

Case No.

1590

Application, Transcript,
Small Exhibits, Etc.

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

IN THE MATTER OF:

CASE NO. 1590

TRANSCRIPT OF HEARING

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

February 4, 1959

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

IN THE MATTER OF:

Case No.
1590

Application of Rex Moore for an order authorizing a gas injection project in San Juan County, New Mexico, and for the promulgation of special rules and regulations in connection therewith. Applicant, in the above-styled cause, seeks an order authorizing it to inject gas into the Gallup formation of the Bisti-Lower Gallup Oil Pool through its Scott No. 5 Well located 2115 feet from the South line and 2080 feet from the West line of Section 3, Township 24 North, Range 10 West, San Juan County, New Mexico. Applicant further proposes that special rules and regulations be promulgated to govern the above-described project, which rules would provide for the transfer of the allowable from the injection well to producing wells, transfer of allowables from wells which have been shut-in for observation or to increase the efficiency of the project, operation of the Wells on a net gas-oil ratio basis giving allowance for gas injected, and such other rules and regulations as the Commission deems necessary.

BEFORE:

Elvis A. Utz, Examiner

TRANSCRIPT OF HEARING

MR. UTZ: The next case will be Case 1590.

MR. PAYNE: Case 1590. Application of Rex Moore for an order authorizing a gas injection project in San Juan County, New Mexico, and for the promulgation of special rules and regula-

tions in connection therewith.

MR. VERITY: George Verity, Your Honor, for Rex Moore. In accord with my written motion to the Commission, I move that that application be continued until the last Examiner Hearing in March.

MR. UTZ: Is there objection to the continuation of the case as requested? If not, Case No. 1590 will be continued to the last Examiner Hearing in March. It will probably be March 25th.

MR. VERITY: Thank you.

STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

I, Joseph 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 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 5th day of February, 1959, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

My Commission Expires:
October 5, 1960

Joseph A. Trujillo
NOTARY PUBLIC
I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 1590 heard by me on *Oct 4*, 1959.

DEARNEY, MILLER & ASSOCIATES
GENERAL COUNSEL
ALBUQUERQUE, NEW MEXICO
Phone CHapel 3-6691
Examiner
Conservation Commission

OFFICE OF THE

ALBUQUERQUE, NEW MEXICO

MARCH 28, 1960

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

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

IN THE MATTER OF:

Case 1590 Application of Rex Moore for an order authorizing a gas injection project in San Juan County, New Mexico, and for the promulgation of special rules and regulations in connection therewith. Applicant, in the above-styled cause, seeks an order authorizing it to inject gas into the Gallup formation of the Missi-Water Gallup Oil Pool through its Scott No. 5 Well located 2115 feet from the South line and 2030 feet from the West line of Section 3, Township 24 North, Range 10 West, San Juan County, New Mexico. Applicant further proposes that special rules and regulations be promulgated to govern the above-described project, which rules would provide for the transfer of the allowable from the injection well to producing wells, transfer of allowables from wells which have been shut-in for observation or to increase the efficiency of the project, operation of the wells on a net gas-oil ratio basis giving allowance for gas injected, and such other rules and regulations as the Commission deems necessary.

Nabry Hall
Santa Fe, New Mexico
March 25, 1959

BEFORE:

Elvis A. Utz, Examiner.

TRANSCRIPT OF HEARING

MR. UTZ: The next case will be Case 1590.

MR. PAYNE: Case 1590, "Application of Rex Moore for an order authorizing a gas injection project in San Juan County, New Mexico, and for the promulgation of special rules and

petitions in connection therewith.

Mr. Examiner, by a letter dated March 23, the attorney for Rex Moore has asked that this case be dismissed, and I so move at this time.

MR. UTZ: Is there objection to the dismissal of Case 15907

Without objection, it will be dismissed.

I do hereby certify that the foregoing is a complete record of the findings in the Examined Matter of Case 15907 heard by me on March 23, 19.....

....., Examiner
New Mexico Oil Conservation Commission

STATE OF NEW MEXICO)

: ss

COUNTY OF BERNALILLO)

I, JERRY MARTINEZ, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing was reported by me in Stenotype, and that the same was reduced to typewritten transcript by me and contains a true and correct record of said proceedings, to the best of my knowledge, skill and ability.

DATED this 26th day of March, 1959, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

[Signature]
Notary Public

My Commission Expires:

January 24, 1962

I do hereby certify
a complete record
of the Examination
of the *[Signature]* *[Date]* 1959

600 15 97
Geo. L. Verity

GEO. L. VERITY
ATTORNEY AT LAW

ONE RABBIT PLAZA
TELEPHONE DAVIS 5-2265
SANTA FE, NEW MEXICO

January 7th, 1959

211 EAST BROADWAY
TELEPHONE DAVIS 5-2265
FARMINGTON, NEW MEXICO

Oil Conservation Commission

Box 871

Santa Fe, New Mexico

Gentlemen:

Enclosed herewith is the original and two (2) copies of an Application of Rex Moore for an order authorizing a gas injection project in the Bisti Lower Gallup Oil Pool, in San Juan County, New Mexico, pursuant to Rule 701 of the Commission's Rules and Regulations and for an order establishing rules and regulations in the area of said project.

Please advise the date set for hearing of this application.

Yours very truly,

Geo. L. Verity
GEO. L. VERITY
211 East Broadway
Farmington, New Mexico

GLV/m
encls a/s

1-22-59
Docket Mailed
B 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. 1539
Order No. R-1315

APPLICATION OF SUNRAY MID-CONTINENT
OIL COMPANY FOR AN ORDER AUTHORIZING
A GAS INJECTION PROJECT IN THE BISTI-
LOWER GALLUP OIL POOL IN SAN JUAN
COUNTY, NEW MEXICO, AND FOR THE
PROMULGATION OF SPECIAL RULES AND
REGULATIONS GOVERNING SAID PROJECT.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on
December 10, 1938, at Santa Fe, New Mexico, before Daniel S. Nutter,
Examiner duly appointed by the Oil Conservation Commission of New
Mexico, hereinafter referred to as the "Commission," in accordance
with Rule 1314 of the Commission Rules and Regulations.

NOW, on this 3/rd day of December, 1938, the Commission,
a quorum being present, having considered the application, the
evidence adduced and the recommendations of the Examiner, Daniel
S. Nutter, 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, Sunray Mid-Continent Oil Company,
is the operator of the Federal "C" Lease in the Bisti-lower Gallup
Oil Pool including the following-described acreage:

TOWNSHIP 25 NORTH, RANGE 12 WEST, NMPM
Section 6: NE/4 NW/4, S/2 NE/4, NE/4 and the S/2
Section 7: N/2 and the SE/4

TOWNSHIP 26 NORTH, RANGE 12 WEST, NMPM
Section 31: N/2 SW/4, SE/4 NW/4 and the SE/4

all in San Juan County, New Mexico.

Case No. 1559
Order No. R-1315

(3) That the applicant proposes to institute a gas injection project on said Federal "C" lease by the injection of gas into the Gallup formation through its Federal "C" Well No. 18, located in the SW/4 NE/4 of said Section 7.

(4) That the applicant further proposes that special rules and regulations be promulgated to govern the operation of said project, which rules would provide for:

(a) the conversion of additional injection wells without notice and hearing, subject to administrative approval by the Commission.

(b) the transfer of allowables from injection wells to producing wells within the project area.

(c) the transfer of allowables from wells which have been shut-in for observation or to increase the efficiency of the project, to other wells within the project area.

(d) operation of the wells in the project on a net gas-oil ratio basis giving allowance for gas injected.

(e) such other rules and regulations as are deemed appropriate by the Commission.

(5) That the applicant has established by a preponderance of the evidence that approval of the subject application will prevent waste and result in greater ultimate recovery of oil from the Bisti-Lower Gallup Oil Pool.

(6) That the application to convert the said Federal "C" Well No. 18 to gas injection should be authorized.

(7) That special rules and regulations governing the applicant's gas injection project in the Bisti-Lower Gallup Oil Pool should be established.

IT IS THEREFORE ORDERED:

(1) That the applicant, Sunray Mid-Continent Oil Company, be and the same is hereby authorized to operate a gas-injection project on its Federal "C" lease, Bisti-Lower Gallup Oil Pool, San Juan County, New Mexico, subject to the special rules and regulations for said gas injection project as hereinafter set forth.

(2) That the applicant be and the same is hereby authorized to convert its Federal "C" Well No. 18, located in the SW/4 NE/4 of Section 7, Township 25 North, Range 12 West, NMPM, San Juan County, New Mexico, to a gas injection well, with injection of gas through perforations in the interval between 2842 feet and 2930 feet.

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Case No. 1559

Order No. R-1315

(3) That special rules and regulations governing the operation of the above-described gas injection project on applicants Federal "C" lease be and the same are hereby promulgated as follows, effective February 1, 1959:

**NOTICIAL RULES AND REGULATIONS FOR THE
SUNRAY MID-CONTINENT OIL COMPANY FEDERAL "C" GAS
INJECTION PROJECT**

RULE 1. The project area of the Sunray Mid-Continent Oil Company Federal "C" Gas Injection Project, hereinafter referred to as the "Project," shall comprise that area described as follows:

TOWNSHIP 25 NORTH, RANGE 12 WEST, NMDP

Section 6: NE/4 NW/4, S/2 NW/4,
NE/4, and S/4

Section 7: N/2 and SE/4

TOWNSHIP 26 NORTH, RANGE 12 WEST, NMDP

Section 31: N/2 SW/4, SE/4 SW/4, and SE/4

RULE 2. The allowable for the Project shall be the sum of the allowables of the several wells within the project area, including those wells which are shut-in or are used as gas injection wells.

RULE 3. Allowables for gas injection wells may be transferred to producing wells within the project area, as may the allowables for producing wells which, in the interest of more efficient operation of the Project, are shut-in or curtailed because of high gas-oil ratio or shut-in for pressure regulation, control of pattern or sweep efficiencies, to observe changes in pressures or changes in characteristics of reservoir liquids, or progress of sweep.

RULE 4. The project allowable may be produced from any well or wells in the project area in any proportion, subject to the limitations set forth in Rule 8, provided that the rate of production is consistent with the efficient operation of the Project and provided further that no well shall produce in excess of two times the top unit allowable for the Bisti-lower Gallup Oil Pool, or 200 barrels per day, whichever is greater.

RULE 5. The allowable assigned to any gas injection well, which allowable is to be transferred to any well or wells in the project area for production, shall in no event exceed the producing capacity of the well prior to conversion to gas injection, as determined by the testing procedure prescribed by Rule 7.

Case No. 1359
Order No. R-1315

Conversion of producing wells to gas injection, or the drilling of additional wells for gas injection, shall be done only after approval of same by the Secretary-Director of the Commission. To obtain such approval, the Project operator shall file proper application with the Commission, which application shall include the following:

- (1) A plat showing location of proposed injection well, and wells within the project area and offset operators, locating their oil-setting wells to the project area.
- (2) A schematic drawing of the proposed injection well which fully describes the casing, tubing, perforated interval, and depths and showing that injection of gas will be confined into the Bisti-Lower Gallup formation.
- (3) A letter stating that all interested parties, including offset operators to the project area have been furnished a complete copy of the application and the date of the notification.

The Secretary-Director may approve the proposed gas injection well if, within 20 days after receiving the application, no objection to the proposal is received. The Secretary-Director may grant immediate approval provided waivers of objection are received from all interested parties.

RULE 6. The allowable assigned to any well which is shut-in or is curtailed in accordance with the provisions of Rule 3, which allowable is to be transferred to any well or wells in the project area for production, shall in no event exceed the producing capacity of the well prior to such shut-in or curtailment as determined by the testing procedure prescribed by Rule 7.

RULE 7. The allowable assigned to any well which is used for the purpose of gas injection, or which is shut-in or curtailed in accordance with Rule 3, shall be determined by a 24-hour test at a stabilized rate of production, which shall be the final 24-hour period of a 72-hour test throughout which the well shall be produced in the same manner and at a constant rate. In no event shall a well receive an allowable greater than its ability to produce, or greater than top unit allowable for the pool multiplied by the well's acreage factor, whichever is applicable. The project operator shall notify all operators offsetting the Project, as

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Case No. 1539
Order No. R-1315

well as the Commission, of the exact time such tests are to be conducted. Tests may be witnessed by representatives of the offsetting operators and the Commission, if they so desire.

RULE 8. No well in the project area shall be assigned any allowable transferred from any other well or wells in the project area unless and until said well has been approved by the Commission as a duly authorized "Transfer Well." To receive approval for any such Transfer Well, the Project operator shall file application with the Secretary-Director of the Commission for permission to transfer allowable to the well, setting forth therein the well's current allowable and the maximum allowable which will be assigned to the well. Copies of the application shall be provided to all operators owning acreage offsetting the proration unit on which the transfer well is located. The Secretary-Director may designate the well as a Transfer Well subject to the maximum expected allowable for the well if, within 20 days after receiving the application, no objection to the designation is received. The Secretary-Director may grant immediate designation as a Transfer Well provided waivers of objection are received from all such offset operators.

RULE 9. The allowable assigned to any well in the Project shall be based upon the ability of the well to produce and shall be subject to the limiting gas-oil ratio (2,000 to 1) for the Bisti-Lower Gallup Oil Pool, except that any well or wells within the project area producing with a gas-oil ratio in excess of 2,000 cubic feet of gas per barrel of oil may be produced on a "net" gas-oil ratio basis, which net gas-oil ratio shall be determined by applying credit for daily average gas injected into the Bisti-Lower Gallup Oil Pool within the project area to such high gas-oil ratio well. The daily adjusted oil allowable for any such well receiving gas injection credit shall be determined in accordance with the following formula:

$$A_{adj} = \frac{TUA \times F_A \times 2,000}{\frac{P_g}{V_o} - \frac{I_g}{V_o}}$$

where:

A_{adj} = the well's daily adjusted allowable
 TUA = top unit allowable for pool
 F_A = the well's acreage factor

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Case No. 1539

Order No. 8-1315

P_g = average daily volume of gas produced by the well during the preceding month, cubic feet

I_g = the well's allocated share of the daily average gas injected during the preceding month, cubic feet.

P_o = average daily volume of oil produced by the well during the preceding month, barrels

In no event shall the amount of injected gas being credited to a well be such as to cause the net gas-oil ratio, $\frac{P_g - I_g}{P_o}$, to be less than 2,000 cubic feet of gas per barrel of oil produced.

RULE 10. Each month the project operator shall, within three days after the normal unit allowable for Northwest New Mexico has been established, submit to the Commission a Gas Injection Project Operator's Report, on a form prescribed by the Commission, outlining thereon the data required, and requesting allowables for each of the several wells in the Project.

RULE 11. The Commission shall, upon review of the report and after any adjustments deemed necessary, assign allowables to each well in the Project for the next succeeding month in accordance with these rules.

RULE 12. The Special Rules and Regulations for the operation of the subject Project shall prevail against the Statewide Rules and also against the Special Rules and Regulations for the Bisti-Lower Gallup Oil Pool, if in conflict therewith.

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

S E A L

ir/

Oil 1596
OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

January 26, 1959

C
O
P
Y

Mr. Geo. L. Verity
211 East Broadway
Farmington, New Mexico

Re: Application of Rex Moore
Case 1590

Dear Mr. Verity:

With regard to your letter of January 23rd regarding the captioned case, we have tentative examiner hearing dates on March 11th and March 25th. In all probability I will hear the cases on March 11th and we could continue this case to that hearing without the necessity of readvertising it.

Please advise if this will be satisfactory with you.

Very truly yours,

Elvis A. Utz
Gas Engineer

bp

GEO. L. VERITY

ATTORNEY AT LAW

ONE RADIO PLAZA
TELEPHONE 3-4833
SANTA FE, NEW MEXICO

211 EAST BROADWAY
TELEPHONE DAVIS 5-2265
FARMINGTON, NEW MEXICO

Farmington, N. M.
January 23, 1959

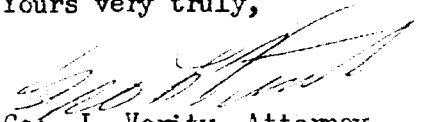
Oil Conservation Commission
State Capitol Building
Santa Fe, N. M.

In re: Application of Rex Moore
Case 1590

Gentlemen:

In regard to the aboved styled case, will you please pass
the hearing of February 4th, 1959 until your March Docket?

Yours very truly,


Geo. L. Verity, Attorney

GLV:EV

BEFORE THE OIL CONSERVATION COMMISSION OF
THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
REX MOORE FOR AN ORDER AUTHORIZING
A GAS INJECTION PROJECT IN THE BISTI-
LOWER GALLUP OIL POOL, IN SAN JUAN
COUNTY, NEW MEXICO, PURSUANT TO
RULE 701 OF THE COMMISSION'S RULES
AND REGULATIONS, AND FOR AN ORDER
ESTABLISHING RULES AND REGULATIONS
IN THE AREA OF SAID PROJECT.

CASE NO. 1596

APPLICATION

TO THE HONORABLE OIL CONSERVATION COMMISSION OF THE STATE OF
NEW MEXICO:

COMES NOW the applicant, REX MOORE, and alleges and states:

1. That he is the owner and operator of leases and wells within
the Bisti-Lower Gallup Oil Pool, San Juan County, New Mexico, which leases
cover the following described lands, to-wit:

South Half (S $\frac{1}{2}$) of the North Half (N $\frac{1}{2}$) of Section 32,
Townsh p 25 North, Range 10 West;

West Half (W $\frac{1}{2}$) of Section 3; and
East Half (E $\frac{1}{2}$) of the Southwest Quarter (SW $\frac{1}{4}$) of
Section 4, Township 24 North, Range 10 West,

all in San Juan County, New Mexico.

2. That applicant desires to inject gas, pursuant to Rule 701 of
the Commission's Rules and Regulations, into the Bisti-Lower Gallup Oil
Pool underlying the above described acreage.

3. That the wells in the Bisti-Lower Gallup Oil Pool are produced
from the Lower Gallup Oil Sand which is found on the leases involved in this
application to produce between the depths of 5351 and 5519 feet.

4. That applicant proposes to inject gas into his Scott No. 5 well,
located 2115 feet from the South line, and 2080 feet from the West line of
Section 3, Township 24 North, Range 10 West, in San Juan County, New
Mexico.

5. That the above proposed injection well has been completed
heretofore as a producing oil well. That prior to production it was subjected
to sand frac treatment and in this treatment high pressures were placed upon
the casing prior to the fracturing operations so that the casing in the well has
been properly tested and has a sufficient and adequate casing program.

6. That it is estimated that approximately 430,000
cubic feet of gas will be injected into the injection well each day, however
this amount may vary from time to time and may be increased if applicant
drills available undrilled locations upon his leases; that the gas to the in-
jection well will be obtained from the casinghead gas produced incident to
the oil production on the lease from the Lower Gallup Oil formation.

7. That applicant has prepared a plat showing the location of the
seven (7) wells now located upon his leases, above described, including the
location of the proposed gas injection well, all of which is shown on Exhibit
"A" attached hereto and made a part hereof, which plat also shows the names
of all lessees within one-half (1/2) mile of the in-take well and the names of
the off-set operators.

8. That attached hereto, marked Exhibit "B", and made a part hereof is a log of the above proposed injection well.

9. That the operator of the injection project will be the applicant.


10. That in the interest of conservation, the prevention of waste and to protect the correlated rights of the applicant, the Commission should establish Rules and Regulations covering the portion of the Bisti-Lower Gallup Oil Pool described above, as follows:

1. The conversion of the producing well, described above, to an injection well.
- ✓ 2. The transfer of the allowable from the injection well to producing wells within the project area.
- ✓ 3. The transfer of allowables from wells which have been shut in for observation or to increase the efficiency of the project to producing wells within the project area.
- ✓ 4. The operation of wells on a net gas-oil ratio basis giving allowance for gas injected.
- ✓ 5. Such other rules and regulations which the Commission may deem to be necessary.

WHEREFORE, Applicant prays that this application be set for hearing, that notice thereof be given, as required by law and the Rules of this Commission, and that from the evidence to be adduced at such hearing the Commission enter an order granting the applicant permission to inject gas into the Bisti-Lower Gallup Oil Pool, as above set out, and a further order establishing Rules and Regulations in that portion of the Bisti-Lower Gallup Oil Pool covered by the above described project, as has been described in this application.

REX MOORE, Applicant

By

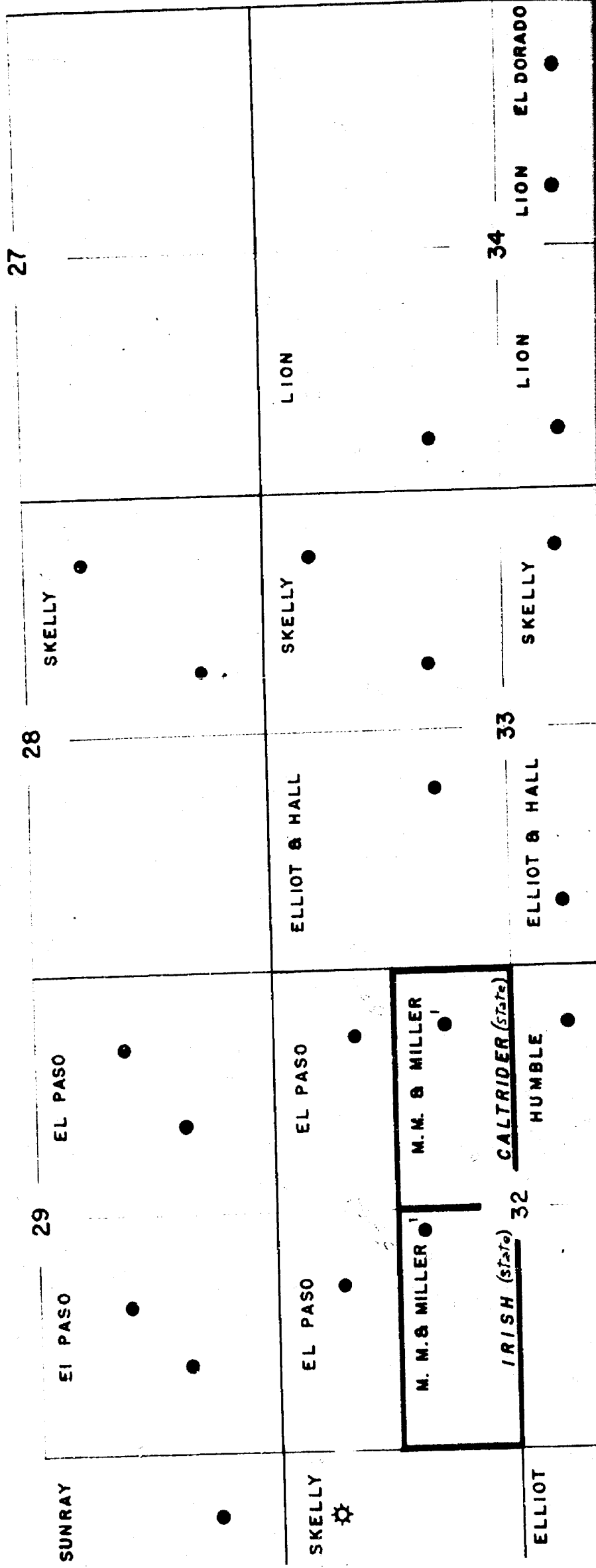

GEO. L. VERITY, ATTY.
211 East Broadway
Farmington, New Mexico

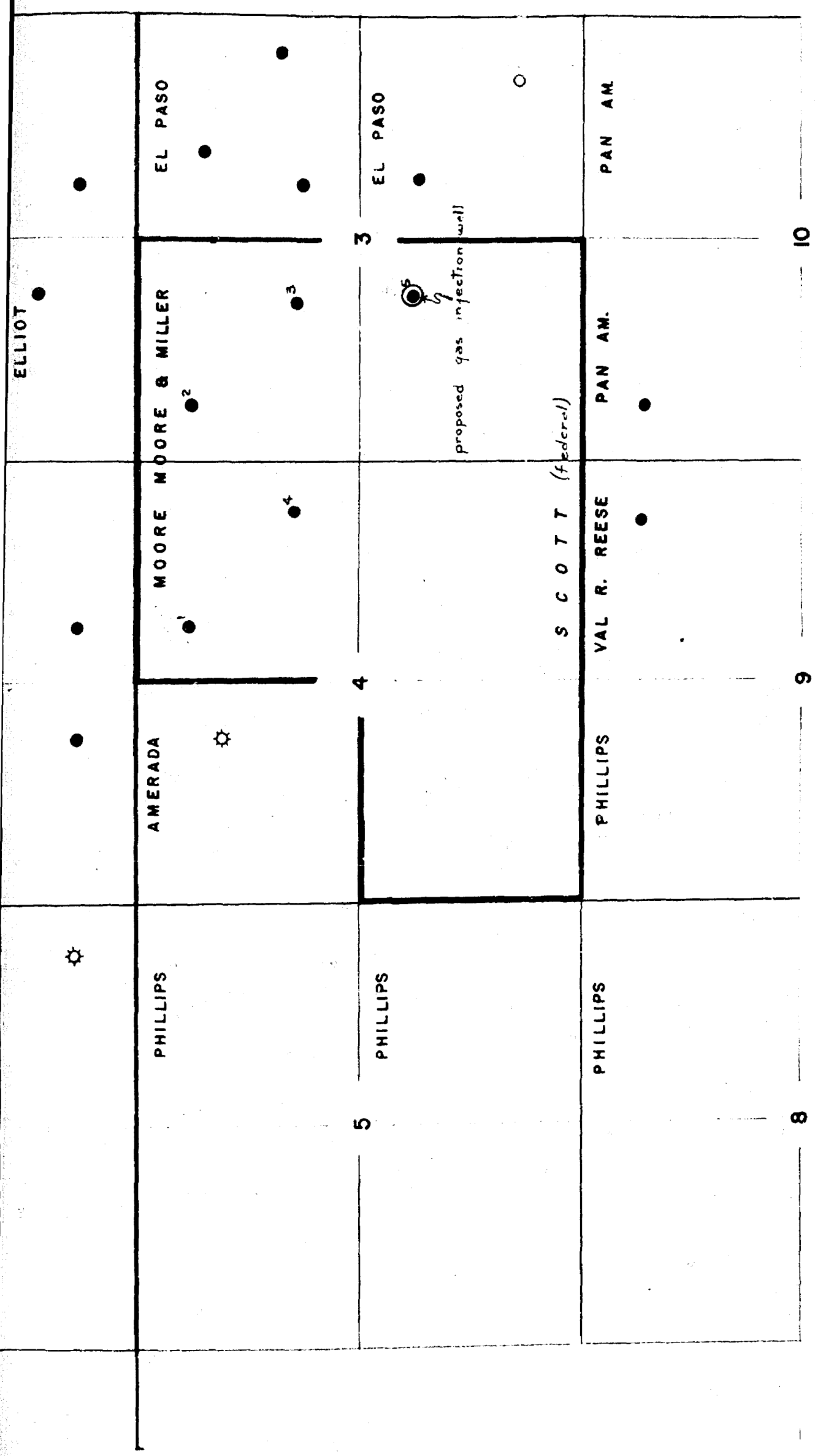
Over-sized Map

Map Filmed As Follows

PORTION OF BISTI LOWER GALLUP POOL

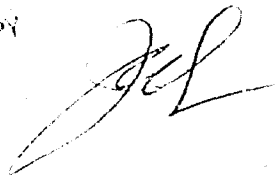
SAN JUAN COUNTY, NEW MEXICO





This is Case 1590
Examiner Herring on
2-4-59.

BEST AVAILABLE COPY

A handwritten signature, possibly reading "JEL", is written in dark ink.

Case 1591

SUNRAY MID-CONTINENT OIL COMPANY

P. O. BOX 2039

~~TULSA 2, OKLAHOMA~~

R. E. TOSS, SENIOR VICE PRESIDENT

R. W. GRIFFITH, MANAGER
JOINT OPERATIONS DIVISION

C. J. KERWIN, SUPERINTENDENT
OIL DIVISION

PRODUCTION DEPARTMENT

January 30, 1959

M. S. PATTON, JR., MANAGER
ENGINEERING DIVISION

L. G. RODGERS, GENERAL MANAGER
GAS DIVISION

BEST AVAILABLE COPY

New Mexico Oil Conservation Commission
125 Mabry Hall, Capitol Office Building
Santa Fe, New Mexico

Re: Rex Moore Gas Injection
Application, Bisti Field
San Juan County, N. M.

Gentlemen:

This is to advise that Sunray Mid-Continent Oil Company as a lease owner in the Bisti Field has no objection to the application of Rex Moore to authorize gas injection through his Scott No. 5 Well in Section 3-24N-10W, San Juan County, New Mexico. It is our understanding that Mr. Moore proposes to inject the gas produced on his leases in the vicinity of the gas injection well, and also requests permission to transfer the allowable from the gas injection well to other wells on the lease.

Very truly yours,

SUNRAY MID-CONTINENT OIL COMPANY

William R. Loar
4/15/59

William R. Loar
Chief Proration Engineer

WRL/at



D-X SUNRAY OIL COMPANY IS A WHOLLY-OWNED REFINING & MARKETING SUBSIDIARY

CLASS OF SERVICE

This is a fast message unless its deferred character is indicated by the proper symbol

WESTERN UNION TELEGRAM

W. P. MARSHALL, PRESIDENT

SYMBOLS

DL = Day Letter
NL = Night Letter
IT = International Letter Telegram

1201

The filing time shown in the date line on domestic telegrams is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination

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ELVIS A UTZ EXAMINER=

NEW MEXICO OIL CONSERVATION COMM HABRY HALL

STATE CAPITOL BLVD SANTA FE NMEX=

RE CASE NO. 1590. SINCLAIR OIL & GAS COMPANY ELECTS TO
ENTER NO OBJECTION TO REX MOORE'S APPLICATION=

DICK T FENWICK ASST DIVN MGR=

BEST AVAILABLE COPY

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

DOCKET: EXAMINER HEARING FEBRUARY 4, 1959OIL CONSERVATION COMMISSION 9 a.m., Mabry Hall, State Capitol, SANTA FE

The following cases will be heard before ELVIS A. UTZ, Examiner:

- CASE 1587: Application of Cabot Carbon Company for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing it to dually complete its J. L. Reed Well No. 2 located 660 feet from the North and East lines of Section 35, Township 13 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the King-Wolfcamp Pool and King-Devonian Pool through parallel strings of $1\frac{1}{2}$ " tubing.
- CASE 1588: Application of Atlantic Refining Company to commingle the production from several separate oil pools. Applicant, in the above-styled cause, seeks an order authorizing it to commingle the production from the Ellenburger, McKee, Fusselman, Montoya, Blinebry, Drinkard, and Queen formations on its State "Y" Lease comprising the N/2 NE/4 and the SE/4 NE/4 of Section 25, Township 25 South, Range 37 East, Lea County, New Mexico. Applicant proposes to separately meter the production from each formation except the Queen prior to being commingled.
- CASE 1589: Application of Humble Oil & Refining Company for an exception to Rule 16 of Order R-586 and for an exception to Rule 303 of the Commission Rules and Regulations. Applicant, in the above-styled cause, seeks an order permitting the classification of a 43-degree gravity oil well as a gas well in the Tubb Gas Pool, said well being its dually completed State "V" Well No. 11 located in the NE/4 SW/4 of Section 10, Township 21 South, Range 37 East, Lea County, New Mexico. Applicant further seeks permission to commingle the liquid hydrocarbons produced from the Tubb zone of said State "V" Well No. 11 with Tubb oil produced from its State "V" Well No. 7 located in the SE/4 SW/4 of said Section 10. Applicant further seeks permission to commingle the Blinebry condensate produced from said State "V" Well No. 11 with the Blinebry oil produced from its State "V" Well No. 1 located in the SW/4 SW/4 of said Section 10.
- CASE 1590: Application of Rex Moore for an order authorizing a gas injection project in San Juan County, New Mexico, and for the promulgation of special rules and regulations in connection therewith. Applicant, in the above-styled cause, seeks an order authorizing it to inject gas into the Gallup formation of the Bisti-Lower Gallup Oil Pool through its Scott No. 5 Well located 2115 feet from the South line and 2080 feet from the West line of Section 3, Township 24 North, Range 10 West, San Juan County, New Mexico. Applicant further proposes that special rules and regulations be promulgated to govern the above-described project, which rules would provide for the transfer of the allowable from the injection well to producing wells, transfer of allowables from wells which have

been shut-in for observation or to increase the efficiency of the project, operation of the wells on a net gas-oil ratio basis giving allowance for gas injected, and such other rules and regulations as the Commission deems necessary.

CASE 1591:

Application of Angels Peak Oil Company for the assignment of minimum allowables to two gas wells in the Fulcher Kutz-Pictured Cliffs Gas Pool, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order assigning minimum allowables to two gas wells in the Fulcher Kutz-Pictured Cliffs Gas Pool in order to prevent premature abandonment thereof, said wells being applicant's Angels Peak Well No. 3 located 595 feet from the North line and 1240 feet from the East line of Section 11 and Angels Peak Well No. 5 located 285 feet from the North line and 1520 feet from the West line of Section 11, both in Township 28 North, Range 11 West, San Juan County, New Mexico.

CASE 1592:

Application of Amerada Petroleum Corporation for an order extending the horizontal limits of the Bagley-Upper Pennsylvanian Gas Pool and for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks an order extending the horizontal limits of the Bagley-Upper Pennsylvanian Gas Pool to include the E/2 of Section 33, and the NW/4 of Section 34, all in Township 11 South, Range 33 East, Lea County, New Mexico. Applicant further seeks the establishment of a 320-acre non-standard gas proration unit in said pool consisting of the NE/4 of said Section 33, and the NW/4 of said Section 34, to be dedicated to the applicant's State BT "M" No. 2 Well located in the SE/4 NE/4 of said Section 33.

CASE 1593:

Application of The Texas Company for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks an order authorizing a 241-acre non-standard gas proration unit in the Eumont Gas Pool consisting of the NE/4 of Section 5, Township 20 South, Range 37 East, and the S/2 SE/4 of Section 32, Township 19 South, Range 37 East, Lea County, New Mexico, said unit to be dedicated to applicant's J. W. Cooper Well No. 5 located 1668 feet from the North line and 1650 feet from the East line of said Section 5.

CASE 1196:

Application of The IbeX Company for permission to expand its water flood project in the Artesia Pool, Eddy County, New Mexico, and for eight unorthodox well locations. Applicant, in the above-styled cause, seeks an order permitting the expansion of its Artesia Water Flood Project No. 2, authorized by Order No. R-966 in the Artesia Pool, Eddy County, New Mexico, to convert to water injection a well in the NW/4 NW/4 of Section 28 and a well in the SW/4 NE/4 of Section 28, both in Township 18 South, Range 28 East. Applicant further seeks approval of eight unorthodox well locations in Sections 21 and 28 of the aforementioned township.

SUPPLEMENTAL DOCKET: EXAMINER HEARING FEBRUARY 4, 1959

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

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

CASE 1595: Application of John J. Dempsey Associates for the assignment of a minimum allowable to one gas well in the Fulcher Kutz-Pictured Cliffs Gas Pool, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order assigning a minimum allowable to one gas well in the Fulcher Kutz-Pictured Cliffs Gas Pool in order to prevent premature abandonment thereof, said well being the Hutchinson Well No. 1 located 660 feet from the North line and 635 feet from the East line of Section 1, Township 29 North, Range 13 West, San Juan County, New Mexico.

CASE 1594: Application of The Ibex Company for permission to install three separate lease automatic custody transfer systems. Applicant, in the above-styled cause, seeks an order authorizing it to install three separate lease automatic custody transfer systems, one on its Welch Duke State Lease, one on its Resler Yates State Lease and the other on its McNutt State Lease, all in the Artesia Field, Township 18 South, Range 28 East, NMPM, Eddy County, New Mexico. Applicant further seeks permission to consolidate multiple tank batteries on said Resler Yates State Lease in exception to Rule 309 of the Commission Rules and Regulations.

CONTINUED CASE

CASE 1573: Application of Southwestern, Inc. Oil Well Servicing for permission to make a "slim hole" completion. Applicant, in the above-styled cause, seeks an order authorizing it to utilize the "slim hole" method of completion for a well located in the SE/4 NW/4 Section 32, Township 16 South, Range 30 East, Square Lake Pool, Eddy County, New Mexico. Applicant proposes to utilize 2 $\frac{1}{2}$ inch tubing as a substitute for casing in the above-described well.

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Date 2-5-59

CASE NO. 1590

HEARING DATE 2-4-59

My recommendations for an order in the above numbered case(s) are
as follows:

*Continued to next Examine hearing
in March.*

Wm. H. Kelly

*Much. 25th Ex. Hearing
Docket Mailed to
Geo. Vinty 3-11-59.
B P*

Staff Member

GEO. L. VERITY
ATTORNEY AT LAW

ONE RADIO PLAZA
TELEPHONE 3-4833
SANTA FE, NEW MEXICO

211 EAST BROADWAY
TELEPHONE DAVIS 5-2265
FARMINGTON, NEW MEXICO

March 21, 1958

Oil Conservation Commission
P. O. Box 472
Santa Fe, New Mexico

Gentlemen:

Our File #1097
Re: Application of Rex Moore
Case 1550

Enclosed herewith is the original and one copy of a Dismissal
by the applicant in the above captioned and numbered case.

Yours very truly,


Geo. L. Verity

OR

cc: Rex Moore

BEFORE THE OIL CONSERVATION COMMISSION OF

THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
REX MOORE FOR AN ORDER AUTHORIZING
A GAS INJECTION PROJECT IN THE WEST-
LOWER GALLUP OIL POOL, IN SAN JUAN
COUNTY, NEW MEXICO, PURSUANT TO
RULE 701 OF THE COMMISSION'S RULES
AND REGULATIONS, AND FOR AN ORDER
ESTABLISHING RULES AND REGULATIONS
IN THE AREA OF SAID PROJECT.

CASE NO. 1590

DISMISSAL BY APPLICANT

COMES NOW Rex Moore, the applicant in the above styled and number-
ed matter, by and through Geo. L. Verity, his attorney of record, and here-
by dismisses his application heretofore made in said matter.

REX MOORE, Applicant

By



(Geo. L. Verity)

Attorney for Applicant

DOCKET: EXAMINER HEARING MARCH 25, 1959

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

The following cases will be heard before ELVIS A. UTZ, Examiner:

- CASE 1548: Application of Shell Oil Company for an amendment of Order R-1290. Applicant, in the above-styled cause, seeks an order amending Order R-1290 to eliminate the restriction requiring separate metering of production from each lease prior to commingling, since all interests are common except for small override on one lease and the holder of this interest has waived objection to commingling prior to metering.
- CASE 1620: Application of Sunset International Petroleum Corporation for an oil-gas dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its SIPCO Kutz A Federal Well No. 1, located in the NE/4 SW/4 of Section 32, Township 28 North, Range 10 West, San Juan County, New Mexico, in such a manner as to permit the production of oil from an undesignated Gallup oil pool and the production of gas from the Angels Peak-Dakota Gas Pool through parallel strings of 2-1/16 inch Hydril tubing.
- CASE 1621: In the matter of the application of Humble Oil & Refining Company for an order reclassifying the Four Lakes-Devonian (Oil) Pool in Lea County, New Mexico, as a gas pool.
- CASE 1622: Application of Gulf Oil Corporation for two non-standard gas proration units. Applicant, in the above-styled cause, seeks an order establishing a 160-acre non-standard gas proration unit in both the Tubb Gas Pool and the Blinebry Gas Pool, each to comprise the SE/4 NW/4, NW/4 SE/4, and the N/2 SW/4 of Section 31, Township 22 South, Range 33 East, Lea County, New Mexico, and to be dedicated to applicant's Scarborough Estate Well No. 4 located 1980 feet from the North and West lines of said Section 31 which well is dually completed in the aforementioned pools.
- CASE 1623: Application of Wellshire Development Company for an unorthodox oil well location. Applicant, in the above-styled cause, seeks an order authorizing an unorthodox oil well location in the Bisti-Lower Gallup Oil Pool for its Wellshire No. 1 Federal Well located 530 feet from the South line and 2110 feet from the East line of Section 35, Township 25 North, Range 10 West, San Juan County, New Mexico.

CONTINUED CASES

- CASE 1573: Application of Southwestern, Inc. Oil Well Servicing for permission to make a "slim hole" completion. Applicant, in the above-styled cause, seeks an order authorizing it to utilize the "slim hole" method of completion for a well located in the SE/4 NW/4 Section 32, Township 16 South, Range 30 East, Square Lake Pool, Eddy County, New Mexico. Applicant proposes to utilize 2 1/2 inch tubing as a substitute for casing in the above-described well.

CASE 1590:

Application of Rex Moore for an order authorizing a gas injection project in San Juan County, New Mexico, and for the promulgation of special rules and regulations in connection therewith. Applicant, in the above-styled cause, seeks an order authorizing it to inject gas into the Gallup formation of the Bisti-Lower Gallup Oil Pool through its Scott No. 5 Well located 2115 feet from the South line and 2080 feet from the West line of Section 3, Township 24 North, Range 10 West, San Juan County, New Mexico. Applicant further proposes that special rules and regulations be promulgated to govern the above-described project, which rules would provide for the transfer of the allowable from the injection well to producing wells, transfer of allowables from wells which have been shut-in for observation or to increase the efficiency of the project, operation of the wells on a net gas-oil ratio basis giving allowance for gas injected, and such other rules and regulations as the Commission deems necessary.

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Date 3-25-54

CASE NO. 1586

HEARING DATE 3-25-54

My recommendations for an order in the above numbered case(s) are
as follows:

*Please dismiss this case as requested,
by the applicant.*

Harold H. H.

Staff Member

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. 1590
Order No. R-1359

APPLICATION OF REX MOORE FOR AN
ORDER AUTHORIZING A GAS INJECTION
PROJECT IN THE BISTI-LOWER GALLUP
OIL POOL, SAN JUAN COUNTY, NEW
MEXICO, AND FOR THE PROMULGATION
OF SPECIAL RULES AND REGULATIONS
IN CONNECTION THEREWITH.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on March 25, 1959, 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 27th day of March, 1959, the Commission, a quorum being present, having considered the application 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.

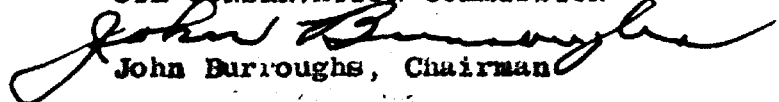
(2) That the applicant, by letter dated March 20, 1959, requested that Case No. 1590 be dismissed.

IT IS THEREFORE ORDERED:


That Case No. 1590 be and the same is hereby dismissed.

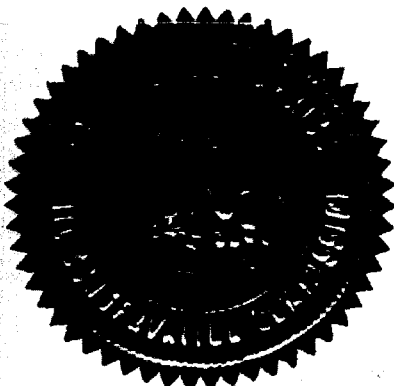
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


John Burroughs, Chairman

Murray E. Morgan, Member


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



OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

March 30, 1959

Mr. Geo. L. Verity
211 East Broadway
Farmington, New Mexico

Dear Mr. Verity:

On behalf of your client, Rex Moore, we enclose two copies of Order R-1359, Order of Dismissal, issued March 27, 1959, by the Oil Conservation Commission in Case 1590.

Very truly yours,

A. L. Porter, Jr.
Secretary - Director

bp
Encls.

C
O
P
Y

& for rules & regulations for project.