

CASE 4144: Application of SAM G.
DUNN OIL OPERATIONS FOR SALT
WATER DISPOSAL, CHAVES COUNTY.

Case Number.

4/44

Application

Transcripts.

Small Exhibits

ETC.

dearnley-meier reporting service, inc.

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

1120 SIMAS BLDG. • P. O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO



BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

June 25, 1969

EXAMINER HEARING

IN THE MATTER OF:

Application of Sam G. Dunn
Oil Operations for salt
water disposal, Chaves
County, New Mexico

CASE NO. 4144

BEFORE: Elvis A. Utz, Examiner

TRANSCRIPT OF HEARING

14 AUG 21 1969

MR. UTZ: Case No. 4144.

MR. HATCH: Case 4144, continued from the June 4, 1969, Examiner Hearing.

Application of Sam G. Dunn Oil Operations for salt water disposal, Chaves County, New Mexico.

MR. KELLAHIN: If the Examiner please, Jason Kellahin of Kellahin and Fox, appearing for the applicant. I have one witness I would like to have sworn.

(Witness sworn)

(Whereupon, Exhibits Nos. 1, 2 and 3 were marked for identification)

LEWIS C. JAMESON,

called as a witness by the applicant, having been first duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Would you state your name, please.

A Lewis C. Jameson.

Q What business are you engaged in?

A I am Manager of Petroleum Consultants, Incorporated, in Albuquerque, New Mexico.

Q In connection with your work with Petroleum Consultants, do you do any work for Sam G. Dunn Oil Operations?

A Yes, I have been retained by Sam G. Dunn Operations to represent this case.

Q Have you made an investigation of the proposal in this case?

A Yes, I have.

Q Have you testified before Oil Conservation Commission as an engineer, and made your qualifications a matter of record?

A Yes. Actually, I am a geologist.

MR. KELLAHIN: Are the witness's qualifications acceptable?

MR. UTZ: Yes.

Q (By Mr. Kellahin) Mr. Jameson, what is proposed by Sam G. Dunn Oil Operations in Case 4144?

A The applicant is the owner and operator of the E. Faircloth "C" Well No. 1, located in Unit N of Section 32, Township 7 South, Range 27 East, Acme-San Andres Pool, Chaves County, New Mexico.

The applicant proposes to utilize this well to inject produced salt water into the San Andres formation with the injection into the perforated interval from 1,910 to 1,950 feet.

Q Referring to what has been marked Applicant's Exhibit No. 1, would you identify that exhibit?

A That is the application to dispose of salt water by

injecting into the porous formation on the New Mexico Oil Conservation form. The form shows that the injection will be through tubing, 2-3/8ths inch tubing, which will be plastic lined, and the tubing will be set in a packer at approximately 1,890 feet.

Q What volumes of water will be injected into this well?

A The application says that a minimum of 50 barrels per day, or a maximum of 125 per day. However, in checking the production records, the applicant doesn't have that volume of water in this area at this time. I would expect the minimum volume to be more like twenty barrels per day.

Q What is the source of the water to be injected?

A It is out of the San Andres-Acme Pool -- Acme-San Andres Pool.

Q Is it anticipated that the injection will be under pressure?

A Very little pressure will be needed. The water will be gathered by plastic-lined pipe on the surface, and put in a plastic-lined tank, and injected at a pressure of twenty-five to seventy-five pounds.

Q Referring to what has been marked as Exhibit No. 2, would you identify that exhibit?

A Exhibit No. 2 is a plat of the Acme-San Andres Pool

area. The Faircloth 1-C well is shown on the Northwestern extremity of the field.

Q Referring to Exhibit No. 3, would you identify that exhibit?

A Exhibit No. 3 is a schematic sketch of the installation to be utilized in injecting the water.

Q And that shows the cementing and casing on the well, does it not?

A Yes, it does. The 5-1/2 inch casing is cemented to approximately 1,300 feet, as calculated; and 8-5/8ths surface pipe is set at 137 feet with cement circulated to the surface.

Q You have discussed the tubing and packer. Will the casing tubing annulus be filled?

A Yes, the annulus will be filled with an inert fluid.

Q Will a pressure gauge be installed at the surface?

A Yes, a pressure gauge will be utilized.

MR. KELLAHIN: At this time, I would like to offer in evidence Exhibits 1, 2 and 3.

MR. UTZ: Without objection, Exhibits 1, 2 and 3, will be entered into the record of this case.

(Whereupon, Exhibits Nos. 1,
2 and 3 were received in evidence)

MR. KELLAHIN: Do you have anything to add, Mr.

Jameson?

THE WITNESS: No, I don't.

MR. KELLAHIN: That completes the examination of the witness.

CROSS EXAMINATION

BY MR. UTZ:

Q You say the tubing will be plastic-coated?

A Yes.

MR. UTZ: Any other questions of the witness?

You may be excused.

(Witness excused)

MR. UTZ: Any statements?

The case will be taken under advisement. We will take a recess at this time.

I N D E X

<u>WITNESS</u>	<u>PAGE</u>
LEWIS C. JAMESON	
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<u>NUMBER</u>	<u>PAGE</u>
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STATE OF NEW MEXICO)
)
 COUNTY OF BERNALILLO)

I, SAMUEL MORTELETTE, Court Reporter and Notary Public, in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing is a record of the proceedings had before the New Mexico Oil Conservation Commission, on June 4, 1969; that same was reported by me; and that the same is a true and correct record, to the best of my knowledge, skill and ability.

Sam Mortelette
 Notary Public

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 4144 heard by me on June 25, 1969.

[Signature] Examiner
 New Mexico Oil Conservation Commission

dearnley-meier reporting service, inc.

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

1120 SIMMAS BLDG. • P. O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO



BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
June 4, 1969
EXAMINER HEARING

IN THE MATTER OF:

Application of Sam G. Dunn
Oil Operations for salt
water disposal, Chaves
County, New Mexico.

Case 4144

BEFORE: DANIEL S. NUTTER, Examiner

TRANSCRIPT OF HEARING

JUL 23 AM 8 27

MR. HATCH: Case 4144, application of Sam G. Dunn Oil Operations for salt water disposal, Chaves County, New Mexico.

If the Examiner please, the Commission has received a request that this Case be continued to June 25th.

MR. NUTTER: Case 4144 will be continued to the Examiner bearing at 9:00 o'clock A.M. in this same place on June 25, 1969. We will call next Case No. 4136.

STATE OF NEW MEXICO)
) SS.
 COUNTY OF BERNALILLO)

I, SAMUEL MORTELETTE, Court Reporter in and
 for the County of Bernalillo, State of New Mexico, do
 hereby certify that the foregoing and attached Transcript
 of Hearing before the New Mexico Oil Conservation
 Commission was reported by me, and that the same is a
 true and correct record of the said proceedings, to the
 best of my knowledge, skill and ability.

Samuel B. Mortelette

I do hereby certify that the foregoing is
 a correct record of the proceedings in
 the case of *4144*
 held on *6/4*, 19 *69*.
Samuel B. Mortelette
 New Mexico Oil Conservation Commission

SAM G. DUNN OIL OPERATIONS

P. O. BOX 3095

LUBBOCK, TEXAS 79410

MAIN OFFICE

'69 JUN 12 AM 8 16

1503 BROADWAY
LUBBOCK, TEXAS
806 PD 2-4186

June 10, 1969

Mr. Lewis C. Jameson
Petroleum Consultants, Inc.
2820 Central Avenue, S. E.
Albuquerque, New Mexico 87106

*File Cool
4144*

Re: Conservation Commission Hearing
June 25, 1969 - No. 1 Faircloth S.W.D.

Dear Lewis:

We would appreciate it if you would represent us as an engineer on the hearing scheduled for June 25 on our application to use our No. 1 Faircloth C as a Salt Water Disposal Well. Attached is a copy of our file for this application including electric log which we would appreciate you returning to us after the hearing.

I am writing Jason Kellahin asking him to be our attorney to represent us on this date.

Sincerely,

Ray J. Diekemper, Jr.

rjd mj

Enclosure

cc: Mr. Jason Kellahin
Mr. D. S. Nutter

SAM G. DUNN OIL OPERATIONS

P. O. BOX 3095

LUBBOCK, TEXAS 79410

MAIN OFFICE

JUN 12 AM

MAIN OFFICE

'69 JUN 12 AM 8 16

1603 BROADWAY
LUBBOCK, TEXAS
806 PD 2-4186

June 10, 1969

Mr. Jason Kellahin
Kellahin & Fox
Box 1769
Santa Fe, New Mexico

Re: Conservation Commission Hearing
June 25, 1969 - No. 1 Faircloth S.W.D.

Dear Mr. Kellahin:

They have scheduled us for the subject hearing on June 25.
It would be appreciated if you could represent us as the
attorney for this application.

We are asking Lewis Jameson to appear for us as an engi-
neer in this case. Attached is a copy of our application,
minus our electric log.

Sincerely,

Ray J. Diekemper, Jr.

rjd mj

Enclosure

cc: Mr. Lewis C. Jameson
Mr. D. S. Nutter



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

P. O. BOX 2088 - SANTA FE

87501

GOVERNOR
DAVID F. CARGO
CHAIRMAN

LAND COMMISSIONER
ALEX J. ARMijo
MEMBER

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

July 8, 1969

Mr. Jason Kellahin
Kellahin & Fox
Attorneys at Law
Post Office Box 1769
Santa Fe, New Mexico

Re: Case No. 4156
Order No. 4144 R-3784 and R-3787
Applicant:
Jack L. McClellan & Sam G. Dunn

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.
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC x

Artesia OCC x

Aztec OCC

Other State Engineer Office

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. 4144
Order No. R-3787

APPLICATION OF EAM G. DUNN OIL OPERATIONS
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 June 25, 1969,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 7th day of July, 1969, the Commission, a
quorum being present, 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 Commission has jurisdiction of this cause and the subject
matter thereof.

(2) That the applicant, Sam G. Dunn Oil Operations, is the
owner and operator of the E. Faircloth "C" Well No. 1, located in
Unit N of Section 32, Township 7 South, Range 27 East, NMPM, Acme-
San Andres Pool, Chaves 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
1910 feet to 1950 feet.

(4) That the injection should be accomplished through
2-inch plastic-lined tubing installed in a packer set at
approximately 1890 feet; that the casing-tubing annulus should
be filled with an inert fluid; and that a pressure gauge should

-2-

CASE No. 4144

Order No. R-3787

be attached to the annulus at the surface in order to determine leakage in the casing, tubing, or packer.

(5) 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, Sam G. Dunn Oil Operations, is hereby authorized to utilize its E. Faircloth "C" Well No. 1, located in Unit N of Section 32, Township 7 South, Range 27 East, NMPM, Acme-San Andres Pool, Chaves County, New Mexico, to dispose of produced salt water into the San Andres formation, injection to be accomplished through 2-inch tubing installed in a packer set at approximately 1890 feet, with injection into the perforated interval from approximately 1910 feet to 1950 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 at the surface in order to determine leakage in the casing, tubing, or packer.

(2) That the applicant shall submit monthly reports of its disposal operations in accordance with Rules 704 and 1120 of the Commission Rules and Regulations.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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



STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

David F. Cargo
DAVID F. CARGO, Chairman

Alex J. Armijo
ALEX J. ARMIO, Member

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

ear/

Case 4144
Heard 6-25-69
Rec. 6-27-69

Grant Sam B. Dunn permis-
sion to convert his Swiss
cloth (C) #1, Acme - SA ~~75~~
N-32-75-27E. to a SWD
well. Injection to be down
2" tubing (Plastic coated) under
a packer set at approx.

890' into csg. pkgs. 1910 to
~~1950~~ 1950. San Andres.

Volume 20 BWPD MAX.
150 BWPD.

Annulus to be filled w/
inert fluid w/ gauge at
surface. — Shuckley

CLASS OF SERVICE

This is a fast message unless its deferred character is indicated by the proper symbol.

WESTERN UNION TELEGRAM

W. P. MARSHALL
CHAIRMAN OF THE BOARD

R. W. MCFALL
PRESIDENT

SYMBOLS

DL=Day Letter

NL=Night Letter

LT=International
Letter Telegram

The filing time shown in the date line on domestic telegrams is LOCAL TIME at point of origin. Time of receipt is LOCAL TIME at point of destination.

LA091 SSA312

1969 JUN 4 PM 1 37 44

L HBA031 JM PD=HOBBS NMEX 4 136P MDT=

DANIELS S NUTTER, EXAMINER

NEW MEXICO OIL CONSERVATION COMM STATE LAND OFFICE

SANTA FE NMEX

AS OFFSET OPERATOR I SUPPORT THE APPLICATION OF
SAM & DUNN OIL OPERATIONS FOR SALT WATER DISPOSAL
ACME POOL CHAVEZ COUNTY NMEX CASE #4144
N DALE NICHOLS

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

Docket No. 18-69

DOCKET: EXAMINER HEARING - WEDNESDAY - JUNE 25, 1969

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

The following cases will be heard before Elvis A. Utz, Examiner, or Daniel S. Nutter, Alternate Examiner:

CASE 4151: Application of Northern Natural Gas Company for the suspension of certain provisions of Rules 14 (A) and 15 (A) of Order No. R-1670, as amended, of the General Rules and Regulations for the prorated gas pools of Southeastern New Mexico. Applicant, in the above-styled cause, seeks suspension, for a period of one year from July 1, 1969, of those provisions of Rules 14 (A) and 15 (A) of the General Rules and Regulations for the prorated gas pools of Southeastern New Mexico promulgated by Order No. R-1670, as amended, that provide, respectively, for the cancellation of unproduced allowable and the shutting-in of over-produced wells. Applicant seeks said suspension for the Blinebry, Eumont, Jalmat, Monument-McKee, and Tubb Gas Pools.

CASE 4152: Application of Anadarko Production Company for an amendment of Order No. R-3628, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-3628, which authorized the institution of a waterflood project in the Loco Hills Sand Unit Area, Loco Hills Pool, by the injection of water through certain wells located in Township 18 South, Range 29 East, Eddy County, New Mexico. Applicant seeks to delete 3 injection wells located or to be located in Section 4 of said Township and Range and to substitute in lieu thereof the following 3 wells in said Section 4:

A well to be drilled 2460 feet from the North line and 180 feet from the East line;

A well to be drilled 1980 feet from the South and West lines;

A well to be drilled 10 feet from the South line and 1650 feet from the West line.

Applicant further seeks a procedure whereby other injection wells may be substituted administratively for those previously authorized in order to have an efficient injection pattern.

CASE 4141: (Readvertised)
Application of McCasland Disposal System for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the

Seven Rivers formation in the intervals from approximately 3756 feet to 3851 feet and from approximately 3918 feet to 3939 feet, respectively, in the Getty Oil Company J. H. Day Wells Nos. 1 and 2, both located in the NW/4 of Section 6, Township 22 South, Range 36 East, Jalmat Field, Lea County, New Mexico.

CASE 4153: Application of Amerada Petroleum Corporation for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Wolfcamp and Pennsylvanian formations in the interval from approximately 9508 feet to 10,000 feet in its L. W. Ward Well No. 5 located in Unit J of Section 11, Township 13 South, Range 38 East, Bronco-Wolfcamp Pool, Lea County, New Mexico.

CASE 4107: (Continued from the April 23, 1969 Examiner Hearing)
Application of Coastal States Gas Producing Company for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the West Sawyer-San Andres Pool, Lea County, New Mexico, including a provision for 80-acre spacing and proration units.

CASE 4144: (Continued from the June 4, 1969, Examiner Hearing)
Application of Sam G. Dunn Oil Operations for salt water disposal, Chaves 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 approximately 1910 feet to 1950 feet in its E. Faircloth "C" Well No. 1 located in Unit N of Section 32, Township 7 South, Range 27 East, Acme-San Andres Pool, Chaves County, New Mexico.

CASE 4154: Application of Pan American Petroleum Corporation for a pool creation and discovery allowable, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Blinebry oil pool for its State "C" Tract 11 Well No. 3 located in the NW/4 SE/4 of Section 2, Township 21 South, Range 36 East, Lea County, New Mexico, and for the assignment of an oil discovery allowable in the amount of approximately 28,510 barrels to said well.

CASE 4155: Application of Pan American Petroleum Corporation for an exception to Order No. R-3221, as amended, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221, as amended, which order prohibits the disposal of water produced in conjunction with the production of oil on the surface of the ground in Lea, Eddy, Chaves and Roosevelt Counties, New Mexico, after January 1, 1969. Said

(Case 4155 continued)

exception would be for the applicant's wells located in Sections 28 and 33, Township 19 South, Range 32 East, Lusk Field, Lea County, New Mexico. Applicant seeks authority to dispose of salt water produced by said wells in unlined surface pits in said sections.

CASE 4156: Application of Jack L. McClellan for an exception to Order No. R-3221, as amended, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221, as amended, which order prohibits the disposal of water produced in conjunction with the production of oil or gas or both, on the surface of the ground in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico, after January 1, 1969. Said exception would be for applicant's wells located in the SE/4 and NE/4, respectively, of Section 13 and 24, Township 15 South, Range 29 East, Sulimar-Queen Pool, Chaves County, New Mexico. Applicant, seeks authority to dispose of salt water produced by said wells in unlined surface pits located in said quarter sections.

CASE 4157: Application of Texaco Inc. for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Eunice-Monument Unit Area comprising 1516 acres, more or less, of State and fee lands in Township 20 South, Ranges 36 and 37 East, Lea County, New Mexico.

CASE 4158: Application of Texaco Inc. for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in its Eunice-Monument Unit Area by the injection of water into the Grayburg and San Andres formations through 18 wells located in Section 24, Township 20 South, Range 36 East, and in Sections 19, 20, 21, 29 and 30, Township 20 South, Range 37 East, Eunice-Monument (Grayburg-San Andres) Pools, Lea County, New Mexico.

CASE 4159: Application of Southwestern Natural Gas Company, Inc. for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill at an unorthodox oil well location 2310 feet from the North line and 1980 feet from the West line of Section 27, Township 15 South, Range 32 East, North Anderson Ranch-Wolfcamp Pool, Lea County, New Mexico.

JASON W. KELLAHIN
ROBERT E. FOX

KELLAHIN AND FOX
ATTORNEYS AT LAW
64 1/2 EAST SAN FRANCISCO STREET
POST OFFICE BOX 1769
SANTA FE, NEW MEXICO 87501

June 14, 1969

MAIN OFFICE
JUN 18 AM 8 37

TELEPHONE 982-4315
AREA CODE 505

Mr. Ray J. Diekemper, Jr.
Sam G. Dunn Oil Operations
P. O. Box 3095
Lubbock, Texas 79410

Dear Mr. Diekemper:

This will acknowledge receipt of your request that I represent you in the Oil Conservation Commission application for salt water disposal in the No. 1 Faircloth well, Chaves County, New Mexico.

I have talked with Lewis Jameson, and we will be prepared to present this case at the hearing on June 25, as requested. It should take about a week after the hearing before an order is entered approving the disposal well, however, I anticipate no difficulty.

Yours very truly,

Jason W. Kellahin

Jason W. Kellahin

JWK:ss

SAM G. DUNN OIL OPERATIONS

P. O. BOX 3095

LUBBOCK, TEXAS 79410

May 21, 1969

MAY 23 AM 10 17

1603 BROADWAY
LUBBOCK, TEXAS
806 PD 2-4186

Handwritten signature

file - Case 4144

Oil Conservation Commission
State of New Mexico
Box 2088
Santa Fe, New Mexico

Re: Application to dispose of salt water
Sam G. Dunn Oil Operations
1 E. Faircloth "C"
N Section 32, T-7-S, R-27-E
Chaves County, Texas

Gentlemen:

We thought you would be interested to know the good feeling of your state landowners regard your commission action regard the oil field disposal problem.

Enclosed is a copy of letter we received from landowner in response to sending copy of the above caption application.

It is good to know that all interested concur with the program and we trust that our program can be completed in the near future,

Yours very truly,

Sam G. Dunn Oil Operations

By *Wm T. Thomas*
Wm. T. Thomas

DOCKET MAILED

Date 6-12-69

for June 25th hearing

Roswell, New Mex.

May. 19 1969

Sam G. Dunn Oil Operators
Lubbock, Texas

Mr. Ray J. Dickemper Jr.
General Manager

Dear Mr. Dickemper,

In regard to your letter of May 5, I quite agree with the Conservation Commission. In the past have had some cattle loss from the open pits.

I am sorry the well does not produce any more.

How about the other two? Those I hope are still producing.

I believe the last check I received was in March.

Thank you for the letter and information.

I was sorry the house was not equipped for living.

Come see me.

Sincerely-

Everna M. Faircloth

Docket No. 16-69

DOCKET: EXAMINER HEARING - WEDNESDAY - JUNE 4, 1969

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

The following cases will be heard before Daniel S. Nutter, Examiner, or
Elvis A. Utz, Alternate Examiner:

- CASE 4121: (Continued from the May 7, 1969, Examiner Hearing)
Application of Roger C. Hanks for special pool rules, Lea County,
New Mexico. Applicant, in the above-styled cause, seeks the
promulgation of special pool rules for the Bar U-Pennsylvanian
Pool, Lea County, New Mexico, including a provision for 160-
acre spacing and proration units and the assignment of 80-acre
allowables.
- CASE 4143: (Continued from the May 21, 1969, Examiner Hearing)
Application of Amerada Petroleum Corporation for downhole
commingling and special gas-oil ratio limitation, Lea County,
New Mexico. Applicant, in the above-styled cause, seeks
authority to commingle production from the Eumont Gas Pool and
the Skaggs-Grayburg Pool in the wellbore of its Fred Turner,
Jr., "A" Well No. 2, the Eumont completion of which is presently
classified as a gas completion, located in Unit K of Section 18,
Township 20 South, Range 38 East, Lea County, New Mexico. Appli-
cant, further seeks the establishment of a special gas-oil ratio
limitation for the subject well.
- CASE 3796: (Reopened)
In the matter of Case No. 3796 being reopened pursuant to the
provisions of Order No. R-3452, which order established 160-
acre spacing units for the Cerca-Upper Pennsylvanian Pool, Lea
County, New Mexico, for a period of one year. All interested
parties may appear and show cause why said pool should not be
developed on 40-acre or 80-acre spacing units.
- CASE 4093: (Reopened)
Application of BTA Oil Producers for salt water disposal, Lea
County, New Mexico. Order No. R-3727, dated April 15, 1969,
authorized the applicant to dispose of produced salt water into
the Devonian formation in the intervals from approximately
12,233 feet to 12,275 feet in its Max Pray State "E" Well No. 1
and from approximately 12,088 to 12,164 feet in its Max Pray
State "E" Well No. 2 located, respectively, in Units F and C of
Section 5, Township 10 South, Range 36 East, adjacent to the
West Crossroads-Devonian Pool, Lea County, New Mexico. Applicant
now seeks authority to extend said Devonian zones of disposal
to 12,233 feet to 12,500 feet in said Well No. 1 and 12,088
feet to such depth as is necessary in said Well No. 2.

Examiner Hearing
June 4, 1969

Docket No. 16-69

-2-

CASE 4144: Application of Sam G. Dunn Oil Operations for salt water disposal, Chaves 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 approximately 1910 feet to 1950 feet in its E. Faircloth "C" Well No. 1 located in Unit N of Section 32, Township 7 South, Range 27 East, Acme-San Andres Pool, Chaves County, New Mexico.

CASE 4139: (Continued and readvertised)
Application of Mallard Petroleum Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Seven Rivers formation in the open-hole interval from approximately 3700 feet to 4100 feet in its Milner Federal Well No. 4, located in Unit C of Section 20, Township 20 South, Range 34 East, Lynch (Yates) Pool, Lea County, New Mexico.

CASE 4145: Application of Tenneco Oil Company for an exception to Order No. R-3221, as amended, Lea and Eddy Counties, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221, as amended, which order prohibits the disposal of water produced in conjunction with the production of oil on the surface of the ground in Lea, Eddy, Chaves and Roosevelt Counties, New Mexico, after January 1, 1969. Said exception would be for applicant's Bush field leases comprising the SW/4 NW/4 of Section 19, Township 18 South, Range 32 East, Lea County, New Mexico, and the NE/4 of Section 24, Township 19 South, Range 31 East, Eddy County, New Mexico. Applicant seeks authority to dispose of salt water produced by wells completed on said leases in unlined surface pits on said leases.

CASE 4146: Application of V. S. Welch for an exception to Order No. R-3221, as amended, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221, as amended, which order prohibits the disposal of water produced in conjunction with the production of oil on the surface of the ground in Lea, Eddy, Chaves and Roosevelt Counties, New Mexico, after January 1, 1969. Said exception would be for the applicants lease comprising the NE/4 of Section 28, Township 18 South, Range 31 East, Shugart Field, Eddy County, New Mexico. Applicant seeks authority to dispose of salt water produced by wells completed or to be completed on said lease in unlined surface pits on said lease.

Examiner Hearing

June 4, 1969

-3-

Docket No. 16-69

CASE 4147: Application of Mobil Oil Corporation for pool reclassification, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to have the North Vacuum-Morrow Pool, Lea County, New Mexico, reclassified from an oil pool to a gas pool.

CASE 4148: Application of Fannie Lee Mitchell, Inc. for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Wolfcamp formation in the perforated interval from approximately 10,450 feet to 10,550 feet in the former Southern Petroleum Exploration Co., Inc. Machris State 36-3 Well No. 1 located in Unit W of Section 3, Township 16 South, Range 35 East, Townsend-Wolfcamp Pool, Lea County, New Mexico.

CASE 4149: Application of Jack L. McClellan for an exception to Order No. R-3221, as amended, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221, as amended, which order prohibits the disposal of water produced in conjunction with the production of oil on the surface of the ground in Lea, Eddy, Chaves and Roosevelt Counties, New Mexico, after January 1, 1969. Said exception would be for applicant's Harris Well No. 1 located in Unit P, Section 5, Township 16 South, Range 30 East, West Henshaw-Grayburg Pool, Eddy County, New Mexico. Applicant seeks authority to dispose of salt water produced by said well in unlined surface pits in the vicinity of the well.

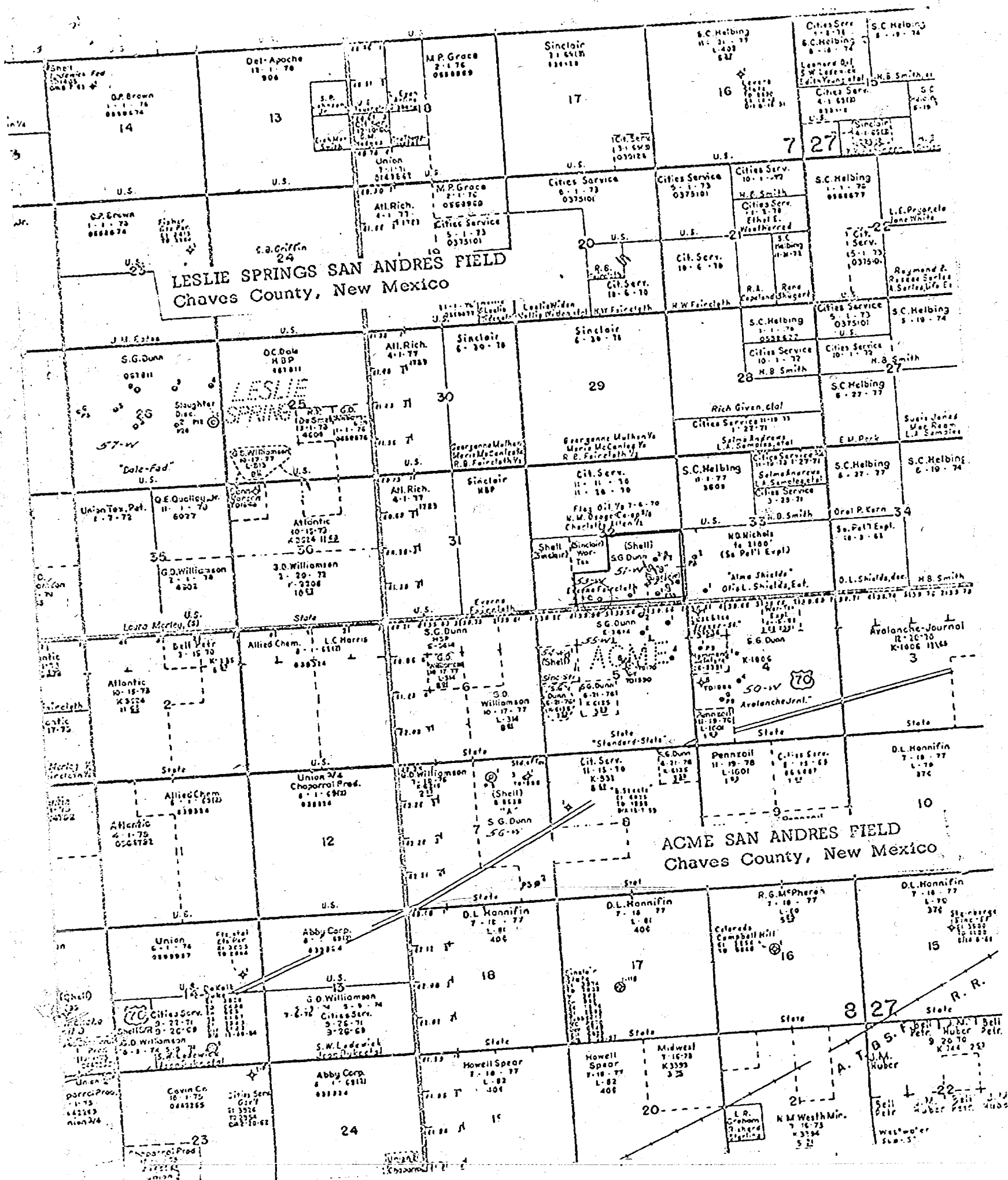
NEW MEXICO OIL CONSERVATION COMMISSION
APPLICATION TO DISPOSE OF SALT WATER BY INJECTION INTO A POROUS FORMATION

OPERATOR Sam G. Dunn Oil Operations		ADDRESS Box 3095 Lubbock, Texas 79410	
LEASE NAME E. Faircloth "C"	WELL NO. 1	FIELD Acme San Andres	COUNTY Chaves
LOCATION UNIT LETTER N ; WELL IS LOCATED 330 FEET FROM THE South LINE AND 2310 FEET FROM THE West LINE, SECTION 32 TOWNSHIP 7-S RANGE 27-E NMPM.			
CASING AND TUBING DATA			
NAME OF STRING	SIZE	SETTING DEPTH	SACKS CEMENT
SURFACE CASING	8-5/8"	137'	100
INTERMEDIATE			
LONG STRING	5-1/2"	1956'	100
TUBING	2"	approx 1920'	1300'
NAME OF PROPOSED INJECTION FORMATION San Andres		NAME, MODEL AND DEPTH OF TUBING PACKER Simpak Plastic Coated 2"x5-1/2OD to be set at approx 1890'	
IS INJECTION THROUGH TUBING, CASING, OR ANNULUS? Tubing		PERFORATIONS OR OPEN HOLE? Perforations	PROPOSED INTERVAL(S) OF INJECTION 1910' - 1950'
IS THIS A NEW WELL DRILLED FOR DISPOSAL? No	IF ANSWER IS NO, FOR WHAT PURPOSE WAS WELL ORIGINALLY DRILLED? for oil but produced only water		HAS WELL EVER BEEN PERFORATED IN ANY ZONE OTHER THAN THE PROPOSED INJECTION ZONE? No
LIST ALL SUCH PERFORATED INTERVALS AND SACKS OF CEMENT USED TO SEAL OFF OR SQUEEZE EACH			
DEPTH OF BOTTOM OF DEEPEST FRESH WATER ZONE IN THIS AREA 70'		DEPTH OF TOP OF NEXT LOWER OIL OR GAS ZONE IN THIS AREA None	
ANTICIPATED DAILY INJECTION VOLUME (BBLs.) 50	MINIMUM 125	MAXIMUM 125	OPEN OR CLOSED TYPE SYSTEM Closed
IS INJECTION TO BE BY GRAVITY OR PRESSURE? Pressure		APPROX. PRESSURE (PSI) 25 to 75	
ANSWER YES OR NO WHETHER THE FOLLOWING WATERS ARE MINERALIZED TO SUCH A DEGREE AS TO BE UNFIT FOR DOMESTIC, STOCK, IRRIGATION, OR OTHER GENERAL USE - Yes		NATURAL WATER IN DISPOSAL ZONE Yes	
NAME AND ADDRESS OF SURFACE OWNER (OR LESSEE, IF STATE OR FEDERAL LAND) Mrs. Everna M. Faircloth 108 North Michigan Avenue Roswell, New Mexico		ARE WATER ANALYSES ATTACHED? No	
LIST NAMES AND ADDRESSES OF ALL OPERATORS WITHIN ONE-HALF (1/2) MILE OF THIS INJECTION WELL Sam G. Dunn Oil Operations Box 3095 Lubbock, Texas 79410			
		BEFORE EXAMINER UTZ OIL CONSERVATION COMMISSION EXHIBIT NO. 1 CASE NO. 4194	
HAVE COPIES OF THIS APPLICATION BEEN SENT TO EACH OF THE FOLLOWING?	SURFACE OWNER Yes	EACH OPERATOR WITHIN ONE-HALF MILE OF THIS WELL Yes	THE NEW MEXICO STATE ENGINEER Yes
ARE THE FOLLOWING ITEMS ATTACHED TO THIS APPLICATION (SEE RULE 701-B)?	PLAT OF AREA Yes	ELECTRICAL LOG Yes	DIAGRAMMATIC SKETCH OF WELL Yes

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

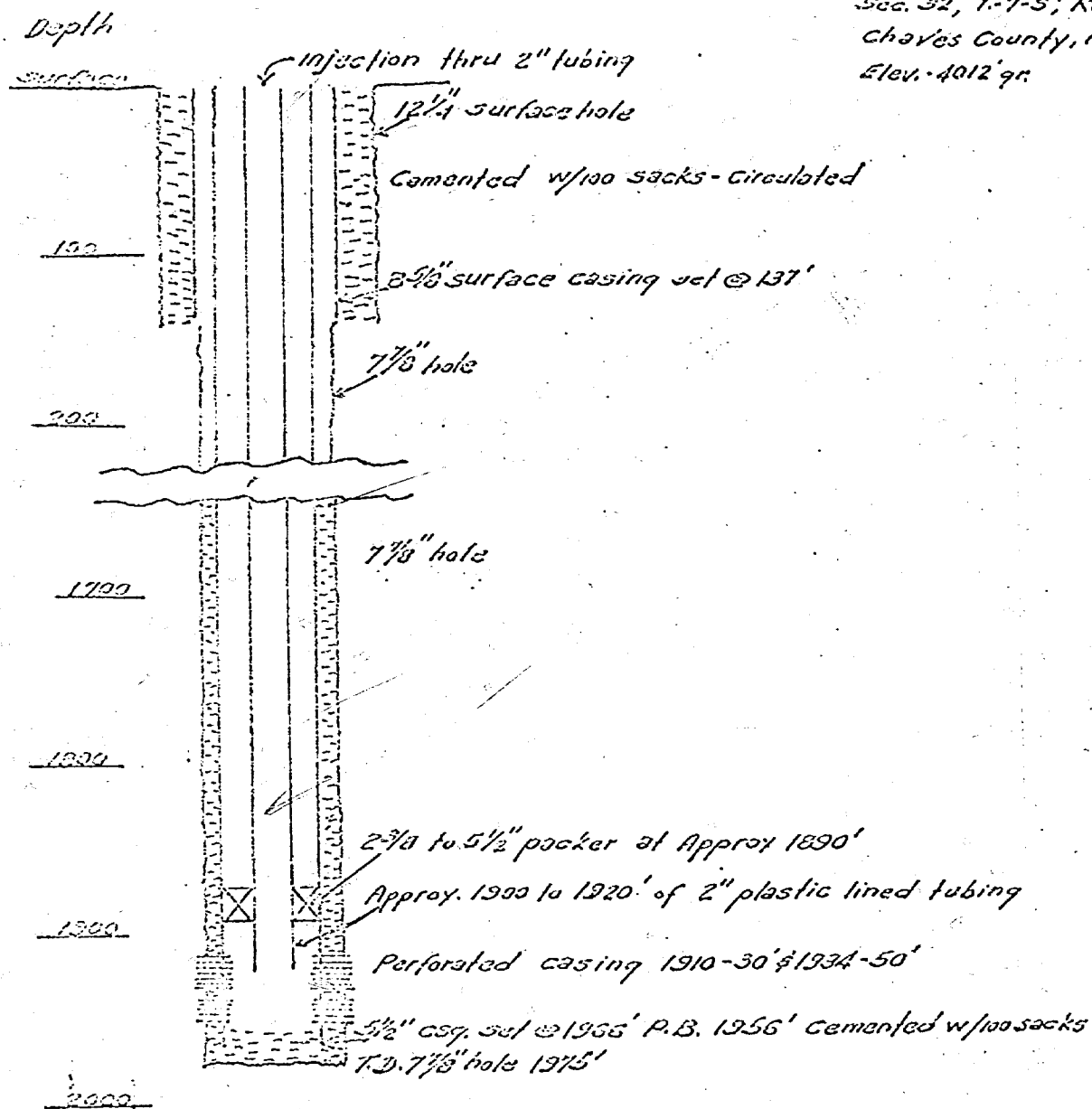
Wm T. Thomas Geologist May 5, 1969
 (Signature) (Title) (Date)

NOTE: Should waivers from the State Engineer, the surface owner, and all operators within one-half mile of the proposed injection well, not accompany this application, the New Mexico Oil Conservation Commission will hold the application for a period of 15 days from the date of receipt by the Commission's Santa Fe office. If at the end of the 15-day waiting period no protest has been received by the Santa Fe office, the application will be processed. If a protest is received, the application will be set for hearing, if the applicant so requests. SEE RULE 701.



Salt Water Disposal Well

Sam G. Dunn Oil Operations.
 116.1-C Faircloth
 330' fr. SL; 2310' fr. W.L.
 Sec. 32, T-7-S; R-27-E
 Charles County, New Mexico
 Elev. 4012' gr.



BEFORE EXAMINER UTZ	
OIL CONSERVATION COMMISSION	
Appr	EXHIBIT NO. 3
CASE NO.	4144

NEW MEXICO OIL CONSERVATION COMMISSION

APPLICATION TO DISPOSE OF SALT WATER BY INJECTION INTO A POROUS FORMATION

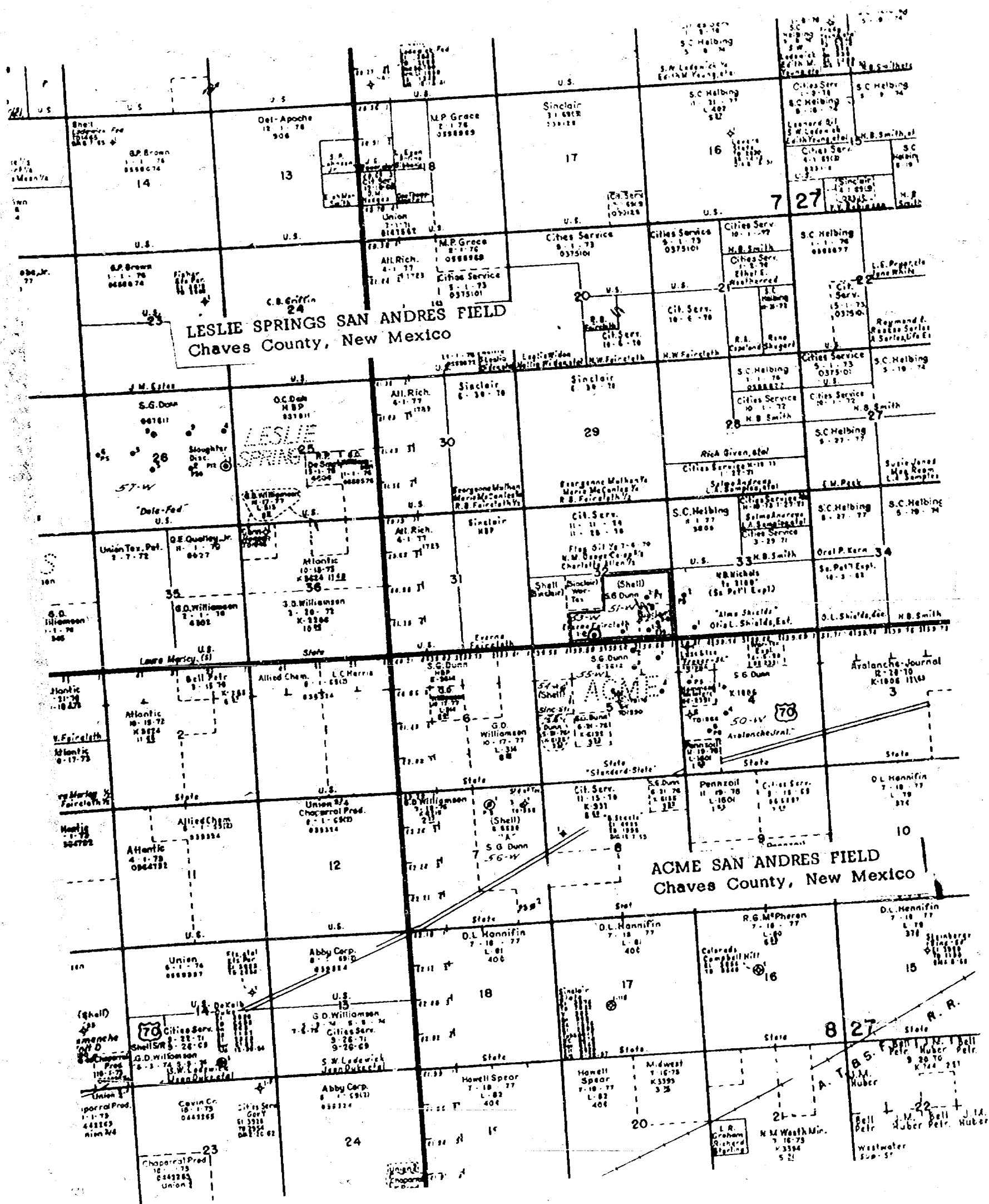
Form C-108
Revised 1-1-65

OPERATOR Sam G. Dunn Oil Operations		ADDRESS Box 3095 Lubbock, Texas 79410	
LEASE NAME E. Faircloth "C"	WELL NO. 1	FIELD Acme San Andres	COUNTY Chaves
LOCATION UNIT LETTER N ; WELL IS LOCATED 330 FEET FROM THE South LINE AND 2310 FEET FROM THE West LINE, SECTION 32 TOWNSHIP 7-S RANGE 27-E NMPM.			
CASING AND TUBING DATA			
NAME OF STRING	SIZE	SETTING DEPTH	SACKS CEMENT
SURFACE CASING	8-5/8"	137'	100
INTERMEDIATE			
LONG STRING	5-1/2"	1956'	100
TUBING	2"	approx 1920'	1300'
NAME OF PROPOSED INJECTION FORMATION San Andres		TOP OF CEMENT 1341'	
IS INJECTION THROUGH TUBING, CASING, OR ANNULUS? Tubing		PERFORATIONS OR OPEN HOLES Perforations	
IS THIS A NEW WELL DRILLED FOR DISPOSAL? No		PROPOSED INTERVAL(S) OF INJECTION 1910' - 1950'	
IF ANSWER IS NO, FOR WHAT PURPOSE WAS WELL ORIGINALLY DRILLED? for oil but produced only water		HAS WELL EVER BEEN PERFORATED IN ANY ZONE OTHER THAN THE PROPOSED INJECTION ZONE? No	
LIST ALL SUCH PERFORATED INTERVALS AND SACKS OF CEMENT USED TO SEAL OFF OR SQUEEZE EACH			
DEPTH OF BOTTOM OF DEEPEST FRESH WATER ZONE IN THIS AREA 70'		DEPTH OF TOP OF NEXT LOWER OIL OR GAS ZONE IN THIS AREA None	
ANTICIPATED DAILY INJECTION VOLUME (BBLs.) 50		APPROX. PRESSURE (PSI) 25 to 75	
MINIMUM 50		MAXIMUM 125	
OPEN OR CLOSED TYPE SYSTEM Closed		IS INJECTION TO BE BY GRAVITY OR PRESSURE? Pressure	
ANSWER YES OR NO WHETHER THE FOLLOWING WATERS ARE MINERALIZED TO SUCH A DEGREE AS TO BE UNFIT FOR DOMESTIC, STOCK, IRRIGATION, OR OTHER GENERAL USE - Yes		NATURAL WATER IN DISPOSAL ZONE Yes	
NAME AND ADDRESS OF SURFACE OWNER (OR LESSEE, IF STATE OR FEDERAL LAND) Mrs. Everna M. Faircloth 108 North Michigan Avenue Roswell, New Mexico		ARE WATER ANALYSES ATTACHED? No	
LIST NAMES AND ADDRESSES OF ALL OPERATORS WITHIN ONE-HALF (1/2) MILE OF THIS INJECTION WELL Sam G. Dunn Oil Operations Box 3095 Lubbock, Texas 79410			
HAVE COPIES OF THIS APPLICATION BEEN SENT TO EACH OF THE FOLLOWING? Yes			
SURFACE OWNER Yes			
EACH OPERATOR WITHIN ONE-HALF MILE OF THIS WELL Yes			
THE NEW MEXICO STATE ENGINEER Yes			
ARE THE FOLLOWING ITEMS ATTACHED TO THIS APPLICATION (SEE RULE 701-B) Yes			
PLAT OF AREA Yes			
ELECTRICAL LOG Yes			
DIAGRAMMATIC SKETCH OF WELL Yes			

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

Wm T. Thomas
(Signature)*Geologist*
(Title)**5-22-69**
Date **May 5, 1969**
(Date)

NOTE: Should waivers from the State Engineer, the surface owner, and all operators within one-half mile of the proposed injection well, not accompany this application, the New Mexico Oil Conservation Commission will hold the application for a period of 15 days from the date of receipt by the Commission's Santa Fe office. If at the end of the 15-day waiting period no protest has been received by the Santa Fe office, the application will be processed. If a protest is received, the application will be set for hearing, if the applicant so requests. SEE RULE 701.



Sal Water Disposal Well

Sam G. Dunn Oil Operations.

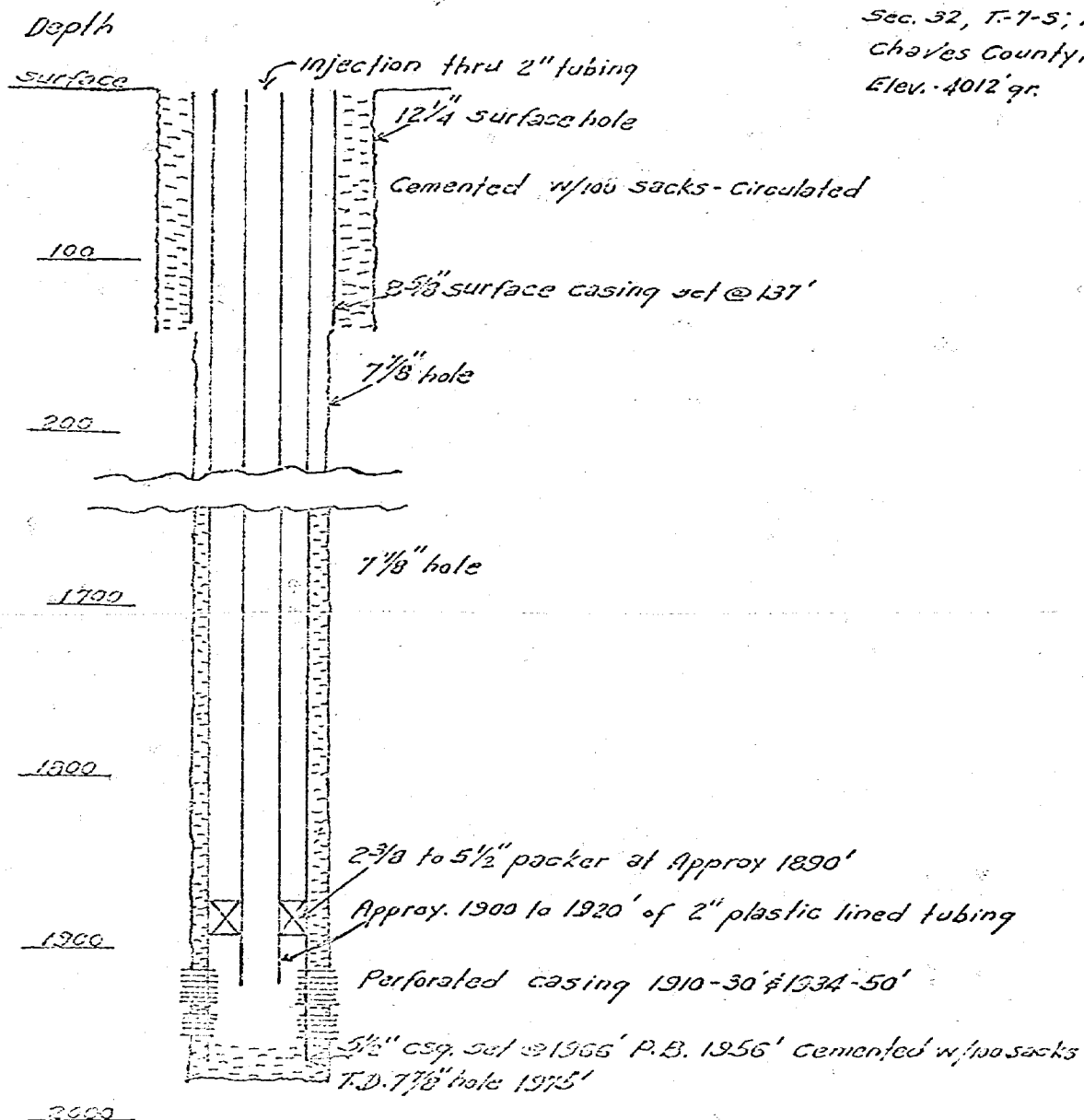
No. 1-C Faircloth

330' fr. SL; 2310' fr. W.L.

Sec. 32, T-7-S; R-27-E

Chaves County, New Mexico

Elev. 4012' gr.



Case 4144

DRAFT

GMH/esr

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. 4144

Order No. R-3787

APPLICATION OF SAM G. DUNN OIL OPERATIONS
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 June 25, 1969,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz

NOW, on this July day of June, 1969, the Commission, a
quorum being present, 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 Commission has jurisdiction of this cause and the subject
matter thereof.

(2) That the applicant, Sam G. Dunn Oil Operations,
is the owner and operator of the E. Faircloth "C" Well No. 1,
located in Unit N of Section 32, Township 7 South, Range
27 East, NMPM, Acme-San Andres Pool, Chaves
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 1910 feet to 1950 feet.

(4) That the injection should be accomplished through
2-inch plastic-lined tubing installed in a packer set at

approximately 1890 feet; that the casing-tubing annulus should be filled with an inert fluid; and that a pressure gauge should be attached to the annulus ~~or the annulus left open~~ at the surface in order to determine leakage in the casing, tubing, or packer.

(5) 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, Sam G. Dunn Oil Operations, is hereby authorized to utilize its E. Faircloth "C" Well No. 1, located in Unit N of Section 32, Township 7 South, Range 27 East, NMPM, Acme-San Andres Pool, Chaves County, New Mexico, to dispose of produced salt water into the San Andres formation, injection to be accomplished through 2-inch tubing installed in a packer set at approximately 1890 feet, with injection into the perforated interval from approximately 1910 feet to 1950 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 left open~~ at the surface in order to determine leakage in the casing, tubing, or packer.

(2) That the applicant shall submit monthly reports of its disposal operations in accordance with Rules 704 and 1120 of the Commission Rules and Regulations.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

CASE 4145: Application of TENNECO
FOR AN EXCEPTION TO ORDER R-3221,
AS AMENDED, LEA & EDDY COUNTIES.