

Case No.

1458

Application, Transcript,
Small Exhibits, Etc.

1458

CASE 1458: Albert Gaskie application for
order establishing 320 acre non-standard
gas unit in the Jalnet Gas Pool.

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

June 23, 1958

Mr. Paul Johnston
P.O. Box 2076
Hobbs, New Mexico

Dear Mr. Johnston:

We enclose two copies of Order R-1198 issued June 18, 1958, by the Oil Conservation Commission in Case 1458, which was heard on May 28th at Santa Fe before an examiner.

Very truly yours,

A. L. Porter, Jr.
Secretary - Director

bp
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 THE STATE OF NEW
MEXICO FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 1458
Order No. R-1198

APPLICATION OF ALBERT GACKLE FOR
APPROVAL OF A 320-ACRE NON-STANDARD
GAS PRODUCTION UNIT IN THE JALMAT
GAS POOL, 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 applicant, Albert Gackle, is the operator of the S/2 of Section 23, Township 23 South, Range 36 East, NMPN, Lea County, New Mexico.
- (3) That applicant is the operator of two wells on the above-described acreage, to-wit: Sinclair State Well No. 1, located 1650 feet from the South line and 990 feet from the East line of said Section 23 and Sinclair State Well No. 2, located 1650 feet from the South line and 2310 feet from the West line of said Section 23.
- (4) That the SW/4 of said Section 23 comprises the unit assigned to the above-described Sinclair State Well No. 2.
- (5) That mechanical difficulties of a serious nature have been encountered with the said Sinclair State Well No. 2, and that it is not feasible to attempt recompletion of said well in the Jalmat Gas Pool.
- (6) That the SW/4 of said Section 23 can reasonably be presumed to be productive of gas.

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Case No. 1458
Order No. R-1198

(7) That the entire S/2 of said Section 23 should be dedicated to applicant's Sinclair State Well No. 1, located 1650 feet from the South line and 990 feet from the East line of said Section 23.

IT IS THEREFORE ORDERED:

(1) That the application of Albert Gackle for the establishment of 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, NMPN, Lea County, New Mexico, be and the same is hereby granted, said unit to be dedicated to the applicant's Sinclair State Well No. 1, located 1650 feet from the South line and 990 feet from the East line of said Section 23.

(2) That the said Sinclair State Well No. 1 be designated as the unit well for said unit and that the same be granted an acreage factor for allowable purposes in the proportion that the above-described acreage bears to the standard proration unit for the Jalmat Gas Pool.

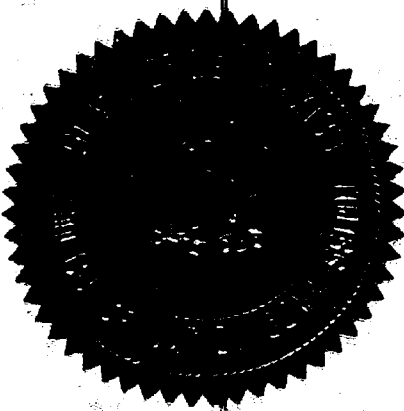
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


EDWIN L. MECHEM, Chairman


MURRAY E. MORGAN, Member


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



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OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

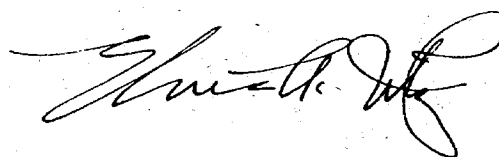
Date 6-5-58

CASE 1458

Hearing Date 5-28-58

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

1. The application be granted as requested.
2. Due to mechanical difficulties ~~the~~ it is not feasible to attempt to recomplete the Albert Gacke - Sinclair St. #2, 1650/S + 2310/W line of section 23-235-36E in the Jalmat Gas Pool.
3. The SW/4 of 23-235-36E can be reasonably assumed to be productive of gas.
4. The SW/4 of 23-235-36E should be dedicated to the Albert Gacke - Sinclair St. #1, 1650/S, 990/E line of section 23-235-36E, a Jalmat Gas well.



Staff Member

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

IN THE MATTER OF:

CASE NO. 1458

TRANSCRIPT OF PROCEEDINGS

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

May 28, 1958

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
May 28, 1958

IN THE MATTER OF:

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 NO.
1458

BEFORE:

ELVIS A. UTZ, Examiner.

TRANSCRIPT OF HEARING

MR. UTZ: The next case on the docket is Case 1458.

MR. PAYNE: Case 1458. Application of Albert Gackle for a non-stand gas proration unit.

MR. JOHNSTON: Mr. Examiner, I am Paul Johnston. I am the only one who will appear and give testimony.

(Witness sworn.)

PAUL JOHNSTON

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

DIRECT EXAMINATION

BY: MR. PAYNE:

Q Will you state your name, please?

A I am Paul Johnston. I am superintendent of production for Albert Gackle, the operator of the lease in question, and I have appeared before the Commission previously as an expert witness.

MR. PAYNE: Are his qualifications acceptable?

MR. UTZ: They are.

Q (By Mr. Payne) Proceed.

A Albert Gackle is the operator of the Sinclair State Lease that comprises the S/2 of Section 23, Township 23 South, Range 36 East. There are two gas wells located on this lease, and that is the Albert Gackle Operator Sinclair State No. 1, and the Albert Gackle Operator Sinclair No. 2.

I would like to offer in evidence Exhibit 1 in this case, which shows the ownership in the area, and I have colored in red the S/2 of Section 23. Also, at this time I would like to offer in evidence Exhibit No. 2.

Exhibit No. 2 is a photostatic copy of the Jalmat pool showing the top of the Yates contours and the aerial limits of the Jalmat Pool, and I submit this exhibit to show the relative position of this lease within the aerial limits of the Jalmat Pool.

I have shaded in the S/2 of Section 23 in red in this Exhibit also. It will be noted that it lies approximately in the center of the Jalmat Pool.

The No. 1 well is located 1650 feet from the South line and

990 feet from the East line of the section.

The casing program in this well is 10 3/4 inch, set at 225, with cement circulated; 7 5/8 inch casing set at 1235, with cement circulated, and 5 1/2 inch casing set at 2770, cemented with 600 sacks, or five hundred sacks, excuse me. Temperature survey showed the top of the cement to be at 290 feet, which did tie together the 7 5/8 and 5 1/2. The total depth of this well is 3300 feet, and was completed 8/12/49. 2 inch tubing was set at 3260 feet. This well is in the SE/4 of the section, and presently, the SE/4 of the section is assigned to the No. 1 well for gas production.

The No. 2 Well is located 1650 feet from the South line and 2310 feet from the West line of the section. The casing program on this well is 10 3/4 inch, set at 225; 7 5/8 set at 1235 feet; cement was circulated on both the 10 3/4 and 7 5/8, and 5 1/2 inch tubing was set at 2795 feet, cemented with 500 sacks, and cement circulated. Total depth of the well, 3300 feet. The well was completed 9/9/49. 2 inch tubing was set at 3260. The SW/4 of the section comprises the gas unit presently assigned to the No. 2 Well.

These units were formed prior to the effective date of Order R-520.

I want to submit in evidence Exhibit 3. Exhibit 3 is a cross section of Wells 1 and 2, and shows in part the gamma ray neutron log run on each well. I have marked the top of the Yates

formation on the cross section and also the top of the Seven Rivers formation. Now, referring to the cross section and the No. 2 Well upon completion, the No. 2 well produced an excessive amount of sand and mud, which resulted in plugging off the tubing. In order to place the well on production, the tubing was perforated at 2504 and 2534 feet. Since that time, the well has continued to intermittently produce amounts of sand and shale, and on 3/11/58, it became necessary to again perforate the 2 inch tubing in order to increase the flow of gas from the well. All indications point to the necessity of performing remedial work to correct this sand condition, sand and shale, and I refer again to the radioactivity log of Well No. 2, and you'll note that in the lower portion of the log, on the gamma ray curve side, we have a very high reading of radioactivity. In this particular area, this would indicate, does indicate presence of a silty condition which is very highly radioactive. Now, over on the No. 1 Well we only have one section that is indicated to be extremely highly radioactive on the gamma ray curve. I believe that this condition is what is contributing to the fact that the well is sanding up intermittently on us. Apparently, it will be necessary to clean out the well to TD and if possible, cement a liner to the open hole section, perforated at selected intervals, and treat the gas production.

Now, since the production is entering the tubing at approximately 2500 feet, in all probability, the tubing will be stuck when an attempt to move it is made. To remove the tubing will

probably require expensive wash-over work. It is, of course, possible to perform this work. However, it would be most expensive, and there is no assurance that the remedial work will be successful, and it is possible that a new well would be required in order that we might recover our equitable share of hydrocarbons in place from the SW/4 of Section 23.

I also make reference to T.P.C. & O State "A" 1-27 Well.

If you refer back to Exhibit 1, you will note that that well is, in effect, a North offset to the No. 2. About 1952 that well was deepened approximately 400 feet to an approximate depth of 3700 feet. At that time, oil production was encountered from the lower Seven Rivers Zone, and it was necessary to set a tank battery in order to collect the incidental fluid being produced from the well. Recently, T.P. had performed remedial work on Well No. 27, wherein they ran a liner through the open hole section and cemented the liner, and have perforated in selected intervals in the lower Seven Rivers zone.

The last report that I have received on that well was that it was producing 50 barrels of oil natural, through perforation, from the lower Seven Rivers zone. Also, they were experiencing some water production with the oil.

Now, it is not the intent of the operator to plug and abandon the No. 2 Well, rather, we are desirous of deepening this well to encounter the oil productive zones that are found in the T. P. Oil Company No. 27 Well, in which case we would cement

a liner through the open hole section and make some completions at selected intervals in the lower Seven Rivers formation. It would not be our intent, however, to make a dual completion of this well, since production from the lower Seven Rivers and possibly the Queen formation in this area have shown that it will become necessary to pump those zones after a short period of time. Also, in the area, we have experienced considerable sand and considerable amount of sand being produced with the oil. Since these zones would be below the gas zone from the Jalmat pool, it would be necessary to kill the well each time it became necessary to remove sand from the bottom of the well.

In view of this experience in the area, we do not feel that a dual completion is advisable from the Jalmat and the lower Seven Rivers zone.

Now, referring to Exhibit 2, since it has been proven that the acreage presently assigned to the No. 2 Well is productive of gas, and due to mechanical conditions, it appears that it will not be possible to produce the maximum amount of recoverable gas under the tract. It is requested that the SW/4 of the section be combined with the SE/4 of the section, thus creating a 320-acre unit, and that the gas allowable assigned to the new unit be allocated to the No. 1 Well.

As evidence that the No. 1 Well is capable of producing a 320-acre allowable, I refer to the recent deliverability test, which is on file in both the Santa Fe and Hobbs office of the New Mexico

Oil Conservation Commission and the results of the deliverability tests show that the No. 1 Well has a deliverability of four million six hundred and thrity-nine thousand cubic feet of gas per day. I want to point out that this is at 80 per cent of the well head pressure, and also that this is actually 720.2 PSI, and this 720 is well above the operating pressure of the line. That should be operating pressure of the gas gathering system.

It is the opinion of the applicant that the approval of this application will be in the interest of conservation and will protect correlative rights.

At this time I want to offer in evidence Exhibit 4, which is a letter from Sinclair Oil and Gas Company, a part owner of the working interest in this lease, and in which they answered a letter, in which I requested their position on this matter.

Quoting the content of this letter, "Our letter of May 19, 1958, requested our position in respect to your application to the Oil Conservation Commission for authority to shut in well No. 2 and assign the acreage for this well to Well No. 1.

This is to advise that Sinclair concurs in your application.

Signed by H. F. Defenbaugh, Production Superintendent for Sinclair Oil and Gas Company at Midland, Texas."

That concludes all of the statements I have.

MR. UTZ: Does anyone have a question of Mr. Johnston?

CROSS EXAMINATION

BY: MR. UTZ:

Q Mr. Johnston, is it your sole purpose in wanting to abandon the Jalmat section in the No. 2 Well because of mechanical difficulties?

A Well, first of all, not considering the results on T.P.'s No. 27 Well, if we continued to produce this well, we are going to continue to aggravate the condition that exists, and that is in sanding up the well, and it, of course, would only be a matter of time until we would experience the well being probably completely plugged or almost so. And also, it has been my experience in the area, that each time that it is necessary to go into a Jalmat gas well and put mud back into the formation, we do some irreparable damage to the producing ability of the well. For that reason, that is one of the reasons why I do not want to go into this well at this time and try to increase the production of gas in the well.

Q I believe you stated that there is a good possibility of trying --

A With a well of this nature, if we produced it through the annulus, we could, for a short period of time, produce considerably more gas, but if we did that, then we would be bringing sand and shale all the way up to the surface, and could result in sticking the tubing on the top, and also could form a bridge up on the top, and then it would be impossible to go ahead and kill the well in order to work on it, because we couldn't circulate from the bottom.

I was superintendent for T.P.C. & Co. when the well I referred to was deepened. At that time the well had no tubing in it,

and as I recall, we spent something in the neighborhood of four hundred dollars for mud trying to pump from the top to kill it. After that was unsuccessful, then we had to rig up Otis at an additional cost of five thousand dollars to get pipe to the bottom that we could circulate through in order to kill the well. At best now, we've only got twenty-five hundred feet that we can circulate from in order to kill this well when it is worked on.

Q The tubing is not stuck in the well at the present time as far as you know?

A As far as I know, no, we have not tied on to it or attempted to move it.

Q Will you be able to retrieve your tubing for your deepening operation?

A Yes, we would. We could at least, if the tubing were stuck, presumably it would be at or below 2500 feet, and if necessary, we could cut the tubing off there and start our wash-over operation from there, and that is up in the 5 1/2 inch pipe, and I wouldn't anticipate any undue difficulty in getting over the tubing at that point. Of course, it is in the open hole section, then it is possible that we can encounter considerable difficulty. If we can start our wash-over operation while we are still in the pipe, we wouldn't have nearly as much trouble going all the way to the bottom of it.

Q Have you taken a deliverability test on the No. 2 Well yet?

A Yes, sir.

Q What is that?

A One million six hundred and forty-four thousand cubic feet per day.

Q In your opinion, does that prove the Jalmat zone to be productive in that quarter section?

A Yes, sir, it does, and for all practical producing purpose, there should be no or very little difference between the No. 1 and No. 2 Wells, except for the sand and field conditions that we have in the No. 2 Well.

Q I believe the low deliverability would be due to the condition of the well bore?

A That's right.

Q And not to the reserves in place?

A No, I don't believe so. From studying the log, or a study of these logs, it doesn't appear that there would be any difference between the amount of pay section in either of the wells.

MR. UTZ: Does anyone else have any questions of Mr. Johnston.

MR. JOHNSTON: I would like to point out that the TD shown on the cross section on the No. 2 Well is 3299 and on the No. 1 Well is 3305. That is the depth that was logged by the logging company on those two wells.

MR. UTZ: Did you state whether or not the royalty

interest is common in the S/2 of 23?

A No, I did not, but the royalty interests are common over the entire S/2, and also the working interest is common over the entire S/2 of the section.

MR. UTZ: Do you wish to enter in evidence Exhibits 1 through 4?

A Yes, sir, I would like to enter in evidence Exhibits 1 through 4.

MR. UTZ: Are there any objections to the entrance of Exhibits 1 through 4 in this case? If not, they will be received. If there are no further questions, the witness may be excused.

(Witness excused.)

MR. UTZ: Are there any further statements to be made in this case? If not, we will take the case under advisement.

MR. JOHNSTON: There is one other thing that I thought of. In my application, on Page 2, there is a typographical error. It says the SW/4 of the section comprised the unit assigned to the No. 1 Well, and it should be No. 2 Well.

MR. UTZ: That correction will be made.

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 Hearing before the New Mexico Oil Conservation Commission was reported by me in Stenotype and reduced to typewritten transcript, and that same is a true and correct record to the best of my knowledge, skill and ability.

WITNESS my Hand and Seal, this, the 9th 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 and correct transcript of the proceedings in the hearing held in Case No. 1-45-E, held by me on May 28, 1958.
Joseph A. Trujillo
Notary Public
New Mexico Oil Conservation Commission

PAUL S. JOHNSTON
SUPERINTENDENT OF PRODUCTION

ALBERT GACKLE, OPERATOR

P. O. BOX 2076
HOBBS, NEW MEXICO

May 5, 1958

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

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

Re: Albert Gackle, Operator et al
Sinclair State Lease
S 1/2, Sec. 23, T-23S, R-36E

Gentlemen:

Our company is the operator of the above lease. There are
two gas wells located on the lease, i.e.:

Albert Gackle, Operator
Sinclair State #1
1650' FSL, 990' FEL of Section

Casing Program
10 3/4" 225'
7 5/8" 1235'
5 1/2" 2770'
Total Depth 3300'
Completed 8-12-1949

Tubing
3260'

The SE/4 of Section comprises the unit assigned to the #1
well for gas production.

Albert Gackle, Operator
Sinclair State #2
1650' FSL, 2310' FWL of Section

Casing Program
10 3/4" 225'
7 5/8" 1235'
5 1/2" 2795'
Total Depth 3300'
Completed 9-9-1949

Tubing
3260'

Refer to Sampled Matter.

The SW/4 of section comprises the unit assigned to the ~~#1~~ ^{#2} well for gas production.

The units were formed prior to the effective date of Order No. R-520.

Upon completion the #2 well produced an excessive amount of sand and mud resulting in plugging of the tubing. In order to place the well on production the tubing was perforated at 2504' and at 2534'. The well has continued to intermittently produce excessive amounts of sand and shale. On 3-11-58 it became necessary to again perforate the 2" tubing in order to increase the flow of gas from the well.

All indications point to the necessity of performing remedial work to correct this condition. Apparently it would be necessary to clean out the well to T.D. and if possible cement a liner thru the open hole section perforate and treat for gas production. In all probability the tubing would be stuck and would require expensive wash over work to remove the tubing. It is of course possible to perform this work, however it would be most expensive and there is no assurance that the remedial work would be successful. It is possible that a new well would be required in order that we might recover our equitable share of the hydrocarbons in place.

Since it has been proven that the acreage presently assigned to the #2 well is productive of gas and due to mechanical conditions it appears that it will not be possible to produce the maximum amount of recoverable gas under the tract.

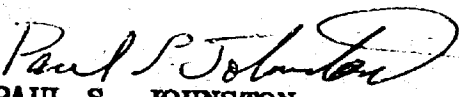
It is requested that the SW 1/4 of the section be combined with the SE 1/4 of the section thus creating a 320 acre unit and that the gas allowable assigned to the new unit be allocated to the #1 well and that you set this application for hearing before the Commission at the earliest possible date.

Attached is Form C-128 showing location of acreage and well #1.

The #1 well is capable of producing a 320 acre allowable.

It is the opinion of the applicant that the approval of this application will be in the interest of conservation and will protect correlative rights.

Very truly yours,


PAUL S. JOHNSTON
Superintendent of Production

lr/

Attachment

NEW MEXICO OIL CONSERVATION COMMISSION
Well Location and Acreage Dedication Plat

Section A.

Date May 5, 1958

Operator Albert Gackle, Operator Lease Sinclair State S/2 of Section
Well No. 1 Unit Letter I Section 23 Township 23S Range 36E NMPM
Located 1650 Feet From South Line, 990 Feet From East Line
County Lea G. L. Elevation _____ Dedicated Acreage See remarks Acres
Name of Producing Formation Yates Pool Jalmat

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

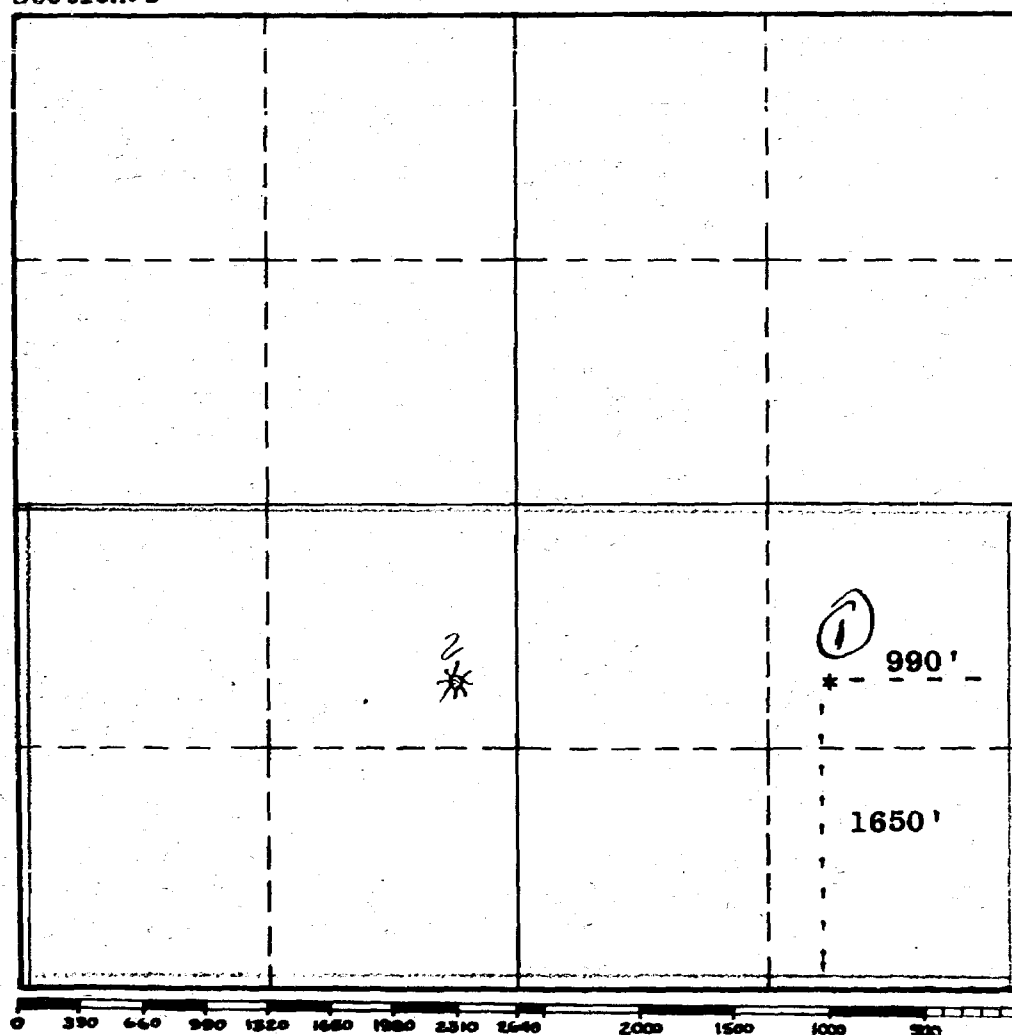
Owner

Land Description

Albert Gackle et al

S/2 Sec. 23 - T 23S - R 36E, Lea County

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.

Albert Gackle, Operator
(Operator)

Paul S. Johnston
(Representative)

Box 2076 - Hobbs, N.M.
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 _____

Paul S. Johnston
Registered Professional
Engineer and/or Land Surveyor.

Certificate No. 2081

(See instructions for completing this form on the reverse side)

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.)

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. Posey "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 Blinebry 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.

SINCLAIR OIL & GAS COMPANY

Box 1470
DALLAS, TEXAS

May 22, 1958

Mr. Paul S. Johnston
P. O. Box 2076
Hobbs, New Mexico

Re: SO&CO. Part Interest
State 157 Lease, 3/2
Sec. 23-23S-36E,
Lea County, New Mexico,
Operated by Albert Gackle

Dear Sir:

Your letter of May 19, 1958, requested our position in respect to your application to the OCC for authority to shut in Well #2 and assign the acreage for this well to Well #1. This is to advise that Sinclair concurs in your application.

Very truly yours,

H. F. Deffenbaugh
H. F. Deffenbaugh

HFD:WJR:mk

BEFORE EXAMINER UTZ	
OIL CONSERVATION COMMISSION	
<i>Gackle</i>	EXHIBIT NO. <u>4</u>
CASE NO. <u>1458</u>	

Albert Gackle
Case # 1458
Exhibit # 4

ILLEGIBLE