

CASE 3548: Appli. of SINCLAIR OIL
& GAS CO. for an UNORTHODOX LOCA-
TION, EDDY COUNTY, NEW MEXICO.

CASE No.
3548

Application,
TRANSCRIPTS,
SMALL Exhibits
ETC.

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. 3548
Order No. R-3215

APPLICATION OF SINCLAIR OIL & GAS
COMPANY FOR AN UNORTHODOX LOCATION,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on April 5, 1967,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 11th day of April, 1967, the Commission, a
quorum being present, having considered the testimony, the record,
and the recommendations of the Examiner, and being fully advised
in the premises,

FINDS:

(1) That due public notice having been given as required by
law, the Commission has jurisdiction of this cause and the subject
matter thereof.

(2) That the applicant, Sinclair Oil & Gas Company, seeks
approval of the unorthodox location in an undesignated Morrow
(Pennsylvanian) gas pool of its Trigg-Federal Well No. 1 at a
point 1980 feet from the North line and 660 feet from the West
line of Section 27, Township 18 South, Range 27 East, NMPM,
Eddy County, New Mexico, to be dedicated to a 320-acre unit
comprising the N/2 of said Section 27.

(3) That the subject well was drilled as a wildcat oil well
at a standard location to test the Cisco-Canyon formation but was
non-productive in the Cisco-Canyon formation and was subsequently
completed in the Morrow formation.

(4) That approval of the subject application will prevent
waste and will not violate correlative rights.

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CASE No. 3548

Order No. R-3215

IT IS THEREFORE ORDERED:

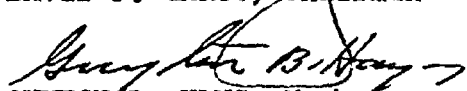
(1) That an unorthodox location is hereby approved for the Sinclair Oil & Gas Company Trigg-Federal Well No. 1, located 1980 feet from the North line and 660 feet from the West line of Section 27, Township 18 South, Range 27 East, NMPM, undesignated Morrow (Pennsylvanian) gas pool, Eddy County, New Mexico, to be dedicated to a 320-acre unit comprising the N/2 of said Section 27.


(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


DAVID F. CARGO, Chairman


GUYTON B. HAYS, Member


A. L. PORTER, Jr., Member & Secretary

S E A L

esr/

Docket No. 10-67

DOCKET: EXAMINER HEARING- WEDNESDAY- APRIL 5, 1967

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

The following cases will be heard before Daniel S. Nutter, Examiner, or Elvis A. Utz, Alternate Examiner:

- CASE 3545: Application of John Yuronka and Robert E. Chandler for compulsory pooling, Lea County, New Mexico. Applicants, in the above-styled cause, seek an order force-pooling all mineral interests underlying the S/2 SW/4 and NE/4 SW/4 of Section 7, Township 22 South, Range 38 East, Lea County, New Mexico, from the surface to the base of the Drinkard formation or to 7400 feet, whichever is the lesser, but excluding the Granite Wash; in the alternative applicants seek the force-pooling in the above-described vertical interval underlying the SW/4 SW/4 only of said Section 7.
- CASE 3546: Application of Stoltz & Company for an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the unorthodox location in an undesignated Pennsylvanian gas pool of its Hudson-Federal Well No. 1 at a point 838 feet from the North line and 1650 feet from the West line of Section 4, Township 21 South, Range 29 East, Eddy County, New Mexico.
- CASE 3547: Application of Skelly Oil Company for a waterflood expansion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order amending Order No. R-2900 to expand the waterflood interval authorized by said order to include the entire Grayburg-Jackson producing interval, to permit the conversion to water injection of 18 additional wells in Sections 14, 15, 22, 23, 26, and 27, Township 17 South, Range 31 East, and further to provide for administrative expansion of said project.
- CASE 3548: Application of Sinclair Oil & Gas Company for an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled-cause, seeks approval of the unorthodox location in an undesignated Pennsylvanian gas pool of its Trigg-Federal Well No. 1 at a point 1980 feet from the North line and 660 feet from the West line of Section 27, Township 18 South, Range 27 East, Eddy County, New Mexico.
- CASE 3549: Application of Tesoro Petroleum Corporation for an unorthodox location, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox location for a well to be drilled 1330 feet from the South line and 2310 feet from the West line of Section 1, Township 17 North, Range 9 West, South Hospah Field, McKinley County, New Mexico.
- CASE 3400 (Reopened)

In the matter of Case No. 3400 being reopened pursuant to the provisions of Order No. R-3064, which order established 160-acre

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Examiner Hearing - April 5, 1967

(Case 3400 continued)

spacing units and a gas-oil ratio of 4000 to 1 for the Big Eddy-Strawn Pool, Eddy County, New Mexico, for a period of one year. All interested parties may appear and show cause why said pool should not be developed on 40-acre or 80-acre spacing units and why the limiting gas-oil ratio should not revert to the Statewide limit of 2000 to one.

CASE 3550: Application of Kennedy Oil Company for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Grayburg-San Andres formations through three wells located in Sections 27 and 28, Township 16 South, Range 31 East, Square Lake Pool, Eddy County, New Mexico.



SINCLAIR OIL & GAS COMPANY

P. O. Box 1470

MIDLAND, TEXAS

March 13, 1967

LEGAL DEPARTMENT

Mr. A. L. Porter, Jr.
Secretary-Director
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico

Case 3548

Re: Application of Sinclair Oil & Gas
Company for approval of unorthodox
location for its Trigg-Federal
Well No. 1, Eddy County, New Mexico

Dear Mr. Porter:

Enclosed is application, in triplicate, in the captioned
matter, which we request that you set on the docket of April 5,
1967.

Very truly yours,

Horace N. Burton
Horace N. Burton
General Attorney

HNB/id

cc: Mr. L. C. White
White, Gilbert, Koch & Kelly
P. O. Box 787
Santa Fe, New Mexico

DOCKET MAILED
Date 3-23-67
[Signature]

BEFORE THE OIL CONSERVATION COMMISSION OF THE
STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
SINCLAIR OIL & GAS COMPANY FOR AN
EXCEPTION TO RULE 104 AND APPROVAL
OF AN UNORTHODOX LOCATION FOR ITS
TRIGG-FEDERAL WELL NO. 1, IN EDDY
COUNTY, NEW MEXICO.

CASE NO. 3548
ORDER NO. _____

A P P L I C A T I O N

SINCLAIR OIL & GAS COMPANY, a Maine corporation with an operating office in Midland, Texas, hereby files application for an exception to State-Wide Rule 104 of the Rules and Regulations of the Commission, and approval of an unorthodox location for its Trigg-Federal Well No. 1 located in Unit E, being 660 feet from the West and South lines of the N/2 of Section 27, Township 18 South, Range 27 East, Eddy County, New Mexico, and in support thereof shows:

That applicant is the owner ^{1. of 50% interest} and operator of its Trigg-Federal lease consisting of the N/2 of said Section 27, Township 18 South, Range 27 East, Eddy County, New Mexico. Applicant has completed a gas well in the Pennsylvanian formation in its Trigg-Federal Well No. 1, located 660 feet from the South and West lines of the lease, said well having been projected as an oil well.

2.

That the granting of this application will be in the interest of prevention of waste and will not impair correlative rights.

WHEREFORE, applicant prays that the Commission set this application for a public hearing before an Examiner at Santa Fe, New Mexico, that notice be issued according to law, and that upon hearing this application be granted.

WHITE, GILBERT, KOCH & KELLY
P. O. Box 787
Santa Fe, New Mexico

Horace N. Burton
Horace N. Burton
P. O. Box 1470
Midland, Texas 79701

dearnley-meier reporting service, inc.

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

1120 SIMAS BLDG. • P. O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO



BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
April 5, 1967

EXAMINER HEARING

IN THE MATTER OF:)
)
)

Application of Sinclair Oil)
and Gas Company for an unorthodox)
location, Eddy County, New Mexico)
)
)

Case 3548

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

dearnley-meier

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS
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1400 FIRST NATIONAL BANK EAST • PHONE 256-1294 • ALBUQUERQUE, NEW MEXICO 87102

MR. NUTTER: We will call Case 3548.

MR. HATCH: Case 3548, Application of Sinclair Oil and Gas Company for an unorthodox location, Eddy County, New Mexico.

MR. KOCH: Mr. Examiner, my name is Sumner S. Koch, Santa Fe, New Mexico, White, Gilbert, Koch and Kelly, appearing on behalf of the applicant.

(Witness sworn.)

R. M. ANDERSON, called as a witness on behalf of the applicant, first having been duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. KOCH:

Q What is your full name and address, please?

A R. M. Anderson, Sinclair Oil and Gas Company, Midland, Texas.

Q And what are your duties with Sinclair?

A I am a Senior Petroleum Engineer in Sinclair's Regional Office in Midland, Texas.

Q Have you appeared before the Commission before?

A I have.

Q And have you qualified before the Commission?

A I have.

MR. NUTTER: He is acceptable as a witness today,

I believe.

Q (By Mr. Koch) Mr. Anderson, would you state briefly what the purpose of the pending application is?

A Yes, this is our application for an unorthodox location for a Wildcat gas well completed in the Morrow formation in Eddy County, New Mexico.

(Whereupon applicant's exhibits
1 through 3 were marked for
identification)

Q Do you have with you exhibits showing the location and area of the well in question?

A Yes, Exhibit No. 1 is an area map showing the ownership in the vicinity of the discovery well. The discovery well is located in Section 27, Township 18, South Range 27 East and is located in the southwest of the southwest of said Section.

Q And designated on the exhibit are the little wheels?

A A gas well symbol with a one along the side of it. This well was projected to the Cisco formation and as a Wildcat oil well.

Q Was that submitted to the Commission?

A Yes, and I have here copies of our Form C-128 that were submitted at the time that the well was initiated and I have had that exhibit marked Exhibit 2.

Q What was the plan of Sinclair in connection with the

well as shown by Exhibit No. 2?

A We drilled this well to the Cisco-Canyon formation at about 9,000 feet and drill stem tests indicated that we could not complete a commercial producer in the Cisco, though we had had several oil shows up the hole, none of which were indicated commercial. In the Upper Bone Springs we had an oil show and a drillstem test, and an oil show in the Wolfcamp on drillstem tests and we had gas show in the Cisco on drillstem tests, none of which we deemed commercial, so we made application to drill the well deeper, to 9800 feet. And Exhibit No. 3 is Commission's Form C-128 wherein we show the location of the well and the 320 acres that we propose to dedicate to the well, which consists of the north half of Section 27. In drilling the well deeper to the Morrow, why we did encounter gas production. We completed the well as a Morrow gas well with an absolute open flow of 1501 MCF per day.

Q Now, will the granting of this application in your opinion be in the interest of prevention of waste?

A Yes, it will.

Q Approximately how much has been invested so far in the drilling?

A It is in excess of \$150,000.

Q In your opinion, will the granting of the application

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impair any correlative rights?

A No, sir, it will not.

Q Do you have any other information you wish to submit in connection with the application?

A I don't believe I do.

MR. KOCH: We move the admission of Exhibits 1, 2 and 3.

MR. NUTTER: Sinclair's Exhibits 1, 2 and 3 will be admitted in evidence.

CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. Anderson, this well would be a standard location, if the west half of the section were dedicated. What is the reason the west half is not dedicated?

A The section, or the north half of the section is the lease that the well was drilled on, under the terms of agreement with John H. Trigg. I might mention here that our application is in error in that it alleges that Sinclair is the owner and operator. We are just a half owner in the well. We own fifty -- we earned fifty percent interest in the north half of this section, with Trigg owning fifty percent interest as a result of drilling the well, and, so for that reason we have dedicated the acreage to the well upon which the well was drilled and the acreage that the well earned.

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MR. KOCH: I see. Before I overlook it, Mr. Examiner, I think perhaps for the record, we should move to have the applications amended accordingly.

MR. NUTTER: All right, sir.

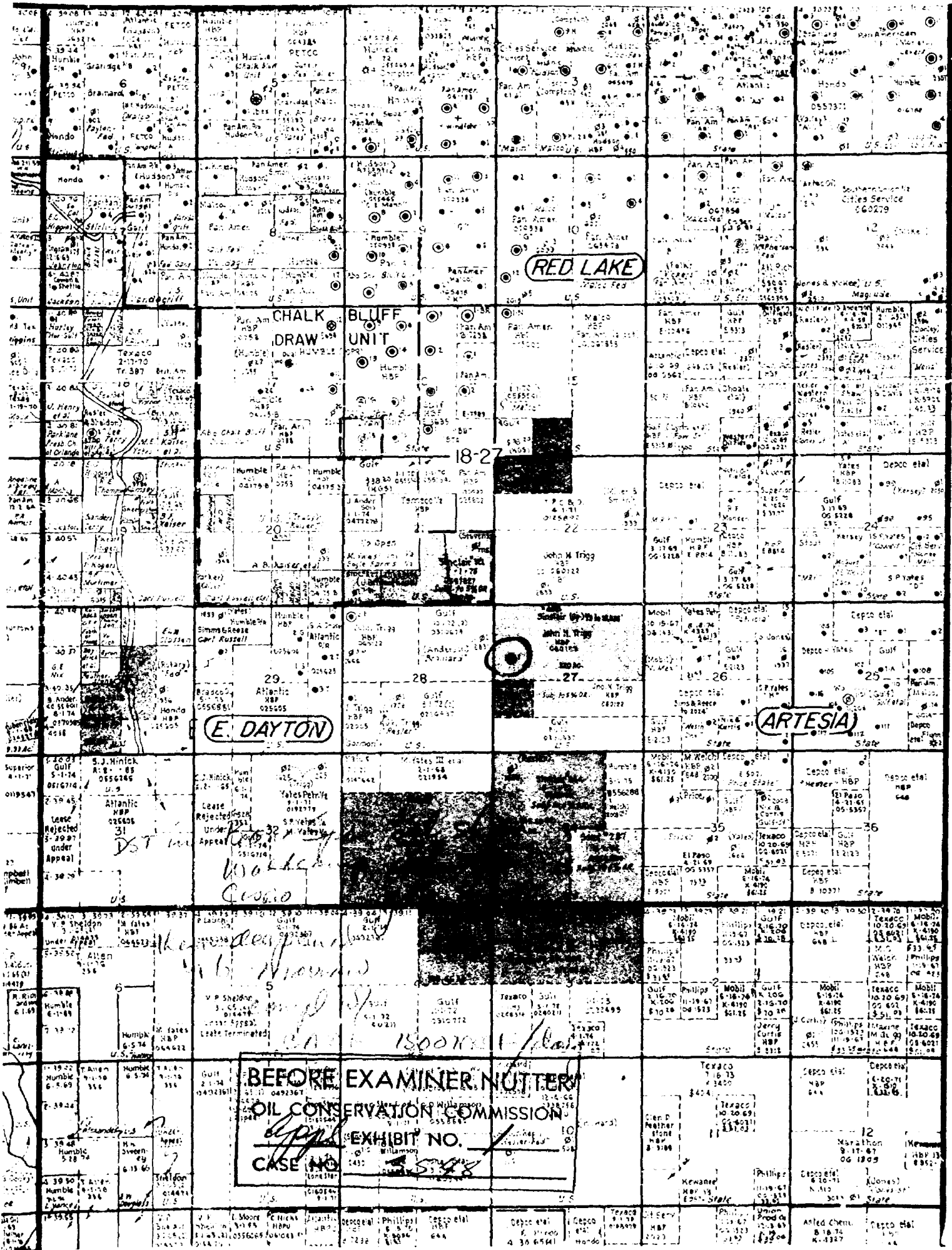
MR. KOCH: To simply allege that the applicant is owner of fifty percent interest.

THE WITNESS: Fifty percent interest and operator of the well. We are the operator.

MR. NUTTER: Okay, the applications have been amended. Does anyone have any further questions of Mr. Anderson. He may be excused. Do you have anything further, Mr. Koch?

MR. KOCH: Nothing further.

MR. NUTTER: Does anyone have anything they wish to offer in Case No. 3548. We will take the case under advisement.



RED LAKE

CHALK DRAW UNIT

BLUFF UNIT

E. DAYTON

ARTESIA

BEFORE EXAMINER, NOTARY
OIL CONSERVATION COMMISSION
EXHIBIT NO. 5488
CASE NO. 5488

Walter
Cusco

1500000/acre

the deep...
W. Morris

V.P. Sheldon
lease terminated

19-22 Humble 6-5-69
3-28-22 Humble 5-28-74
4-30-50 Humble 6-1-76

1-19-22 Humble 6-5-69
3-28-22 Humble 5-28-74
4-30-50 Humble 6-1-76

1-19-22 Humble 6-5-69
3-28-22 Humble 5-28-74
4-30-50 Humble 6-1-76

1-19-22 Humble 6-5-69
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4-30-50 Humble 6-1-76

1-19-22 Humble 6-5-69
3-28-22 Humble 5-28-74
4-30-50 Humble 6-1-76

T 18 3

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

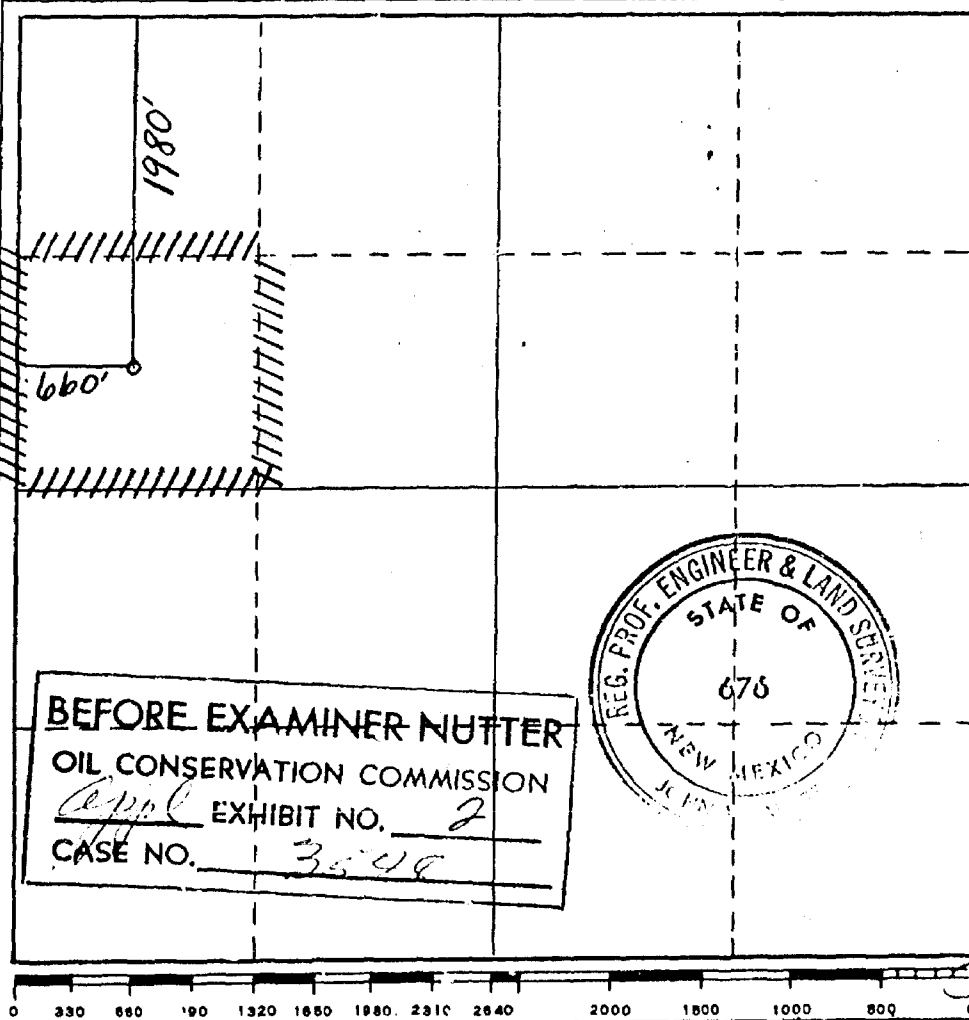
Operator Sinclair Oil & Gas Company			Lease Trigg-Federal		Well No. 1
Unit Letter E	Section 27	Township 18 South	Range 27 East	County Eddy	
Actual Footage Location of Well: 1980 feet from the North line and 660 feet from the West line					
Ground Level Elev.	Producing Formation Cisco-Canyon		Pool Wildcat	Dedicated Acreage 40 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

R. E. Cross, Jr.
Name

R. E. Cross, Jr.

Position

Administrative Clerk

Company

Sinclair Oil & Gas Company

Date

October 20, 1966

JWB
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed

11-29-66

Registered Professional Engineer and/or Land Surveyor

John W West
Certificate No.

676

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form O-16
Supersedes O-120
Effective 1-4-61

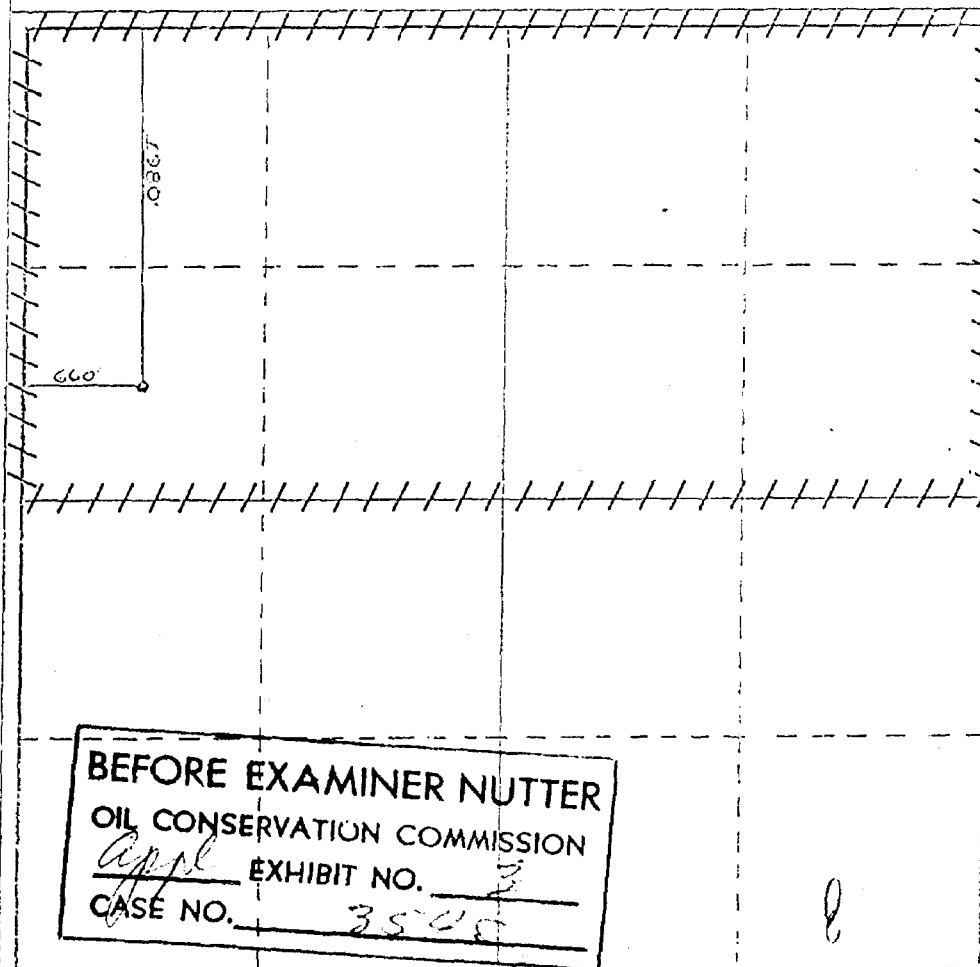
All distances must be from the outer boundaries of the section.

Lessee SINCLAIR OIL & GAS COMPANY			Lease TRICO-FEDERAL		Well No. 1
Tract Letter E	Section 27	Township 16 SOUTH	Range 27 EAST	County EDDY	
Actual Footage Location of Well: 1980 feet from the NORTH line and 660 feet from the WEST line					
Ground Level Elev. 1980	Producing Formation MORROW	Pool WILDCAT		Dedicated Acreage 320 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?
 Yes No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
App EXHIBIT NO. 3
CASE NO. 3505

CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

R. E. Cross, Jr.
Name
R. E. CROSS, JR.

Position
ADMINISTRATIVE CLERK

Company
SINCLAIR OIL & GAS CO.

Date
MARCH 9, 1967

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed _____

Registered Professional Engineer and/or Land Surveyor _____

Certificate No. _____

0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0