

Casa No.

1457

Application, Transcript,
Small Exhibits, Etc.

745
GATE 1001a Sinclair Oil & Gas Co. petition
for the order authorizing and completion
of its State Leas well #1, Los County.

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

June 23, 1958

Mr. Horace Burton
Sinclair Oil & Gas Co.
P.O. Box 1470
Midland, Texas

Dear Mr. Burton:

We enclose two copies of Order R-1200 issued June 18, 1958, by the Oil Conservation Commission in Case 1457, which was heard on May 28th at Santa Fe before an examiner.

Very truly yours,

A. L. Porter, Jr.
Secretary - Director

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Encls.

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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. 1457
Order No. R-1200

APPLICATION OF SINCLAIR OIL AND GAS
COMPANY FOR AN OIL-OIL DUAL COMPLETION
IN THE KENNITZ-WOLFCAMP POOL AND IN THE
PENNSYLVANIAN FORMATION ADJACENT TO THE
KENNITZ-PENNSYLVANIAN POOL IN LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on May 28, 1958, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 18th day of June, 1958, the Commission, a quorum being present, having considered the application, the evidence adduced and the recommendations of the Examiner, Elvis A. Utz, 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 and Gas Company, is the owner and operator of the State Lea Well No. 1, located 660 feet from the South line and 660 feet from the West line of Section 24, Township 16 South, Range 33 East, NMPM, Lea County, New Mexico.
- (3) That the applicant proposes to dually complete the above-described State Lea Well No. 1 in such a manner as to permit the production of oil from the Kennitz-Wolfcamp Pool and the production of oil from the Pennsylvanian formation adjacent to the Kennitz-Pennsylvanian Pool through parallel strings of two-inch inside diameter tubing.
- (4) That the mechanics of the proposed dual completion are feasible and in accord with good conservation practices.
- (5) That approval of the subject application will not cause waste nor impair correlative rights.

(6) That the subject application should be approved.

IT IS THEREFORE ORDERED:

1. That the applicant, Sinclair Oil and Gas Company, be and the same is hereby authorized to dually complete its State Lea Well No. 1, located 660 feet from the South line and 660 feet from the West line of Section 24, Township 16 South, Range 33 East, NMPM, Lea County, New Mexico, in such a manner as to permit the production of oil from the Kennitz-Wolfcamp Pool and the production of oil from the Pennsylvanian formation adjacent to the Kennitz-Pennsylvanian Pool through parallel strings of two-inch inside diameter tubing.

PROVIDED HOWEVER, That subject well shall be completed and thereafter produced in such a manner that there will be no commingling within the well-bore, either within or outside the casing, of gas, oil and gas, or oil produced from either or both of the separate strata,

PROVIDED HOWEVER, That prior to the actual dual completion the operator shall make pressure tests of the casing to prove that no casing leaks exist. In the event a casing leak is apparent the operator shall take appropriate steps to adequately repair the leak. The results of these tests shall be reported to the Commission on Form C-103.

PROVIDED FURTHER, That upon the actual dual completion of such subject well applicant shall submit to the appropriate District Office of the Commission copies of Oil Conservation Commission Form C-103, Form C-104, Form C-110, and Form C-122, outlining the information required on those forms by existing Rules and Regulations, and two copies of the electric log of the well.

PROVIDED FURTHER, That said subject well for dual completion and production shall be equipped in such a way that reservoir pressures may be determined separately for each of the two specified strata, and further, be equipped with all necessary connections required to permit recording meters to be installed and used at any time as may be required by the Commission or its representatives, in order that natural gas, oil, or oil and gas from each separate stratum may be accurately measured and the gas-oil or gas-liquid ratio thereof determined, and

PROVIDED FURTHER, That the operator shall make any and all tests, including segregation and packer-leakage tests upon completion and annually thereafter during the Annual Gas-Oil Ratio Test Period for the Kennitz-Wolfcamp Pool, commencing in the year 1959, and whenever the packer is disturbed, but not excluding any other tests and/or determinations as deemed necessary by the Commission; the original and all subsequent tests shall be witnessed by representatives of offset operators if any there be at their election, and the results of each test, properly attested to by the applicant herein and all witnesses, shall be filed with the Commission within fifteen (15) days after the completion of such tests, and further, that applicant shall file with the Commission in duplicate a packer-setting affidavit, which affidavit shall be due within fifteen (15) days of the dual completion or whenever the packer is disturbed, and

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Case No. 1457

Order No. R-1200

PROVIDED FURTHER, That upon the actual dual completion of such subject well, applicant shall submit to the Commission a diagrammatic sketch of the mechanical installation which was actually used to complete and produce the seal between the strata, and a special report of production, gas-oil ratio or gas-liquid ratio, and reservoir pressure determination for each producing zone or stratum immediately following completion.

IT IS FURTHER ORDERED, That jurisdiction of this cause is hereby retained by the Commission for such further order or orders as may seem necessary or convenient for the prevention of waste and/or protection of correlative rights; upon failure of applicant to comply with any requirement of this order after proper notice and hearing the Commission may terminate the authority hereby granted and require applicant or its successors and assigns to limit its activities to regular single-zone production in the interests of conservation.

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

**STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION**

E. L. Mechem

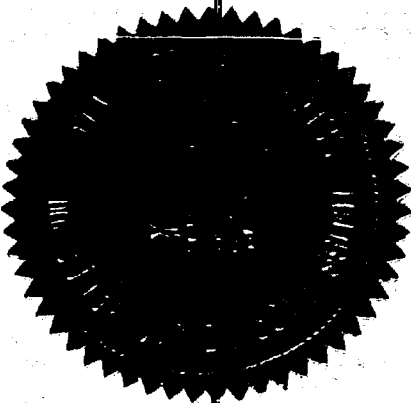
EDWIN L. MECHEM, Chairman

Murray E. Morgan

MURRAY E. MORGAN, Member

A. L. Porter, Jr.

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



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BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

IN THE MATTER OF:

CASE NO. 1457

TRANSCRIPT OF HEARING

May 28, 1958

DEARNLEY, MEIER & ASSOCIATES
GENERAL LAW REPORTERS
ALBUQUERQUE, NEW MEXICO
Phone CHapel 3-6691

IN THE MATTER OF:

Application of Sinclair Oil & Gas Company for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its State Lea Well No. 1, located 660 feet from the South and West lines of Section 24, Township 16 South, Range 33 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Kemnitz-Wolfcamp Pool and from the Pennsylvanian formation adjacent to the Kemnitz-Pennsylvanian Pool through parallel strings of tubing.

CASE NO.
1457

BEFORE:

ELVIS A. UTZ, Examiner.

TRANSCRIPT OF PROCEEDINGS

MR. UTZ: The next case on the docket will be Case 1457.

MR. PAYNE: Case 1457. Application of Sinclair Oil & Gas Company for an oil-oil dual completion.

MR. BURTON: Mr. Examiner, I am Horace Burton, Midland, Texas, representing Sinclair Oil & Gas Company, the applicant. We would like for the record to show a minor correction on the name of this well. The application states it to be State Lea Well, and the correct name is State Lea 692 Well No. 1.

MR. UTZ: That should read what?

MR. BURTON: State Lea 692 Well No. 1.

MR. UTZ: All right.

MR. BURTON: Mr. Anderson will give engineering testimony in support of the application.

(Witness sworn.)

R. M. ANDERSON

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

DIRECT EXAMINATION

BY: MR. BURTON:

Q Give your name and employment.

A R. M. Anderson, Division Proration Engineer, Midland, Texas, Sinclair Oil & Gas Company.

Q Have you previously appeared before the Commission to give testimony as an engineer?

A I have.

Q Are you a registered engineer in the State of New Mexico in the field of petroleum engineering?

A I am.

Q Is the Kasmitz area of Lea County under the direction of your office in Midland?

A It is.

Q Have you familiarized yourself with the data pertinent to this proposed dual completion?

A I have.

Q And have you prepared exhibits to illustrate your

testimony?

A I have.

Q At this time I will ask you to proceed in narrative form to describe such exhibits as you have, and let them be identified, and give your opinion as to whether the proposed dual completion is mechanically feasible and whether granting this application will be in the interest of prevention of waste and --

A The subject well, Sinclair's State Lea 692 Well No. 1 is presently a drilling well. It is drilling below seven thousand feet at this time, and I have indicated the well's location on what I have marked Exhibit 1, which is an ownership map of the area in the vicinity of the Kemnitz Pool. All of the Sinclair Lease in this area I have colored in yellow for identification. The hatched-checked area in the center of the map is the Seaman Unit, which is operated by Sinclair. The other operators having interest in the Seaman Unit are shown at the bottom of Exhibit 1. That portion of Sinclair's State Lea Lease No. 692 that is outside of the Seaman unit area is outlined in red on this map, and is composed of 160-acres. The subject well is located 660 feet from the South and West lines of Section 24, Township 26 South, Range 33 East. It is identified on this map by a green circle and a larger red circle, double circles. The red circles on this map identify the Kemnitz-Wolfcamp wells as classified by the Commission. The green circle in the northern portion of the development in the Seaman Unit is the Seaman Unit Well No. 1,

and it is presently producing from the Cisco pay in the Pennsylvanian formation and has been since its completion.

The two blue circles to the east of the map are two wells that are presently classified in the Kennitz-Cisco Pool; the easternmost of which is the Pure well, and is producing from the same correlative interval in the same Seaman zone as the Seaman Unit Well No. 1. The Tennessee Well No. 2 with the blue circle just to the west of the Pure well is producing also from the Cisco formation, but in an interval approximately two hundred feet higher in that formation. One other well in this area has successfully tested and indicated commercial production in the Cisco zone of the Pennsylvanian formation, and that well is the Forest Oil Company's State "A" No. 1. It is identified by a red circle and is located 660 Feet from the North and East lines of Section 26, and is a diagonal offset to the subject well of this hearing.

Other wells on this map, down in the southwest portion of the map there is a well, Neville G. Penrose Well. It is in the San Mal-Penn Pool, one well pool. In the northeasterly portion of the map there are about four wells, in Section 8, that are currently in the Rumont Pool.

I would like to refer to our Exhibit No. 2 now, which is a diagrammatic sketch of the proposed dual completion installation. Presently we are drilling this well below seven thousand feet. We have intermediate casing, as shown on this exhibit, and we propose to set 7 inch casing at TD as indicated on this exhibit.

The details of that 7-inch casing will be found on a later exhibit, when I come to it.

You'll note from this Exhibit that the long string will be set in a Baker Model D packer, set at approximately 11,250 feet. It will be 2-3/8 inch EUE tubing, and we'll produce the oil from the Pennsylvanian formation, the Cisco pay. I've indicated with green on this exhibit the flow pattern from the Pennsylvanian formation. The short string will consist of 2-3/8 inch Hydril "CS" tubing, and will be hung in the well with the bottom of it approximately opposite the perforations in the Wolfcamp zone. Both zones are expected to flow for some time. We don't anticipate pumping either zone for some time. I have indicated on this exhibit the approximate perforations in the Wolfcamp-Pennsylvanian zones, and from that we see that we have approximately six or seven hundred feet of separation between those perforations. We intend to cement 7-inch string with approximately six hundred sacks of cement, which should, based on our experience in other wells in this immediate area, should bring the top of the cement to approximately 7,300. We, of course, will ascertain that with a temperature survey at the time that the work is done, and I have indicated that on this Exhibit No. 2.

Exhibit No. 3 is an electric log ran on the Forest State "A" Well No. 1, which is a diagonal offset of our drilling well. On this exhibit I have marked the formation tops of the principal formations found in the well. I have shown the perforated

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intervals in the Forest Well on this Exhibit just as an indication of those particular pays that Sinclair proposes to perforate in their own wells. We anticipate that our well will run approximately a hundred feet higher structurally in both zones, and therefore, these zones will be found further up the hole than they were found on the Forest Well.

You will note from Exhibit 3 that we propose to perforate the lower portion of the Wolfcamp, which is the Kennitz pay in this area, and is the same pay that all of the other wells in the pool are opening.

MR. UTZ: The so-called Kennitz pay is part of the Wolfcamp?

A The very lower part of the Wolfcamp. I have the Pennsylvanian top on the Forest well marked at 10,868 feet, and you will note that the Kennitz pay occurs immediately above that in the very bottom of the Wolfcamp.

MR. UTZ: And the Cisco pay is part of the Pennsylvanian?

A Yes, sir. It occurs about 700 feet below the top of the Pennsylvanian. It is a formation development in the Pennsylvanian formation.

Exhibit No. 4 is a statistical data sheet wherein I have tabulated all of the pertinent data that I believe applies to this application. I have shown the date that the well was spudded, the casing program, or the location of the well, the casing program, both the surface and intermediate has been set as indicated, the

producing string will be 7-inch, and this is our proposed program. It will be something similar to that program. Shown there, as a matter of interest, is the ID of the various weights of 7-inch casing, and in the proposed tubing program I have described the long string as 2-3/8 inch EUE, and the short string, or Wolfcamp string, 2-3/8 inch "CS" Hydril. I've shown the ID of those two strings, and they are identical nine nine five inches, and I have shown the joint OD's, and have added them and they show that the maximum OD of these two strings of tubing opposite the joint will be 5.765 inches, which in my opinion gives us plenty of clearance in running through all of the 7 inch pipe I have listed above, which incidentally is a standard casing string design I have used.

The lower portion of Exhibit 4 merely lists the characteristics of the two formations. I've shown the perforations that we intend to make in each zone, depending, of course, upon the logging of the well upon reaching TD. The gas-oil ratios shown are the same. We anticipate that they will be pretty close, 1400 to 1. We have two degrees difference in gravity. The Wolfcamp zone is about 41.6 degrees, the Pennsylvanian zone is about 39.3 degrees. These gravities were obtained from recent pipeline gauger ran tickets, and reflect what we are actually selling this oil at. There is a small price differential. The Pennsylvanian zone is below forty degree gravity, and we get paid for over forty on the Wolfcamp zone. Both crudes are sweet. There is a color distinction in the two crudes. The Wolfcamp crude is brown and the Pennsylvanian crude is

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green. The BS & W content of the two crudes are about the same, very small. The estimated bottom hole pressures are very similar. I referred those pressures to the packer, and I find we will have about a three hundred and sixty-four pound differential across the packer. I have checked with the Baker people who make the packer and they have assured me that in their tests of their packer, that it will not, if properly set, will not leak nor will it creep or move when subjected to pressure and differentials up to the bursting pressure of the pipe it is set in, and in this case, it would be in excess of 9,000 pounds, so we certainly are safe from a differential pressure standpoint.

I have shown the cost of twin wells; single zone Wolfcamp zone, and single zone Pennsylvanian wells were twinned. I have shown the cost of each well, I have shown the cost of dual completion, with 7 inch casing, and we see from that cost comparison, that the granting of this application will save Sinclair an estimated \$136,000 in drilling well costs, and I believe that in view of the production history from the Pennsylvanian zone in the Forest Well which diagonally offsets our well, that it would not be feasible to drill a single zone well at a cost of \$216,000 to develop the Pennsylvanian zone under our well. We anticipate that this is indeed a small development in the Pennsylvanian formation, and in producing 13,000 barrels of oil in two months' period, February and March of this year, the Forest well suffered a loss in static bottom hole pressure in the Pennsylvanian zone.

of approximately 800 pounds, so we feel that that indicates a small reservoir in this vicinity, and that we do not believe that there are sufficient reserves to justify drilling a single well. I believe that if this application is granted, it will not impair the correlative rights of any of the interested operators in the area, and I believe that if it is not, if the application is not granted, that waste will occur in that the reserves in the Pennsylvanian zone will not be recovered from this well unless it is dualled or unless it is deferred until the Wolfcamp zone is depleted. I believe that's all I have.

MR. BURTON: The applicant offers the exhibits in evidence which have been identified.

MR. UTZ: Without objection, Exhibits 1 through 4 will be accepted in evidence. Are there any questions of the witness?

CROSS EXAMINATION

BY: MR. UTZ:

Q Why did you use Hydril 2-3/8 inch on the Wolfcamp side, and EUE on the Pennsylvanian side?

A The reason for that selection is that we feel that we would be giving ourselves just a little more clearance in running these two strings inside the 7 inch. We feel that the difference in cost between the Hydril and the EUE is justified by virtue of the additional clearance that we will get. 2 inch EUE tubing can be modified by purchasing the N 80 collars and turning them down in a shop, making them smaller OD, and bevelling them so they will

pass each other easily and without sacrificing the necessary strength required to run those collars, but we felt it would be a little better installation to use standard equipment, and we preferred to use the Hydril, giving us just a little bit more clearance in running this material in and out of the well.

MR. UTZ: Are there any other questions of the witness? If not, the witness may be excused. Do you have anything further in this case?

MR. BURTON: No, thank you Mr. Examiner.

MR. UTZ: Are there any other statements to be made in this case? If there are none, the case will be taken under advisement.

C E R T I F I C A T E

STATE OF NEW MEXICO
COUNTY OF BERNALILLO

} ss

I, J. A. Trujillo, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Proceedings before the New Mexico Oil Conservation Commission was reported by me in Stenotype and reduced to typewritten transcript by me, and that the same is a true and correct record to the best of my knowledge, skill and ability.

WITNESS my Hand and Seal, this, the 19th day of June, 1958, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

Joseph A. Trujillo
NOTARY PUBLIC

My Commission Expires:

October 5, 1960

I do hereby certify that the foregoing is a complete record of the proceedings in the Commission Hearing of Case No. 1952, heard by me on May 28, 1958.
Paul H. [Signature], Examiner
New Mexico Oil Conservation Commission

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Date 6-5-58

CASE 1957

Hearing Date 5-28-58

My recommendations for an order in the above numbered cases are as follows:

approve as requested using manual 2 string
oil-oil Dual order.

[Signature]

Staff Member

*4/23
Called
Horace Burton
this date.*

SINCLAIR OIL & GAS COMPANY

P. O. Box 1470

XXXXXXXXXXXXXXXXXXXXXXXXXXXX

MIDLAND, TEXAS

May 20, 1958

LEGAL DEPARTMENT

*Desregard
this request
of Sinclair still
wants this
PC to accomplish
this and make
up*

New Mexico Oil Conservation Commission
P. O. Box 84
Santa Fe, New Mexico

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

Re: Case 1457 - Application of Sinclair
Oil & Gas Company for an oil-oil dual
completion

Gentlemen:

In the above case set for Examiner Hearing May 28, 1958, applicant seeks an order authorizing the dual completion of its State Lea 692 Well No. 1 located 660' from the South and West lines of Section 24, T-16-S, R-33-E, Lea County, New Mexico, in such a manner as to permit the production of oil from the Kemnitz Wolfcamp Pool and from the Pennsylvanian formation adjacent to the Kemnitz Pennsylvanian Pool. Sinclair Oil & Gas Company desires to amend its application to seek also permission to commingle production from the separate pools into common storage. Facilities will be provided to assure at all times accurate determination of the production from each pool.

We observe that in Case 1460 set for hearing also on May 28, 1958, Phillips Petroleum Company also makes application for an oil-oil dual completion and for permission to commingle in the same pools.

By copy hereof via registered mail, we are notifying all operators in these pools of this amendment to our application. See attached list.

Very truly yours,

Horace N. Burton
Horace N. Burton
Attorney

HNB:my

Encl.

*too late
must have another
Recovery*

LIST OF OFFSET OPERATORS AND ADDRESSES

Cities Service Oil Co.
P. O. Box 97
Hobbs, New Mexico
Attn: Mr. D. D. Bodie

Forest Oil Corporation
P. O. Box 1821
Midland, Texas

Ohio Oil Company
P. O. Box 552
Midland, Texas
Attn: Mr. C. S. Mills

Phillips Petroleum Co.
Hobbs, New Mexico
Attn: Mr. W. A. Roberts

Shell Oil Company
P. O. Box 1509
Midland, Texas

Pure Oil Company
P. O. Box 671
Midland, Texas

Skelly Oil Company
P. O. Box 38
Hobbs, New Mexico
Attn: Mr. J. N. Dulavey

Tennessee Gas Transmission Co.
P. O. Box 1031
Midland, Texas
Attn: Mr. Cecil Davidson

DOCKET: EXAMINER HEARING MAY 28, 1958

Oil Conservation Commission 9 a.m. Mabry Hall, State Capitol, Santa Fe

The following cases will be heard before Elvis A. Utz, Examiner:

- CASE 1225: Application of Moab Drilling Company and Utex Exploration Company for an order amending Order No. R-975. Applicant, in the above-styled cause, seeks an order amending Order No. R-975 to permit the conversion to a water injection well of the Utex Exploration Company Donohue-Federal No. 3 Well, located in the SE/4 SW/4 of Section 15, Township 16 South, Range 29 East, Eddy County, New Mexico.
- CASE 1446: Application of The Texas Company for approval of a unit agreement. Applicant, in the above-styled cause, seeks an order approving its Cotton Draw Unit embracing 35,144 acres, more or less, of Federal, State of New Mexico, and patented lands, located in Township 24 South, Ranges 31 and 32 East; Township 25 South, Ranges 31 and 32 East, in Eddy and Lea Counties, New Mexico.
- CASE 1447: Application of The Texas Company for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks an order establishing a 320-acre non-standard gas proration unit in the Eumont Gas Pool comprising the E/2 of Section 11, Township 20 South, Range 37 East, Lea County, New Mexico, said unit to be dedicated to the applicant's C. H. Weir "B" Well No. 3, located 330 feet from the North line and 660 feet from the East line of said Section 11.
- CASE 1448: Application of Ambassador Oil Corporation for approval of a unit agreement. Applicant, in the above-styled cause, seeks an order approving its North Caprock Queen Unit No. 2 embracing 1808 acres, more or less, of State of New Mexico lands located in Township 13 South, Ranges 31 and 32 East, in Chaves and Lea Counties, New Mexico.
- CASE 1449: Application of Graridge Corporation for an exception to Rule 309 of the Commission Rules and Regulations. Applicant, in the above-styled cause, seeks an order permitting the consolidation of tank batteries to receive the production from more than sixteen wells in the North Caprock Queen Unit No. 1 in Chaves and Lea Counties, New Mexico, which was established by Order No. R-1145. The applicant further seeks permission to install automatic custody transfer equipment on the above-referenced Unit.
- CASE 1450: Application of Neville G. Penrose, Inc. for approval of a unit agreement. Applicant, in the above-styled cause, seeks an order approving its November State Unit comprising 913 acres, more or less, of State of New Mexico and patented lands, located in Township 10 South, Range 37 and 38 East, and Township 11 South, Range 38 East, Lea County, New Mexico.

CASE 1451: Application of Amerada Petroleum Corporation for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks an order establishing a 280-acre non-standard gas proration unit in the Justis Gas Pool consisting of the W/2 SW/4 Section 24, NW/4 and SW/4 NE/4 of Section 25, all in Township 25 South, Range 37 East, Lea County, New Mexico, said unit to be dedicated to the applicant's proposed well to be drilled in the NE/4 NW/4 of said Section 25.

CASE 1452: Application of Amerada Petroleum Corporation for the dual completion of a producing oil well to permit the disposal of salt water therein. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its H. C. Foscy "A" No. 4 Well, located in the NW/4 NE/4 of Section 14, Township 12 South, Range 32 East, Lea County, New Mexico, in such a manner as to permit the production of oil through the tubing from the Pennsylvanian formation, adjacent to the East Caprock-Pennsylvanian Pool, and to permit the disposal of salt water through the casing tubing annulus into the Devonian formation between 11,205 feet and 11,370 feet.

CASE 1453: Application of Magnolia Petroleum Company for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Stephens Estate No. 1 Well, located in the NW/4 SW/4 of Section 24, Township 21 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Terry-Blinebry Pool and Wantz-Abo Pool.

CASE 1454: Application of Gulf Oil Corporation for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Learcy McBuffington No. 4 Well, located 660 feet from the South line and 1980 feet from the West line of Section 13, Township 25 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of oil from an undesignated Blinebry oil pool and oil from the Justis-Ellenburger Pool through parallel strings of tubing.

CASE 1455: Application of Gulf Oil Corporation for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Learcy McBuffington Well No. 5, located 1650 feet from the South line and 1980 feet from the East line of Section 13, Township 25 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of oil from an undesignated Blinebry oil pool and oil from the Justis-Ellenburger pool through parallel strings of tubing.

CASE 1456: Application of Gulf Oil Corporation for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Learcy McBuffington Well No. 6, located 330 feet from the South line and 1980 feet from the East line of Section 13, Township 25 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of oil from an undesignated Blinbry oil pool and oil from the McKee formation, adjacent to the Justis-McKee Pool, through parallel strings of tubing.

CASE 1457: Application of Sinclair Oil & Gas Company for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its State Lea Well No. 1, located 660 feet from the South and West lines of Section 24, Township 16 South, Range 33 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Kemnitz-Wolfcamp Pool and from the Pennsylvanian formation adjacent to the Kemnitz-Pennsylvanian Pool through parallel strings of tubing.

CASE 1458: Application of Albert Gackle for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks an order establishing a 320-acre non-standard gas proration unit in the Jalmat Gas Pool consisting of the S/2 of Section 23, Township 23 South, Range 36 East, Lea County, New Mexico, said unit to be dedicated to the applicant's Sinclair State No. 1 Well, located 1650 feet from the South line and 990 feet from the East line of said Section 23.

CASE 1459: Application of Continental Oil Company for a dual completion and non-standard gas proration unit. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Farney A-17 Well No 3, located in Section 17, Township 23 South, Range 36 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Lower Yates formation of the Jalmat Gas Pool and gas from the Upper Yates formation of the Jalmat Gas Pool through the tubing and casing-tubing annulus respectively. The applicant further seeks the establishment of a 160-acre non-standard gas proration unit in the Jalmat Gas Pool comprising the NW/4 of said Section 17, to be dedicated to the said Farney A-17 Well No. 3.

CASE 1460: Application of Phillips Petroleum Company for an oil-oil dual completion and for permission to commingle production from two separate pools. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its New Mex "A" Well No. 1 located 1983 feet from the South line and 2313 feet from the West line of Section 25, Township 16 South, Range 33 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Kemnitz-Wolfcamp Pool and oil from an undesignated Pennsylvanian pool through parallel strings of tubing. The applicant also proposes to produce the Wolfcamp and Pennsylvanian production from said well into common storage.

CASE 1461: Application of A. A. Greer, et al., for an exception to the acreage factors established by Order No. R-565-C for certain wells in San Juan County, New Mexico. Applicant, in the above-styled cause, seek an order granting an exception to the acreage factors provided in the Special Rules and Regulations for the Aztec-Pictured Cliffs Gas Pool and Fulcher Kutz-Pictured Cliffs Gas Pool, as set forth in Order No. R-565-C, for one well in the Aztec-Pictured Cliffs Gas Pool and eight wells in the Fulcher Kutz-Pictured Cliffs Gas Pool which were drilled on 40-acre spacing prior to the establishment of 160-acre spacing in the aforementioned pools.

CASE 1462: Application of El Paso Natural Gas Company for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks an order establishing a 335-acre, more or less, non-standard gas proration unit in the Blanco Mesaverde Gas Pool consisting of the SW/4 of Section 7 and the W/2 of Section 18, all in Township 30 North, Range 8 West, San Juan County, New Mexico, said unit to be dedicated to the applicant's Howell No. 4-C Well, located 933 feet from the South line and 931 feet from the West line of said Section 18.

CASE 1463: Application of Pan American Petroleum Corporation for an oil-gas dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its O. H. Randel "A" No. 1 Well, located 1650 feet from the South line and 990 feet from the West line of Section 9, Township 26 North, Range 11 West, San Juan County, New Mexico, in such a manner as to permit the production of oil from an undesignated Gallup oil pool and gas from an undesignated Dakota gas pool through parallel strings of tubing.

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SINCLAIR OIL & GAS COMPANY

P. O. Box 1470

~~XXXXXXXXXXXXXXXXXXXX~~

MIDLAND, TEXAS

LEGAL DEPARTMENT

April 24, 1958

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

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

Re: Application of Sinclair Oil & Gas
Company for an order permitting
and authorizing the oil-oil dual
completion of its State Lea Well
No. 1 for the production of oil
from the Kemnitz Wolfcamp Pool and
the Kemnitz Pennsylvanian Pool in
Lea County, New Mexico

Gentlemen:

Enclosed in triplicate is Sinclair Oil & Gas Company's
application for an order permitting and authorizing an oil-
oil dual completion of its State Lea Well No. 1 for the
production of oil from the Kemnitz Wolfcamp Pool and the
Kemnitz Pennsylvanian Pool in Lea County, New Mexico.

Very truly yours,

Horace N. Burton
Horace N. Burton
Attorney

HNB:my

Encls.

*Oil-Oil dual
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Security*

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

692
IN THE MATTER OF THE APPLICATION
OF SINCLAIR OIL & GAS COMPANY FOR
AN ORDER PERMITTING AND AUTHORIZING
THE OIL-OIL DUAL COMPLETION OF ITS
STATE LEA WELL NO. 1 FOR THE PRO-
DUCTION OF OIL FROM THE KEMNITZ
WOLFCAMP POOL AND THE KEMNITZ
PENNSYLVANIAN POOL IN LEA COUNTY,
NEW MEXICO

CASE NO. _____

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 this application, in triplicate, seeking permission and authority for the dual completion of its State Lea⁶⁹² Well No. 1 for the production of oil from both the Kemnitz Wolfcamp Pool and the Kemnitz Pennsylvanian Pool in Lea County, New Mexico, and in support thereof shows:

1.

Applicant, Sinclair Oil & Gas Company, is the owner and operator of its State⁶⁹² lease No. 692 insofar as the same covers the Southwest Quarter (SW $\frac{1}{4}$) of Section 24, T-16-S, R-33-E, in Lea County, New Mexico. Applicant has commenced the drilling of its "No. 1 State Lea" Well located 660 feet from the South line and 660 feet from the West line of said Section 24 and intends to continue the drilling of said well to test the porosity expected to be encountered in the Wolfcamp formation from 10,880 feet to 10,930 feet from ground elevation and in the Pennsylvanian formation from 11,375 feet to 11,450 feet below ground elevation. Applicant further anticipates successful oil completions inasmuch as the location is offset by oil production in both zones. Said well will be completed as an oil-oil dual with the use of parallel strings of 2" I.D. tubing and with such other equipment as may be required to insure adequate separation of the two reservoirs and the separate measurement of production therefrom.

2.

Attached hereto as Exhibit "A" is a plat showing the location of all wells on applicant's lease and all offset wells on offset leases.

3.

Attached hereto as Exhibit "B" is a list of the names and addresses of all of the offset operators and all interested parties known to applicant.

4.

Applicant believes and, therefore, alleges that the manner and method of this proposed oil-oil dual completion is mechanically feasible and practicable and that the same will not adversely affect correlative rights and is in the interest of prevention of waste.

WHEREFORE, applicant requests that this application be set for hearing before an Examiner either in Hobbs or Santa Fe, New Mexico, at the earliest convenience and that upon such hearing authority and permission be granted to applicant for the dual completion of said well.

Horace N. Burton

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

ATTORNEY FOR APPLICANT
SINCLAIR OIL & GAS COMPANY

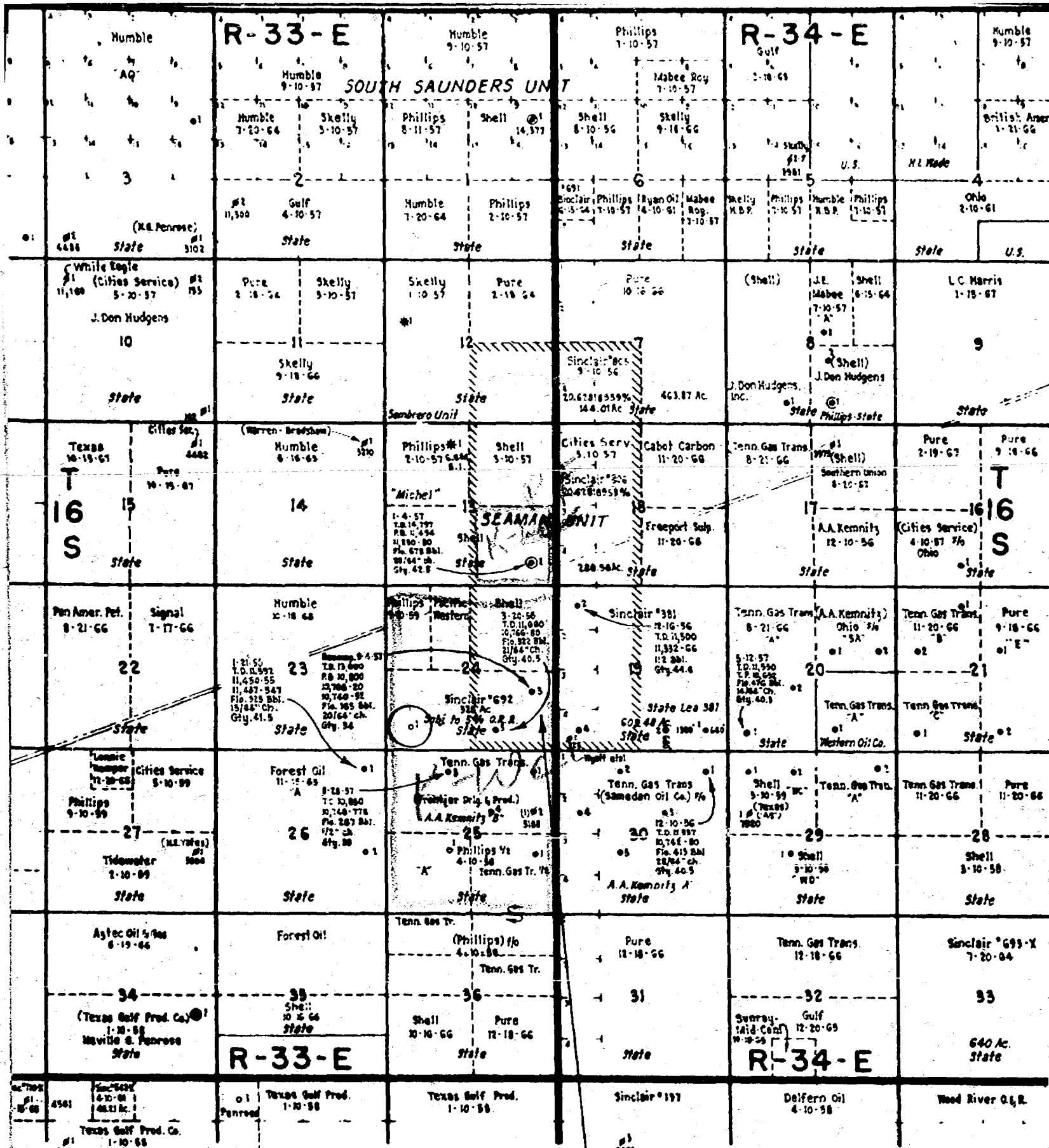


EXHIBIT "A"

SEAMAN UNIT PARTICIPATION	
Sinclair (Oper.)	95.39377813 %
Shell	37.79705003 %
Skelly	12.59906048 %
Cities Service	14.21011136 %

ILLEGIBLE

EXHIBIT "B"

LIST OF OFFSET OPERATORS AND ADDRESSES

Aztec Oil & Gas Company
P. O. Box 847
Hobbs, New Mexico

Cities Service Oil Co.
Cities Service Building
Bartlesville, Oklahoma
Attn: Mr. J. A. Cleverley

Cities Service Oil Co.
P. O. Box 97
Hobbs, New Mexico
Attn: Mr. D. D. Bodie

Forest Oil Corporation
P. O. Box 1821
Midland, Texas

Frontier Drilg. & Prod. Co.
107 Wilkinson-Foster Bldg.
Midland, Texas

Gulf Oil Corporation
P. O. Box 1290
Fort Worth, Texas

Gulf Oil Corporation
Drawer 962
Roswell, New Mexico
Attn: Mr. M. I. Taylor

L. C. Harris
Hinkle Building
Roswell, New Mexico

Humble Oil & Refg. Co.
P. O. Box 1600
Midland, Texas
Attn: Mr. J.N. Graybeal

A. A. Kemnitz
Hobbs, New Mexico

Lonnie Kemper
511 N. Missouri Avenue
Roswell, New Mexico

J. E. Mabree Company
P. O. Box 3149
Odessa, Texas

Ohio Oil Company
P. O. Box 552
Midland, Texas
Attn: Mr. C. S. Mills

Pacific Western Oil Corp.
P. O. Box 38
Hobbs, New Mexico

Phillips Petroleum Co.
P. O. Box 791
Midland, Texas
Attn: Mr. D. A. Miller

Phillips Petroleum Co.
Hobbs, New Mexico
Attn: Mr. W. A. Roberts

Ryan Oil Company
218 Court Building
Evansville, Indiana
Attn: Mr. W. J. Gorman

Samedan Oil Corporation
P. O. Box 959
Ardmore, Oklahoma

Samedan Oil Corporation
P. O. Box 2137
Hobbs, New Mexico
Attn: Mr. G. W. Putnam

Shell Oil Company
P. O. Box 1957
Hobbs, New Mexico
Attn: Mr. W. E. Owen

Signal Oil & Gas Company
314 Central Building
Midland, Texas

Skelly Oil Company
P. O. Box 1650
Tulsa, Oklahoma
Attn: Mr. G.W. Selinger

Skelly Oil Company
P. O. Box 38
Hobbs, New Mexico
Attn: Mr. J.N. Dunlavey

Stanolind Oil & Gas Co.
P. O. Box 1410
Fort Worth, Texas

Stanolind Oil & Gas Co.
P. O. Box 899
Roswell, New Mexico
Attn: Mr. C. L. Kelley

Sunray Mid-Continent Oil
Co.
P. O. Box 2039
Tulsa, Oklahoma

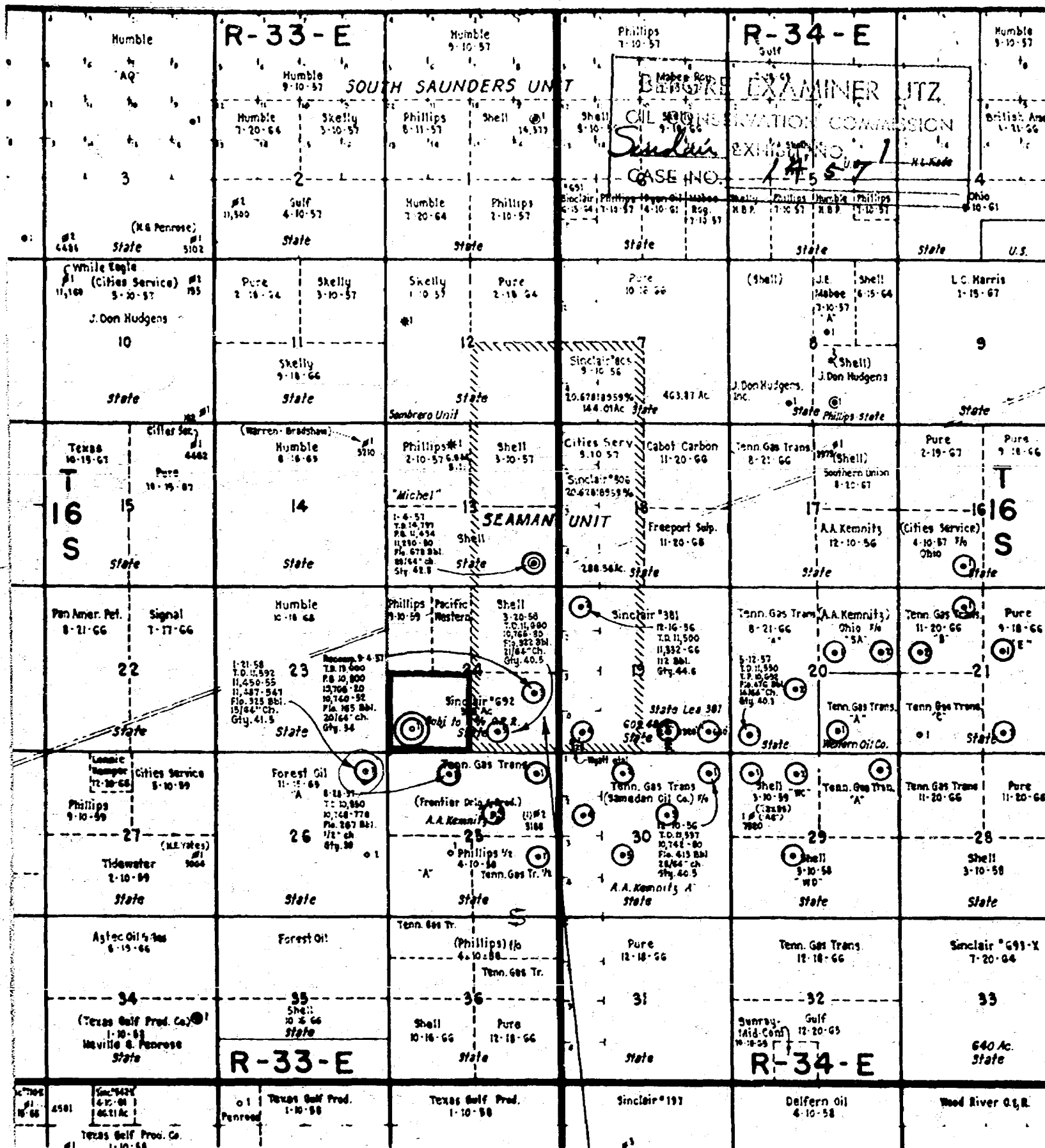
Sunray Mid-Continent Oil
Co.
201 Midland Natl Bank Bldg.
Midland, Texas
Attn: Mr. E. J. Pierce

Tennessee Gas Transmission
Co.
P. O. Box 1031
Midland, Texas
Attn: Mr. Cecil Davidson

Texas Gulf Producing Co.
P. O. Box 1764
Midland, Texas

Tidewater Associated Oil
Co.
P. O. Box 1231
Midland, Texas
Attn: Mr. H. E. Wendt

Tidewater Associated Oil
Co.
P. O. Box 547
Hobbs, New Mexico
Attn: Mr. W. E. LaRoche



- Kemnitz Wolfcamp Pool
- Kemnitz Pennsylvanian Pool
- Kemnitz Cisco Pool

PART OF
LEA CO. N.M.
Scale: 1" = 4000'

**SEAMAN UNIT
PARTICIPATION**

Sinclair (Oper.)	35.39377813 %
Shell	37.79705003 %
Skelly	12.59906048 %
Cities Service	14.21011136 %

Exhibit 1

ILLEGIBLE

SINCLAIR OIL & GAS COMPANY
PROPOSED FLOWING DUAL COMPLETION

KEMNITZ WOLFCAMP OIL AND KEMNITZ PENNSYLVANIAN OIL
STATE LEA 692 - NO. 1
LEA COUNTY, NEW MEXICO

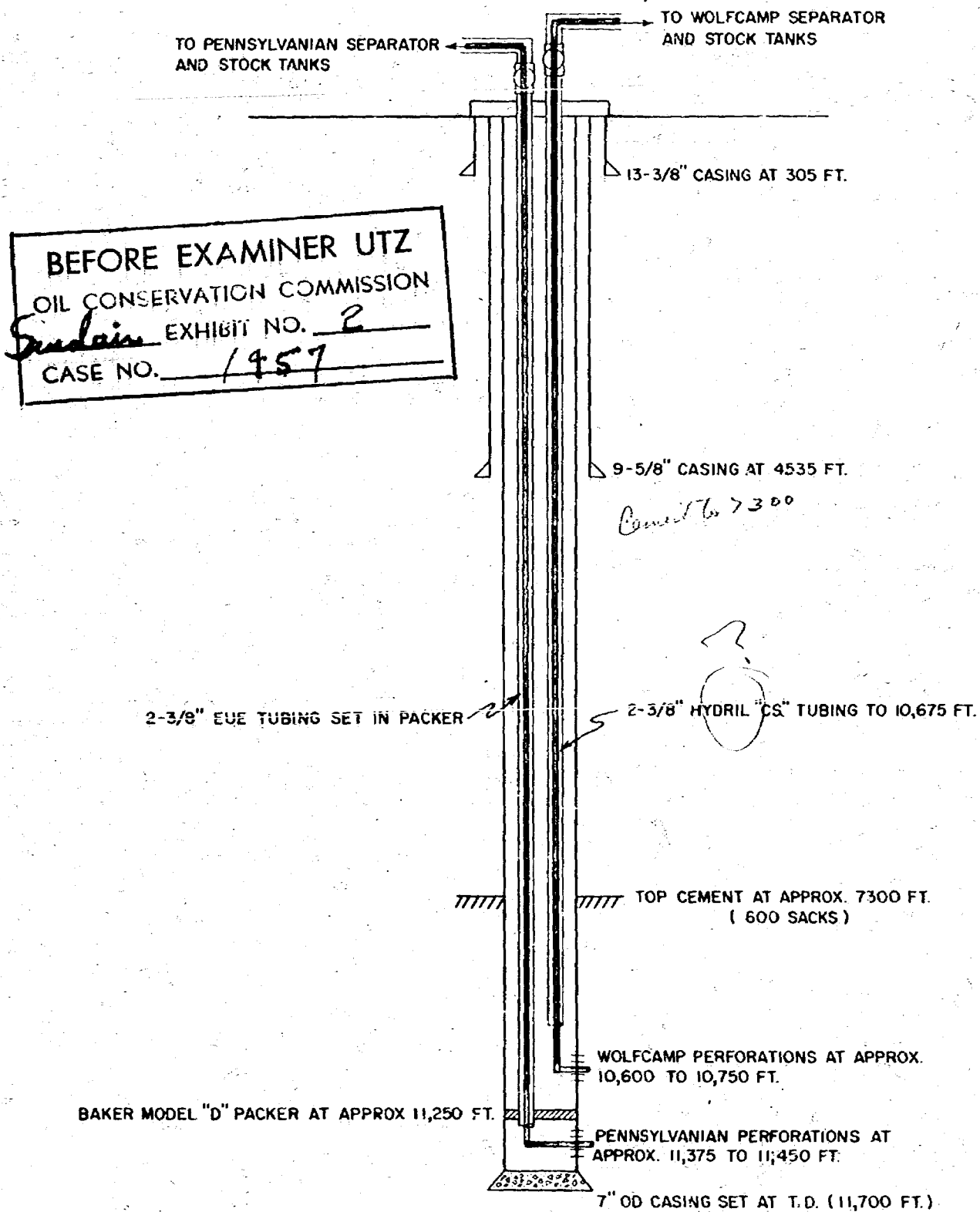


Exhibit 2

SINCLAIR OIL & GAS COMPANY
OIL - OIL DUAL HEARING
May 28, 1958

State Lea 692 Well No. 1

STATISTICAL DATA

Date Well Spudded

April 23, 1958

Location

660' FS & WL, Section 24-16S-33E

Casing Program

	Size	Wt.	Interval, Ft.	I. D.
Surface	13 3/8" OD	-----	0 - 305	-----
Intermediate	9 5/8" OD	-----	0 - 4535	-----
Production (Proposed)	7" OD	23# XL	0 - 3100	6.366
	7" OD	23# LTC	3100 - 6450	6.366
	7" OD	26# LTC	6450 - 8700	6.276
	7" OD	29# LTC	8700 - 11200	6.184
	7" OD	32# LTC	11200 - 11700	6.094

Tubing Program (Proposed)

	Size & Type	I. D.	Joint O. D.
Long String (Pennsylvanian)	2 3/8" EUE	1.995	3.063"
Short String (Wolfcamp)	2 3/8" "CS" Hydril	1.995	2.702"
			TOTAL - 5.765"

ITEM

Perforations (Proposed)
Gas-Oil Ratio
Gravity, °API
Type Grude
Color Grude
BS & W
Estimated BHP

WOLF CAMP ZONE

10600 - 10750'
1400/1
41.6 @ 600'
Sweet
Brown
0.2%
2975 @ -6500

PENNSYLVANIAN ZONE

11375 - 11450'
1400/1
39.3 @ 600'
Sweet
Green
0.2%
2850 @ -7325

Cost of Twin Wells
Cost of Dual Completion
Dual Completion Savings

\$175,000

\$255,000 (7" OD)
\$136,000

\$216,000 (5 1/2" OD)

BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
Sinclair EXHIBIT NO. 4
CASE NO. 1457

EXHIBIT 4