

Case No.

875

Application, Transcript,
Small Exhibits, Etc.

CASE NO: 875

(Amended Application for
April 20, 1955 Hearing)

New Mexico Oil Conservation Commission (3)
P. O. Box 871
Santa Fe, New Mexico

Re: Application for a Nonstandard Gas
Proration Unit to be assigned
Sinclair Oil & Gas B. J. Barber
Well No. 7 in the Eumont Gas
Pool, Lea County, New Mexico.

Gentlemen:

Please refer to Sinclair's application for a hearing dated February 25, 1955 concerning the establishment of a 280 acre Nonstandard Proration Unit for the B. J. Barber Well No. 7. You will note that this matter has been scheduled for hearing on April 20, 1955 as Case #875.

In our original application we requested that all of the acreage in our B. J. Barber Lease, i. e. E/2 E/2 Sec. 7 and W/2 NW/4, NW/4 SW/4 of Section 8, T-20-S, R-37-E, be assigned our B. J. Barber Well No. 7. We would like to have our original application amended so as to include Stanolind Oil and Gas Company's 40 acre tract in the SW/4 SW/4 of Sec. 8-20S-37E only in the event and at the time that the unitization between said tracts is effected. This would result in a 320 acre Nonstandard Proration Unit in the Eumont Gas Pool.

Copies of this application for amendment have been sent, via registered mail, to all offset operators as listed below.

Yours very truly,

SINCLAIR OIL & GAS COMPANY
/s/ J. T. Reeves
Div. Supt.

Amerada Pet. Corp.
Box 2040
Tulsa, Okla.

Continental Oil Co.
Box 427
Hobbs, N.M.

Stanolind Oil & Gas Co.
Box 899
Roswell, N.M.

Anderson-Prichard Oil Corp.
Box 2197
Hobbs, New Mex.

Gulf Oil Corporation
Box 2167
Hobbs, N.M.

New Mexico Oil & Gas Engr. Committee
Box 127
Hobbs, New Mexico

SINCLAIR OIL & GAS COMPANY
701 FAIR BUILDING
FORT WORTH, TEXAS

April 6, 1955

New Mexico Oil Conservation Commission (3)
P. O. Box 871
Santa Fe, New Mexico

Re: Application for a Nonstandard Gas
Protraction Unit to be assigned
Sinclair's B. J. Barber Well No. 7
in the Aumont Gas Pool, Lea County,
New Mexico.

Gentlemen:

Please refer to Sinclair's application for a hearing dated
February 25, 1955 concerning the establishment of a 280 acre Non-
standard Protraction Unit for the B. J. Barber Well No. 7. You will
note that this matter has been scheduled for hearing on April 20,
1955 as Case 875.

In our original application we requested that all of the
acreage in our B. J. Barber Lease, i.e. E/2 E/2 Sec. 7 and W/2 NW/4,
NW/4 SW/4 of Sec. 8, T-20-S, R-37-E, be assigned our B. J. Barber
No. 7 Well. We would like to have our original application amended
so as to include Stanolind Oil and Gas Company's 40 acre tract in
the SW/4 SW/4 of Sec. 8-20S-37E only in the event and at the time that
the unitization between said tracts is effected. This would result
in a 320 acre Nonstandard Protraction Unit in the Aumont Gas Pool.

Copies of this application for amendment have been sent, via
registered mail, to all offset operators as listed below.

Yours very truly,

SINCLAIR OIL & GAS COMPANY

By 
J. T. Reeves
Division Superintendent

JTR:RMA:js

cc: Via Registered Mail.

Amerada Petroleum Corp.
Box 2040
Tulsa, Oklahoma

Continental Oil Co.
Box 427
Hobbs, New Mexico

Stanolind Oil and Gas Co.
Box 899
Roswell, New Mexico

Anderson-Prichard Oil Corp.
Box 2197
Hobbs, New Mexico

Gulf Oil Corporation
Box 2167
Hobbs, New Mexico

SINCLAIR OIL & GAS COMPANY
901 FAIR BUILDING
FORT WORTH, TEXAS

February 25, 1955

April 1955

Case 875

New Mexico Oil Conservation Commission (3)
P. O. Box 871
Santa Fe, New Mexico

Re: Application for a Nonstandard
Gas Proration Unit to be
assigned Sinclair's B. J. Barber
well No. 7 in the Eumont Gas
Pool, Lea County, New Mexico.

Gentlemen:

Sinclair Oil & Gas Company wishes to make this application for an order under Rule R-520 which will establish a Nonstandard Gas Proration Unit of 280 acres to be assigned to subject well.

In this connection Sinclair wishes to state:


1. Sinclair is the Operator of the B. J. Barber No. 7 well which is located in the SW/4 of the NW/4 of Section 8, T-20-S, R-37-E, Lea County, New Mexico. Subject well was originally completed May 31, 1937, and is therefore entitled to the 330 ft. location tolerance permitted in Order R-520.
2. The Nonstandard Proration Unit Sinclair seeks to have assigned to subject well consists of Sinclair's B. J. Barber lease which contains 280 acres and is located E/2 E/2 Section 7-20S-37E and W/2 NW/4, NW/4 SW/4 Section 8-20S-37E. Subject well is located 1650 ft. from north, and 330 ft. from east lines of this Unit, and currently has an 80 acre acreage dedication consisting of the W/2 NW/4 of Section 8-20S-37E.
3. The length or width of the proposed Unit does not exceed 5280 ft. Both the royalty and the leasehold interests are common under this proposed Unit.
4. All of the acreage within the proposed Unit may reasonably be presumed productive of gas.
5. All of the contiguous acreage in Section 7 is currently assigned to Anderson-Prichard's Britt No. 3 well. All contiguous acreage in Section 8 is currently assigned except:
 - a. Stanolind's SW SW with which we are currently unitizing.
 - b. Gulf's SE NW which unitization we believe not to be practical or feasible due to extent and shape of Gulf's lease of which this quarter section is a part.

6. Sinclair believes that the granting of this application is in the interest of conservation and the protection of correlative rights.

Sinclair, therefore, requests that a public hearing be called for the purpose of considering and granting this application.

Yours very truly,

SINCLAIR OIL & GAS COMPANY

By 
J. T. Reeves
Division Superintendent

JTR:RMA:js

Att: Ownership map
Gas Well Plat

cc: Gulf Oil Corporation
Box 2167
Hobbs, New Mexico

Stanolind Oil and Gas Company
Box 899
Roswell, New Mexico

Amerada Petroleum Corporation
Box 2040
Tulsa, Oklahoma

Anderson-Prichard Oil Corporation
Box 2197
Hobbs, New Mexico

**NEW MEXICO
OIL CONSERVATION COMMISSION**

Gas Well Plat

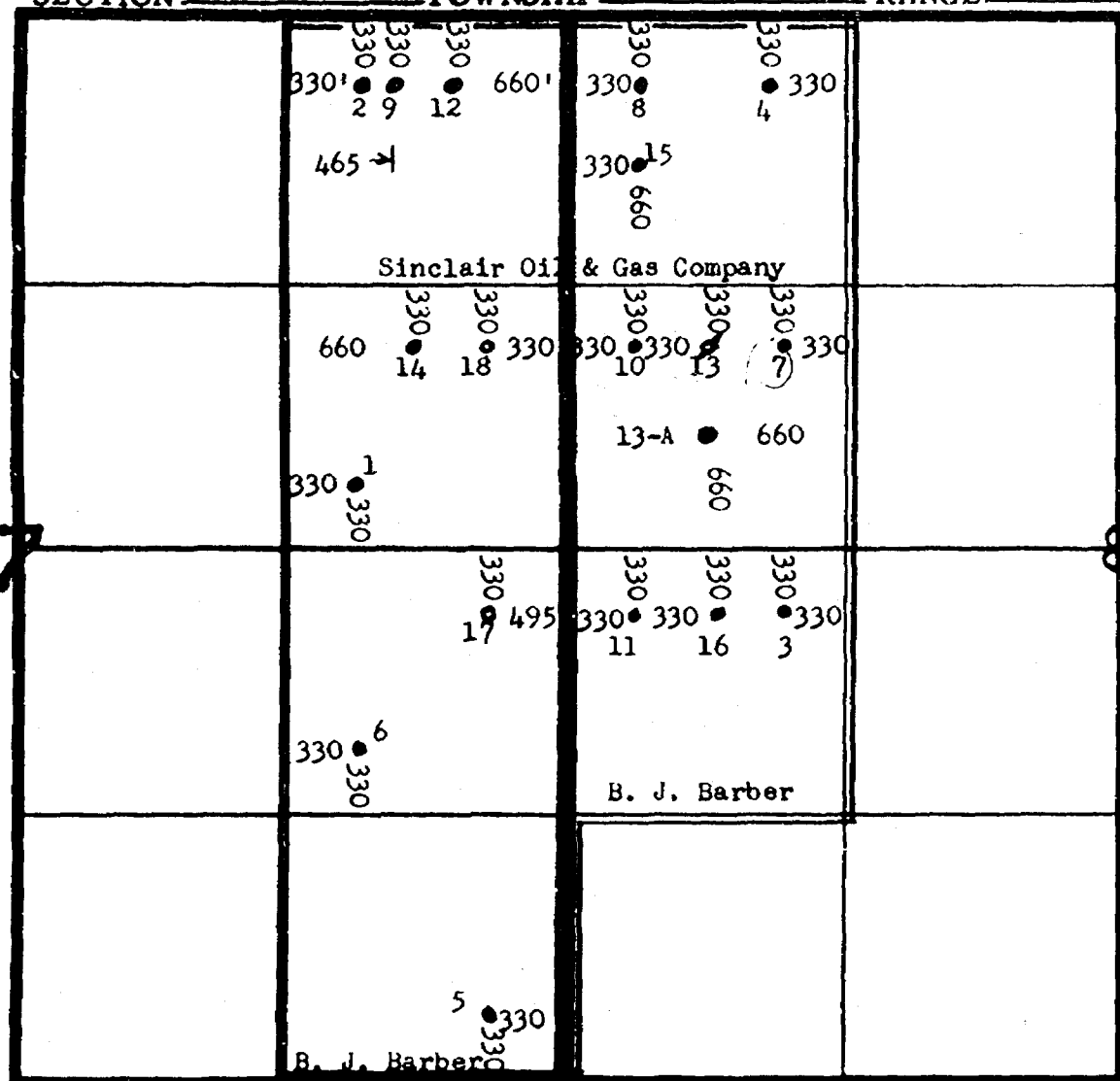
Date February 25, 1955

Sinclair Oil & Gas Company B. J. Barber 7
Operator Lease Well No.

Name of Producing Formation Queen Pool Eumont Gas

No. Acres Dedicated to the Well 280

SECTION E/2 Sec. 7 TOWNSHIP 20-S RANGE 37-E
W/2 Sec. 8

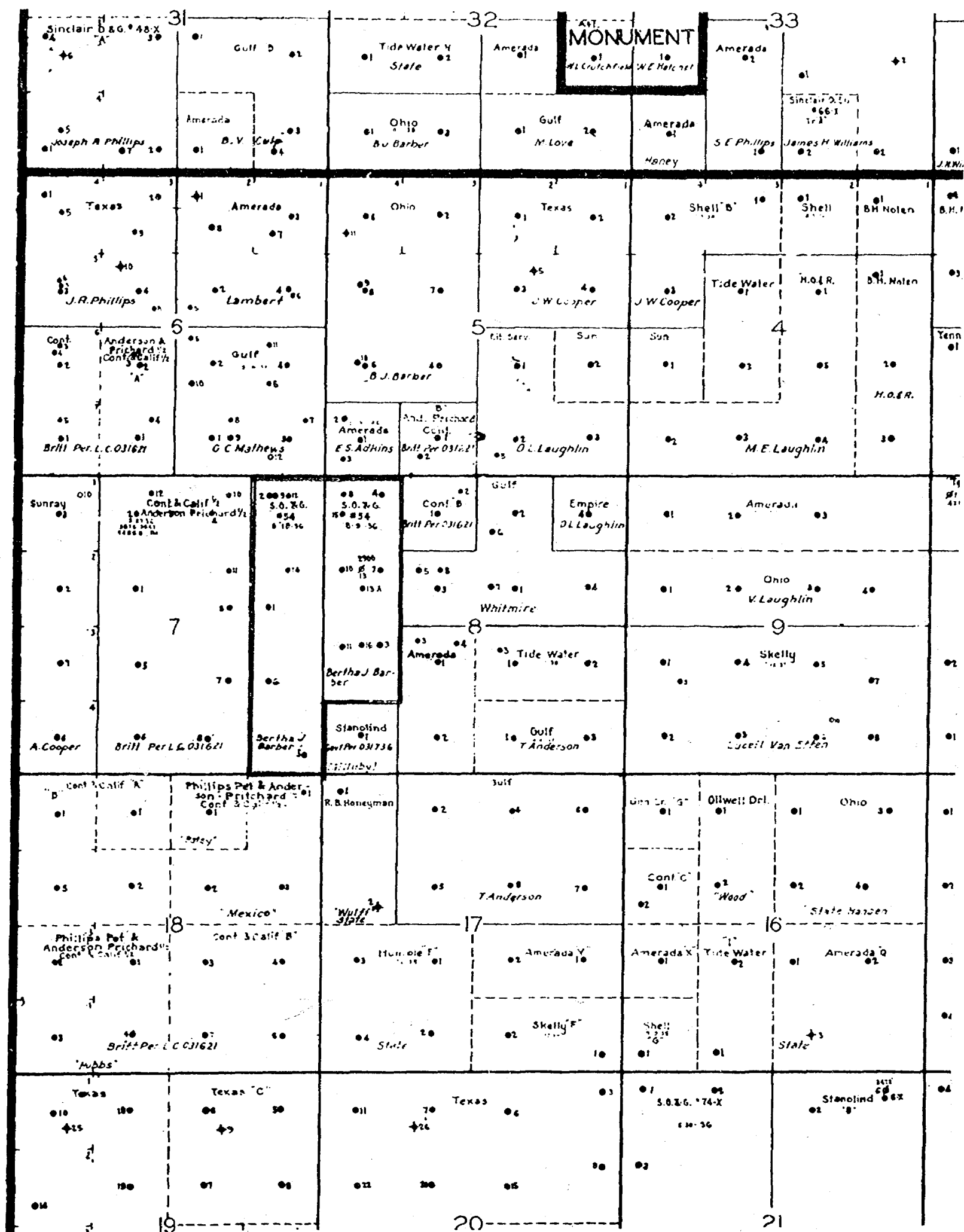


I hereby certify that the information given above is true and complete to the best of my knowledge.

1. Is this gas well a qual completion?
Yes _____ No X.

Name *J. M. Anderson*
Position Petroleum Engineer
Representing Sinclair Oil & Gas Company
Address Fort Worth, Texas

(over)



SINCLAIR OIL & GAS COMPANY
901 FAIR BUILDING
FORT WORTH, TEXAS

Case 875

February 25, 1955

New Mexico Oil Conservation Commission (3)
P. O. Box 871
Santa Fe, New Mexico

Re: Application for a Nonstandard
Gas Proration Unit to be
assigned Sinclair's B. J. Barber
well No. 7 in the Eumont Gas
Pool, Lea County, New Mexico.

Gentlemen:

Sinclair Oil & Gas Company wishes to make this application for an order under Rule R-520 which will establish a Nonstandard Gas Proration Unit of 280 acres to be assigned to subject well.

In this connection Sinclair wishes to state:


1. Sinclair is the Operator of the B. J. Barber No. 7 well which is located in the SW/4 of the NW/4 of Section 8, T-20-S, R-37-E, Lea County, New Mexico. Subject well was originally completed May 31, 1937, and is therefore entitled to the 330 ft. location tolerance permitted in Order R-520.
2. The Nonstandard Proration Unit Sinclair seeks to have assigned to subject well consists of Sinclair's B. J. Barber lease which contains 280 acres and is located E/2 E/2 Section 7-20S-37E and W/2 NW/4, NW/4 SW/4 Section 8-20S-37E. Subject well is located 1650 ft. from north, and 330 ft. from east lines of this Unit, and currently has an 80 acre acreage dedication consisting of the W/2 NW/4 of Section 8-20S-37E.
3. The length or width of the proposed Unit does not exceed 5280 ft. Both the royalty and the leasehold interests are common under this proposed Unit.
4. All of the acreage within the proposed Unit may reasonably be presumed productive of gas.
5. All of the contiguous acreage in Section 7 is currently assigned to Anderson-Prichards Britt No. 3 well. All contiguous acreage in Section 8 is currently assigned except:
 - a. Stanolind's SW SW with which we are currently unitizing.
 - b. Gulf's SE NW which unitization we believe not to be practical or feasible due to extent and shape of Gulf's lease of which this quarter section is a part.

6. Sinclair believes that the granting of this application is in the interest of conservation and the protection of correlative rights.

Sinclair, therefore, requests that a public hearing be called for the purpose of considering and granting this application.

Yours very truly,

SINCLAIR OIL & GAS COMPANY

By 
J. T. Reeves
Division Superintendent

JTR:RMA:js

Att: Ownership map
Gas Well Plat

cc: Gulf Oil Corporation
Box 2167
Hobbs, New Mexico

Stanolind Oil and Gas Company
Box 899
Roswell, New Mexico

Amerada Petroleum Corporation
Box 2040
Tulsa, Oklahoma

Anderson-Prichard Oil Corporation
Box 2197
Hobbs, New Mexico

**NEW MEXICO
OIL CONSERVATION COMMISSION**

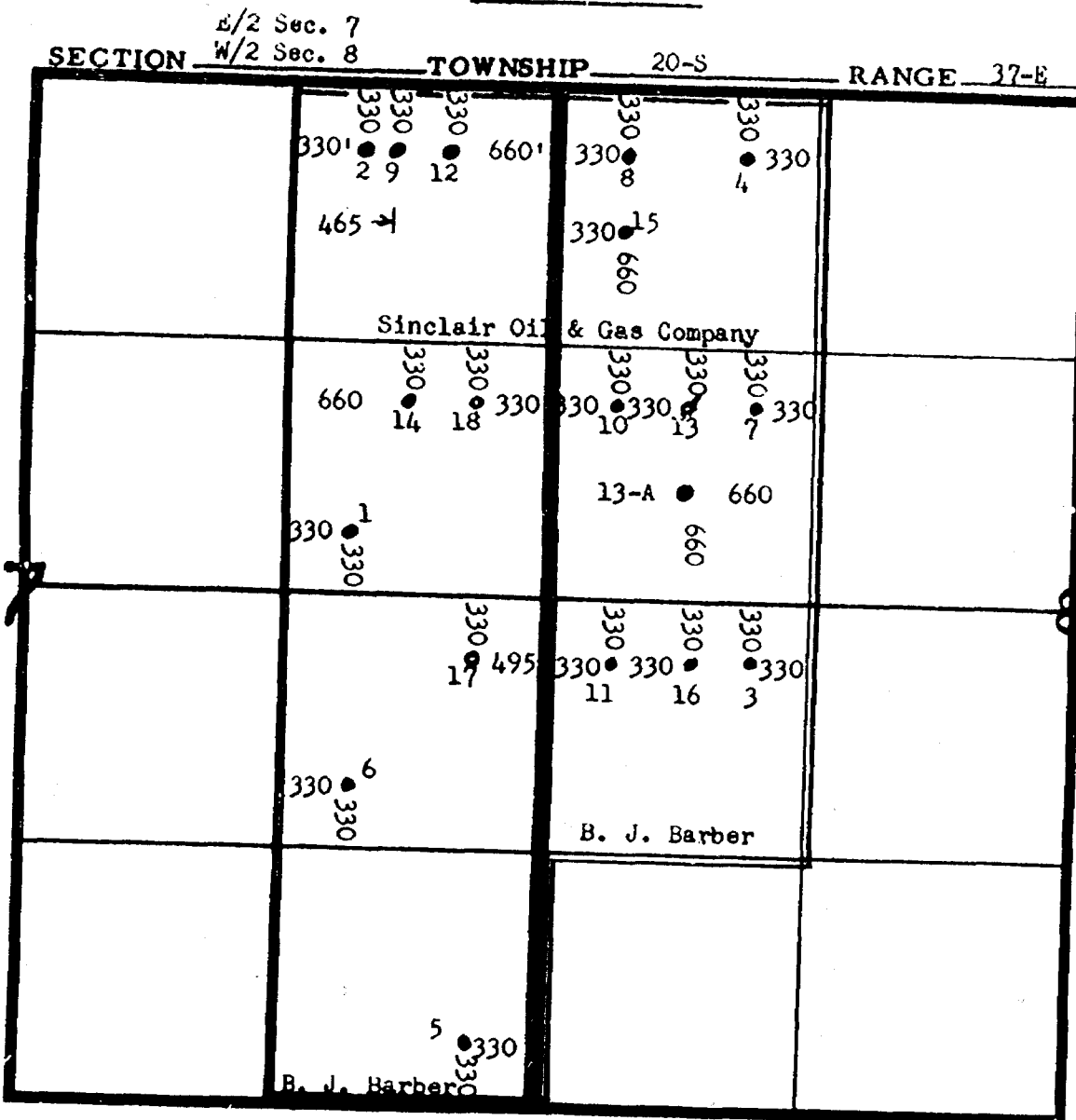
Gas Well Plat

Date February 25, 1955

Sinclair Oil & Gas Company B. J. Barber 7
Operator Lease Well No.

Name of Producing Formation Queen Pool Eumont Gas

No. Acres Dedicated to the Well 280

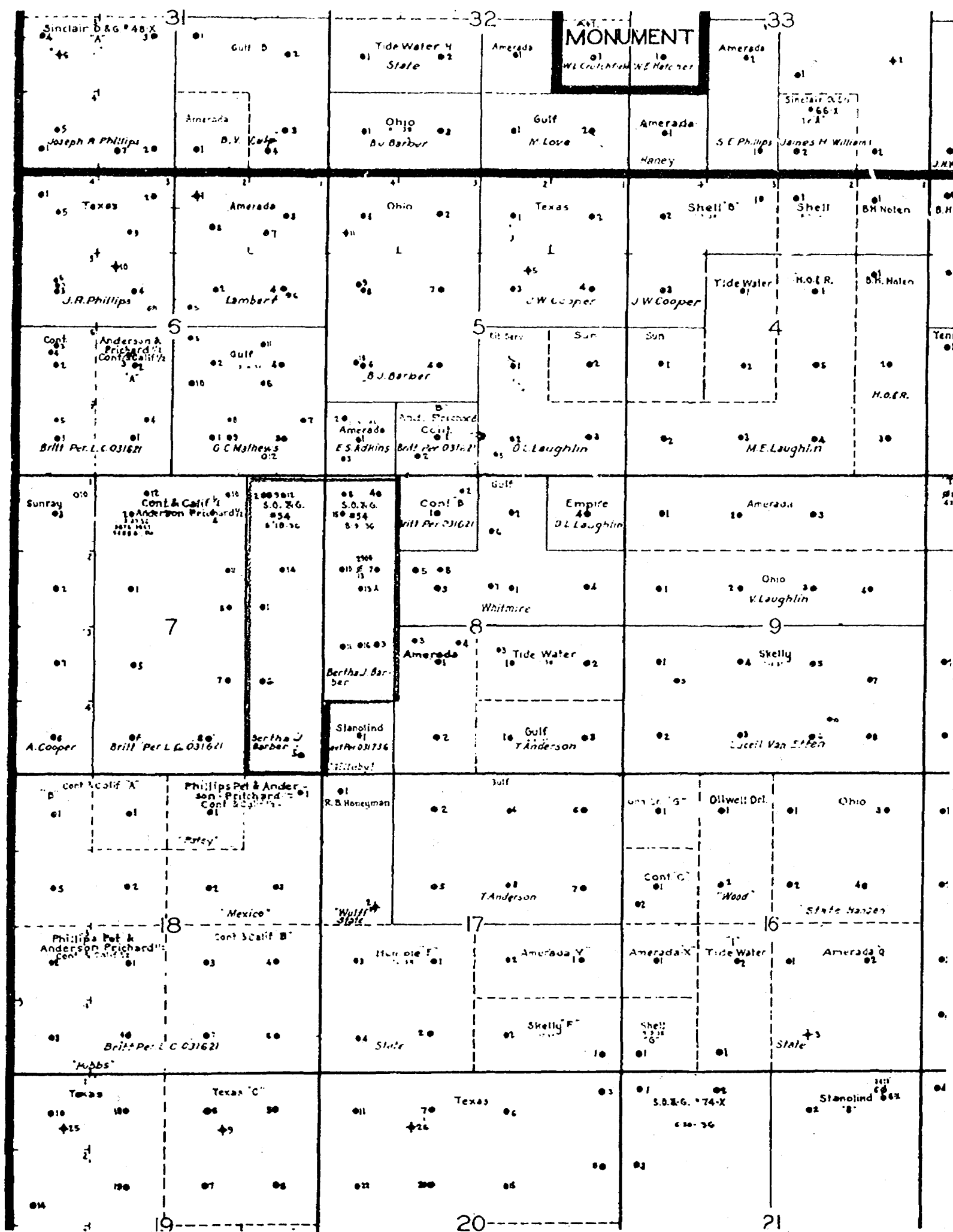


I hereby certify that the information given above is true and complete to the best of my knowledge.

1. Is this gas well a dual completion?
Yes _____ No X

Name E. M. Anderson
Position Petroleum Engineer
Representing Sinclair Oil & Gas Company
Address Fort Worth, Texas

(over)



U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
FORT WORTH, TEXAS

April 8, 1955

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

RECEIVED
APR 11 1955
P. O. Box 871
Santa Fe, New Mexico

Oil Conservation Commission (3)

Re: Application for a Nonstandard Gas
Proration Unit to be assigned
Sinclair's B. J. Barber Well No. 7
in the Ewerit Gas Pool, Lea County,
New Mexico.

Gentlemen:

Please refer to Sinclair's application for a hearing dated
February 25, 1955 concerning the establishment of a 200 acre Non-
standard Proration Unit for the B. J. Barber Well No. 7. You will
note that this matter has been scheduled for hearing on April 20,
1955 as Case 875.

In our original application we requested that all of the
acreage in our B. J. Barber Lease, i.e. E/2 E/2 Sec. 7 and W/2 NW/4,
NW/4 SW/4 of Sec. 8, T-20-S, R-37-E, be assigned our B. J. Barber
No. 7 Well. We would like to have our original application amended
so as to include Stanolind Oil and Gas Company's 40 acre tract in
the SW/4 SW/4 of Sec. 8-20S-37E only in the event and at the time that
the unitization between said tracts is effected. This would result
in a 320 acre Nonstandard Proration Unit in the Ewerit Gas Pool.

Copies of this application for amendment have been sent, via
registered mail, to all offset operators as listed below.

Yours very truly,

SINCLAIR OIL & GAS COMPANY

J. T. Reeves
J. T. Reeves
Division Superintendent

JTR:RMA:js

cc: Via Registered Mail

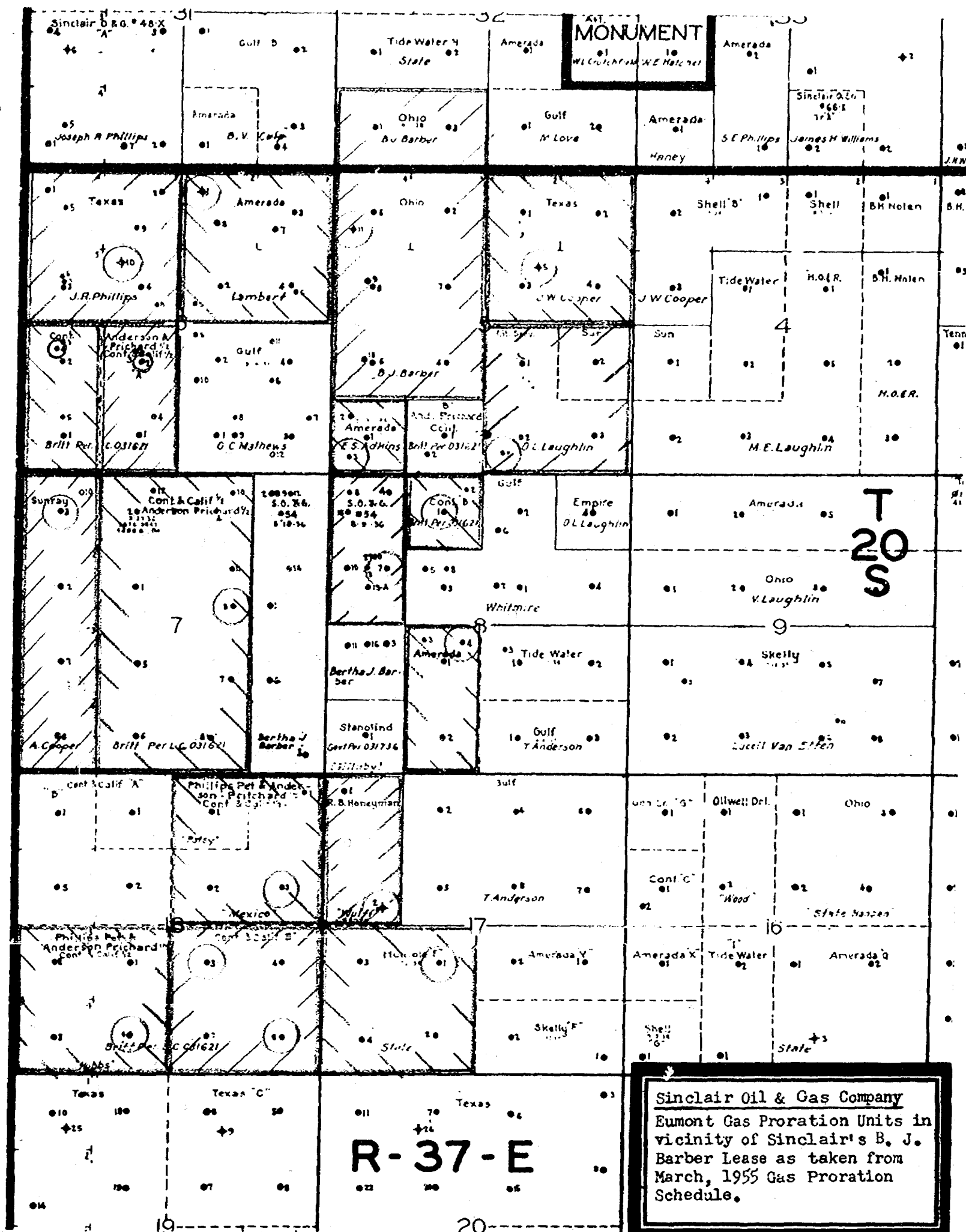
Amerada Petroleum Corp.
Box 2040
Tulsa, Oklahoma

Anderson-Prichard Oil Corp.
Box 2197
Hobbs, New Mexico

Continental Oil Co.
Box 427
Hobbs, New Mexico

Gulf Oil Corporation
Box 2167
Hobbs, New Mexico

Stanolind Oil and Gas Co.
Box 899
Roswell, New Mexico



C
O
P
Y

May 23, 1955

Sinclair Oil & Gas Company
901 Fair Building
FORT WORTH, TEXAS

Attention: Mr. J. T. Reeves

Gentlemen:

We enclose a copy of Order R-637 issued on May 18, 1955,
by this Commission in Case 875, which was heard on your
company's application on April 20, 1955.

Very truly yours,

W. B. Macey
Secretary - Director

WBM:nr

cc: Stanolind Oil and Gas Company ✓
Ft. Worth, Texas

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF THE STATE OF NEW
MEXICO FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 875
Order No. R-637

THE APPLICATION OF SINCLAIR OIL
AND GAS COMPANY FOR APPROVAL
OF A 280-ACRE NON-STANDARD GAS
PRORATION UNIT CONSISTING OF THE
E/2 E/2 OF SECTION 7 AND THE W/2
NW/4, NW/4 SW/4 OF SECTION 8, TOWN-
SHIP 20 SOUTH, RANGE 37 EAST, NMPM,
LEA COUNTY, NEW MEXICO, TO BE
ASSIGNED TO APPLICANT'S B. J. BARBER
WELL NO. 7 FOR GAS PRORATION PURPOSES
IN THE EUMONT GAS POOL, AND FOR THE
ESTABLISHMENT OF A 320-ACRE UNORTHODOX
GAS PRORATION UNIT CONSISTING OF THE E/2
E/2 OF SECTION 7, AND THE W/2 W/2 OF
SECTION 8 UPON SUCCESSFUL COMPLETION
OF UNITIZATION NEGOTIATIONS BETWEEN
APPLICANT AND THE STANOLIND OIL AND
GAS COMPANY.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on April 20, 1955, at Santa Fe, New Mexico before the Oil Conservation Commission, hereinafter referred to as the "Commission."

NOW, on this 18th day of May, 1955, the Commission, a quorum being present, having considered the record and testimony adduced, and being fully advised in the premises,

FINDS:

- (1) That due notice of the time and place of hearing and the purpose thereof having been given as required by law, the Commission has jurisdiction of this case and the subject matter thereof.
- (2) That the Commission has the power and authority to permit the formation of a gas proration unit consisting of other than a legal section after notice and hearing by the Commission.
- (3) That applicant, Sinclair Oil and Gas Company, is the owner of oil and gas leases in Lea County, New Mexico, which leases cover land consisting of other than a legal section, and described as follows:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM
E/2 E/2 of Section 7;
W/2 NW/4 and NW/4 SW/4 of Section 8

containing 280 acres, more or less.

Order No. R-637

(4) That Stanolind Oil and Gas Company is the owner of an oil and gas lease in Lea County, New Mexico, which lease covers land consisting of other than a legal section, and described as follows:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM
SW/4 SW/4 of Section 8

containing 40 acres, more or less.

(5) That applicant, Sinclair Oil and Gas Company, has a producing gas well on the aforementioned lease, which well is known as Sinclair Oil and Gas Company's B. J. Barber Well No. 7, located 990 feet FWL and 1650 feet FNL of Section 8, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico.

(6) That aforesaid well is located within the horizontal limits of the Eumont Gas Pool as presently defined.

(7) That aforesaid well, completed as an oil well in the Monument Pool in June 1937, has been reclassified as a gas well in the Eumont Gas Pool by virtue of a Commission determination dated June 12, 1950, which date precedes the effective date of Order R-520.

(8) That it is practical to pool applicant's aforesaid lease with adjoining acreage in said Section 8, and that negotiations are currently under way between the Sinclair Oil and Gas Company and the Stanolind Oil and Gas Company to effect the unitization of their respective leaseholds as described above.

(9) That it is impractical to pool applicant's aforesaid lease and/or that lease owned by Stanolind Oil and Gas Company with adjoining acreage in Sections 7 or 8, and that the owners of adjoining acreage have not objected to the formation of the proposed unit.

(10) That acreage to be included in the proposed proration unit, before or after the successful conclusion of unitization negotiations, is reasonably presumed to be productive of gas from the Eumont Gas Pool.

(11) That unless a proration unit consisting of applicant's aforesaid acreage, or of applicant's aforesaid acreage and that 40-acre tract owned by Stanolind Oil and Gas Company, is approved and assigned to applicant's B. J. Barber Well No. 7, applicant will be deprived of the opportunity to recover its just and equitable share of the natural gas in the Eumont Gas Pool.

(12) That the creation of a proration unit as described above and the assignment of said unit to the well identified above will prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That an unorthodox gas proration unit consisting of the following described acreage is hereby created.

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM
E/2 E/2 of Section 7
W/2 NW/4, NW/4 SW/4 of Section 8

containing 280 acres, more or less.

(2) That, for the purposes of gas proration, the acreage included in said unorthodox gas proration unit is hereby assigned to Sinclair Oil and Gas Company's B. J. Barber Well No. 7, which well is located 990 feet F.W.L. and 1650 feet F.N.L. of Section 8, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico, and that said well shall be granted an allowable in accordance with the Eumont Gas Pool rules, in the proportion that 280 acres bears to the acreage included in a standard or orthodox proration unit for the Eumont Gas Pool, all until further order of the Commission.

(3) That, upon the successful conclusion of unitization negotiations now pending between applicant and the Stanolind Oil and Gas Company, an unorthodox gas proration unit consisting of the following described acreage shall be created;

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM
E/2 E/2 Section 7;
W/2 W/2 of Section 8

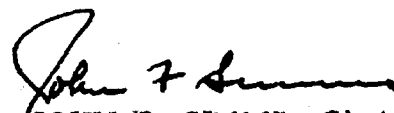
containing 320 acres, more or less.


(4) That, for the purposes of gas proration, the acreage included in said unorthodox gas proration unit shall be assigned to Sinclair Oil and Gas Company's B. J. Barber Well No. 7, which well is located as heretofore described.

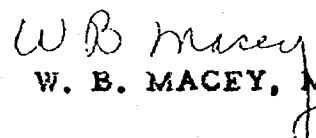
(5) That said well shall be granted an increased allowable dating from the first day of the month next following that month in which the Commission is formally notified in writing of the unitization of the 320-acre tract described above, and that the allowable granted shall be in the proportion that 320 acres bears to the acreage included in a standard or orthodox proration unit for the Eumont Gas Pool, all until further order of the Commission.

DONE at Santa Fe, New Mexico on the day and year hereinabove designated.

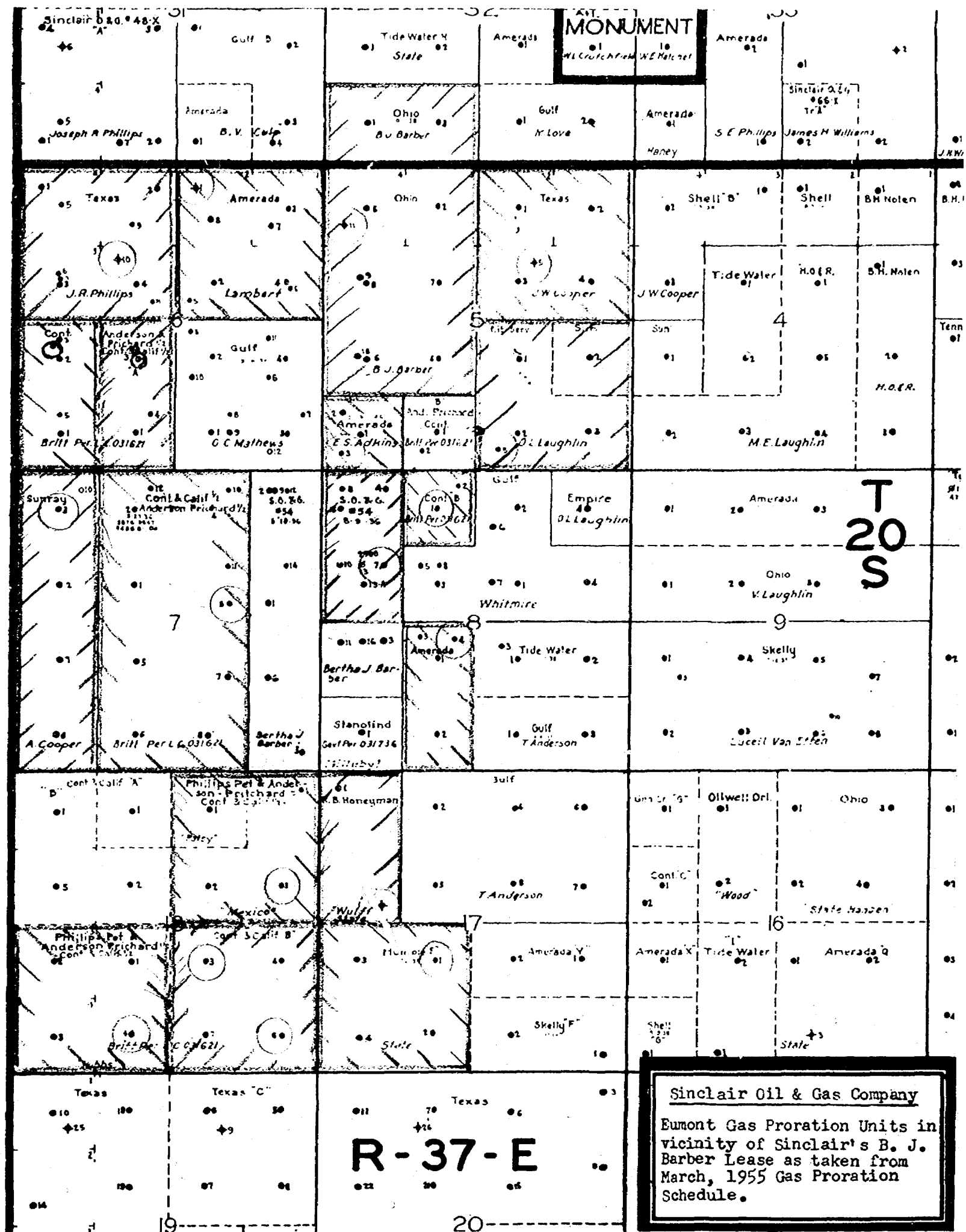
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JOHN F. SIMMS, Chairman


E. S. WALKER, Member


W. B. MACEY, Member and Secretary





BEFORE THE
Oil Conservation Commission
SANTA FE, NEW MEXICO
April 20, 1955

IN THE MATTER OF:

CASE NO. 875 - Regular Hearing

TRANSCRIPT OF PROCEEDINGS

ADA DEARNLEY AND ASSOCIATES
COURT REPORTERS
ROOMS 105, 106, 107 EL CORTEZ BUILDING
TELEPHONE 7-9546
ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
April 20, 1955

IN THE MATTER OF:

Application of Sinclair Oil and Gas Company
for approval of a 280-acre non-standard gas
proration unit in the Eumont Gas Pool: E/2
E/2 Section 7 and W/2 NW/4, NW/4 SW/4
Section 8, Township 20 South, Range 37 East
Lea County, New Mexico, for assignment to
its B. J. Barber Well No. 7, SW/4 NW/4 of
said Section 8.

Case No. 875

BEFORE:

Mr. E. S. (Johnny) Walker
Mr. William B. Macey

TRANSCRIPT OF HEARING

MR. MACEY: The next case on the docket is Case 875.

MR. HARBIN: M. A. Harbin, appearing for Sinclair Oil and Gas Company in Case 875. If the Commission please, this is an application of Sinclair Oil and Gas Company for approval of a 280-acre non-standard gas proration unit in the Eumont Gas Pool. It is proposed to unitize the east half of the east half of Section 7, west half of northwest quarter and the northwest quarter of the southwest quarter of Section 8, Township 20 South, Range 37 East, Lea County, New Mexico, for assignment to its B. J. Barber Well No. 7, which is in the southwest quarter of the northwest quarter of Section 8. That application was also later amended to include the southwest quarter of the southwest quarter of Section 8, making a

320-acre unit.

RICHARD M. ANDERSON,

called as a witness, having been first duly sworn, testified as follows:

DIRECT EXAMINATION

By MR. HARBIN:

Q What is your name, please?

A Richard M. Anderson.

Q By whom are you employed, Mr. Anderson?

A Sinclair Oil and Gas Company.

Q In what capacity?

A Senior Engineer.

Q Have you testified before this Commission before?

A I have not.

Q Where did you go to school, Mr. Anderson?

A Carnegie Institute of Technology in Pittsburg, Pennsylvania.

Q Did you graduate with an engineering degree from that institution?

A Yes, I did, in June of 1948.

Q What experience have you had in the petroleum engineering and in the gas business since your graduation from school?

A I was hired immediately upon graduation in June of 1948 by Stanolind Oil and Gas Company as a Junior Petroleum Engineer. I reported at that time to their North Cowden Office, which is about 20 miles north of Odessa, and I worked in that capacity for two years. At the end of that time I made another connection with Sub-surface Engineering Company as a District Manager of their operations in West Texas and New Mexico. I was in charge of all

types of engineering, field testing, the calculation of that work and the responsibility for the reporting of the work, for three years. At the end of that time I was transferred by that company to Corpus Christi and I performed a similar function in that location for one year. At that time, which was ten months ago, I came to work in my present capacity for the Sinclair Oil and Gas Company.

Q Have you had occasion to do any work in New Mexico?

A I have closely followed all of the work that pertained to New Mexico during that period.

Q Are you a registered petroleum engineer in the State of Texas?

A I am.

MR. HARBIN: Will the Commission accept his qualifications?

MR. MACEY: Yes, they will.

Q Mr. Anderson, what lease is involved in this application?

A Sinclair's Bertha J. Barber Lease.

Q Have you made a plat of the lease and the acreage which you propose to unitize with the Barber Well No. 7?

A I have.

Q Will you let me have it, please?

(Marked Sinclair's Exhibit No. 1,
for identification.)

Q Will you explain, please, how the acreage which you propose to allocate to Barber Well No. 7 is indicated on the plat which has been marked Exhibit 1?

A All of the Sinclair Oil and Gas Company leases in this vicinity are colored yellow on the exhibit.

Q Where is Barber Well No. 7 located?

4

A It is located in Section 8 and is located 330 feet from the east line and 1650 feet from the north line of the hundred and twenty acre portion of the lease that exists in Section 8 as shown on this plat.

Q The well is located in the west half of the northwest quarter of Section 8, is it not?

A That is correct.

Q You gave the distances from the line?

A Yes, sir.

Q You propose to allocate that well the east half of the east half of Section 7, is that correct?

A That is correct.

Q And the northwest quarter of the southwest quarter of Section 8?

A That is correct.

Q And the southwest quarter of the southwest quarter of Section 8?

A Yes, sir.

Q And will you state whether or not the mineral ownership of the west half of the northwest quarter, the east half of the east half of Section 7 and the northwest quarter of the southwest quarter of Section 8 is common ownership?

A It is.

Q And Sinclair Oil and Gas Company owns the oil and gas lease on that portion?

A Yes.

Q And the same royalty owner?

A Yes.

Q As to the southwest quarter of the southwest quarter of

Section 8, who owns the lease on that?

A Stanolind is the operator of that lease and --

Q What negotiations have you carried on in reference to unitizing the 40-acre Stanolind lease?

A We have reached an agreement with Stanolind as to unitizing the hundred and sixty acres which composes the west half of the west half of Section 8. The agreement was in the process of being executed at the time that it became apparent that the hundred sixty acres of our Barber Lease located in Section 7 might reasonably be allowed to be included in the acreage dedicated to Well No. 7. At that time Stanolind was contacted and they agreed to the larger unit, and the unitization which is actually in its final stage is ready to proceed upon approval of this application by this Commission.

Q The instruments creating that unitization with Stanolind are being circulated, aren't they?

A It is my understanding that they are.

Q Will you state the names of the adjoining mineral owners?

A The mineral owners having contiguous acreage adjoining our proposed 320-acre unit are the Amerada Petroleum Corporation, Anderson Pritchard Oil Corporation, Continental Oil Company, Gulf Oil Corporation, and, of course, Stanolind Oil and Gas Company who is to be included.

Q Have those owners been notified of this application and hearing?

A They have.

Q Have you received any objections from anyone?

A No, sir, I haven't.

Q This unit which you propose, what is the length of that unit,

5,280 feet?

A 5,280 feet.

Q What is the width?

A 2,640 feet.

Q It composes 320 acres?

A Yes.

Q Will you describe to the Commission the type of well that Barber No. 7 is, is it a gas well?

A Yes, sir.

Q Does it produce any oil?

A It has.

Q Does it produce any oil now?

A At present, no, sir.

Q Has it been classified as a gas well?

A It was classified as a gas well by a letter from the Commission dated June 12, 1950.

Q When was it completed?

A It was completed as an oil well in the Monument Pool June 1, 1937.

Q In your opinion, is all of the acreage which you propose to assign to this Barber Well No. 7 productive of gas?

A It is.

Q How about the balance of the acreage in Sections 7 and 8, has that been assigned to other units?

A All of the other acreage in Section 7 has been assigned to other gas wells and that is indicated on Exhibit 1 by the proration units that are outlined in red with the hash marks and those units are as taken from the March 1955 gas proration schedule.

In Section 8 there are two contiguous gas proration units, as outlined on the exhibit, and there is a 160-acre unit operated by

the Gulf Oil Corporation, it is a T-shaped unit, and 40 acres of which is contiguous to our lease.

Q But that had been allocated to another unit, the 40 acres contiguous to your lease?

A No, to my knowledge it is not dedicated to any gas well.

Q Will you state whether or not Barber Well No. 7 is producing from the Queens gas sand?

A I believe that it is.

Q In your opinion, if this application is not granted, would Sinclair receive its proportionate gas in the reservoir?

A I do not believe they would if the petition is not granted.

Q In your opinion, would the allocation of the 320-acres to the Barber Well No. 7 prevent waste and protect correlative rights?

A I believe that it would.

MR. HARBIN: I believe that is all. You have something else you wish to say?

A In this matter we have requested the Commission to establish a 280-acre proration unit which consists of Sinclair's Barber Lease, and we would request that that petition be approved and granted. Then in addition to that, we request that the Commission grant only at such a time as the unitization between Stanolind's 40 acres in the southwest quarter of the southwest quarter of Section 8 is unitized with our lease, only at that time should the 320-acre unit be approved.

Q In other words, you are asking that the 280 acres be approved and that the Commission approve the unitization of the Stanolind 40 acre lease at such time as you have completed your unitization of that 40 acres?

A Yes, that they approve the addition of the 40 acres at such time as the unitization is completed. In that manner, we will, from the time that this application is approved, be immediately allowed to produce our 280 acres and from that interim, from then until the unitization is finally signed up.

Q Anything else you want to say in connection with this application?

A No, sir.

MR. HARBIN: I would like to offer in evidence, Exhibit No. 1.

MR. MACEY: Without objection it will be received. Any questions of the witness? Mr. Nutter?

CROSS EXAMINATION

By MR. NUTTER:

Q I understand you correctly, you are asking for a 280-acre unit?

A Yes. On this order that would be issued in this case we are petitioning for that as well as by our amended petition which we sent registered copies of it to all of the offset operators so that they were notified, we are also asking a dual grant. We are also asking that you approve the 320-acre unit to become effective at such time as our unitization efforts are completed.

MR. MACEY: The Barber No. 7 is the only well in that 280 acres that is completed in the Eumont Pool, is it not?

A Yes, sir.

Q The Stanolind's Gulluly No. 1 is completed in the Monument Pool, is that correct?

A That is my understanding.

Q Is there another Stanolind well in that quarter quarter section that they have, or are they drilling another well at this time?

A Not to my knowledge.

MR. NUTTER: That is all.

MR. MACEY: Anyone else? Does anyone else have a question of the witness? If not the witness may be excused.

(Witness excused.)

MR. MACEY: Do you have anything further?

MR. HARBIN: No, sir, that is all.

MR. MACEY: We will take the case under advisement.

STATE OF NEW MEXICO)
: SS.
COUNTY OF BERNALILLO)

I, ADA DEARNLEY, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission at Santa Fe, New Mexico, is a true and correct record to the best of my knowledge, skill and ability.

IN WITNESS WHEREOF I have affixed my hand and notarial seal this 28th day of April, 1955.

Ada Dearnley
Notary Public, Court Reporter

My Commission Expires :
June 19, 1955

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