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JUN 2 1986

BEFORE THE

OIL CONSERVATION DIVISION

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS

IN THE MATTER OF THE APPLICATION  
OF SAGE ENERGY COMPANY FOR SALT  
WATER DISPOSAL, LEA COUNTY, NEW  
NEW MEXICO.

Case No. 8926

ENTRY OF APPEARANCE

Comes now, CAMPBELL & BLACK, P.A., and hereby enters its  
appearance in the above-referenced cause for Yates Petroleum  
Corporation.

Respectfully submitted,

CAMPBELL & BLACK, P.A.

By



J. Scott Hall  
Post Office Box 2208  
Santa Fe, New Mexico 87501  
(505) 988-4421

ATTORNEYS FOR YATES PETROLEUM  
CORPORATION

NEW MEXICO OIL CONSERVATION COMMISSION  
MISCELLANEOUS REPORTS ON WELLS  
(Submit to appropriate District Office as per Commission Rule 1106)

COMPANY Amerada Petroleum Corporation - Box 636 - Lovington, New Mexico  
(Address)

LEASE State S. "G" WELL NO. 1 UNIT K S 10 T 15S R 33E  
DATE WORK PERFORMED 10-22-58 to 10-30-58 POOL Saunders

This is a Report of: (Check appropriate block)  Results of Test of Casing Shut-off  
 Beginning Drilling Operations  Remedial Work  
 Plugging  Other \_\_\_\_\_

Detailed account of work done, nature and quantity of materials used and results obtained.

Well Plugged & Abandoned.  
Run 2" Tbg open Ended, Mixed Lost Circ. Material @ Circulated, Had full Returns. Spotted  
25 Sack Slc set Cement Plug in 5-1/2" Casing from 9775'-9985'. Shot off 5-1/2" Casing @  
5792'. Pulled 5-1/2" Casing. Spotted 30 Sx. Regular Cement Plug from 5660'-5770'.  
Spotted 30 Sx. Cement Plug from 4195' to 4295'. Shot 8-5/8" Casing @ 735' & Pulled.  
Spotted 2 Sack Cement Plug from 689' to 718' & Spotted 25 Sx. Cement Plug from 279' to 310'.  
Set 10 Sack Cement Plug in top of 13-3/8" OD Casing W/4" x 15' Dry Hole Marker in top of  
Hole. Well P & A effective 10-30-58

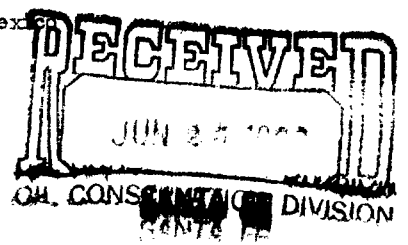
*Mike-*

*6-23-86*

FILL I  
Origin  
DF Elc  
Tbng.  
Perf D  
Open I  
RESUI  
Date c  
Oil Pr  
Gas P  
Water Production, bbls. per day  
Gas Oil Ratio, cu. ft. per bbl.  
Gas Well Potential, Mcf per day  
Witnessed by \_\_\_\_\_

*Part of Sage Energy Application  
on Love State #1*

OIL CONSERVATION COMMISSION  
Name *John W. Ramsey*  
Title \_\_\_\_\_  
Date \_\_\_\_\_  
I hereby certify that the information given above is true and complete to the best of my knowledge  
Name *J. J. Swanson*  
Position Foreman  
Company Amerada Petroleum Corporation  
Box 636  
Lovington, New Mexico



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L.S.G.S.	
LAND OFFICE	
OPERATOR	

NEW MEXICO OIL CONSERVATION COMMISSION

Form C-103  
Supersedes Old  
C-102 and C-103  
Effective 1-1-65

5. Indicate Type of Lease  
State  Fee   
6. Date and State Lease No.  
K-5711

**SUNDRY NOTICES AND REPORTS ON WELLS**  
DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. (SEE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

7. Unit Agreement Name  
8. Farm or Lease Name  
Saunders State  
9. Well No.  
1-Y  
10. Field and Pool, or Wildcat  
Saunders Permo Penn  
15. Elevation (Show whether DF, RT, GR, etc.)  
4188' GR  
12. County  
Lea

1. Well Type  
Oil  GAS WELL  OTHER   
2. Operator Name  
Imperial-American Management Co.  
3. Address of Operator  
507 Midland Savings Bldg., Midland, Texas 79701  
4. Location of Well  
UNIT LETTER P 990 FEET FROM THE South LINE AND 990 FEET FROM  
THE East LINE, SECTION 9 TOWNSHIP 15-S RANGE 33-E N.M.P.M.

16. Check Appropriate Box To Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK  PLUG AND ABANDON   
TEMPORARILY ABANDON  CHANGE PLANS   
PULL OR ALTER CASING  OTHER

SUBSEQUENT REPORT OF:

REMEDIAL WORK  ALTERING CASING   
COMMENCE DRILLING OPNS.  PLUG AND ABANDONMENT   
CASING TEST AND CEMENT JOB   
OTHER

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

Plugged and Abandoned Well as follows:

- 8-7-71 Set Cast Iron Bridge Plug @ 9275' w/20' cement plug on top.
- 8-20-71 Loaded hole w/9.5# mud.  
Shot off 5½" csg @ 5283'. Pulled & laid down same.  
Found 8-5/8" csg parted @ 150'. Laid down 150' only.  
Set 30 sx cement plug 4230-4330' (base of 8-5/8")  
Set 30 sx cement plug 2500-2600' (base of salt)  
Set 30 sx cement plug 1500-1600' (top of salt)  
Set 10 sx cement plug 0-20'

Set Marker and cleaned up location - Ready for inspection 10-1-71.

18. I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNED David K. Ramsey TITLE Agent DATE 9-13-71  
APPROVED BY William E. Olegg TITLE \_\_\_\_\_ DATE 10-1-71  
CONDITIONS OF APPROVAL, IF ANY:



RECEIVED

Case 8926

JUN 2 1986

S. P. YATES  
PRESIDENT  
JOHN A. YATES  
VICE PRESIDENT  
B. W. HARPER  
SEC. - TREAS.

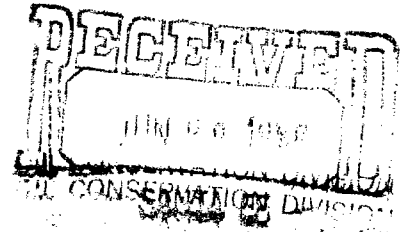
OIL CONSERVATION DIVISION

105 SOUTH FOURTH STREET  
ARTESIA, NEW MEXICO 88210  
TELEPHONE (505) 748-1471

June 20, 1986

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

Attention: Mr. Michael Stogner,  
Examiner



Re: Application of Sage Energy  
Company for Salt Water Injection  
Lowe State No. 1  
Saunders (Penn) Field  
660' FWL and 1980' FSL  
Sec. 10, T15S-R33E  
Lea County, New Mexico

Gentlemen:

We are enclosing a letter, dated May 13, 1986, to Sage Energy Company from Mr. David Boneau, Engineering Manager of Yates Petroleum Corporation, in which we advise Mr. Jay Hardy that we plan to oppose their application for salt water disposal.

After conversation with Mr. Jay Hardy, it is our understanding that Sage Energy Company intends only to inject leasehold water at a rate of less than 40 barrels of water per day into this disposal well. Sage Energy Company has made an agreement with Yates Petroleum Corporation along these lines, a copy of which is enclosed for your information. Therefore, Yates Petroleum Corporation does not object to the application of Sage Energy Company to dispose of leasehold water into the captioned well.

Yates does, however, have an objection to an injection rate in excess of 40 barrels per day and respectfully requests that, if an order is written allowing Sage Energy to inject into the said well, the NMOCD place a maximum injection rate of 40 barrels water a day into such order.

Thank you for your consideration.

Very truly yours,

YATES PETROLEUM CORPORATION

Randy G. Patterson  
Land Manager

RGP/mw



207 SOUTH FOURTH STREET  
ARTESIA, NEW MEXICO 88210  
TELEPHONE (505) 748-1331

S. P. YATES  
PRESIDENT  
MARTIN YATES, III  
VICE PRESIDENT  
JOHN A. YATES  
VICE PRESIDENT  
B. W. HARPER  
SEC. TREAS.

May 13, 1986

Sage Energy Company  
P. O. Box 3068  
Midland, Texas 79702

ATTN: Jay H. Hardy

Dear Mr. Hardy:

Re: Sage Energy SWD

Yates Petroleum has received notice that Sage Energy plans to convert the Lowe State #1 in Section 10-15-33 to salt water disposal. You propose to inject into perforations from 9565--10,000 feet. Yates Petroleum produces oil from this same zone in the offset well to the east (Valentine "VL" #1) and the offset well to the southeast (Robin "UT" #1). Yates believes this production will be harmed by unlimited injection into the Lowe State #1. Yates plans to oppose your application when it comes before the NMOCD for hearing.

Please call me if you care to discuss this matter further.

Sincerely,

DAVID F. BONEAU  
Engineering Manager

DFB/cvg

Enclosures

LAW OFFICES

HEIDEL, SAMBERSON, GALLINI & WILLIAMS

C. GENE SAMBERSON  
R. W. GALLINI  
JERRY L. WILLIAMS

311 NORTH FIRST STREET  
POST OFFICE DRAWER 1599  
LOVINGTON, NEW MEXICO 88260  
(505) 396-5303

F. L. HEIDEL  
~~XXXXXXXXXX~~  
(1913-1985)

April 23, 1986

Mr. Dick Stamets  
Oil Conservation Division  
Post Office Box 1488  
Santa Fe, NM 87504-1488

Dear Dick:

We represent Jerry Dean, Lovington, New Mexico, who has received a letter from Sage Energy Company, Midland, Texas, dated April 16, 1986, advising him that Sage Energy Company proposes to convert its Lowe State #1 Well located 660 feet from the West line and 1,980 feet from the South line of Section 10, Township 15 South, Range 33 East, N.M.P.M., Lea County, New Mexico, to a salt water disposal well. Would you please provide us with a copy of the Application, together with any Exhibits attached thereto, filed by Sage Energy Company in connection with this matter.

After we have had an opportunity to review the Application, Mr. Dean may desire for us to file objections or request a hearing with the Oil Conservation Division.

Your earliest attention to the foregoing request will be appreciated.

Very truly yours,

HEIDEL, SAMBERSON, GALLINI & WILLIAMS

By 

CGS:lt

W A I V E R

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

Re: Sage Energy Company, Lowe State No. 1, Saunders (Penn) Field, 660' FWL and  
1980' FSL of Section 10, T-15-S, R-33-E, Lea County, New Mexico.

Dear Sir:

I have been duly notified of the intent of Sage Energy Company to convert the  
captioned well to a salt water disposal well. I have no objections to this  
conversion.

Edward H. Adams, Division Manager  
MGF Oil Corporation