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Application  
Transcripts.

Small Exhibits

ETC.

dearnley-meier

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

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



BEFORE THE

NEW MEXICO OIL CONSERVATION COMMISSION

Santa Fe, New Mexico

March 26, 1969

EXAMINER HEARING

IN THE MATTER OF:

Application of T. J. Sivley  
for a dual completion and salt  
water disposal, Lea County,  
New Mexico.

Case 4071

BEFORE: ELVIS A. UTZ, Examiner

TRANSCRIPT OF HEARING

MR. UTZ: Case 4071.

MR. HATCH: Case 4071, continued from the March 19, 1969, Regular Hearing, application of T. J. Sivley for adual completion, Lea County, New Mexico.

MR. LOSEE: A. J. Losee, of Artesa, New Mexico, representing the Applicant.

MR. UTZ: Any other appearances? You may proceed.

(Thereupon, Applicant's Exhibits 1 through 4 were marked for identification.)

W. T. WYNN

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

DIRECT EXAMINATION

BY MR. LOSEE:

Q State your name, residence, and occupation?

A W. T. Wynn, Artesia, New Mexico, Geologist.

Q You have never testified before the Oil Conservation Commission, have you?

A No, I haven't.

Q Where did you attain your college work, and how far did you get?

A I went to the Virginia Military Institute, and

the University of Texas for three-and-a-half years.

Q What was your major in, in those schools?

A Petroleum Engineering.

Q When did you leave school?

A 1930.

Q Since that time, when business have you been engaged in?

A In the oil business.

Q With what companies, and what employers have you had since then?

A With Cosden Oil Company, with the Oil And Gas Division of the Railroad Commission of Texas, with the Stanlon Oil and Gas Company, Buffalo Oil Company, and T. J. Sivley.

Q Are you a part owner in this Federal Silver lease that is the subject matter of this application?

A Yes, I am.

Q And were you such at the time the initial well was drilled, and all the development has gone on?

A Yes, sir.

MR. LOSEE: Are Mr. Wynn's qualifications acceptable?

MR. UTZ: Yes, they are.

Q Are you familiar with the application of Mr. Sivley in this Case 4071?

A Yes, sir.

Q Would you state briefly the purpose of the application?

A The purpose of the application is to dispose of produced water in the Federal Silver lease.

Q By what three procedures do you ask authority to dispose of this water?

A Well, at present we have --

Q Just briefly, Mr. Wynn.

A Well, either down the tubing, or down the casing of the No. 4 Silver.

Q And you also ask authority to dually produce and dispose of water through two parallel strings of tubing and a packer in the same well?

A Yes, we do.

Q Please refer to what has been marked as Exhibit No. 1, and explain what is shown by **this** exhibit?

A Exhibit 1 is an ownership map of the area in which the Federal Silver lease is located. In the south half of Section 23, it shows the location of the wells and the offset operators around this lease.

Q From what zone is the Federal Silver lease producing?

A From the Lower Yates-Seven Rivers.

Q The offset wells to this Section, the south half of Section 28, what zone are they producing in?

A From the same zone.

Q Please refer to what has been marked as Exhibit 2, and explain what is shown by this exhibit?

A Exhibit 2 is an enlargement of the south half of Section 28, showing the standard 40-acre proration unit, and the location of the wells, of the Sivley Silver wells; also, the lease roads and tank battery.

Q Please refer to what has been marked as Exhibit 3, which is the electric log on this Federal Silver No. 4 Well -- before referring to the log and the diagrammatic sketch shown on the inset, was this well drilled under the oil Potash rules?

A Yes.

Q How much surface pipe, and what size, and what cement is present in it?

A 2 5/8 inch casing was set in the Rustler anhydrite at 1,615 feet, and the cement was circulated to the surface. The 5 1/2 inch oil string was cemented at

3,725, and cement circulated back of it to the surface.

Q Now, state what else is shown by your Exhibit No. 3?

A Exhibit 3 shows a radio activity log of the pay section of this well, and it shows the perforations that the well has been produced from. It shows the casing at 3,725, and a string of tubing run to a total depth of 3,787. One well was deepened recently. The packer is set from 3,777 to 3,781, and the perforations below this packer are used to dispose of the water into the formation between the depths of 3,781 and 3,787.

MR. LOSEE: Mr. Examiner, let me make an amendment to Exhibit 3 to show that the 8 5/8 inch is set at 1,615 feet, and cement circulated to the surface, and also to show that the 5 1/2 was circulated, the cement was.

MR. UTZ: All right.

Q (By Mr. Losee) If this procedure doesn't work, that is if the formation will not continue to take water through the tubing, what would the operator propose as the second alternative?

A The operator would like to pull that packer loose, and pull the tubing packer out of the hole, and



dispose of water down the casing, and let it go where it would, either through the perforations from 3,718 to 3,724 1/2, or below the casing, the open hole below the casing from 3,725 to 3,787.

Q Please refer to what has been marked as Exhibit 4, and explain what is reflected by this exhibit?

A Well, the operator would like to have permission if he so chooses to pull his tubing and set the packer on a string of tubing. He would like to set the packer on a string tubing between the depths of 3,725 and 3,729, below the producing perforations, and dispose of water through perforations below that packer, between the depths of 3,729 and 3,787.

MR. UTZ: That would be open hole, wouldn't it?

THE WITNESS: That would be open hole. In such an event, he would run a second string of tubing and produce oil through a string of tubing, through the perforations from 3,718 to 3,724 1/2.

Q (By Mr. Losee) Is the Federal Silver No. 4 a producing well at this time, Mr. Wynn?

A No, sir, it is not.

Q Well, last month, was it?

A It was a producing well last month, yes.

Q What was its average production last month per day?

A About ten barrels a day, I believe.

Q And that was of oil. Do you know how much fluid or how much water was produced?

A No, I don't.

Q How much water is presently in need of being disposed of from this Federal Silver lease?

A 67 barrels a day right now.

Q And that comes from two other wells, does it not?

A Yes, sir.

Q Will that amount of water increase?

A It will.

Q What zone is the water coming from, the produced water?

A The Lower Yates-Seven Rivers.

Q What zones under all three of these proposals will it be disposed of into?

A Lower Yates-Seven Rivers.

Q Is your proposal to gravity this water?

A Yes, that is what we proposed to do.

Q Do you have an opinion as to whether these alternative proposals will protect the fresh water in the area, and any possible producing oil zone?

A Yes, sir. The casing which is cemented back to the surface in this hole will certainly prevent any contamination of fresh water, and the disposal of produced water into the producing formation or below it will not in anyway harm the producing formation.

Q Were Exhibits 1 through 4 prepared by you or under your direction?

A Yes, sir.

MR. LOSEE: We move to introduce Exhibits 1 through 4.

MR. UTZ: Without objection, Exhibits 1 through 4 will be entered into the record of this case.

(Thereupon, Applicant's Exhibit 1 through 4 were admitted in evidence.)

CROSS EXAMINATION

BY MR. UTZ:

Q Mr. Wynn, on your proposal one, will those perforations at the base of the 5 1/2 be left open?

A Presently, yes.

Q But you just haven't made up your mind which one of these you want to try, is that it?

A Well, right now, the water is going below that packer all right down the tubing by gravity.

Q That is the way it is completed now?

A Yes, sir.

Q If you maintain your composition No. 1 here, you are going to try to produce the oil with another string of tubing?

A No, sir, we will leave it as it is.

Q Ten barrels of oil is ten barrels of oil.

A There is also another string of tubing.

Q This well, you say, was producing in February, and you shut it now?

A Yes, sir.

Q And you are using it as an injection well?

A Yes.

MR. UTZ: Any other questions of Mr. Wynn?

You may be excused. Any statements in this Case?

The Case will taken under advisement.

I N D E XWITNESSPAGE

W. T. WYNN

Direct Examination by Mr. Losee

3

Cross Examination by Mr. Utz

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EXHIBITSMARKEDADMITTED INEVIDENCEApplicant's Exhibits  
1 through 4

3

10

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 Mortelette*

I do hereby certify that the foregoing is  
 a complete and correct transcript of  
 the hearing held at the  
 heard by me on 3-26-69 4071  
*Shirley M. [Signature]*  
 New Mexico Oil Conservation Commission

dearnley-meier

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

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



BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
March 19, 1969  
REGULAR HEARING

-----  
IN THE MATTER OF: )

Application of T. J. Sivley )  
for a dual completion and )  
salt water disposal, Lea )  
County, New Mexico. )

Case 4071

-----  
BEFORE: A. L. PORTER, Jr., Secretary Director  
ALEX J. ARJIMO, Land Commissioner  
GOVERNOR DAVID F. CARGO, Chairman  
GEORGE HATCH, Counsel

TRANSCRIPT OF HEARING

MR. HATCH: Case 4071, application of T. J. Sivley  
for a dual completion and salt water disposal, Lea County,  
New Mexico.

The Commission has received a request that this  
case be continued to March 26.

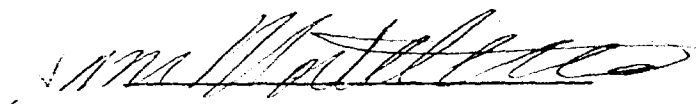
MR. PORTER: If there is no objection, Case 4071  
will be continued to March 26.

We will call Case 4077.



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.



dearnley-meier

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

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



BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION

Santa Fe, New Mexico

March 5, 1969

EXAMINER HEARING

IN THE MATTER OF:

Application of T. V.  
Sivley for a dual com-  
pletion and salt water  
disposal, Lea County,  
New Mexico.

Case No. 4071

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

## NEW MEXICO OIL CONSERVATION COMMISSION

## EXAMINER HEARING

SANTA FE, NEW MEXICO

Hearing Date MARCH 5, 1969TIME: 9 A.M.

NAME	REPRESENTING	LOCATION
Jim Amaro Jr.	McGraw-Hill & Co.	Albuquerque
Jack Wilcock	USGS	Rockwell
Gene Daniel	USGS	Rockwell
B. Clinch	Pennington & Co. Inc.	Midland, Texas
Mr. Williams	W. K. Brown	ST
Rodney Boyd	Pennington & Co. Inc.	Albuquerque
Dr. Helms	Standard Oil Co. of Texas	Hobbs, NM
J. A. Slater	State of Texas	Houston, Texas
P. J. McQuinn	U.S.G.S.	Farmington
W. A. Sherrill	American Trading & Co.	Midland, Texas
Chas. E. Smith	" " " "	Rockwell
Jason Kellie	Kellie & Co.	Santa Fe
A. L. Carpenter	Humble Oil & Ref. Co.	Hobbs
J. M. HAMMER	✓	✓
W. L. Jordan, Jr.	Humble Oil & Ref. Co.	Hobbs
A. R. Green	Benson Motors & Co.	Farmington
George W. Taylor	Independent	Farmington

MR. NUTTER: We will call Case 4071

MR. HATCH: Case 4071, application of T. J. Sivley for a dual completion and salt water disposal, Lea County, New Mexico.

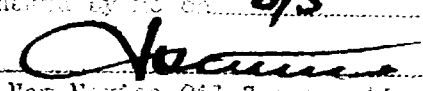
Mr. Examiner, I received a telephone call from Mr. Sivley yesterday, in which he said that he might be late today, or he might not be able to make it at all. If he wasn't here by the time we concluded the other cases, he would like for the case to be continued. He proposed the case be continued to the Regular Hearing in March.

MR. NUTTER: Case 4071 will be continued to the Regular Commission Hearing at 9:00 o'clock A.M. in the hearing auditorium, March 19, 1969.

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

I, SAMUEL NORTHELETTE, 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.

  
COURT REPORTER

I do hereby certify that the foregoing is a correct record of the proceedings in the New Mexico Oil Conservation Commission, held by me on 3/5, 1969. 4071  
 Examiner  
New Mexico Oil Conservation Commission



## 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

April 1, 1969

Mr. A. J. Losee  
Attorney at Law  
Post Office Box 239  
Artesia, New Mexico 88210

Re: Case No. 4071  
Order No. R-3724  
Applicant:  
T. J. Sivley

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           

Aztec OCC           

Other State Engineer Office

Bureau of Land Management

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. 4071  
Order No. R-3724

APPLICATION OF T. J. SIVLEY  
FOR A DUAL COMPLETION AND SALT  
WATER DISPOSAL, LEA COUNTY, NEW  
MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on March 26, 1969,  
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 1st day of April, 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, T. J. Sivley, seeks authority to  
complete his Federal Silver Well No. 4, located in the SW/4 SE/4  
of Section 28, Township 20 South, Range 34 East, NMPM, Lynch  
Yates-Seven Rivers Pool, Lea County, New Mexico, as a dual com-  
pletion to produce oil from the Yates formation through 2-inch  
tubing and to dispose of produced salt water into the Seven  
Rivers formation through a parallel string of 2-inch tubing  
below a packer set at approximately 3725 feet, with injection  
into the open-hole interval from approximately 3729 feet to  
3787 feet.

(3) That the applicant proposes, in the event the aforesaid  
completion proves to be unsatisfactory, to recomplete the subject

-2-

CASE No. 4071

Order No. R-3724

well in such a manner as to allow the disposal of produced salt water into the Yates formation in the perforated interval from approximately 3718 feet to 3725 feet as well as into the Seven Rivers formation.

(4) That approval of the dual completion and salt water disposal as set out above will prevent the drilling of unnecessary wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, T. J. Sivley, is hereby authorized to complete his Federal Silver Well No. 4, located in the SW/4 SE, 4 of Section 28, Township 20 South, Range 34 East, NMPM, Lynch Yates-Seven Rivers Pool, Lea County, New Mexico, as a dual completion to produce oil from the Yates formation through 2-inch tubing and to dispose of produced salt water into the Seven Rivers formation through a parallel string of 2-inch tubing below a packer set at approximately 3725 feet, with injection into the open-hole interval from approximately 3729 feet to 3787 feet;

PROVIDED HOWEVER, that should the aforesaid completion prove to be unsatisfactory, the Secretary-Director of the Commission is hereby authorized to approve the injection of produced salt water into the Yates formation in the subject well when an application for such authority has been filed in accordance with the requirements of Rules 701-B and 701-C of the Commission Rules and Regulations and the Secretary-Director determines that approval will prevent the drilling of unnecessary wells and otherwise prevent waste and protect correlative rights;

PROVIDED FURTHER, that the applicant shall submit monthly reports of his disposal operations in accordance with Rules 704 and 1120 of the Commission Rules and Regulations.

(2) 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. ARMILLO, Member

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



OIL CONSERVATION COMMISSION

P. O. BOX 2088  
SANTA FE, NEW MEXICO 87501

April 17, 1969

C  
O  
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Y  
  
Mr. A. J. Losee  
Attorney at Law  
P. O. Drawer 239  
Artesia, New Mexico 88210

Re: Order No. R-3724

Dear Mr. Losee:

Order No. R-3724 is interpreted to allow the operator, T. J. Sivley, to utilize his Federal Silver Well No. 4, located in the SW/4 SE/4 of Section 28, Township 20 South, Range 34 East, NMPM, Lynch Yates-Seven Rivers Pool, Lea County, New Mexico, in any of the following manners:

1. To dispose of salt water into the Seven Rivers formation through 2-inch tubing installed in a packer set at approximately 3777 feet, with injection into the open-hole interval from approximately 3781 feet to 3787 feet.
2. To dispose of salt water into the Seven Rivers formation through 2-inch tubing installed in a packer set at approximately 3725 feet, with injection into the open-hole interval from approximately 3729 feet to 3787 feet.
3. To complete the well as a dual completion to produce oil from the Yates formation through 2-inch tubing and to dispose of salt water into the Seven Rivers formation through a parallel string of 2-inch tubing below a packer set at approximately 3725

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

-2-

April 17, 1969

Mr. A. J. Losee  
Attorney at Law  
P. O. Drawer 239  
Artesia, New Mexico 88210

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(3. Continued from page 1)

feet, with injection into the open-hole  
interval from approximately 3729 feet to  
3787 feet.

Order No. R-3724 also provides an administrative procedure  
whereby disposal into the Yates formation may be authorized if  
the above-described procedures prove unsatisfactory.

Very truly yours,

A. L. PORTER, Jr.  
Secretary-Director

ALP/GMH/esr

cc: Oil Conservation Commission  
P. O. Box 1980  
Hobbs, New Mexico 88240

JOEL M. CARSON

LAW OFFICES  
A. J. LOSEE  
CARRER BUILDING - P. O. DRAWER 239  
ARTESIA, NEW MEXICO 88210

AREA CODE 505  
746-3508

April 14, 1969

Mr. George Hatch, Attorney  
Oil Conservation Commission  
State of New Mexico  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Re: Application of T. J. Sivley for a Dual  
Completion and Salt Water Disposal, Lea  
County, New Mexico, Case No. 4071, Order  
No. R-3724  

---

Our File No. 2296-68

Dear George:

This will confirm our telephone conversation of this date in which you were advised that the Federal Silver Well No. 4 is presently completed for salt water disposal only through tubing below a packer set at 3777 feet below the surface, with injection into the open-hole interval from 3781 to 3787 feet. This completion is in accordance with Exhibit 3 presented at the hearing.

In our telephone conversation you opined that the order entered on April 1, 1969, authorizes T. J. Sivley, without any further action on his part, to either (a) dispose of salt water through a parallel string of 2-inch tubing below a packer set at approximately 3777 feet, with injection into the open-hole interval from 3781 feet to 3787 feet or (b) to produce oil from the Yates formation through 2-inch tubing and to dispose of produced salt water through a parallel string of 2-inch tubing below a packer set at approximately 3725 feet, with injection into the open-hole interval from 3729 feet to 3787 feet.

On behalf of Mr. Sivley, we ask that you confirm this opinion to us by letter so that the files will be complete on the subject.

April 14, 1969

Mr. George Hatch, Attorney  
Oil Conservation Commission  
Page 2

As I mentioned to you on the telephone, if either of these completions prove unsatisfactory, then operator proposes to pull the tubing and packer from the well and to dispose of the produced salt water down the casing. I understand that before this change in procedure is commenced, Mr. Sivley will need to secure administrative approval from the Commission for such action.

Thank you in advance for your attention to this matter.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Jerry", is written above the printed name.

A. J. Losee

AJL:hb

Case 4071

Heard 3-26-69

Rec. 3-28-69

Grant J. J. Hinely, a Deal  
for SW Bents S.P. from +  
Oil Prod. from Yates from.

SWD injection shall be  
thru 2" tubing set to 3787  
w/ packer at 3727. Oil to be  
produced thru 2" set at approx.  
3718.

Provide Admin. procedure  
for using Yates producing  
zone from 3718-3735 for  
injection if he applies.  
Do not require Packer tubing

Thos. J. Hinely

DOCKET: EXAMINER HEARING - WEDNESDAY - MARCH 26, 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 4078:** Application of J. Gregory Merrion for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle production from the Devils Fork-Gallup Pool and an undesignated Mesaverde oil pool in the well-bore of his NCRA State Well No. 3 located in Unit L of Section 16, Township 24 North, Range 6 West, Rio Arriba County, New Mexico.
- CASE 4079:** Application of Robert B. Holt for the creation of a new pool, assignment of a discovery allowable, and the promulgation of special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Middle Pennsylvanian oil pool for his Aztec State Well No. 2 located in Unit A of Section 26, Township 13 South, Range 32 East, Lea County, New Mexico, and for the assignment of an oil discovery allowable in the amount of approximately 48,715 barrels to said well. Applicant further seeks the promulgation of special pool rules for said pool, including a provision for 160-acre proration units and the assignment of 80-acre allowables.
- CASE 3975:** (Reopened)  
In the matter of Case No. 3975 being reopened pursuant to the provisions of Order No. R-3618, which order established 80-acre spacing units for the East Bluitt-San Andres Pool, Roosevelt County, New Mexico, for a period of approximately two months. All interested parties may appear and present evidence as to whether the subject area is indeed a separate common source of supply or an extension of the Bluitt-San Andres Gas Pool. Further, in the event said East Bluitt-San Andres Pool is found to be an extension of said Bluitt-San Andres Gas Pool, the Commission will consider the amendment of the Special Rules and Regulations governing the Bluitt-San Andres Gas Pool to provide for the classification of oil and gas wells, spacing and well location requirements for oil and gas wells, and an allocation formula for withdrawals from the gas cap and oil rim.
- CASE 4080:** Application of Monsanto Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Black River Unit Area comprising 14,961.23 acres, more or less, of State, Federal and Fee lands

CASE 4080 - Continued

in Townships 25 and 26 South, Ranges 23 and 24 East of the following: Daniel S. Nutter, Eddy County, New Mexico.

CASE 4081: Application of Curtis Bankner for a unit agreement in Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Brushy Draw Deep Unit Area comprising 9,672.53 acres, more or less, of State and Federal lands in Township 26 South, Ranges 29 and 30 East, Eddy County, New Mexico.

CASE 4082: Application of Sam D. Area for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to inject produced salt water into the Yates-Seven Rivers formation in the open-hole interval from approximately 3358 to 3495 feet in his Arnett Ramsey "A" Well No. 3, located 660 feet from the North and West lines of Section 2, Township 25 South, Range 36 East, Jalmat Yates Seven Rivers Pool, Lea County, New Mexico.

CASE 4083: Application of Gulf Oil Corporation for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle production from the Penrose Skelly Pool and the Paddock Pool in the well-bore of its Eunice King Well No. 7 located in Unit G of Section 28, Township 21 South, Range 37 East, Lea County, New Mexico, with the provision that no more than one allowable will be produced from said well.

CASE 4084: Application of Glen Featherstone for the creation of a new pool and for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Wolfcamp oil pool for his Cabot State Well No. 1 located in the NE/4 NW/4 of Section 29, Township 15 South, Range 32 East, Lea County, New Mexico, and for the promulgation of special rules therefor including a provision for 160-acre spacing and proration units and the assignment of 80-acre allowables.

CASE 4085: Application of Tamarack Petroleum Corporation, 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 Queen formation in the perforated Cabot State Well No. 2 located in Unit C of Section 23, Township 19 South, Range 35 East, Pearl-Queen Pool, Lea County, New Mexico.

CASE 4086: Application of Hannon Oil Company for a dual completion and salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its CSA Federal Well No. 1 located in Unit 3 of Section 29, Township 26 South, Range 37 East, Scarborough Yates-Seven Rivers Pool, Lea County, New Mexico, in such a manner as to permit production of oil from the Yates formation and the disposal of produced salt water into the Seven Rivers formation through parallel strings of tubing.

CASE 4087: Application of Solar Oil Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its McCallister Well No. 1 located in Unit 3 of Section 7, Township 22 South, Range 38 East, Lea County, New Mexico, to produce oil from undesignated Drinkard and Abo oil pools through parallel strings of tubing.

CASE 4071: (Continued from the March 19, 1969, Regular Hearing)  
Application of E. J. Sivley for a dual completion and salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete his Federal Silver Well No. 4 located in the SW/4 SE/4 of Section 28, Township 20 South, Range 34 East, Lynch Yates-Seven Rivers Pool, in such a manner as to permit production of oil from the Yates-Seven Rivers formations and the disposal of produced salt water into the lower Seven Rivers formation.

CASE 4088: Application of Paul M. Mershan, Cr., for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Upper Pennsylvanian formation underlying Section 21, Township 22 South, Range 23 East, Eddy County, New Mexico. Said acreage to be dedicated to a well to be drilled at an unorthodox gas well location 990 feet from the North and East lines of said Section 21, and within one mile of the Indian Basin-Upper Pennsylvanian Gas Pool. Also to be considered will be the costs of drilling said well, a charge for the risk involved, a provision for the allocation of actual operating costs, and the establishment of charges for supervision of said well.

CASE 4089: Application of Paul M. Mershan, Cr., for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the special rules and regulations governing the Indian Basin-Upper Pennsylvanian Gas Pool to permit the drilling of a well at an unorthodox gas well location 990 feet from the North and East lines of Section



Docket No. 9-69

Examiner Hearing - March 26, 1969

21, Township 22 South, Range 23 East, Indian Basin-  
Upper Pennsylvanian Gas Pool, Eddy County, New Mexico.

CASE 4090: Application of Getty Oil Company for an exception to Commission Order No. R-111-A, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the potash-oil area casing and cementing rules as set forth in Commission Order No. R-111-A. Applicant proposes to re-enter and deepen approximately 3500 feet in the Yates formation four wells located in Sections 19 and 30 of Township 20 South, Range 34 East, Lea County, New Mexico, in such a manner as to eliminate the necessity of running the salt protection string provided the production string would be cemented to the surface.

CASE 4091: Application of Union Oil Company of California for a dual completion and salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its Elliott Federal Well No. 1 located in Unit O of Section 27, Township 11 South, Range 38 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Field Ranch-Wolfcamp Pool and the disposal of produced salt water into the San Andres, Glorieta, Blinberry, Tubb and Abo formations in the open-hole interval from approximately 4458 feet to 8050 feet.

DOCKET: REGULAR HEARING - WEDNESDAY - MARCH 19, 1969

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

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- ALLOWABLE: (1) Consideration of the oil allowable for April, 1969;
- (2) Consideration of the allowable production of gas for April, 1969, from thirteen prorated pools in Lea, Eddy, and Roosevelt Counties, New Mexico. Consideration of the allowable production of gas from nine prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico for April, 1969.

CASE 3996: (Continued from the February 19, 1969, Regular Hearing)  
Application of Martin Yates, III, 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 applicant's Cordie King Well No. 1 located in Unit L of Section 22, Township 23 South, Range 26 East, Dark Canyon (Delaware) Pool, Eddy County, New Mexico. Applicant seeks authority to continue to dispose of produced salt water in an unlined surface pit located in the aforesaid quarter-quarter section.

CASE 4048: (Continued from the February 19, 1969, Regular Hearing)  
Application of C. W. Trainer 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 or gas 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 applicant's leases located in Section 24, Township 19 South, Range 33 East and in Sections 19, 20, 29, 30, Township 19 South, Range 34 East, undesignated Queen pool, Lea 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 4047: (Continued from the February 19, 1969, Regular Hearing)  
Application of Larry C. Squires 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,

(Case 4047 continued)

as amended, which order prohibits the disposal of water produced in conjunction with the production of oil or gas on the surface ground in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico, after January 1, 1969. Said exception would authorize the applicant to dispose of produced salt water into three natural salt lakes located in Lea County, New Mexico, as follows:

Laguna Plata, sometimes referred to as Laguna Grande located in Sections 2, 3, 9, 10, and 11, Township 20 South, Range 32 East;

Laguna Gatuna, sometimes referred to as Salt Lake, located in Sections 7, 17, 18, 19, and 20, Township 20 South, Range 33 East;

Laguna Tonto, located in Sections 32 and 33, Township 19 South, Range 33 East, and Section 4, Township 20 South, Range 33 East.

CASE 4077: In the matter of the application of the Oil Conservation Commission of New Mexico upon its own motion for an order for the creation, extension, contraction, and abolishment of certain pools in Lea, Eddy, Roosevelt and Chaves Counties, New Mexico.

(a) Create a new pool in Lea County, New Mexico, classified as a gas pool for Devonian production and designated as the Mid Bell Lake-Devonian Gas Pool. The discovery well is Continental Oil Company's Bell Lake Unit No. 10 located in Unit F of Section 19, Township 23 South, Range 34 East, NMPM. Said pool should comprise:

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM  
SECTION 19: NW/4

(b) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the Boyd-Morrow Gas Pool. The discovery well is Yates Petroleum Corporation's Boyd BN Gas Com No. 1 located in Unit H of Section 15, Township 19 South, Range 25 East, NMPM. Said pool should comprise:

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM  
SECTION 15: E/2

(Case 4077 continued)

(c) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the South Carlsbad-Atoka Gas Pool. The discovery well is Pennzoil United, Inc.'s Mobil 12 Federal No. 1 located in Unit G of Section 12, Township 23 South, Range 26 East, NMPM. Said pool should comprise:

TOWNSHIP 23 SOUTH, RANGE 26 EAST, NMPM  
SECTION 12: N/2

(d) Create a new pool in Lea County, New Mexico, classified as an oil pool for Lower Wolfcamp production and designated as the Cerca-Lower Wolfcamp Pool. The discovery well is The Superior Oil Company's State "L" No. 1 located in Unit P of Section 33, Township 13 South, Range 34 East, NMPM. Said pool should comprise:

TOWNSHIP 13 SOUTH, RANGE 34 EAST, NMPM  
SECTION 33: SE/4

TOWNSHIP 14 SOUTH, RANGE 34 EAST, NMPM  
SECTION 4: E/2 and SW/4

(e) Create a new pool in Lea County, New Mexico, classified as a gas pool for Queen production and designated as the East Corbin-Queen Gas Pool. The discovery well is Cities Service Oil Company's Corbin B No. 1 located in Unit H of Section 10, Township 18 South, Range 33 East, NMPM. Said pool should comprise:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM  
SECTION 10: NE/4

(f) Create a new pool in Lea County, New Mexico, classified as a gas pool for Atoka production and designated as the Osudo-Atoka Gas Pool. The discovery well is Texaco, Inc.'s New Mexico "DB" State No. 1 located in Unit B of Section 25, Township 20 South, Range 35 East, NMPM. Said pool should comprise:

TOWNSHIP 20 SOUTH, RANGE 35 EAST, NMPM  
SECTION 25: NE/4

(g) Abolish the West Allison-Pennsylvanian Pool in Roosevelt County, New Mexico, described as:

(CASE 4077 Continued)

TOWNSHIP 8 SOUTH, RANGE 35 EAST, NMPM  
SECTION 36: NE/4

TOWNSHIP 8 SOUTH, RANGE 36 EAST, NMPM  
SECTION 31: NW/4

(h) Extend the Middle Allison-Pennsylvanian Pool in Roosevelt and Lea Counties, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 35 EAST, NMPM  
SECTION 36: NE/4

TOWNSHIP 8 SOUTH, RANGE 36 EAST, NMPM  
SECTION 31: N/2

TOWNSHIP 9 SOUTH, RANGE 35 EAST, NMPM  
SECTION 1: NE/4 and SW/4

(i) Contract the Lady J-Pennsylvanian Pool in Lea County, New Mexico, by the deletion of the following described area:

TOWNSHIP 13 SOUTH, RANGE 33 EAST, NMPM  
SECTION 20: NE/4

(j) Extend the North Baum-Upper Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 13 SOUTH, RANGE 32 EAST, NMPM  
SECTION 13: SE/4

TOWNSHIP 13 SOUTH, RANGE 33 EAST, NMPM  
SECTION 18: SW/4  
SECTION 19: NW/4  
SECTION 20: NE/4

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

TOWNSHIP 18 SOUTH, RANGE 36 EAST, NMPM  
SECTION 12: SE/4

(l) Extend the North Bagley-Lower Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 11 SOUTH, RANGE 33 EAST, NMPM  
SECTION 32: SW/4  
SECTION 33: SW/4

TOWNSHIP 12 SOUTH, RANGE 33 EAST, NMPM  
SECTION 4: W/2  
SECTION 5: NE/4  
SECTION 9: W/2

(Case 4077 Continued)

(m) Extend the Cerca-Upper Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 13 SOUTH, RANGE 34 EAST, NMPM  
SECTION 34: SW/4

(n) Extend the King-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 37 EAST, NMPM  
SECTION 1: NW/4  
SECTION 2: NE/4

(o) Extend the Southeast Lea-Wolfcamp Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 35 EAST, NMPM  
SECTION 25: SW/4

(p) Extend the East Lovington-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM  
SECTION 20: NE/4

(q) Extend the North Morton Permo-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 35 EAST, NMPM  
SECTION 29: SW/4

(r) Extend the Osudo-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 35 EAST, NMPM  
SECTION 36: E/2

TOWNSHIP 20 SOUTH, RANGE 36 EAST, NMPM  
SECTION 31: W/2

(s) Extend the West Ranger Lake-Devonian Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 12 SOUTH, RANGE 34 EAST, NMPM  
SECTION 26: S/2  
SECTION 27: S/2  
SECTION 34: N/2

(CASE 4077 continued)

(t) Extend the East Shoe Bar-Devonian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 36 EAST, NMPM  
SECTION 31: N/2

(u) Extend the Siete-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 31 EAST, NMPM  
SECTION 16: SW/4  
SECTION 21: NW/4

(v) Extend the Todd-Lower San Andres Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 7 SOUTH, RANGE 36 EAST, NMPM  
SECTION 29: SE/4

(w) Extend the Tulk-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 32 EAST, NMPM  
SECTION 26: SW/4

(x) Extend the South Vacuum-Bone Springs Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM  
SECTION 27: NE/4

CASE 4071: (Continued from the March 5, 1969, Examiner Hearing)

Application of T. C. Sivley for a dual completion and salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete his Federal Silver Well No. 4 located in the SW/4 SE/4 of Section 28, Township 20 South, Range 34 East, Lynch Yates-Seven Rivers Pool, in such a manner as to permit production of oil from the Yates-Seven Rivers formations and the disposal of produced salt water into the Lower Seven Rivers formation.

DOCKET: EXAMINER HEARING - WEDNESDAY - MARCH 5, 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 4071: Application of T. G. Sivley for a dual completion and salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete his Federal Silver Well No. 4 located in the SW/4 SE/4 of Section 28, Township 20 South, Range 34 East, Lynch Yates-Seven Rivers Pool, in such a manner as to permit production of oil from the Yates-Seven Rivers formations and the disposal of produced salt water into the Lower Seven Rivers formation.

CASE 4072: Application of Pennacil United, Inc., for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its Mobil "12" Federal Well No. 1 located in Unit B of Section 12, Township 23 South, Range 26 East, Eddy County, New Mexico, in such a manner as to permit the production of gas from an undesignated Atoka gas pool and gas from an undesignated Morrow gas pool through parallel strings of tubing.

CASE 4073: Application of Standard Oil Company of Texas for a dual completion and salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its Continental State Well No. 1 located in Unit B of Section 5, Township 24 South, Range 38 East, Stateline-Ellenburger Pool, Lea County, New Mexico, in such a manner as to permit production of oil from the Ellenburger formation through tubing and the disposal of produced salt water into the Queen, San Andres, Glorieta, Tubb, Drinkard, and Mississippian formation through the casing-casing annulus in the open-hole interval from 4105 feet to 8980 feet.

CASE 4067: (Continued from the February 26, 1969 Examiner Hearing)

Application of Benson-Montin-Greer Drilling Corporation for special pool rules, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the La Plata-Gallup Pool, San Juan County, New Mexico, including a provision for 160-acre spacing and proration units. Applicant further requests that said special rules provide that the unit allowable for a 160-acre unit in said pool be allocated on the basis of four times the normal unit allowable for Northwest New Mexico, and that no credit be given for depth factors. Applicant further requests that said special rules be limited in their application to the exterior boundaries of the La Plata-Mancos Unit Area.



CASE 4074: Application of Benson-Montin-Greer Drilling Corporation for a pressure maintenance project, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pressure maintenance project by the injection of water into the Gallup formation in its La Plata Mancos Unit Well No. 1 located in Unit P of Section 31, Township 32 North, Range 13 West, and by the injection of gas into said Gallup formation in its La Plata Mancos Unit Well No. 4 located in Unit N of said Section 31, La Plata-Gallup Pool, San Juan County, New Mexico. Applicant, further seeks the promulgation of special rules governing the operation of said project.

CASE 4075: Application of Benson-Montin-Greer Drilling Corporation for amendment of the La Plata Mancos Unit Agreement, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks to amend the form of the La Plata Mancos Unit Agreement, San Juan County, New Mexico, with respect to Sections 11 and 12 of said unit agreement, to permit inclusion in the participating area of any and all lands necessary for unit operations.

CASE 4076: Application of American Trading and Production Corporation for the creation of a new pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Morrow gas pool for its Southeast Lea Unit Well No. 2 located in Unit L of Section 25, Township 20 South, Range 35 East, Lea County, New Mexico.

CASE 4065: Application of Humble Oil & Refining Company for the creation of a new oil pool, assignment of discovery allowable, and the promulgation of pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to have its New Mexico State "S" Water Source Well No. 4 (CP-427), located at an unorthodox oil well location 650 feet from the West line and 175 feet from the South line of Section 2, Township 22 South, Range 37 East, Lea County, New Mexico, reclassified as an oil well for the production of oil from the San Andres formation. Applicant further seeks the creation of a new San Andres oil pool for said well and the assignment of an oil discovery allowable of approximately 21,190 barrels to said well. Applicant further seeks the promulgation of special rules for said pool, including a provision for 80-acre proration units.

Examiner Hearing - March 5, 1969

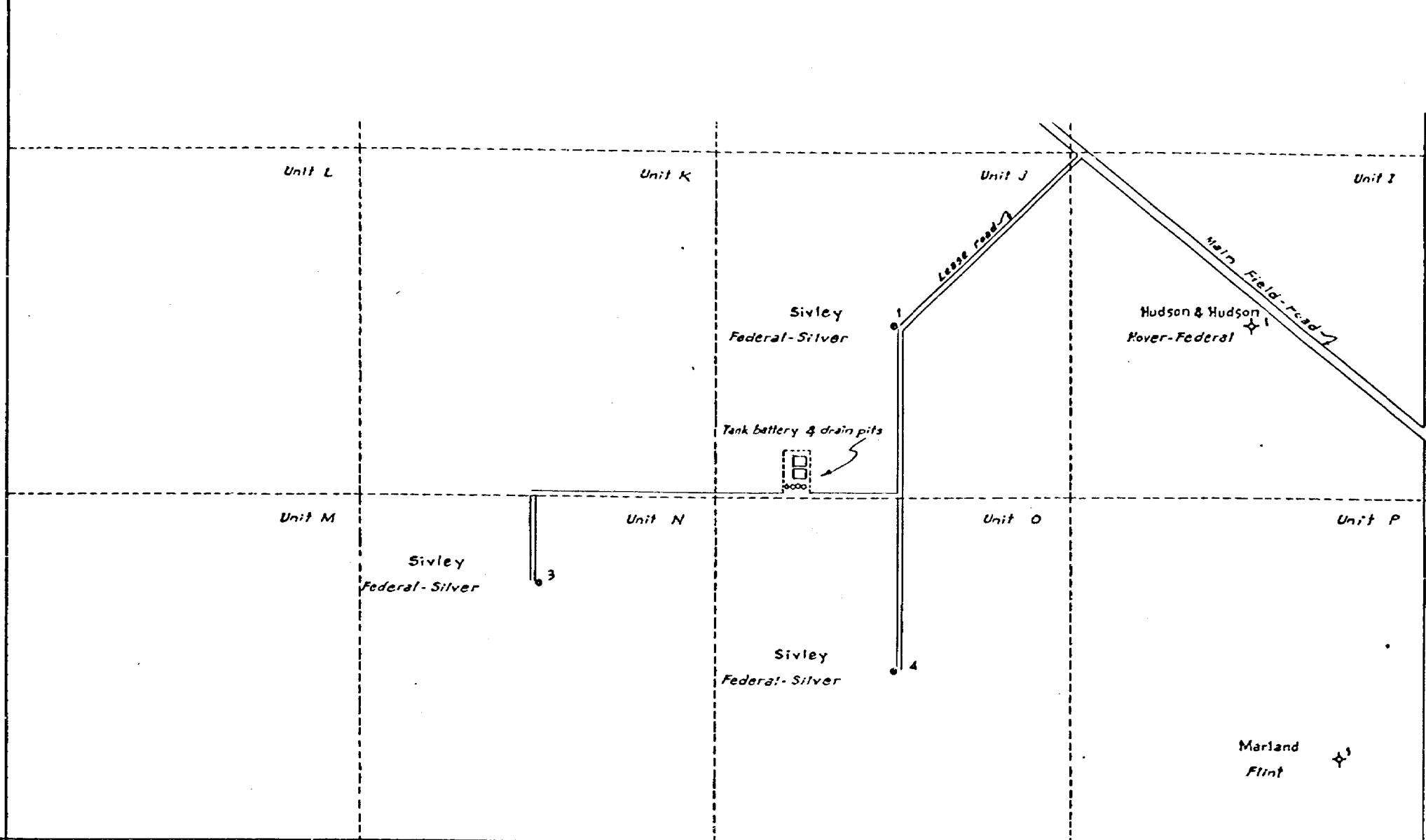
Docket No. 7-69

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CASE 4066: (Continued from the February 26, 1969 Examiner Hearing)

Application of Humble Oil & Refining Company for the consolidation of two non-standard gas proration units, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the consolidation of two existing non-standard 320-acre gas proration units into one standard 640-acre unit comprising all of Section 26, Township 21 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, to be dedicated to its New Mexico State "G" Wells Nos. 2 and 4 located in Units P and G, respectively, of said Section 26. Applicant further seeks authority to produce the allowable assigned to said unit from either of said wells in proportion.





Plat showing T. J. Sivley's Federal-Silver Lease,  
being the South one-half of Section 28, T-20-S,  
R-34-E, Lea County, New Mexico.

Scale: 1" = 500'  
(Roads & tank battery locations  
are approximate)

BEFORE EXAMINER UTZ  
OIL CONSERVATION COMMISSION  
EXHIBIT NO. 2  
CASE NO. 4071



*L. B.*

DATE TAKEN..... 05/20/1961..... ELEV. 3730

5 1/2' 59' 0' 3725'

Old Total Depth 3727'

5 1/2' 59'

producing - perforations

3718

3724 1/2

3718

RUN	BIT SIZE	CASING	WT. LB.	FROM WELL RECORD	FROM LOG
1	11	8.5/8		SURFACE TO 1634	SURFACE TO 1614
2	8	5.1/2		SURFACE TO 3725	SURFACE TO 3725
3	4.3/4	DRILL PIPE		3725 TO 3728	3725 TO 3728
				TO	TO
				TO	TO



OWNER: T. J. SIVLEY

WELL: SILVER NO. 4

DATE: JAN 1

LOCATION: 1801 W. A. 6601 7th of Sec. 28  
T-20-S, R-34-E.

COUNTY: DE STATE: MISSISSIPPI

LOG NO. CASE TOOL FLOOR ELEV. 3732  
LOG NO. CASE TOOL FLOOR ELEV. 3732  
LOG NO. CASE TOOL FLOOR ELEV. 3730

LOG NO. CASE TOOL FLOOR ELEV. 3732

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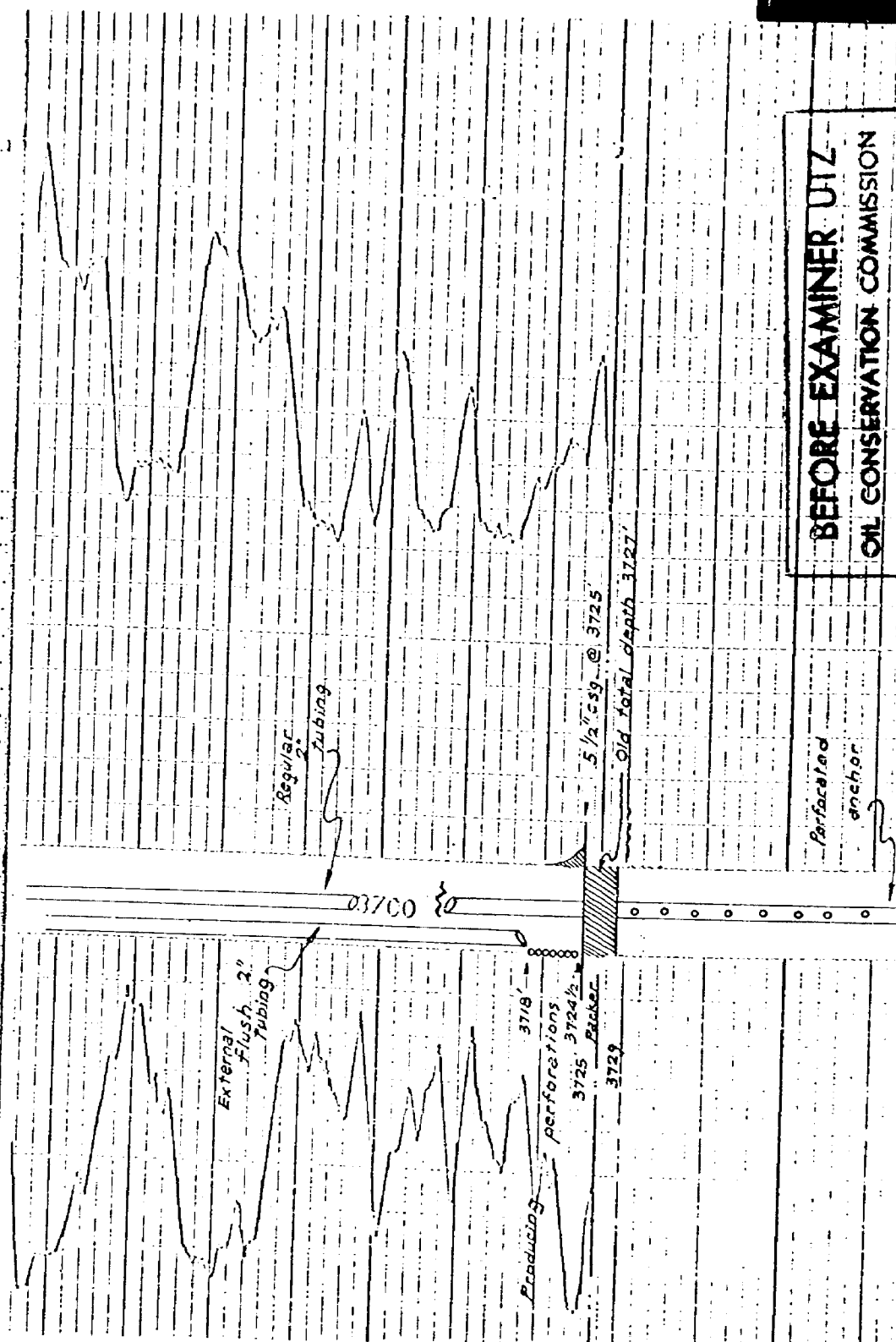
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BEFORE EXAMINER UTZ  
OIL CONSERVATION COMMISSION



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. 4071

Order No. R-3724

APPLICATION OF T. J. SIVLEY  
FOR A DUAL COMPLETION AND SALT  
WATER DISPOSAL, LEA COUNTY, NEW  
MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on March 26, 1969,  
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this \_\_\_\_\_ day of \_\_\_\_\_, 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, T. J. Sivley, seeks authority to  
complete his Federal Silver Well No. 4, located in the SW/4 SE/4  
of Section 28, Township 20 South, Range 34 East, NMPM, Lynch  
Yates-Seven Rivers Pool, Lea County, New Mexico, as a dual com-  
pletion to produce oil from the Yates-~~Seven Rivers~~ formation  
through <sup>two inch tubing</sup> ~~the casing tubing annulus~~ and to dispose of produced  
salt water into the ~~Lower~~ <sup>a parallel string</sup> Seven Rivers formation through tubing  
~~below~~ a packer set at approximately 3725 feet, with  
injection into the open-hole interval from approximately  
3724 feet to 3787 feet.

~~also~~

*under* (3) That the applicant proposes, in the event the aforesaid completion ~~does~~ <sup>not</sup> prove to be <sup>uns</sup> satisfactory, to recomplete the subject well in such a manner as to allow the disposal of produced salt water into the Yates formation in the perforated interval from approximately 3718 feet to 3725 feet as well as into the Seven-Rivers formation.

"rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, T. J. Sivley, is hereby authorized to complete his Federal Silver Well No. 4, located in the SW/4 SE/4 of Section 28, Township 20 South, Range 34 East, NMPM, Lynch Yates-Seven Rivers Pool, Lea County, New Mexico, as a dual completion to produce oil from the Yates-~~Seven Rivers~~ formation through <sup>two inch tubing</sup> ~~the casing-tubing annulus~~ and to dispose of produced salt water into the ~~lower~~ <sup>a parallel string of two inch</sup> Seven Rivers formation through tubing below a packer set at approximately 3725 feet, with injection into the open-hole interval from approximately 3729 feet to 3787 feet;

*under* Provided However, that should the aforesaid completion prove to be unsatisfactory, the Secretary - Director of the Commission is hereby authorized to approve the injection of produced salt water into the Yates formation in the subject well when an application for such authority has been filed in accordance with the requirements of Rules 701-B and 701-C of the Commission Rules and Regulations and the Secretary - Director determines that approval will prevent the drilling of unnecessary wells and otherwise benefit the public and protect conservation rights.

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CASE No. 4071

(2) 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.

Ex Hear, March 5, 1909

Case \_\_\_\_\_

Newspaper

Application of T. J. Sivley for a dual  
completion and salt water disposal,  
Eddy County, New Mexico.

Applicant, in the above-styled case,  
seeks authority to dually complete his  
Federal Silver Well No. 4 located in  
the SW/4 SE/4 of Section 28, Township 20  
South, Range 34 East, Lynch Yates - Seven  
Rivers Pool, in such a manner as to  
permit production of oil from the Yates - Seven  
Rivers formation and the disposal of produced  
salt water into the lower Seven Rivers  
formation.

D. C. and salt water disposal -

# T. J. Sireley  
existing producing well

T. J. Sireley Fed. Film Well No. 4  
SW/4 SE/4 Sec 28 - T20S, R34E

Eddy Co. -

lower part of 7-R - tubing and  
parker -

(March 5<sup>th</sup>) Prod Yates - 7-River through  
annulus (Lynch - Yates - 7-R)