

Casa No.

876

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Application, Transcript,  
Small Exhibits, Etc.

OIL CONSERVATION COMMISSION

P. O. BOX 871  
SANTA FE, NEW MEXICO

June 15, 1955

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Y

Sinclair Oil & Gas Company  
901 Fair Building  
Fort Worth, Texas

Attention: J. T. Reeves

Gentlemen:

We enclose a copy of Order R-643 issued on June 13, 1955, by the Oil Conservation Commission in Case 876, which was heard at the April 20th hearing upon your company's application.

Very truly yours,

W. B. Macey  
Secretary - Director

WBM:brp  
Enclosure

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

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 J. H. Williams Well No. 3  
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 200 acres  
to be assigned to subject well.

In this connection Sinclair wishes to state:

1. Sinclair is the Operator of the J. H. Williams Well No. 3 which is located in the SW/4 of the NW/4 of Section 34, T-19-S, R-37-E, Lea County, New Mexico. Subject well was originally completed January 17, 1954, 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 that part of Sinclair's J. H. Williams lease which contains 200 acres and is located NE/4 NE/4 Section 33-19S-37E and NW/4 Section 34-19S-37E. Subject well is located 660 ft. from south line, and 660 ft. from the most easterly west line of this Unit, and currently has a 160 acre dedication consisting of the NW/4 of Section 34.
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 33 is currently dedicated. All of the contiguous acreage in Section 34 is currently dedicated except:
  - a. NE/4 which has been unitized by Sinclair and is in the process of being developed.

6. Sinclair believe 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

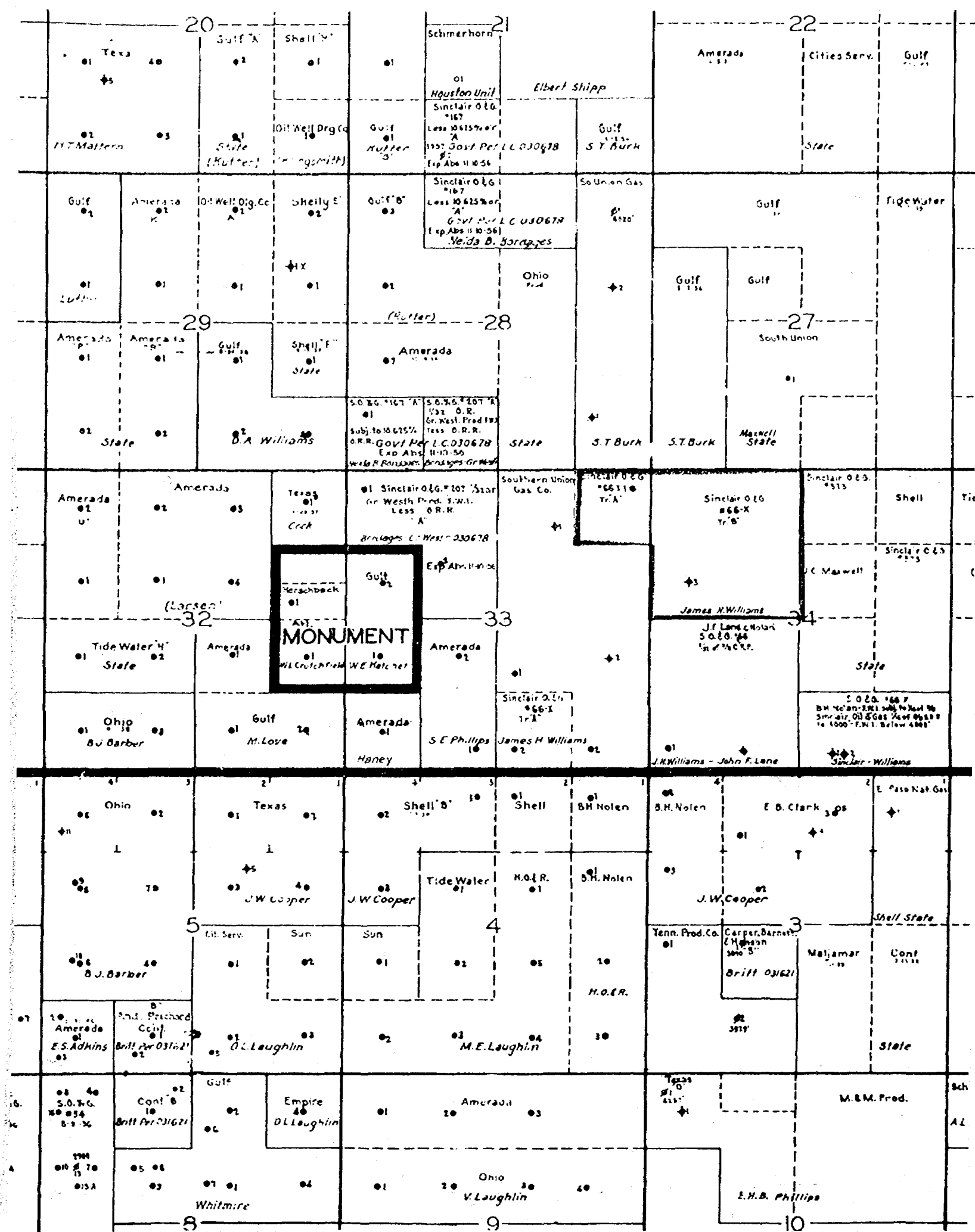
Division Superintendent

JTR:RMA:js

Att: Ownership Map  
Gas Well Plat

cc: Nolan and Lane  
Box 326  
Hobbs, New Mexico

Southern Union Gas Company  
1104 Burt Building  
Dallas, Texas



NEW MEXICO  
OIL CONSERVATION COMMISSION

Gas Well Plat

Date February 25, 1955

Sinclair Oil & Gas Company J. H. Williams 3  
Operator Lease Well No.

Name of Producing Formation Queen Pool Eumont Gas

No. Acres Dedicated to the Well 200

SECTION E/2 Sec. 33 W/2 Sec. 34 TOWNSHIP 19-S RANGE 37-E

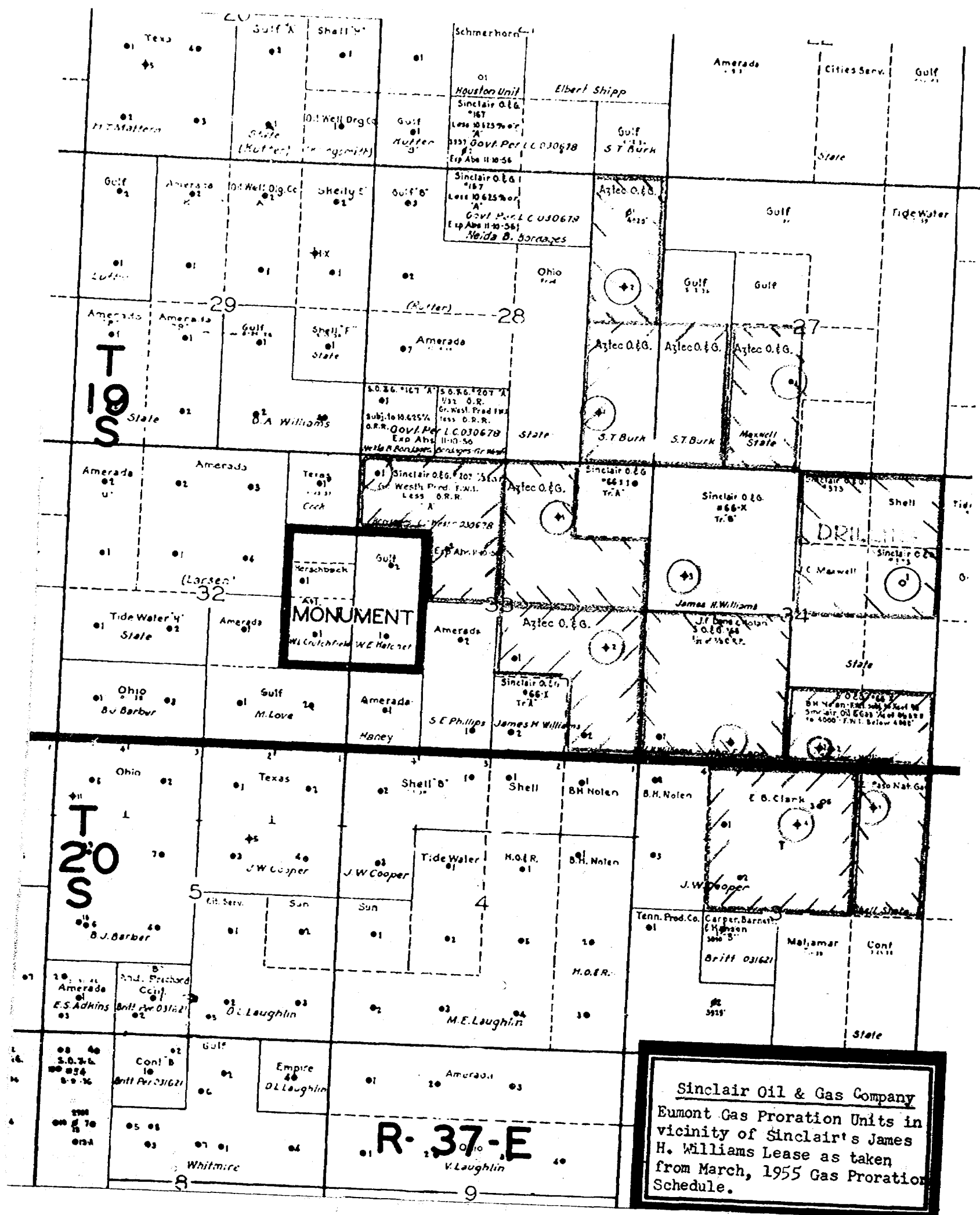
	<div>330 1 • 330 Sinclair J. H. Williams</div>		
		<div>660 • 3 096 J. H. Williams</div>	
33			34

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

(over)



BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

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

Case 876

THE MATTER OF THE APPLICATION OF SINCLAIR OIL AND  
GAS COMPANY FOR APPROVAL OF A 200 ACRE NON-STANDARD  
GAS PRORATION UNIT ~~IN THE EUMONT GAS POOL~~ CONSISTING  
OF THE NE/4 NE/4 OF SECTION 33 AND THE NW/4 OF SECTION  
34, TOWNSHIP 19 SOUTH, RANGE 37 EAST, LEA COUNTY, NEW  
MEXICO, TO BE ASSIGNED TO APPLICANT'S J. H. WILLIAMS  
NO. 3 WELL LOCATED 1980 FEET FNL AND 660 FEET FWL OF  
SAID SECTION 34, IN THE EUMONT GAS POOL.

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 \_\_\_\_\_ day of \_\_\_\_\_, 1955, the Commission, a quorum being present, having considered the record and the testimony adduced, and being fully advised in the premisses,

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 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 19 SOUTH, RANGE 37 EAST, NMPM  
Section 33: NE/4 NE/4  
Section 34: NW/4

containing 200 acres, more or less.

(4) 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 J. H. Williams Well No. 3, which well is located 1980 feet FNL and 660 feet FWL of Section 34, Township 19 South, Range 37 East, NMPM, Lea County, New Mexico.

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

(6) That aforesaid well was completed as a gas well in the ~~EUMONT~~ Eumont Gas Pool on January 17, 1954 and is producing from within the vertical limits of the Eumont Gas Pool as set out in Commission Order R-520.



(7) That it is impractical to pool applicant's aforesaid acreage with adjoining acreage in sections 33 and 34, and that the owners of adjoining acreage have not objected to the formation of the proposed unit.

(8) That the acreage to be included in the proposed proration unit is reasonably presumed to be productive of gas from the Eumont Gas Pool.

(9) That unless a proration unit consisting of applicant's aforesaid acreage is approved and assigned to applicant's J. H. Williams Well No. 3, applicant will be deprived of the opportunity to recover its just and equitable share of the natural gas in the Eumont Gas Pool.

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

IT IS THEREFORE ORDERED:

(1) That an unorthodox gas proration unit consisting of the following described acreage be and the same hereby is created:

TOWNSHIP 19 SOUTH, RANGE 37 EAST, NMPM  
Section 33: NE/4 NE/4  
Section 34: NW/4

containing 200 acres more or less.

(2) That, for the purposes of gas proration, the acreage included in said non-standard or unorthodox proration unit ~~is hereby~~ assigned to Sinclair Oil and Gas Company's J. H. Williams Well No. 3, which well is located 1980 feet FNL and 660 feet FWL of ~~said~~ Section 34, Township 19 South, Range 37 East, NMPM, Lea County, New Mexico, and ~~said well shall be granted an allowable in accordance with the Eumont Gas Pool rules in the proportion that 200 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 the increased allowable shall be granted ~~on increased allowable dating from the first day of the month of June, 1955.~~

(3) That said well shall be granted an increased allowable dating from the first day of \_\_\_\_\_, 1955, and that such increased allowable shall be computed in accordance with the Eumont Gas Pool rules and ~~in the proportion that 200 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.~~

DO NOT

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

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

CASE NO. 876  
Order No. R-643

THE MATTER OF THE APPLICATION  
OF SINCLAIR OIL AND GAS COMPANY  
FOR APPROVAL OF A 200-ACRE NON-  
STANDARD GAS PRORATION UNIT  
CONSISTING OF THE NE/4 NE/4 OF  
SECTION 33 AND THE NW/4 OF SECTION  
34, TOWNSHIP 19 SOUTH, RANGE 37 EAST,  
NMPM, LEA COUNTY, NEW MEXICO, TO  
BE ASSIGNED TO APPLICANT'S J. H.  
WILLIAMS NO. 3 WELL, LOCATED 1980  
FEET FNL AND 660 FEET FWL OF SAID  
SECTION 34, IN THE EUMONT GAS POOL.

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 13<sup>th</sup> day of June, 1955, the Commission, a quorum being present, having considered the record and the 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 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 19 SOUTH, RANGE 37 EAST, NMPM

Section 33: NE/4 NE/4

Section 34: NW/4

containing 200 acres, more or less.

(4) 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 J. H. Williams Well No. 3, which well is located 1980 feet FNL and 660 feet FWL of Section 34, Township 19 South, Range 37 East, NMPM, Lea County, New Mexico.

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

(6) That aforesaid well was completed as a gas well in the Eumont Gas Pool on January 17, 1954, and is producing from within the vertical limits of the Eumont Gas Pool as set out in Commission Order R-520.

(7) That it is impractical to pool applicant's aforesaid acreage with adjoining acreage in Sections 33 and 34, and that the owners of adjoining acreage have not objected to the formation of the proposed unit.

(8) That the acreage to be included in the proposed proration unit is reasonably presumed to be productive of gas from the Eumont Gas Pool.

(9) That unless a proration unit consisting of applicant's aforesaid acreage is approved and assigned to applicant's J. H. Williams Well No. 3, applicant will be deprived of the opportunity to recover its just and equitable share of the natural gas in the Eumont Gas Pool.

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

IT IS THEREFORE ORDERED:

(1) That an unorthodox gas proration unit consisting of the following described acreage be and the same hereby is created:

TOWNSHIP 19 SOUTH, RANGE 37 EAST, NMPM  
Section 33: NE/4 NE/4  
Section 34: NW/4

containing 200 acres, more or less.

(2) That, for the purposes of gas proration, the acreage included in said non-standard or unorthodox proration unit shall be assigned to Sinclair Oil and Gas Company's J. H. Williams Well No. 3, which well is located 1980 feet FNL and 660 feet FWL of Section 34, Township 19 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) That said well shall be granted an increased allowable dating from the first day of July, 1955, and that such increased allowable

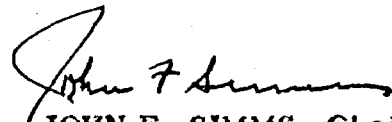
-3-

Order No. R-643

shall be computed in accordance with the Fumont Gas Pool rules and shall be in the proportion that 200 acres bears to the acreage included in a standard or orthodox proration unit for the Fumont Gas Pool, all until further order of the Commission.

DONE at Santa Fe, New Mexico on the day and year herein-  
above designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION



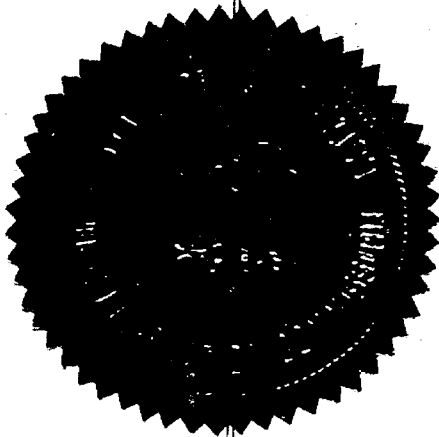
JOHN F. SIMMS, Chairman



E. S. WALKER, Member



W. B. MACEY, Member and Secretary



/lr

BEFORE THE  
Oil Conservation Commission

SANTA FE, NEW MEXICO  
April 20, 1955

IN THE MATTER OF:

CASE NO. 876 - Regular Hearing

TRANSCRIPT OF PROCEEDINGS

ADA DEARNLEY AND ASSOCIATES

COURT REPORTERS  
605 SIMMS BUILDING  
TELEPHONE 3-6691  
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 200-acre non-standard gas  
proration unit in the Sumont Gas Pool: NE/4  
NE/4 of Section 33 and NW/4 of Section 34,  
Township 19 South, Range 37 East, Lea County  
New Mexico, for assignment to its J. H.  
Williams No. 3, SW/4 NW/4 of said Section  
34.

Case No. 876

BEFORE:

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

TRANSCRIPT OF HEARING

MR. MACEY: The next case on the docket is Case 876.

MR. HARBIN: Let the record show that the witness has been  
previously sworn. I am appearing for Sinclair Oil and Gas Company  
in Case 876.

If the Commission please, this is an application of Sinclair  
Oil and Gas Company for approval of a 200-acre non-standard gas  
proration unit in the Eumont Gas Pool where it is proposed to unit-  
ize the northeast quarter northeast quarter of Section 33 and the  
northwest quarter of Section 34, Township 19 South, Range 37 East,  
Lea County, New Mexico for assignment to its J. H. Williams No. 3  
well located in the southwest quarter of the northwest quarter of  
Section 34.

RICHARD M. ANDERSON,

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

DIRECT EXAMINATION

By MR. HARBIN:

Q State your name to the reporter.

A Richard M. Anderson.

Q We will not go into your employment in connection with this matter. Have you prepared a plat showing the acreage which you propose to unitize in this case here?

A Yes, sir, I have.

(Marked Sinclair Oil and Gas Company's Exhibit No. 1, for identification.)

Q Will you explain to the Commission just how the acreage which you propose to unitize in this case is indicated on the plat marked Exhibit No. 1?

A All of the Sinclair leases are again colored yellow on the plat. The acreage that we propose to form a unit with is described as the northwest quarter of Section 34 and the northeast quarter of the northeast quarter of Section 33.

Q That is colored in yellow?

A Yes, sir.

Q And the Sinclair Oil and Gas Company own the oil and gas lease covering that acreage?

A Yes.

Q Is the royalty interest common ownership?

A It is.

Q Where is the Williams No. 3 Well located?

A It is located 660 feet from the west and south lines of the

northwest quarter of Section 34.

Q When was that well drilled and completed?

A The Williams No. 3 well was completed January 17, 1954. It was completed as a gas well in the Sumont Gas Pool and a back pressure test was run on it March 11, 1954 with an openflow capacity of four million cubic feet per day.

Q What would be the length of that unit? The unit would not exceed 5,280 feet in length?

A No, it wouldn't. The length of the unit would be 3,960 feet and the width of the unit would be 2,640 feet.

Q Who are the adjoining operators or mineral owners, rather, of said acreage which you propose to unitize?

A To the south Lane and Nolan, the contiguous acreage adjoining this unit to the south is Lane and Nolan, operated by Lane and Nolan, to the west operated by Aztec Oil and Gas Company, to the north are two units operated by Aztec Oil and Gas Company. To the east is 160 acre unit of which Sinclair is the operator and is currently drilling a gas well on.

Q The 160 acres?

A The 160 acre unit that is outlined in blue on your exhibit is a drilling unit and it is the only unit that is outlined on that exhibit that does not appear in the March 1955 gas proration schedule.

Q That is the northeast quarter of Section 34, isn't it?

A Yes, sir.

Q All right, go ahead. Had you completed your answer?

A Yes, sir.

Q Have all the adjoining operators been notified?

A They were notified --



Q (Interrupting) I mean notified of this application and this hearing?

A They were notified by copy of the application, Nolan and Lane were notified by copy of the application, Southern Union Gas Company which owned the Aztec Oil and Gas Company's Units prior to January of 1955 were notified as a courtesy. It is my interpretation of Rule R-520 that in the matter such as this, we were not obligated to notify them by registered mail.

Q You sent them a copy of the application, didn't you?

A I sent those two operators a copy of this application.

Q Did you receive any objection from anyone?

A No, sir.

Q Why is it Sinclair's desire to unitize the 200 acres here that you have described?

A The royalty interest and the leasehold interest of those two tracts is the same, and it is very practical and desirable to form the larger unit with that acreage, in my opinion.

Q In your opinion, if this application is not granted, will Sinclair get its fair proportionate share of the gas in the reservoir?

A They will not.

Q In your opinion, will it prevent waste and protect correlative rights, if this application is granted and the 200 acres unitized?

A It will.

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

A No, sir.

MR. HARBIN: I would like to offer in evidence Exhibit 1, if the Commission please.

MR. MACEY: Without objection it will be received.

MR. HARBIN: That is all of this witness.

MR. MACEY: Any questions? Mr. Reider?

CROSS EXAMINATION

By MR. REIDER:

Q Does this well show any oil?

A The well was completed in January of 1954 and has not had a pipeline connection up to the present date. However, we have recently signed a contract and the connection is presently being made and the well will go on production. However, in the testing that was done, and a comprehensive back pressure test was run, there was no fluid measured during the test.

Q Do you intend to set a separator on this lease?

A I can't answer that.

MR. REIDER: That is all.

MR. MACEY: Anyone else? If not the witness may be excused.

(Witness excused.)

MR. MACEY: Do you have anything further?

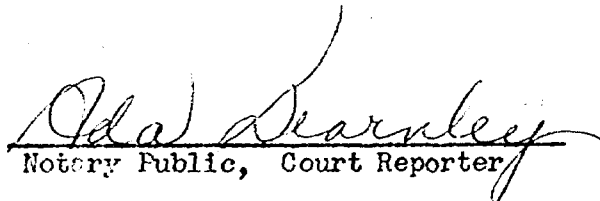
MR. HARBIN: No, sir.

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, 1954.

  
Notary Public, Court Reporter

My Commission Expires:

June 19, 1955