

146. CCC

SINCLAIR OIL & GAS COMPANY

BOX 1170
MIDLAND, TEXAS

April 25, 1958

SWD-13
June 5-19
MAY 23 AM 9:55

New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Attention: Mr. A. L. Porter, Jr.

Gentlemen:

Enclosed please find Sinclair Oil & Gas Company's application under statewide Rule 701 for administrative approval to dispose of salt water produced from wells in the Dean Devonian and Dean Permo-Pennsylvanian Pools, Lea County, New Mexico, by injecting same into the San Andres and/or the Yates formations through the well located 330 feet from the north and west lines of Section 4-16S-37E.

The proposed injection well is the State Well #1 and was obtained by Sinclair from Carlton Beal & Associates after their efforts to complete in the Dean Permo-Pennsylvanian Pool were unsuccessful. The minerals under this well are owned by the State of New Mexico and are presently leased to The Atlantic Refining Company which has granted Sinclair permission to use subject well for disposal purposes. Sinclair will obtain any approvals necessary from the Commissioner of Public Lands to use this well as a salt water disposal well in the manner proposed herein for as long as the disposal operations are needed. Sinclair has secured an option from Mr. & Mrs. John Easley of Lovington, New Mexico, for the leasing or purchase of the necessary surface acreage around the well, a copy of same is attached.

We initially plan to dispose of about 1500 barrels per day of Devonian water and about 500 barrels per day of Permo-Pennsylvanian water which is currently being produced from these pools on leases of Sinclair Oil & Gas Company, Cities Service Oil Company and Magnolia Petroleum Company. However, we anticipate that our water production will increase and that the other operators in these fields will join us when they have a disposal problem. We propose to inject this water into the San Andres formation in the open hole interval 5000-6338 feet if possible, however, we believe that it may be necessary to utilize additional porous zones found from 3246-3523 feet in the Yates formation. Neither of these formations are productive of oil or gas within a radius of 2 miles from the proposed injection well and the water occurring naturally in these formations is mineralized to such a degree as to be unfit for domestic, stock, irrigation, and/or other general use. We request permission to dispose of the above described salt water into either the San Andres formation or the Yates formation or both formations if necessary.