

Case No.

947

Application, Transcript,
Small Exhibits, Etc.

CASE 947: Sinclair Oil & Gas application for
160 acre non-standard proration units in
Tubb & Blinberry Gas Pools (Appl. State 367
No. 3 Well)

BEFORE THE
Oil Conservation Commission
SANTA FE, NEW MEXICO
September 15, 1955

IN THE MATTER OF:

CASE NO. 947

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
September 15, 1955

IN THE MATTER OF:

Application of Sinclair Oil and Gas Company
for approval of 160 acre non-standard gas
proration units in the Tubb and Blinebry Gas
Pools, Lea County, New Mexico, to consist of
the N/2 SW/4, SW/4 NW/4 and the NW/4 SE/4 of
Section 30, Township 21 South, Range 37 East
to be dedicated to applicant's State 367
No. 3 Well located NE/4 NW/4 of said Section
36.

Case No. 947

BEFORE:

Honorable John F. Simms
Mr. E. S. (Johnny) Walker
Mr. William B. Macey

TRANSCRIPT OF HEARING

MR. MACEY: The next case on the docket is Case 947.

MR. HARBIN: My name is Nat J. Harbin, attorney for Sinclair
Oil and Gas Company, Fort Worth, Texas. If the Commission please,
this is an application for Sinclair Oil and Gas Company for approval
of 160-acre non-standard gas proration unit in the Tubb and Blinebry
Gas Pools.

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 Where do you reside, Mr. Anderson?

A Fort Worth, Texas.

Q By whom are you employed, and in what capacity?

A Sinclair Oil and Gas Company as a Senior Petroleum Engineer.

Q You are acquainted with the application which is being heard by the Commission?

A I am.

Q Are you acquainted with the area of the subject proposed unit?

A Yes, sir.

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

Q I hand you a plat, Mr. Anderson. I ask you whether or not you prepared that plat?

A I did.

Q Just tell us briefly what is shown on the plat?

A This is a plat showing the Tubb and Blinebry Gas proration units as reported in the August, 1955 gas proration schedule, in the vicinity of Section 36, Township 21 South, Range 37 East, Lea County, New Mexico.

MR. HARBIN: I offer in evidence, Exhibit No. 1, the plat which Mr. Anderson just referred to.

MR. MACEY: Without objection it will be received.

Q Mr. Anderson, would you tell the Commission the location of the subject gas well?

A Sinclair has a gas well dually completed in the Tubb and Blinebry Gas Pools, located in the center of the northeast quarter of the southwest quarter of Section 36, Township 21 South, Range

37 East, Lea County, New Mexico.

Q Was that gas well dually completed pursuant to permission and authorization given by this Conservation Commission?

A Yes, sir, it was. It was dually completed as per Commission Order C-195, on or about June 18, 1955. The well was originally drilled and produced as a Drinkard Oil Well, completed November 11, 1947, at a total depth of 6,589 feet. After completion, after the completion as a gas well in both the Tubb and Blinebry zones, the well was awarded 120-acre non-standard proration unit in both the Tubb and Blinebry Gas Pools by Commission Order NSP-164 and NSP-151.

Q Is that well located on State of New Mexico No. 367 Lease Well No. 3?

A Yes, sir, that is the well.

Q Will you explain the tests that have been made in connection with this well?

A On August 10th, a four point back pressure test was run on the casing completion which is in the Blinebry Gas Pool, and the test indicated an openflow capacity of 3,200,000 cubic feet per day. The following day, August 11th, the four point back pressure test was run on the Tubb completion which produces from the Tubb Gas Pool, and we had an indicated openflow capacity of 1,460,000 cubic feet per day from that zone.

Q Will you state whether or not the royalty interest under the land now dedicated to the well and the additional land which you proposed to dedicate is common?

A Yes, sir, the royalty interests are common.

Q Will you state the additional which you propose to dedicate

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to this well, where is it located, describe it.

A On Exhibit 1, the proposed 160-acre unit is outlined in red and the lease itself is colored in yellow. The 120-acre assignment that the well now has consists of the west half and northeast quarter of the southwest quarter. We propose to add the northwest quarter of the southeast quarter which is an adjacent 40-acre tract offsetting the 40-acre tract that the well itself is on.

Q What is the distance from the well to the west line of the 40-acres which you propose to add?

A 660 feet.

Q In your opinion, Mr. Anderson, is the 40 acres which you propose to add productive of gas?

A Yes, sir, it is my opinion that the proposed 40-acre addition is productive of gas in both the Tubb and Blinebry Gas Pools, and it is my opinion that Sinclair's State 367 Well No. 3 can effectively drain the gas that will be found under that proposed 40-acre addition. It also is apparent from the Exhibit 1, that the 40-acre addition lies wholly within the horizontal limit of the Tubb and Blinebry Gas Pools, as defined by the Commission.

Q In your opinion, would the dedication of the 160-acres to the present well protect correlative rights and prevent waste?

A In my opinion it would.

Q By the way, I forgot to ask you, are you a registered engineer in the State of New Mexico?

A I am.

Q Have you heretofore qualified and testified as an expert witness before this Commission?

A I have.

MR. HARBIN: That is all.

MR. MACEY: Any questions of the witness?

CROSS EXAMINATION

By MR. GURLEY:

Q Is Sinclair the only owner of all the leases of lands proposed for dedication?

A Yes, the leasehold interests are common, as well as the royalty interest under the proposed unit.

Q And is owned by Sinclair?

A Yes.

MR. MACEY: Anyone else? Mr. Mankin?

By MR. MANKIN:

Q Sinclair has state oil and gas leases on the dedicated acreage?

A Yes, sir, Mr. Mankin, that is correct.

Q I note that your particular unit is a little out of the ordinary from the normal Blinbry-Tubb unit, where they are all in the regular quarter section. Tidewater apparently has a State oil and gas lease from the southeast quarter of the southwest quarter of just adjoining your lease, is that correct?

A That is correct.

Q Have any attempts been made to communitize the State acreage and form a normal 160-acre unit instead of going across the Section lines?

A Tidewater has not approached Sinclair with any proposals to develop their undeveloped acreage by pooling or unitizing. Sinclair has taken such proposals very favorably in the past, and we would consider any such proposal, should Tidewater be interested in offer-

ing them.

Q Have you asked Tidewater in regard to forming a normal 160-acre unit within the quarter section?

A No, sir, I did not. Due to the shape of Sinclair's property it appeared that the most effective way, and most economical way to develop the proposed 40-acre addition would be through assignment. And, I might add, to my way of thinking, would be the most logical way to develop the proposed 40-acre addition, would be by assignment to Sinclair's well, as the royalty interest and the leasehold interest are common.

Q Then you feel in the future that Tidewater and Sinclair and Stanolind, individually, could each develop and complete additional wells, and develop them properly without any misplacement of units? There is undeveloped acreage within the pool, within the same section, of Stanolind, Sinclair and Tidewater. You feel there would be no misplacement--

A (Interrupting) I believe --

Q (Continuing) -- by the formation of these units?

A I believe that as development continues to prove the productivity of the undeveloped acreage in that section, I see no reason why some kind of proration units or pooling agreements with Stanolind, Sinclair and Tidewater, why they could not be affected.

MR. MARKIN: That is all.

By MR. KITTS:

Q This portion marked in yellow on your Exhibit 1, that is the same State lease, is that right?

A Yes, sir.

MR. LADDY: Anyone else? If no further questions the

witness may be excused.

(Witness excused.)

MR. HARBIN: 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.

DATED at Albuquerque, New Mexico, this 26th day of September, 1955.


Court Reporter

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. 947
Order No. R-711

THE APPLICATION OF SINCLAIR OIL AND
GAS COMPANY FOR AN ORDER GRANTING
APPROVAL OF AN EXCEPTION PURSUANT
TO RULE 5 (c) OF THE SPECIAL RULES AND
REGULATIONS FOR THE TUBB GAS POOL
OF ORDER R-586 AND RULE 5 (a) OF THE
SPECIAL RULES AND REGULATIONS FOR THE
BLINEBRY GAS POOL OF ORDER R-610 IN THE
ESTABLISHMENT OF A NON-STANDARD GAS
PRORATION UNIT IN BOTH THE TUBB AND
BLINEBRY GAS POOLS OF 160 CONTIGUOUS
ACRES CONSISTING OF N/2 SW/4, SW/4 SW/4,
NW/4 SE/4 OF SECTION 36, TOWNSHIP 21
SOUTH, RANGE 37 EAST, NMPM, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a. m. on September 15, 1955, at Santa Fe, New Mexico before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this 10th day of *November*, 1955, the Commission, a quorum being present, having considered the records 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 pursuant to provisions of Rule 5 (c) of the Special Rules and Regulations for the Tubb Gas Pool of Order R-586 and Rule 5 (a) of the Special Rules and Regulations for the Blinebry Gas Pool of Order R-610, the Commission has power and authority to permit the formation of a gas proration unit consisting of other than a legal quarter section after notice and hearing by the Commission.

(3) That applicant, Sinclair Oil and Gas Company is the owner of an oil and gas lease in Lea County, New Mexico, the land consisting of other than a legal quarter section, and described as follows, to-wit:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
N/2 SW/4, SW/4 SW/4, NW/4 SE/4
of Section 36

containing 160 acres, more or less.

(4) That applicant, Sinclair Oil Company has a producing well on the aforesaid lease known as the State "367" Well, located 1980 feet from the west and south lines of Section 36, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico.

(5) That the aforesaid well is currently dually completed and within the horizontal limits of the Tubb and Blinebry Gas Pools, Lea County, New Mexico.

(6) That it is impractical to pool applicant's said lease with adjoining acreage in the Tubb and Blinebry Gas Pools and that the owners of adjoining acreage in said area have not objected to the formation of the proposed proration units of 160 acres.

(7) That unless proration units consisting of applicant's aforesaid acreage is permitted, applicant will be deprived of the opportunity to recover its just and equitable share of the natural gas in the Tubb and Blinebry Gas Pools.

(8) That creation of proration units consisting of the aforesaid acreage will not cause but will prevent waste, and will protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the application of Sinclair Oil and Gas Company for approval of a non-standard proration unit in the Blinebry Gas Pool consisting of the following described acreage:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
N/2 SW/4, SW/4 SW/4, NW/4 SE/4 of Section 36

be and the same is hereby approved, and a proration unit consisting of the aforesaid acreage is hereby created.

(2) That the application of Sinclair Oil and Gas Company for approval of a non-standard proration unit in the Tubb Gas Pool consisting of the following described acreage:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
N/2 SW/4, SW/4 SW/4, NW/4 SE/4
of Section 36

be and the same is hereby approved, and a proration unit consisting of aforesaid acreage is hereby created.

(3) That applicant's well, State "367" No. 3, located in the NE/4 SW/4 of Section 36, Township 21 South, Range 37 East, NMPPM, Lea County, New Mexico shall be granted an allowable in the Blinbry and Tubb Gas Pools in the proportion that the above described 160 acre non-standard unit bears to the standard or orthodox proration unit for said pools, all until further order of the Commission.

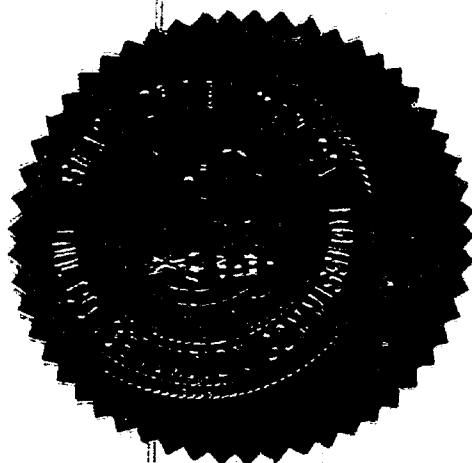
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

John F. Simms
JOHN F. SIMMS, Chairman

E. S. Walker
E. S. WALKER, Member

W. B. Macey
W. B. MACEY, Member and Secretary



OIL CONSERVATION COMMISSION
P. O. BOX 871
SANTA FE, NEW MEXICO

November 15, 1955

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

Attention: J. T. Reeves

Gentlemen:

We enclose a copy of Order R-711 issued November 10, 1955,
by the Oil Conservation Commission in Case 947, which was heard
at the September 15th hearing.

Very truly yours,

W. B. Macey
Secretary - Director

WBM:brp
Encl.

SINCLAIR OIL & GAS COMPANY
901 Fair Building
Fort Worth, Texas

July 21, 1955

NEW MEXICO OIL CONSERVATION COMMISSION (6)
P. O. Box 871
Santa Fe, New Mexico

Re: Application for a Nonstandard Gas
Proration Unit in Both the Tubb and
Blinbry Gas Pools, to be Assigned
To Sinclair's State 367 No. 3 Well
in Southeast Lea County, New Mexico

Gentlemen:

Sinclair Oil and Gas Company wishes to make this application for an order granting an exception to the Commission's orders R-586 and R-610 in so far as they require nonstandard proration units to lie wholly within Governmental quarter sections in the Tubb and in the Blinbry Gas Pools.

In this matter Sinclair wishes to state:

1. Sinclair is the operator of the State 367 No. 3 Well which is located in the center of the NE/4 of the SW/4 of Section 36-21S-37E, Lea County, New Mexico. This well is currently dually completed in the Tubb and Blinbry Gas Pools and is producing from same with a 120 acre nonstandard gas unit assignment consisting of the N/2 and SW/4 of the SW/4 of said Section 36.
2. Sinclair wishes to increase the size of this dedication from 120 acres to 160 acres by the addition of the NE/4 of the SE/4 of said Section 36-21S-37E.
3. The proposed unit consists of contiguous quarter - quarter sections.
4. The entire proposed unit may reasonably be assumed productive of gas from both the Tubb and Blinbry Gas Pools.
5. Sinclair believes that it is impractical to develop the proposed 40 acre addition in any other manner than that requested herein.
6. Both the royalty and the leasehold interests under the proposed unit are of common ownership.
7. 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

New Mexico Oil Conservation Commission (6)
July 21, 1955
Page 2

purpose of considering and granting this application.

Yours very truly,

SINCLAIR OIL & GAS COMPANY

By: 

J. T. Reeves
Division Superintendent

JTR:RMA:eh

Att: Ownership Map
Gas Well Flat

cc: Stanolind Oil & Gas Company
Box 899
Roswell, New Mexico

Tide Water Associated Oil Company
Box 1404
Houston, Texas

**NEW MEXICO
OIL CONSERVATION COMMISSION**

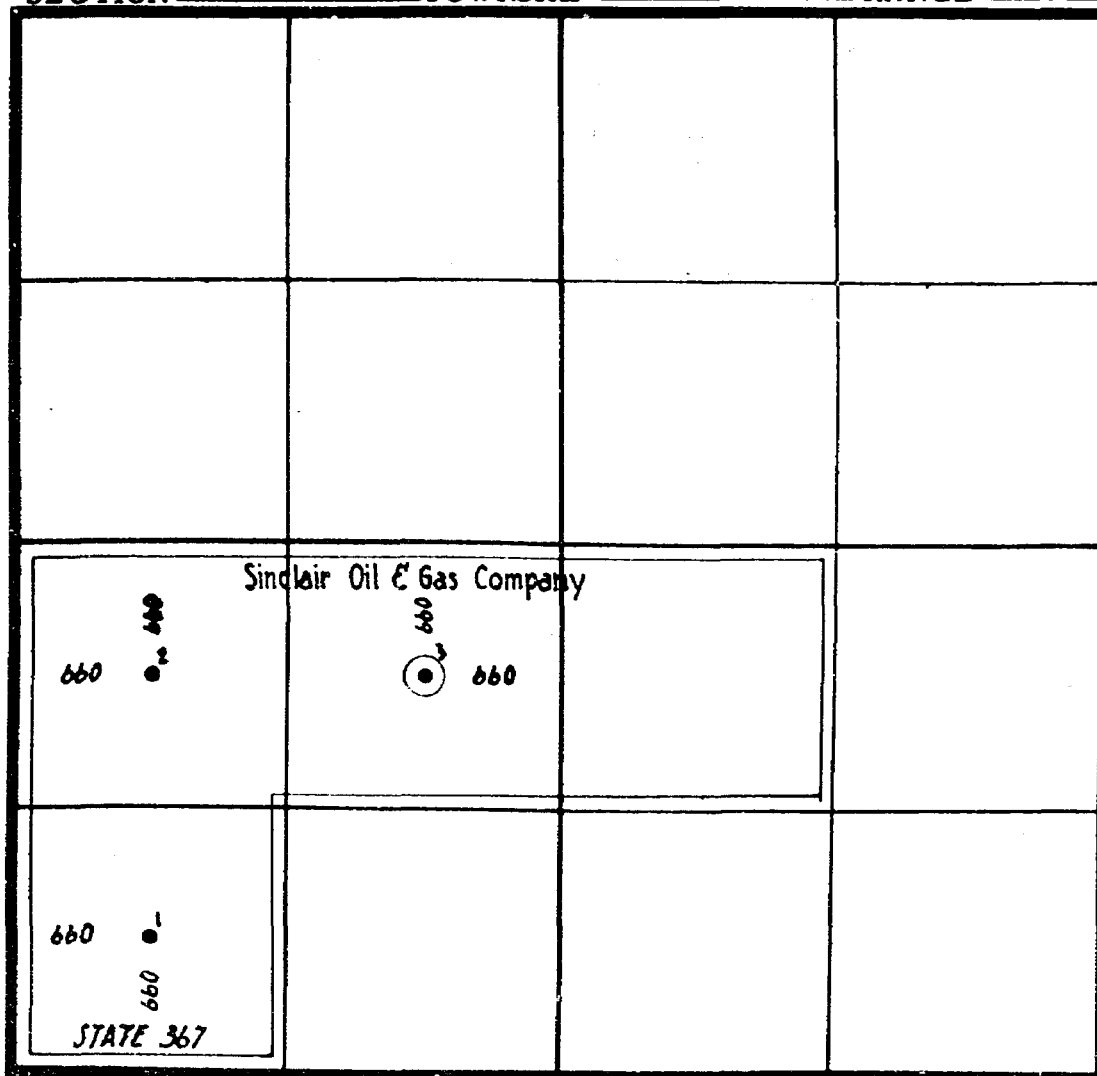
Gas Well Plat

Date July 21, 1955

<u>Sinclair Oil & Gas Company</u>	<u>State 367</u>	<u>3</u>
Operator	Lease	Well No.
	<u>Blinbry</u>	<u>Blinbry Gas</u>
<u>Name of Producing Formation</u>	<u>Tubb</u>	<u>Pool Tubb Gas</u>

No. Acres Dedicated to the Well 160

SECTION 36 **TOWNSHIP** 21 - S **RANGE** 37 - E



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

- Is this gas well a dual completion?
yes X No
- Are there any other dually completed wells within the dedicated acreage?
yes no X

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

(over)

Memo

To JWG

Go ahead & write

approve normal 160 acres for Blinney bar

and 160 acres for Tubbs bar

9/28/11

From WWM

Ref. Case #947 Heard 9/15

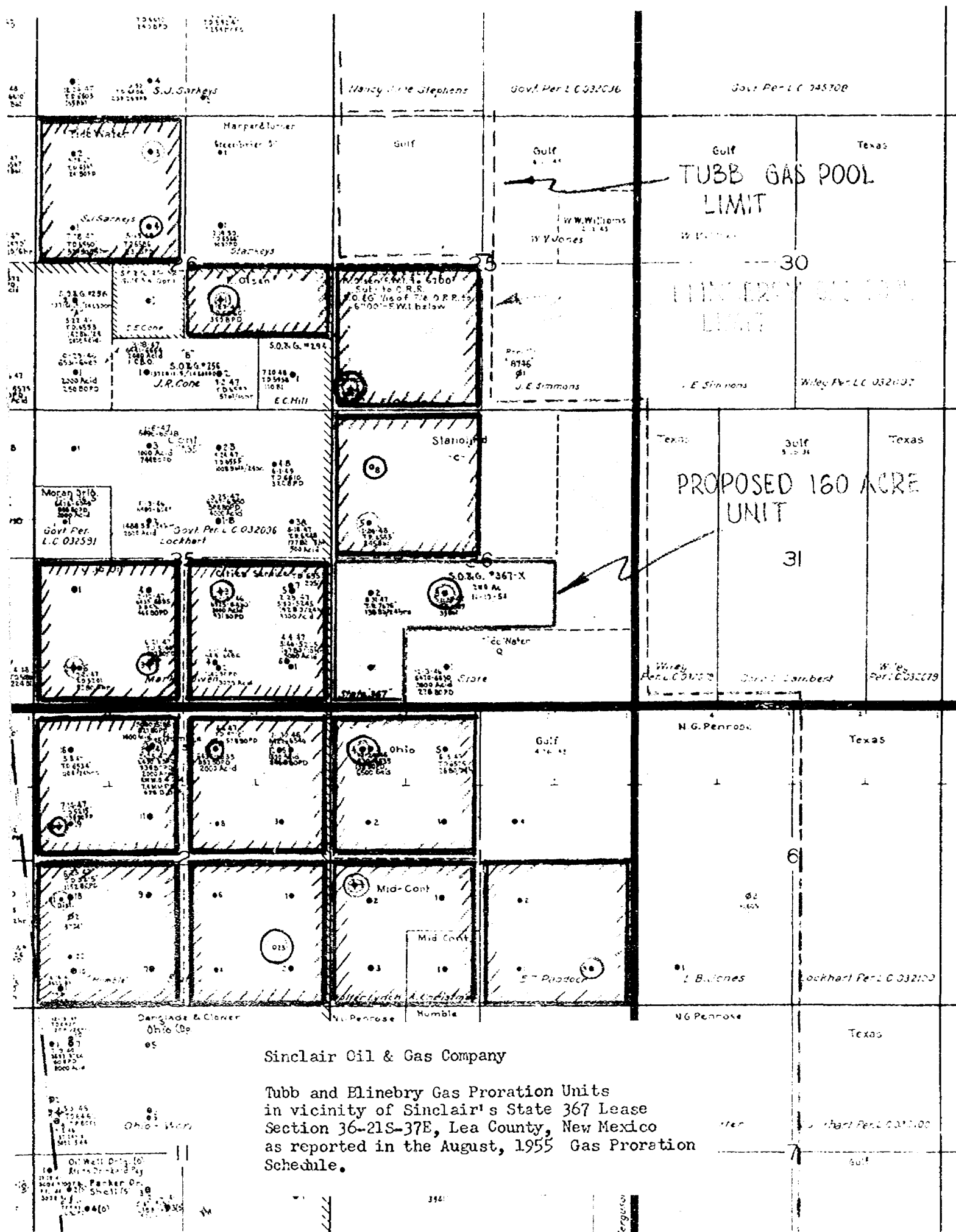
Simla ~~State~~ State 367^{1/2}

(N/2 SW/4, SW/4 SW/4
and NW/4 SE/4)

~~160 acres~~

Sec. 36 -

215-37E



BEFORE THE
OIL COMMISSION
SAN ANTONIO, TEXAS
CASE: 947

