CASE 2248: Application of SINCLAIR for an exception to MIR 303 (a). (A.M. York "B" Lease - Lea County.)

option, Transcript,

mill Exhibits, Etc.

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OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE. NEW MEXICO

May 12, 1961

Sinclair Oil & Gas Company P. O. Box 1470 Midland, Texas

Attention: Mr. R. M. Anderson

Gentlemens

Reference is made to Commission Orders R-1945 and R-1946, recently entered by the Commission on behalf of Sinclair Oil & Gas Company, applicant in Cases 2247 and 2248.

Each order permits the commingling of fluids from several pools underlying the same basic lease, with allocation of production to each well on the basis of monthly well tests.

Instance as the production from all wells is low marginal, and it is not expected that there will be any radical deviation on the production decline curve, monthly tests will not be required. Instead, production may be allocated to the wells on the basis of tests taken and filed with the Hobbs office of the Commission every six months.

The provision of the orders that Sinclair must notify the Senta Pe office of the Commission should any well on the subject leases become capable of making top unit allowable, will remain in affect.

Very truly yours,

A. L. PORTER, Jr. Secretary-Director

ALP/DSM/ir

Nr. Joe Ramey Oil Conservation Commission Hobbs. New Mexico

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF REW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL COMSERVATION COMMISSION OF MEW MEXICO FOR THE PURPOSE OF CONSIDERING:

> CASE No. 2247 Order No. R-1945

APPLICATION OF SINCLAIR OIL & GAS COMPANY FOR AN EXCEPTION TO RULE 303 (a), LRA COUNTY, NEW MEXICO.

CROER OF THE CHMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on April 19, 1961, at Santa Fe, New Mexico, before A. L. Forter, Jr., 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 88% day of April, 1961, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, A. L. Porter, Jr., and being fully advised in the premises,

FINDS:

- (1) That the 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 Gil & Gas Company, is the owner and operator of the S. J. Sarkeys Lease, comprising the SE/4 of Section 23, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico.
- (3) That the applicant scake permission to commingle, without separate measurement, the distillate production from the Blinchry Gas Pool, the distillate production from the Blinchry Gas Pool, the oil production from the Grinkard Pool and the oil production from the Grinkard Pool and the oil production from the Grinkard Pool and the oil production from the Growth Pool and the Completed on the above-described S. J. Sarkeys Louis.
- (d) That the applicant proposes to apportion the total lease production to each well in each subject pool on the basis of monthly well tests.
- (6) That inaumuch as all oil wells on the subject lease are low marginal wells in each of the subject pools, and the gas wells make small amounts of distillation, the granting of this application will neither cause waste nor impair correlative rights.

-2-CASE No. 2247 Order No. 2-1945

IT IS THEREFORE CROERED:

That the applicant, Sinclair Oil & Gas Company, is hereby granted permission to comingle, without separate measurement, the distillate production from the Tubb Gas Pool, the distillate production from the Blimshry Gas Pool, the oil production from the Drinkard Pool and the oil production from the Wests-Abo Pool from all wells presently completed on the S. J. Sarkeys Lease, comprising the SE/4 of Section 23, Township 21 South, Range 37 East, MMPM, Lea County, New Mexico.

PROVIDED HOWEVER, That the total lasse production shall be apportioned to each well in each subject pool on the basis of monthly well tests.

PROVIDED FURTHER, That in the event any well on the subject lease becomes depuble of producing a top oil well allowable of liquid hydrocarbone from any of the subject pools, the applicant shall notify the Santa Pe office of the Commission of such fact.

IT IS FURTHER ORDERED:

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

DOME at Santa Fe, New Maxico, on the day and year bereinabove designated.

> STATE OF NEW MEXICO OIL COMMERVATION COMMISSION

HOWIN L. MECHEN, Chairman

S. S. WALKER, Purious

A. L. FORTER, Br., Markor a bacratary

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our/

GOVERNOR .
EDWIN L. MECHEM
CHAIRMAN

State of New Wexico Oil Conservation Commission

LAND COMMISSIONER E, S. JOHNNY WALKER MEMBER STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

P. O. BOX 871 SANTA PE

April 28, 1961

Mr. Charlie White Gilbert, White & Gilbert P. O. Box 787 Santa Pe, New Mexico Re: Case No. 2247 2248 and 2250 Order No. R-1945, R-1946 & R-1947 Applicant:

Sinclair & Texaco

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

A. L. PORTER, Jr. Secretary Director

Carbon copy of order also sent to:

Hobbs OCC *

Artesia OCC * (2-1947)

Aztec OCC

OTHER

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. 2248 Order No. R-1946

APPLICATION OF SINCLAIR OIL & GAS COMPANY FOR AN EXCEPTION TO RULE 303 (a), LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on April 19, 1961, at Santa Fe, New Mexico, before A. L. Porter, Jr., 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 28th day of April, 1961, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, A. L. Porter, Jr., and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Sinclair Oil & Gas Company, is the owner and operator of the A. M. York "B" Lease, comprising the NE/4 NE/4 of Section 20, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico.
- (3) That the applicant seeks permission to commingle, without separate measurement, the oil production from the Drinkard Pool with the oil production from the Tubb Gas Pool from all wells presently completed in the above-described A. M. York "B" Lease.
- (4) That the applicant proposes to apportion the total lease production to each well in each subject pool on the basis of monthly well tests.
- (5) That inasmuch as all wells on the subject lease are low marginal wells in each of the subject pools, the granting of this application will neither cause waste nor impair correlative rights.

-2-CASE No. 2248 Order No. R-1946

IT IS THEREFORE ORDERED:

That the applicant, Sinclair Oil & Gas Company, is hereby granted permission to commingle, without separate measurement, the oil production from the Drinkard Pool with the oil production from the Tubb Gas Pool from all wells presently completed on its A. M. York "B" Lease, comprising the NE/4 NE/4 of Section 20, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico.

PROVIDED HOWEVER, That the total lease production shall be apportioned to each well in each subject pool on the basis of monthly well tests.

PROVIDED FURTHER, That in the event any well on the subject lease becomes capable of producing top allowable from either of the subject pools, the applicant shall notify the Santa Fe office of the Commission of such fact.

IT IS FURTHER ORDERED:

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

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

> STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

E. S. WALKER, Member

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

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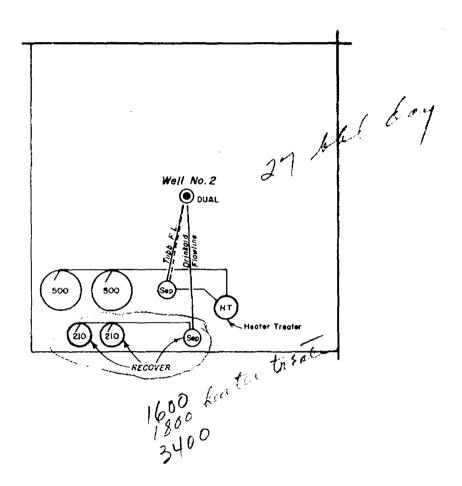
i.

SINCLAIR OIL 8 GAS COMPANY

A. M. York "B" Lease

PROPOSED TO COMMINGLE

ALL OIL IN A COMMON BATTERY



2248

SINCLAIR OIL & GAS COMPANY COMMINICATIONS CURRENT PRODUCTION-MARCH 1961

Lease & Well	Pool	Allowe	011	Gravity	Water	Û√ÆL
J. R. Cone *An #1	Drinkard	74	2	36°	1	32,000
17 tl 15	Tubb	-3	6	53° /	. 0	હ
J. R. Cone "A" #2	Drinkard	4	4	36°	0	31,200
и и и	Blimebry	ú	6	67°	0	4 0
J. R. Come *B" #1	Drinkard	12	10	36°	1	8,230
J. R. Cone "B" #2	Drinkard	14	_13_	36°	0	7,940
TOTALS			41		2	
S. J. Sarkeys #1 S. J. Sarkeys #2	Blinebry Drinkard Tubb		4 8 3	720 36 0 560 -	0 1	1,5 1 ,5
S. J. Sarkeys #3	Wantz ABO	5	_3_	410	0	13,000
TOTALS			18		1	
A. M. York "B"#2	Brinkard	20	17	360		5,480
H II H	Tubb	14	10	390 /	10	5,143
TOTALS			27		11	

DOCKET: EXAMINER HEARING - WEDNESDAY, APRIL 19, 1961

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

The following cases will be heard before Elvis A. Utz, Examiner, or A. L. Porter, Secretary-Director, as alternate examiner:

CASE 2246:

Application of Sinclair Oil & Gas Company for an exception to Rule 303 (a) and Rule 309 (a). Applicant, in the abovestyled cause, seeks permission to commingle, without separate measurement, the oil production from the Tubb Gas Pool, the oil production from the Blinebry Gas Pool and the oil production from the Drinkard Pool from all wells presently completed on its J. R. Cone "A" lease, comprising the W/2 SW/4 of Section 26, Township 21 South, Range 37 East, Lea County, New Mexico, and on its J. R. Cone "B" lease comprising the SE/4 SW/4 and the SW/4 SE/4 of said Section 26.

CASE 2247:

Application of Sinclair Oil & Gas Company for an exception to Rule 303 (a). Applicant, in the above-styled cause seeks permission to commingle, without separate measurement, the distillate production from the Tubb Gas Pool, the distillate production from the Blinebry Gas Pool, the oil production from the Deinkard Pool and the oil production from the Wantz Abo Pool from all wells presently completed on the S. J. Sarkeys lease, comprising the the SE/4 of Section 23, Township 21 South, Range 37 East, Lea County, New Mexico.

CASE 2248:

Application of Sinclair Oil & Gas Company for an exception to Rule 303 (a). Applicant, in the above styled cause, seeks permission to commingle, without separate measurement, the oil production from the Drinkard Pool with the oil production from the Tubb Gas Pool from all wells presently completed on its A. M. York "B" lease, comprising the NE/4 NE/4 of Section 20, Township 21 South, Range 37 East, Lea County, New Mexico.

CASE 2249:

Application of Southern Union Production Company for an order force pooling a standard 160 acre proration unit in the Tapacito-Pictured Cliffs Gas Pool. Applicant, in the above-styled cause, seeks an order force pooling all mineral interests in the Tapacito-Pictured Cliffs Gas Pool in the SW/4 of Section 2. Township 25 North, Range 3 West. NMPM, Rio Arriba County, New Mexico to form a standard 160 acre gas proration unit.

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF SINCLAIR OIL & GAS COMPANY FOR APPROVAL OF THE COMMINGLING INTO COMMON TANKAGE OF OIL PRODUCED FROM THE DRINKARD AND TUBB POOLS ON ITS A. M. YORK "B" LEASE CONSISTING OF THE NELNEL SECTION 20, T-21-S, R-37-E, N.M.P.M., LEA COUNTY, NEW MEXICO.

case no. 2248 order no.

APPLICATION

SINCLAIR OIL & GAS COMPANY, a Maine corporation with an operating office in Midland, Texas, hereby files its application herein, in triplicate, and represents:

1.

That applicant is the owner and operator of its A. M. York "B" lease consisting of the $NE_{4}^{1}NE_{4}^{1}$ Section 20, T-21-S, R-37-E, N. M. P. M., Lea County, New Mexico, which is productive of oil from the Drinkard Pool and the Tubb Pool. Said lease consists of patented lands in which both the working interest and royalty interest is owned in common in all zones.

2.

That applicant proposes to commingle into common tankage without measuring either zone the Drinkard and Tubb oil production, and herein seeks an order approving such commingling as an exception to Rule 303 of the Commission rules. It is proposed to allocate the production to the different pools by periodic testing. Both zones are being produced at capacity with the Drinkard producing 17 barrels per day and the Tubb 10 barrels per day, the wells being marginal and it is expected that they will continue to be marginal.

3.

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

WHEREFORE, applicant prays that this application be set for hearing before an Examiner at Santa Fe, New Mexico; that notice be given hereon and that upon such hearing the Commission grant its approval to the commingling of oil produced from the separate pools as hereinabove set forth.

HORACE N. BURTON P. O. Box 1470 Midland, Texas

GILBERT, WHITE AND GILBERT

Bishop Building Santa Fe, New Mexico

ATTORNEYS FOR APPLICANT SINCLAIR CIL & GAS COMPANY

DRAFT

RSM/esr April 20, 1961

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. 2248

Order No. R-/146

APPLICATION OF SINCLAIR OIL & GAS COMPANY FOR AN EXCEPTION TO RULE 303 (a), LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on April 19, 1961, at Santa Fe, New Mexico, before A. L. Porter, Jr., 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 day of April , 1961, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, A. L. Porter, Jr. , 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 Dil & Gas Company, is the owner and operator of the A. M. York "B" Lease, comprising the NE/4 NE/4 of Section 20, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico.
- (3) That the applicant seeks permission to commingle, without separate measurement, the oil production from the Drinkard Pool with the oil production from the Tubb Gas Pool from all wells presently completed in the above-described A. M. York "B" Lease.
- (4) That the applicant proposes to apportion the total lease production to each well in each subject pool on the basis of monthly well tests.

(5) That inasmuch as all wells on the subject lease are low marginal wells in each of the subject pools, the granting of this application will neither cause waste nor impair correlative rights.

IT IS THEREFORE ORDEPED:

That the applicant, Sinclair Oil & Gas Company, is hereby granted permission to commingle, without separate measurement, the oil production from the Drinkard Pool with the oil production from the Tubb Gas Pool from all wells presently completed on its A. M. York "B" Lease, comprising the NE/4 NE/4 of Section 20, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico.

PROVIDED HOWEVER, That the total lease production shall be apportioned to each well in each subject pool on the basis of monthly well tests.

PROVIDED FURTHER, That in the event any well on the subject lease becomes capable of producing top allowable from part of the subject pools, the applicant shall notify the Santa Fe office of the Commission of such fact.

IT IS FURTHER ORDERED:

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

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