T.J. Sivley, Booker Building, Box 1208, Artesia, N.M.

September 29,1958

New Mexico Oil Conservation Commission, Box 871, Santa Fe, New Mexico:

Attention: Mr. A.L. Porter, Secretary-Director

Gentlemen:

What have a

RE: Request for exception to order No. R-111-A concerning casing program for location to be drilled in the NW/4SE/4 of Section 28, T-20-S, R-34-E, Lea County, N.M.

Comes now, T.J. Sivley, the applicant herein, who has obtained operating rights to the South Half (S/2) of Section 28, T-20-S, R-34E, NMPM, Lea County, New Mexico, under Federal Oil & Gas Lease NM-039256. The royalty under this tract is reserved by the U.S. Government.

Order No. R-111-A, dated October 13, 1955 established general casing rules for wells drilled within designated potash areas. Due to varying formations and water zones, these general rules are not applicable or necessary over the entire area for the protection of possible potash zones of commercial value, or of the production of oil and gas from the underlying formation.

The location of proposed well is within the potash area as defined by order R-111-A.

By this application, I, T.J. Sivley, seek an order granting permission to amend the casing program as set out in Order R-111-A as it concerns proposed exploratory well to be drilled on the NW/4SE/4 of Section 28, T-20-S, R-34-E, NMPM, Lea County, New Mexico.) The casing program of applicant is as follows:

13-3/8" Casing in top of red bed at approxmiately 70 feet.

10-3/4" Casing as cave string to about 700 feet.

>> 8-5/8" Casing, this being the water shutoff string to approx.
1250', but in any event below water.

5-1/2" Casing to be set at a point selected by operator above pay zone expected to be encountered at 3625, but in no event to exceed a depth greater than 600 feet below the base of Salt.

That the applicant should be permitted to pull all casing except the 5-1/2" production string in the event that commercial oil or gas is found.

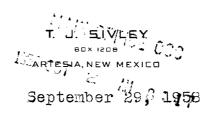
That the production string should be cemented throughout its entire length in the event commercial oil or gas production is had.

That the aforementioned casing program will confine the water, oil, and gas to the strata in which they naturally occur and will afford adequate protection for the potash deposit in the area, and that the proposed casing program will result in a considerable saving to applicant.

That in any event, the applicant should make adequate provisions for the protection of potash deposit in the area, and adhere to the provisions of Order R-lll-A, not specifically excepted by this order.

Respectfully submitted.

T.J. Sivlev:



PHONES-SHERWOOD 5-2104
SHERWOOD 6-4882-RES.

New Mexico Oil Conservation Commission, Box 871 Santa Fe, New Mexico

Attention: Wr. A.L. Porter, Secretary-Director

Dear Sir:

RE: T.J. Sivley, Cable Tool Test Well to be known as Federal-Silver No. 1, NW/4SE/4, 1980 from South and East lines of Section 28, T-20-S, R-34-E, Lea County, N.M.

Kindly find attached herewith an application for exception to the casing program for above subject well as it concerns Order R-111-A.

Applicant has advised the Potash Company of America, Carlsbad, New Mexico, who own all potash leases within one mile of the well location. Proposed amended casing program was discussed with them without objections. A copy of this letter and request for exception to Order R-111-A has been mailed to their attention.

It is respectfully requested that this matter be set for a hearing before an examiner designated by the commission at the earliest date convenient, and oblige.

yours very truly

TJS;sd cc-Potash Co. of America Carlsbad, N.M.