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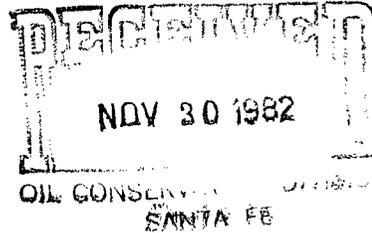
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Jason Kellahin
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November 24, 1982

Mr. Richard L. Stamets
Oil Conservation Division
P. O. Box 2088
Santa Fe, NM 87501

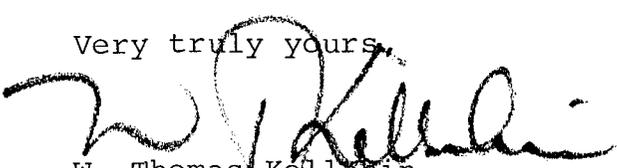
Re: Sage Oil Company
Case 7738



Dear Mr. Stamets:

Please find enclosed on behalf of Mr. John E. Etcheverry
our proposed Findings which we believe are merited in
this case.

Very truly yours,


W. Thomas Kellahin

WTK:rb
Enc.

cc: Mr. John E. Etcheverry
Gary Kilpatric, Esq.

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY AND MINERALS
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION
OF SAGE OIL COMPANY FOR APPROVAL
OF A SALT WATER DISPOSAL WELL,
LEA COUNTY, NEW MEXICO.

CASE: 7738

PROPOSED FINDINGS SUBMITTED BY
JOHN E. ETCHEVERRY IN OPPOSITION
TO APPLICANT, SAGE OIL COMPANY

Now comes JOHN E. ETCHEVERRY, by and through his attorneys, KELLAHIN & KELLAHIN, and submits the following proposed findings:

1. That the Applicant, Sage Oil Company, has requested authority to dispose of salt water produced in the Saunder Permo Upper Penn Field into its Shell-State #1-SWD well at a maximum daily rate of 3,000 barrels of salt water.

2. That applicant presented evidence that it had two unspecified wells that were capable of producing in the Saunder Permo Upper Penn Field which would each produce approximately 150 barrels of water per day.

3. Applicant failed to submit sufficient data from which it could be determined that the proposed disposal well was the closest reasonably available location at which to dispose of water produced from the Saunders Permo Upper Penn Field.

4. Applicant failed to submit sufficient data from which it could be determined that applicant had no other existing disposal well or disposal system economically available to it.

5. That insufficient data was presented to justify the necessity of a daily maximum for the proposed disposal well in excess of 300 barrels per day.

ORDER

1. That the applicant of Sage Oil Company for approval of a salt water disposal well for its Shell-State #1-SWD well located in Unit K, Section 32, T14S, R34E, is approved subject to the following limitations and conditions:

a. That prior to disposal applicant shall cause the Sage Energy Company State New Mexico Well No. 2 located in Unit I of Section 31, T14S, R34E, to be recemented so that there is adequate cement between the 5½" intermediate casing and the formation from a depth of 4260 feet to 7200 feet in accordance with Division standards.

b. That the subject disposal well is limited to disposal of not in excess of 300 barrels of water per day produced from the two Sage Oil Company wells in Section 35 of T14S, R34E.

Respectfully submitted,

KELLAHIN & KELLAHIN

By



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