

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

August 25, 1960

**Kellahin and Fox
Attorneys at Law
P. O. Box 1713
Santa Fe, New Mexico**

Attention: Mr. Jason W. Kellahin

Gentlemen:

Enclosed herewith is one copy of Order No. R-1757, entered on behalf of your client, Rice Engineering & Operating, Inc., in Case No. 2048.

You will note that this order provides that the applicant, Rice Engineering, may convert the Sinclair Kendrick Estate Well No. 3, located in the SE/4 NE/4 of Section 5, Township 12 South, Range 38 East, to salt water disposal in the Devonian formation and to utilize same as its Gladiola SWD Well No. H-5 without tubing for a maximum of 90 days after conversion.

It is noted that during the past year or so, two other wells, the Gladiola SWD Well No. F-7 and the Gladiola SWD Well No. G-8, have been authorized for salt water disposal in the Devonian formation through the casing.

Recent information indicates that a serious corrosion problem is developing, and that prudent operation plus the prevention of waste and the protection of correlative rights dictates that tubing should be installed in these wells.

It is for this reason that the 90-day period of operation without tubing is permitted the proposed SWD Well No. 3, that is, to provide a high capacity casing disposal well while the first two wells are shut-down for installation of tubing.

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It is expected that all three of the disposal wells will be tubed, and the annulus between the tubing and the casing filled with some non-corrosive fluid within 90-days after the SWD Well No. 3 is put on disposal.

Very truly yours,

A. L. PORTER, Jr.,
Secretary-Director

ALP/DSM/esr
Enclosure

cc: Mr. W. G. Abbott
Rice Engineering & Operating, Inc.
P. O. Box 1142
Hobbs, New Mexico