

CLASS OF SERVICE

This is a fast message unless its deferred character is indicated by the proper symbol.

WESTERN UNION TELEGRAM

W. P. MARSHALL, PRESIDENT

1201

SYMBOLS

DL=Day Letter

NL=Night Letter

LT=International Letter Telegram

The filing time shown in the date line on domestic telegrams is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination.

LAO48 DA200

1957 SEP 6 AM 10 07

(41)

D MPA0307 80-MB DALLAS TEX 6 1014AMC=

Case 1316

DAN NUTTER=

NEW MEXICO OIL CONSERVATION COMMISSION SANTA FE NMEX=

SUN OIL COMPANY REQUESTS THAT IF NECESSARY OUR APPLICATION FOR UN-ORTHODOX GAS PRORATION UNIT OF 80 ACRES BE AMENDED TO INCLUDE REQUEST FOR UN-ORTHODOX GAS WELL LOCATION AS WELL FOR OUR B T LANEHART WELL NO 3 CROSBY DEVONIAN GAS POOL LEA COUNTY NEW MEXICO=

A R BALLOU

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

200 1317
SF 9-24-57
DSN
9 am

MAIN OFFICE OCC

SUN OIL COMPANY

SOUTHWEST DIVISION
RIO GRANDE NATIONAL BUILDING
DALLAS 2, TEXAS

1957 AUG 20 AM 3:33
S M GLADNEY
T F HILL
APPL. STAFF MANAGER

A. S. RHEA
SUPV. OPERATING DEPT.

August 22, 1957

New Mexico Oil Conservation Commission
Mabry Hall
Santa Fe, New Mexico

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

Gentlemen:

Sun Oil Company is in the process of completing its B. T. Lanehart Well No. 3 as a gas producer from the Crosby Devonian Gas Pool, Lea County, New Mexico. Sun Oil Company received approval to drill this well from the Commission under Order R-859, under Case No. 1098 after hearing was held on July 11, 1956, at Hobbs, New Mexico.

Handwritten notes:
records
included
Bureau
returned
#

Sun Oil Company requests a hearing for the purpose of securing an un-orthodox gas proration unit of 80 acres, said 80 acres covering the E/2 of the SE/4 of Section 20, Township 25 South, Range 37 East NMPM, Lea County, New Mexico, as an exception to Rule 5 of Order R-639A, being order of the Commission promulgating gas proration rules in the Crosby Devonian Gas Pool in Lea County, New Mexico.

Since it has been determined that this well will be completed as a gas well rather than an oil well, applicant has made every reasonable effort to form a standard gas proration unit of 160 acres and hereby makes application for a hearing for the purpose of securing a non-standard gas proration unit.

Attached is a plat of the area showing the location of the well, and copy of this application and plat is being sent to all offset operators.

Also attached are three copies of Form C-128 as required by the New Mexico Rules and Regulations.

We shall appreciate your setting this matter for an early hearing.

Very truly yours,

Handwritten signature: W. A. ...

Handwritten notes:
4- ...
1- ...
10- ...
ARB:oms
cc: Anderson Prichard Oil Company
Liberty Bank Bldg.
Oklahoma City 2, Oklahoma
Leonard Oil Company
Roswell, New Mexico
R. Olsen Company
Liberty Bank Bldg.
Oklahoma City 2, Oklahoma

Sinclair Oil Company
Sinclair Building
Tulsa, Oklahoma

Handwritten notes:
W. A. ...
SF
3/11 ...
1- ...
W. A. ...

NEW MEXICO OIL CONSERVATION COMMISSION
Well Location and Acreage Dedication Plat

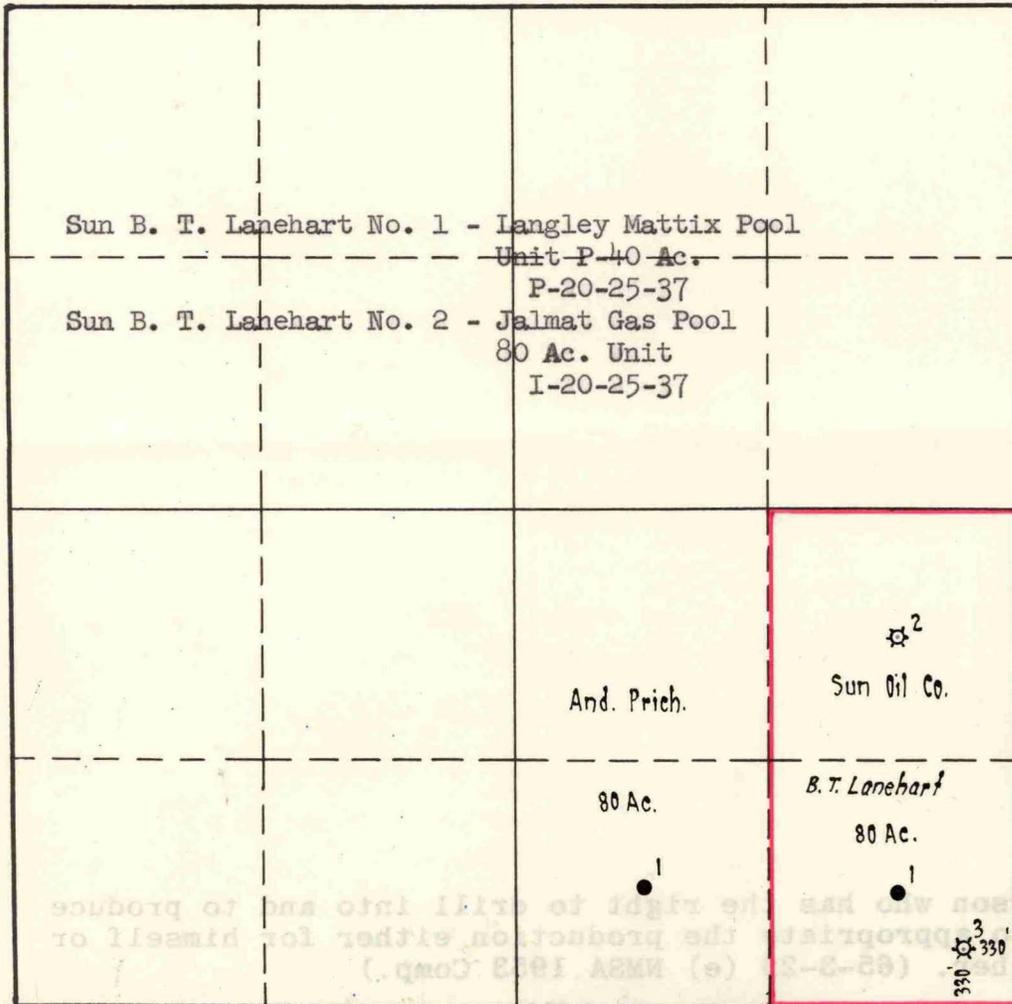
Section A. Date August 22, 1957

Operator Sun Oil Company Lease B. T. Lanehart
Well No. 3 Unit Letter P Section 20 Township 25-S Range 37E NMPM
Located 330 Feet From East Line, 330 Feet From South Line
County Lea G. L. Elevation 3,027 Dedicated Acreage 80 Acres
Name of Producing Formation Devonian Pool Crosby-Devonian

1. Is the Operator the only owner* in the dedicated acreage outlined on the plat below?
Yes No
2. If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? Yes No . If answer is "yes," Type of Consolidation _____
3. If the answer to question two is "no," list all the owners and their respective interests below:

Owner Land Description

Section B



This is to certify that the information in Section A above is true and complete to the best of my knowledge and belief.

SUN OIL COMPANY

(Operator)

Box 2880, Dallas, Tex.

(Representative)

Address

This is to certify that the well location shown on the plat in Section B 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 5-31-56

Vernon F. Wetzel
Registered Professional
Engineer and/or Land Surveyor.

Certificate No. 14162

INSTRUCTIONS FOR COMPLETION:

1. Operator shall furnish and certify to the information called for in Section A.
2. Operator shall outline the dedicated acreage for both oil and gas wells on the plat in Section B.
3. A registered professional engineer or land surveyor registered in the State of New Mexico or approved by the Commission shall show on the plat the location of the well and certify this information in the space provided.
4. All distances shown on the plat must be from the outer boundaries of Section.
5. If additional space is needed for listing owners and their respective interests as required in question 3, Section A, please use space below

* "Owner" means the person who has the right to drill into and to produce from any pool and to appropriate the production either for himself or for himself and another. (65-3-29 (e) NMSA 1953 Comp.)

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. 861
Order No. R-639

THE APPLICATION OF THE OIL
CONSERVATION COMMISSION ON ITS
OWN MOTION FOR AN ORDER CREATING
AND DESIGNATING A NEW POOL TO BE
KNOWN AS THE CROSBY-DEVONIAN POOL
FOR THE PRODUCTION OF GAS FROM THE
DEVONIAN FORMATION, SUCH POOL TO
CONSIST OF ALL OF SECTION 28, TOWN-
SHIP 25 SOUTH, RANGE 37 EAST, NMPM,
LEA COUNTY, NEW MEXICO; AND FOR
THE ESTABLISHMENT OF POOL RULES,
DRILLING UNITS, WELL SPACING AND
OTHER RELATED MATTERS FOR SAID POOL.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a. m. March 16, 1955, and was continued to April 20, 1955, at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this 27th., 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 having been given as required by law, the Commission has jurisdiction of this case and the subject matter thereof.
- (2) That Anderson-Prichard Oil Corporation did complete its American Republics-Federal No. 1 discovery well in the NE/4 SW/4 of Section 28, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico on or about January 18, 1955.
- (3) That said well potentialed 30,000 MCF of gas per day on an absolute open flow test from the Devonian formation in the depth interval of 8270 to 8390 feet.
- (4) That said well discovered a new common source of supply in this area.

(5) That sufficient evidence was presented to the Commission as to the probable areal extent and directional trend of the newly discovered common source of supply to justify the creation of the new pool as contemplated.

(6) That in conformity with the practices of the Commission, a pool should be created, defined and classified including such acreage as appears to cover the newly discovered source of supply.

(7) That the probable areal extent of the common source of supply is limited, and as a result thereof a proration unit of more than 160 acres could cause the inclusion in units of acreage that cannot reasonably be assumed to be productive of gas.

(8) That one well will efficiently and economically drain at least 160 acres of the said common source of supply.

(9) That in order to provide for the orderly development of the common source of supply, and to prevent waste, drilling units of 160 acres, well-spacing regulations, and a casing program should be established for said common source of supply.

IT IS THEREFORE ORDERED:

(1) That the Crosby-Devonian Gas Pool is hereby created, and that said pool shall consist of the following described acreage:

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM
All of Section 28

(2) That effective on the date of this order, the following Rules and Regulations shall apply to wells hereafter drilled, completed, or recompleted to the Devonian formation in the Crosby-Devonian Gas Pool area, as defined above, in addition to the Commission's applicable rules, regulations and orders heretofore or hereafter adopted, to the extent not to conflict herewith;

SPECIAL RULES AND REGULATIONS FOR
THE CROSBY-DEVONIAN POOL

SECTION 1. Any well drilled one mile or less from the outer horizontal boundary of the Crosby-Devonian Gas Pool, and drilled to the Devonian formation, shall be spaced, drilled, operated, and prorated in accordance with the rules and regulations in effect in the said Crosby-Devonian Gas Pool.

SECTION 2. No well shall be drilled, completed or recompleted, and no Notice of Intention to Drill or drilling permit shall be approved, unless,

- (a) Such well be located on a designated drilling unit of not less than 160 acres of land, more or less, said acreage to be substantially in the form of a square conforming to a legal sub-division (quarter-section) of the U. S. Public Lands Survey, in which unit all the interests are consolidated by pooling agreement or otherwise, and on which unit no other well is completed or approved for completion in said pool.
- (b) Such well shall be located not closer than 660 feet to any outer boundary line of the tract, nor closer than 330 feet to any quarter-quarter section or sub-division inner boundary, nor closer than 1320 feet to a well drilling to or capable of producing from the same pool.
- (c) The pooling of properties or parts thereof shall be permitted, and if not agreed upon may be required in any case when and to the extent that the smallness or shape of a separately owned tract would, under the enforcement of a uniform spacing plan, deprive or tend to deprive the owner of such tract of the opportunity to recover its just and equitable share of the natural gas in said pool, provided that the owner of any tract that is smaller than a drilling unit established for the pool shall not be deprived of the right to drill on and produce from such tract if same can be done without waste; but in such case the allowable production from such tract, as compared with the allowable production therefrom if such tract were a full 160-acre unit area shall be in the ratio of the area of such non-standard proration unit expressed in acres to the area of the standard 160-acre proration unit.

SECTION 3. The casing program for the field shall include three strings of casing set in accordance with the following plan:

- (a) The surface string shall be new or reconditioned pipe with a mill test of not less than two thousand (2,000) pounds per square inch and shall be set and cemented at a depth of approximately five hundred (500) feet, such depth being sufficient to protect the fresh water bearing sands of the Santa Rosa Formation.

Cementing shall be by the pump-and-plug method, and sufficient cement shall be used to fill the annular space back of the pipe to the surface of the ground or

(a) (continued)

the bottom of the cellar. Cement shall stand a minimum of sixteen (16) hours under pressure and a total of twenty-four (24) hours before drilling the plug or initiating pressure tests. Before drilling the plug, this string shall be tested by the application of at least one thousand (1,000) pounds per square inch and, if at the end of thirty (30) minutes the pressure shows a drop of one hundred fifty (150) pounds per square inch or more, the cementing job shall be condemned. After corrective measures have been taken, the pipe shall again be tested in the same manner.

- (b) The intermediate string shall consist of new or reconditioned pipe that has been tested to two thousand (2,000) pounds per square inch and shall be set at approximately thirty-six hundred (3,600) feet. Cementing shall be by the pump-and-plug method, and sufficient cement shall be used to fill the calculated annular space back of the pipe to a point one hundred (100) feet above the top of the Salado formation. The cement shall stand a minimum of twenty-four (24) hours under pressure and a total of thirty (30) hours before drilling plug or initiating tests. Casing shall be tested by the application of at least twelve hundred (1200) pounds per square inch pump pressure. If, at the end of thirty (30) minutes, the pump pressure shows a drop of one hundred (100) pounds per square inch or more, the cementing job shall be condemned. After corrective measures have been taken, the pipe shall again be tested in the same manner.
- (c) The producing or oil string shall be new or reconditioned casing that has been tested to four thousand (4,000) pounds per square inch and shall be set at a depth not less than the top of the Devonian formation. Cementing shall be with a minimum of three hundred fifty (350) sacks of cement applied by the pump and plug method and shall stand a minimum of twenty four (24) hours under pressure and a total of forty eight (48) hours before drilling the plug or initiating tests. After cementing, the casing shall be tested by pump pressure of at least fifteen hundred (1,500) pounds per square inch for a period of at least thirty (30) minutes. If, at the end of 30 minutes the pressure shows a drop of one hundred (100) pounds per square inch or more, the cementing job shall be condemned. After corrective measures have been taken, the pipe shall again be tested in the same manner.

SECTION 4. All additional lands located within one mile of any land in the pool defined above or as it may be extended shall conform to these Rules and Regulations; provided, that by order of the Commission the pool may be redesignated from time to time so as to embrace other lands in the vicinity which are believed to be capable of production from the Devonian formation, whether or not such land shall have been at one time included in another designated field or pool.

IT IS FURTHER ORDERED, that the Commission retains jurisdiction of this case for such other and further order or orders in the premises as may become necessary in order to make spacing and other adjustments to protect correlative rights and further prevention of waste.

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

S E A L

ir