfield Company for a non-standard gas proration unit and simultaneous well dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a non-standard 320-acre gas proration unit comprising the NW/4, E/2 NE/4, SW/4 NE/4, and NE/4 SE/4, of Section 35, Township 23 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico, to be simultaneously dedicated to its J. P. Combest Wells Nos. 1 and 4 located in Units H and E, respectively, of said Section 35.

CASE 5053: Southeast nomenclature case calling for the creation, extension and contraction of certain pools in Eddy and Lea Counties, New Mexico.

(a) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the Burton Flat-Atoka Gas Pool. The discovery well is the Monsanto Company Miller Federal No. 1 located in Unit G of Section 3, Township 21 South, Range 27 East, NMPM. Said pool described as:

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM
Section 3: Lots 1 through 8

(b) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Strawn production and designated as the Burton Flat-Strawn Gas Pool. The discovery well is the Monsanto Company, Burton Flat Deep Unit No. 3 located in Unit V of Section 3, Township 21 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM
Section 3: S/2

(c) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Canyon production and designated as the Carlsbad-Canyon Gas Pool. The discovery well is the Morris R. Antweil Randall No. 1 located in Unit K of Section 21, Township 22 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM
Section 21: S/2

(d) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the Happy Valley-Morrow

(Case 5053 continued from Page 2)

Gas Pool. The discovery well is The Superior Oil Company State Q Com No. 1 located in Unit L of Section 34, Township 21 South, Range 26 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM
Section 34: W/2

(e) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the LaHuerta-Morrow Gas Pool. The discovery well is the Cities Service Oil Company Cawley A Com No. 1 located in Unit K of Section 28, Township 21 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM
Section 28: S/2

(f) Extend the East Empire Yates-Seven Rivers Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM
Section 28: NE/4 SE/4

(g) Extend the Fowler-Devonian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 37 EAST, NMPM
Section 10: SE/4

(h) Extend the Hat Mesa-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 32 EAST, NMPM
Section 1: S/2
Section 2: All

(i) Extend the Lea-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM
Section 24: SE/4

(j) Extend the Parrish Ranch-Upper Pennsylvanian Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM
Section 13: E/2 SE/4

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM
Section 18: N/2 S/2 and SE/4 NE/4

Examiner Hearing - Wednesday - August 22, 1973

Docket No. 23-73
-4-

(Case 5053 continued from Page 3)

- (k) Extend the Penasco Draw San Andres-Yeso Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 25 EAST, NMPM
Section 32: W/2

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM
Section 5: W/2 NW/4 and NE/4 NW/4

- (l) Extend the Rock Tank-Lower Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 24 EAST, NMPM
Section 11: E/2, E/2 SW/4, S/2 SE/4 NW/4
and NE/4 SE/4 NW/4

- (m) Extend the Round Tank-Queen Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 28 EAST, NMPM
Section 36: NE/4

- (n) Extend the Shugart Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 30 EAST, NMPM
Section 12: SE/4 SE/4
Section 13: E/2 NE/4

- (o) Extend the Winchester-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM
Section 34: E/2

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM
Section 2: N/2

- (p) Contract the vertical limits of the Townsend Pennsylvanian Pool in Lea County, New Mexico, to include the Cisco formation only and redesignate said pool the Townsend-Cisco Pool comprising:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM
Section 4: SW/4

CASE 4745: (Reopened) (Continued from the August 9, 1973, Examiner Hearing)

In the matter of Case No. 4745 being reopened pursuant to the provisions of Order No. R-4365, which order established special rules and regulations for the Penasco Draw San Andres-Yeso Pool, Eddy County, New Mexico, including a provision for classification of oil wells and gas wells, the spacing thereof, and a limiting gas-oil ratio of 3000 to 1. All interested parties may appear and show cause why said pool rules should remain in effect.

314 SECURITY NATIONAL BANK BUILDING

PHONE 622-3770

CHARLES B. READ
PRESIDENT

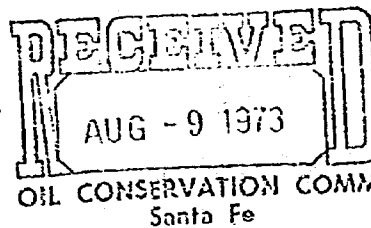
NORMAN L. STEVENS, JR.
VICE-PRESIDENT

JOHN L. ANDERSON, JR.
EXPLORATION MANAGER

Read & Stevens, Inc.

*Oil Producers
P. O. Box 2126
Roswell, New Mexico 88201*

August 8, 1973



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

Attention: Mr. Dan Nutter

Re: Proposed Salt Water Disposal Well
Read & Stevens, Inc. #1 Federal "L"
Unit B, Section 21-6S-27E
Chaves County, New Mexico

Gentlemen:

With reference to our application for conversion of the captioned well to a salt water disposal well, enclosed please find consent and approval letter as executed by Mr. Jack L. McClellan on behalf of McClellan Oil Corporation.

It is respectfully requested that administrative approval be granted to our application and that our scheduled hearing in this matter be dismissed without prejudice.

Yours very truly,

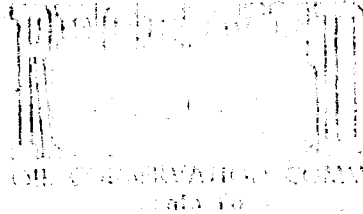
READ & STEVENS, INC.

John L. Anderson, Jr.
John L. Anderson, Jr.

JLA:SW

Enc.

CC Mr. Donald G. Stevens w/encl.
P. O. Box 1797
Santa Fe, New Mexico 87501



BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF :
READ AND STEVENS, INC. FOR SALT WATER :
DISPOSAL, CHAVES COUNTY, NEW MEXICO. :

No. 5850

APPLICATION

COMES NOW the Applicant, READ AND STEVENS, INC., a corporation duly qualified to do business in the State of New Mexico, and states:

1. Applicant hereby applies for an order granting authority to dispose of produced salt water in the Montoya formation in the perforated interval from 6225' to 6245' in its Federal "L" No. 1 located in Unit B of Section 21, Township 6 South, Range 27 East, Haystack Cisco Pool, Chaves County, New Mexico.

2. Applicant produces salt water from its wells in the Haystack Cisco Pool and by the granting of this Application will effect economies in its operations thereby preventing economic waste by the premature abandonment of its wells.

3. Applicant desires a hearing before the Oil Conservation Commission concerning this matter.

WHEREFORE, APPLICANT PRAYS:

1. That the Commission set this matter down for hearing before it at the earliest possible convenience.
2. That notice be given as required by law.
3. That upon hearing, an order be issued granting the Application as set forth herein.

DONALD G. STEVENS

DOCKET MAILED

Donald G. Stevens
Attorney for Read and Stevens, Inc.
P. O. Box 1797
Santa Fe, New Mexico 87501

8-9-73

DRAFT

WFC/dr

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

APPLICATION OF READ AND STEVENS,
INC. FOR SALT WATER DISPOSAL,
CHAVES COUNTY, NEW MEXICO.

CASE No. 5050

Order No. R- 4623

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on August 22, 1973,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this day of August, 1973, the Commission,
a quorum being present, having considered the record and the recom-
mendations of the Examiner, and being fully advised in the premises,

FINDS:

That the applicant's request for dismissal should be
granted.

IT IS THEREFORE ORDERED:

That Case No. 5050 is hereby dismissed.

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