

*Entered February 19, 1960
C.P.*

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. 1841
Order No. R-1586

APPLICATION OF SINCLAIR OIL &
GAS COMPANY FOR THE CREATION OF
A NEW OIL POOL IN THE POTASH-OIL
AREA AND FOR THE PROMULGATION OF
SPECIAL RULES AND REGULATIONS
PERTAINING THERETO, INCLUDING A
DRILLING, CASING, AND CEMENTING
PROGRAM WHICH DEVIATES FROM THAT
PRESCRIBED FOR THE POTASH-OIL
AREA IN ORDER R-111-A

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on January 13, 1960, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 27th day of January, 1960, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, 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, has completed a discovery well in the Potash-Oil Area as defined in Order No. R-111 and subsequent amendments thereto. Said well is located 1980 feet from the North line and 1980 feet from the West line of Section 16, Township 20 South, Range 33 East, NMPM, Lea County, New Mexico.
- (3) That the applicant proposes the establishment of a new oil pool in the area of said discovery well and further proposes the promulgation of special rules and regulations governing the drilling, casing, cementing, and plugging of wells in said pool, including a provision which allows the drilling of wells in said pool without utilizing a salt-protection string.

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(4) That a new oil pool for Yates production should be created consisting of the E/2 NW/4 and the W/2 NE/4 of Section 16, Township 20 South, Range 33 East, NMPM, Lea County, New Mexico, said pool to be designated as the West Teas-Yates Oil Pool.

(5) That the casing and cementing program proposed by the applicant would constitute a hazard to the potash deposits in the area of the discovery well.

(6) That the savings to the oil operators which would result from the proposed casing program would be at the risk of contaminating substantial potash deposits.

(7) That after weighing the savings to be achieved as a result of the proposed casing program against the possible loss of potash deposits due to contamination, the Commission feels that it should deny the application and that the drilling, casing, cementing, and plugging of wells in the West Teas-Yates Oil Pool should continue to be governed by the provisions of Order No. R-111-A.

IT IS THEREFORE ORDERED:

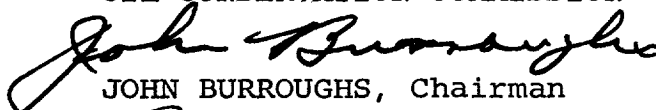
(1) That a new oil pool designated as the West Teas-Yates Oil Pool be and the same is hereby created consisting of the E/2 NW/4 and the W/2 NE/4 of Section 16, Township 20 South, Range 33 East, NMPM, Lea County, New Mexico.

(2) That the application for special rules and regulations governing the drilling, casing, cementing, and plugging of wells in said West Teas-Yates Oil Pool should be denied.


(3) That the drilling, casing, cementing, and plugging of wells in said West Teas-Yates Oil Pool should continue to be governed by the provisions of Order No. R-111-A.

DONE at Santa Fe, New Mexico, on the day and year herein-above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JOHN BURROUGHS, Chairman


MURRAY E. MORGAN, Member


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

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