

CASE 2713: Application of SUNRAY
DX Oil Co. to make up underproduc-
tion, Lea County, New Mexico.

2213

tion, Transcript,

Exhib. Etc.

GOVERNOR
EDWIN L. MECHEM
CHAIRMAN

State of New Mexico
Oil Conservation Commission

LAND COMMISSIONER
E. S. JOHNNY WALKER
MEMBER



STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

P. O. BOX 871
SANTA FE

December 28, 1962

Mr. Charlie White
Gilbert, White & Gilbert
Attorneys at Law
Post Office Box 787
Santa Fe, New Mexico

Re: Case No. 2713
Order No. R-2400
Applicant:
Sunray DX Oil Company

Dear Sir:

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

Very truly yours,

A. L. Porter, Jr.

A. L. PORTER, Jr.
Secretary-Director

ir/

Carbon copy of order also sent to:

Hobbs OCC x

Artesia OCC

Aztec OCC

OTHER Mr. Bill Loar

Mr. Bill Kastler

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. 2713
Order No. R-2400

APPLICATION OF SUNRAY DX OIL COMPANY
TO MAKE UP UNDERPRODUCTION, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on December 6, 1962, 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 1214 of the Commission Rules and Regulations.

NOW, on this 28th day of December, 1962, 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 DX Oil Company, seeks permission to make up underproduction occurring in October, 1962, and resulting from mechanical failure and lease shut-down during installation of certain equipment on its U. D. Sawyer Lease, Crossroads Pool, Lea County, New Mexico.

(3) That the Commission afforded all operators in the subject pool an equal opportunity to produce their fair share of the monthly allowable and that the applicant has failed to establish that its loss of production could not have been prevented by adequate lease maintenance and programing of installations.

(4) That the application should be denied.

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CASE No. 2713
Order No. R-2400

IT IS THEREFORE ORDERED:


- (1) That the subject application is hereby denied.
- (2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

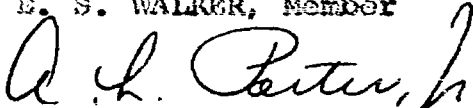
DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



TOM BOLACK, Chairman


E. S. WALKER, Member


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

esr/

No. 36-62

DOCKET: EXAMINER HEARING - THURSDAY - DECEMBER 6, 1962

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

The following cases will be heard before Daniel S. Nutter, Examiner, or
Elvis A. Utz, as Alternate Examiner:

- CASE 2711: Application of Gulf Oil Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order force pooling all mineral interests in the Blinebry Gas Pool underlying the SE/4 of Section 23, Township 22 South, Range 37 East, Lea County, New Mexico.
- CASE 2712: Application of The Capitan Corporation for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to inject water into the Grayburg-San Andres formations through seven wells located in Section 17, Township 18 South, Range 28 East, Artesia Pool, Eddy County, New Mexico.
- CASE 2713: Application of Sunray DX Oil Company to make up underproduction, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to make up 3,431 barrels of underproduction incurred on its U. D. Sawyer lease, Crossroads Pool, Lea County, New Mexico, which underproduction occurred as the result of mechanical failure and lease shut-down while installing certain equipment.
- CASE 2714: Application of Texaco Inc. for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to complete its M. B. Weir "B" Well No. 7, located in Unit M of Section 12, Township 20 South, Range 37 East, as a dual completion (tubingless) to produce gas from an undesignated Tubb pool and oil from the Skaggs Drinkard Oil Pool, Lea County, New Mexico, through parallel strings of 2 7/8 inch casing cemented in a common well bore.
- CASE 2715: Application of Shell Oil Company for the establishment of special rules and regulations, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of special rules and regulations in the Custer-Ellenburger Gas Pool, Township 24 South, Range 36 East, Lea County, New Mexico, including a provision establishing 320-acre spacing units in said pool.

- CASE 2716: Application of Markham, Cone & Redfern for a multiple completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order authorizing the multiple completion of its Eubanks Well No. 3, located in Unit K, Section 14, Township 21 South, Range 37 East, Lea County, New Mexico, in such a manner as to produce a limited amount of gas from the Blinebry Gas Pool, oil from the Blinebry Oil Pool and oil from each of two pays in the Drinkard Pool. Separation of the four zones would be achieved by means of three packers.
- CASE 2717: Application of Consolidated Oil & Gas, Inc. for an unorthodox location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox location for its Champlin Well No. 2-35, located 1800 feet from the South line and 1680 feet from the East line of Section 35, Township 27 North, Range 4 West, Rio Arriba County, New Mexico. Said Well is proposed as a Pictured Cliffs Blanco Mesaverde dual completion and is off-pattern for the Blanco Mesaverde Gas Pool.
- CASE 2718: Application of Continental Oil Company for approval of a supplemental cooperative repressuring agreement, a plan of operation for gas and water injection, certain administrative procedures, and permission to produce more than 16 wells into a single tank battery, Maljamar Cooperative Area, Maljamar Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the continued operation of the Maljamar Cooperative Repressuring Area under the Maljamar Cooperative Agreement including the allowable provisions thereof, subject to the provisions of the 5th Supplemental and Amendatory Agreement to said Cooperative Agreement. Said 5th Supplemental Agreement, among other things, provides for the unitization of all oil and gas produced from the Grayburg-San Andres formations underlying the Participating Area defined therein. Applicant further seeks approval of an initial plan of operation under said agreement and approval of an administrative procedure for future expansions of the injection area and participating area, conversion of additional wells for injection purposes, and for transfer of allowables within the participating area. Applicant further seeks authority to produce more than 16 wells into a single tank battery.

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Docket No. 36-62

- CASE 2719: Application of Shell Oil Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of its Antelope Ridge Unit Area, comprising 3840 acres, more or less, of Federal, State and Fee lands in Townships 23 and 24 South, Range 34 East, Lea County, New Mexico.
- CASE 2720: Application of Tenneco Oil Company for special rules and regulations governing wells in the Double-X Delaware Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special rules governing the production of oil and gas wells in the Double-X Delaware Pool, Lea County, New Mexico, including classification of wells as gas wells when the gas-liquid hydrocarbon ratio exceeds 30,000 to one.

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EXAMINER HEARING

Application of Sunray DX Oil Company to make up underproduction, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to make up 3,431 barrels of underproduction incurred on its U. D. Sawyer lease, Crossroads Pool, Lea County, New Mexico, which underproduction occurred as the result of mechanical failure and lease shut-down while installing certain equipment.

CASE 2713

TRANSCRIPT OF HEARING

MR. DURRETT: Application of Sunray DX Oil Company to make up underproduction, Lea County, New Mexico.

MR. WHITE: If the Examiner please, Charles White of Santa Fe, New Mexico, appearing on behalf of the Applicant. I have associated with me Mr. William R. Loar of Tulsa, a member of the Oklahoma Bar, who will present the testimony. We have one witness to be sworn at this time, Mr. Statton.

(Witness sworn.)

ROBERT E. STATTON

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



DIRECT EXAMINATION

BY MR. LOAR:

Q State your name and occupation.

A Robert E. Statton, District Engineer with Sunray DX at Hobbs, New Mexico.

Q Have you testified before this Commission previously as a Petroleum Engineer?

A I have.

Q Does Sunray DX operate several leases in the Crossroads Pool in Lea County, New Mexico?

A Yes, sir.

(Whereupon, Applicants Exhibits Nos. 1 and 2 marked for identification.)

Q Would you please refer to what has been marked as Sunray's Exhibit No. 1 and state briefly what that is?

A Exhibit No. 1 is a lease and well plat showing Sunray DX U. D. Sawyer lease outlined in red, described as the East Half of Section 27, 9 South, 36 East. The wells colored red are the Devonian producers in this field.

Q Is there only one lease, one Sunray lease that we're concerned with here today?

A Yes, in the specific application.

Q How many wells does that have on it?

A Four wells.

Q Is No. 1 capable of producing less than top allowable



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Let me say it this way. Is No. 1 incapable of producing top allowable?

A Yes.

Q Are the remaining three wells capable of producing far in excess of top allowable?

A Yes.

Q What did you install on this lease recently in the way of facilities?

A We installed LACT lease commingling facilities, automatic well shutin facilities, and telemetering equipment.

Q Very briefly, is there anything unique about this installation?

A Well, just the telemetering part. This is the first installation of this type that has been made to my knowledge. It is unique in that we use low cost telephone facilities to convey signals back to a central location some 20 to 25 miles distant, telling whether the operations are normal or whether there is a malfunction on the lease and the lease needs attendance.

Q Did you secure approval of the facilities which you installed from the Commission?

A Yes, sir.

Q Start in and chronologically explain what your installation was and the dates involved, Mr. Statton.

A On the 2nd of October, we started the installation of these facilities. Things proceeded fairly smoothly until about



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mid-month when the pool-wide salt water disposal system operated by Magnolia failed, this failed to take our water and this in turn filled up our oil storage tanks with water, and our wells were shut in a total of three days while we were getting this water out of our tanks and getting the oil merchantable where we could sell it to the pipeline company.

Q Does Sunray have any control over this facility?

A Not the operating of it, no.

Q Will you proceed?

A Slightly after mid-month, we shut in all the wells from six to nine days to install the automatic production facilities. Then --

Q Had you programmed this shut-in period and planned it in such a way that you could still produce your wells within the 125 percent of allowable?

A Yes.

Q And make the total allowable?

A Yes. We had originally planned on five to six days shut-in for this equipment installation. Then at the last part of the month, during our make-up period, we had a newly installed water knockout to fail, and this again filled up our tanks with water and caused us to shut in our wells two more days to get the water out of the tanks.

Q During the entire month, since we were undergoing some unusual conditions out there, was this lease much more closely



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supervised than normal?

A Yes, it was.

Q In fact, a great deal of the time we had personnel on there far in excess of the normal operating time?

A Yes, sir, we had midnight attendance three nights that I know of.

Q Mr. Statton, if this had been the normal installation and had gone as programmed with none of these other intervening occurrences, would you have been able to produce the allowable from the lease and remain within the 125 percent of allowable limitation?

A Yes, sir.

Q Would you refer to Exhibit No. 2 and point out what that is? I think referring to the last column will be enough, Mr. Statton. Point out what that reflects.

A Exhibit No. 2 is a tabulation of allowables, production, and underproduction on the U. D. Sawyer lease. The far right-hand column shows the net underproduction as of the 1st of November, after deducting overproduction from previous months. This shows that Well No. 1, the well that is not capable of making top allowable, was underproduced 1520 barrels, No. 2 was underproduced 809, No. 3, 809, and No. 4, 1813 barrels, for a total of 4,951 barrels. Deducting the underproduction on the No. 1 because it is incapable of producing top allowable leaves a total underproduction of 3,431 barrels.



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Q Now then, Mr. Statton, are you asking permission to produce this 3431 barrels over the months of January, February, and March of 1963?

A Yes.

Q Can you produce this without exceeding the 125 percent daily tolerance?

A Yes.

Q Have you caused, or did you ask somebody to contact the pipeline company?

A Yes, sir, and the pipeline company informed that they were most willing to make up this underproduction.

Q Now then, Mr. Statton, is the only way that you could have insured that this type of situation wouldn't happen would have been to file an application with the Commission prior to starting your installation and asking permission that in case anything went wrong, to have permission to make up any underage which might incur?

A Yes, either that or producing the wells for half a month greatly in excess of the 125 percent minimum allowable or have 24-hour attendance on the lease.

Q Would 24-hour attendance on the lease have eliminated it?

A It would have eliminated part of it, but not all of it.

Q All right. If you had filed your application, would you have been in the position of crying wolf before anything would



have happened?

A I suppose so.

Q Isn't this different from the usual lease maintenance problem such as failure of a pumping unit, failure of a downhole pump, rod string breaking or something like that?

A Yes, this malfunction, these failures we had were beyond the control of our company.

MR. LOAR: I think that's all we have.

MR. NUTTER: Does anyone have any questions of Mr. Statton?

CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. Statton, in your letter of November 6th, it's actually Mr. C. T. McClanahan's letter, he stated that the pool-wide salt water disposal system failed and the wells were shut in three days due to that malfunction.

A Yes.

Q How much underproduction was incurred during that period of time?

A It would be three times, three times 237 if we were producing exactly the allowable; four times 431 if we were producing 125 percent of the allowable. 2106 barrels if we were producing exactly allowable rate.

MR. LOAR: Or if you had been using your 125 percent tolerance, what would it have been?



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A 2627, if we were producing at 125 percent of the allowable rate.

Q (By Mr. Nutter) Item 2 in Mr. McClanahan's letter states that during the installation of the automatic production facilities, wells were shut in, one for 144, 144, and 216 hours, respectively, while installing the equipment. How much underproduction was incurred during that period of time?

A That would be an average of seven days for three wells, so it would be seven times three is 21 times 237 or times 341, 4977 if you were producing exactly the allowable rate; and I calculate 7167 if we had been producing at 125 percent of the allowable.

Q Then Item 3 refers to the failure of the water knockout and the wells were shut in for two more days. How much underproduction did you incur that time?

A 1422 at exactly the allowable rate; 2046 at the 125 percent of the allowable rate.

Q So at the exact allowable rate you incurred a total of about 8,500 barrels of underproduction, and approximately 12,000 barrels at the 125 percent rate, would that be correct?

A Those figures add up. I have some other figures that indicate something different than that that I calculated. If the three top allowable wells had produced at exactly 125 percent of the allowable rate while they were producing, they would have been 3,885 barrels underproduced, less 780 barrels previous over-



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production, or 3,105 barrels short of the allowable.

Q During which period of time? That would be the over-all period of time when you were incurring underproduction?

A Right.

Q Then taking the underproduction that you incurred and deducting from that some possible make-up that you had during the month then, your wells were producing part of the month, weren't they?

A Yes. According to my figures, if they produced at 125 percent, would still have been, we would have lost 3,105 barrels of allowable.

Q During which of the three emergencies?

A Well, my figures were just the hours that they were actually producing, taking away the total hours that they were down during these emergencies, or during the installation or equipment failures.

Q What I'm trying to determine, Mr. Statton, you said that during the shut down, in Item 1 of the application, that you lost 2106 barrels at exact allowable rates, during Item 2, you lost 4,977, during Item 3, 1422 barrels, which would give you a total of 8500 barrels of underproduction which you incurred during the three emergencies?

A Right.

Q You don't have that much underproduction that you are applying for, so you must have made up some underproduction.



A That's because we were producing at approximately 123 percent of the allowable while we were producing. That was the average.

Q How much of the remaining 3431 barrels that you are applying for can be attributed to each of these three periods of time? Can you prorate that out?

A Due to each failure?

Q Yes. What were the days that the salt water disposal system went down?

A It was mid-month, around the 15th. I don't know the exact dates. Two days, three days.

Q Three days at the middle of the month?

A Right.

Q Was that immediately followed by your shut-down to install the equipment?

A We produced a day or two in there, and actually these wells were shut in at different times while we were installing the equipment, so there was no exact period in which all wells were shut in. They were shut in at different times in the latter part of the month, around the 20th, I believe it was.

Q They were shut in about the 20th?

A Plus or minus.

Q To commence the installation of the automatic facilities?

A Right. I would guess that it was between about the 17th and the 25th was when this shut-in period occurred.



Q Was this a pool-wide failure?

A No, it was just a line gumming up to our lease that would not take the water.

Q The rest of the wells in the pool and the rest of the tank batteries were continuing to dispose of salt water into this system?

A As far as I know. I know that our Dessie Sawyer and U. D. Sawyer go into that line, and water was backing up out of the air vent and back into our tanks. It's a gravity system.

Q You didn't incur any shortage, however, on the Dessie Sawyer lease?

A No, because we had some, we used the old tanks to keep producing our well into on the Dessie Sawyer, and it was not affected by this down time like these other wells, due to this extra separate storage.

Q I presume that your company keeps day-by-day storage records on these various batteries, does it not, your daily gauges by your pumpers?

A We keep monthly gauges and the pumper makes a daily gauge of his tanks.

Q Could you furnish the Commission with the daily gauge of the battery on the U. D. Sawyer lease for each day during the month of October?

A Yes, sir.

MR. NUTTER: Does anyone have any further questions of



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Mr. Statton? He may be excused.

(Witness excused.)

MR. NUTTER: Do you have anything further, Mr. Loar?

MR. LOAR: We would like to move the introduction of Sunray's Exhibits 1 and 2.

MR. NUTTER: Sunray's Exhibits 1 and 2 will be admitted into evidence.

(Whereupon, Applicant's Exhibits Nos. 1 and 2 admitted in evidence.)

MR. NUTTER: Does anyone have anything further to offer in Case 2713? Mr. Kastler.

MR. KASTLER: Bill Kastler, appearing on behalf of Gulf Oil Corporation. I have a statement I would like to make.

Gulf Oil Corporation is opposed to the granting of relief under this application as a matter of principle. Gulf can readily sympathize with the Applicant in pursuing this remedy. Indeed, on many occasions we have been inclined to seek similar relief. However, it is our opinion that the granting of relief of this nature would have serious repercussions. In our opinion, the immediate result would be a deluge of applications from virtually every operator in New Mexico, for every operator has experienced in some degree trouble that could be classified by him as extraordinary mechanical failure.

Furthermore, if such relief is available on account of such mechanical failure, it is only logical to assume that every



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other incident outside of the operator's direct control which results in the inability to produce a full allowable would warrant similar relief. It is for this reason undoubtedly that the daily tolerance limits exist, namely, to provide a "built-in" measure of relief for such hardships. In addition to this, it has been our observation that the Commission has always recognized certain hardships which affect all operators alike in a given area, for example, conditions resulting from freezing during a cold spell, underproduction resulting from pipeline pro-rationing, and so forth.

MR. NUTTER: Anyone have anything further they wish to offer?

MR. LOAR: I would like to make a comment, if I may.

MR. NUTTER: Mr. Loar.

MR. LOAR: We appreciate Gulf's sympathy in this matter. I believe we tried to point out or attempted to distinguish this from the usual mechanical failure which can be handled by good lease maintenance. As a policy statement, Sunray itself would be here opposing anybody's application because of the ordinary lease maintenance situation. We believe that this is a situation which is different.

The only alternative we can see to the Commission granting an application such as this would be in the future, when we propose an installation of this type, to come in and request the Commission's advance approval for something of this nature, either



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advance approval to produce in excess of 125 percent, or approval to make up allowable in the future. This can become burdensome, because usually the operator can, if he doesn't have a series of events such as we had, program his installation and prevent it.

We thought we were being very careful, we started this on the 2nd day of October, we had programmed out what we could do and not exceed the 125 percent limitation; and through a series of problems, we were unable to do that. But we would again think that this should be distinguished from the usual lease maintenance problem.

MR. NUTTER: Thank you. We'll take a fifteen minute recess.

(Whereupon, a short recess was taken.)



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STATE OF NEW MEXICO)
COUNTY OF BERNALILLO) ss

I, ADA DEARNLEY, 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 under my personal supervision and contains a true and correct record of said proceedings, to the best of my knowledge, skill and ability.

WITNESS my Hand and Seal this 13th day of December, 1962.

Ada Dearnley
NOTARY PUBLIC

My Commission Expires:

June 19, 1962.

I do hereby certify that the foregoing is a complete record of the proceedings in the hearing of Case No. 2713 heard by me on 12/6, 1962.

[Signature], Examiner
New Mexico Oil Conservation Commission



Sunray DX Oil Company
P. O. BOX 128, HOBBS, NEW MEXICO



District Office

December 11, 1962

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

Attention: Mr. D. S. Nutter

Dear Sir:

Attached is a copy of the daily gauge requested during Hearing of Case 2713, Application of Sunray DX Oil Company to make up under-production incurred on the U. D. Sawyer Lease, Crossroads Pool, Lea County, New Mexico. Sunray DX operates on monthly gauges and the attached is a form used by the pumper as a supplement to the monthly gauge.

Also attached is a tabulation I prepared from the daily gauge showing daily production prior to October 17, 1962 at which time the LACT Unit was put into operation.

Yours truly,

SUNRAY DX OIL COMPANY


R. E. Statton
District Engineer

RES:db
Attachments
cc: W. R. Loar w/attachments
File

INTER OFFICE ROUTE SLIP S-278 A

DATE 12-12-62

TO Mr Dan S Butler

☐ FOR YOUR INFORMATION ☐ FOR MAILING ☐ FOR SIGNATURE
☐ FOR YOUR ATTENTION ☐ FOR APPROVAL ☐ SHOW CHARGE
☐ FOR FILING ☐ FOR RECOMMENDATION ☐ RETURN

REMARKS Please note the minor discrepancy in the gages from what I testified; Shut-in of wells for installation of automatic production facilities commenced 10-3-62 rather than "after mid-month" and the SWD system failure was after mid-month rather than "mid-month". Our monthly gage reflects total hours each well produced, as recorded in our Exhibit No. 2, but we do not have any written record showing how much of the down time

INTER OFFICE ROUTE SLIP S-278 A

DATE

TO

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☐ FOR YOUR ATTENTION ☐ FOR APPROVAL ☐ SHOW CHARGE
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REMARKS was due to SWD system failure, to WKO failure, and to installation of automatic production facilities. The shut-in time I testified to was based on verbal reports from our pumpers, fireman and field technician.

FROM

R. Statton

TABLE OF OCTOBER, 1962 DAILY GAUGES
SUNBELT OIL COMPANY
U. D. SAWYER LEASE, CROSSROADS DEVONIAN POOL, LSA COUNTY, NEW MEXICO

OCTOBER 1962	TANK 67750	TANK 67751	TANK 67752	TANK 67753	TANK 67893	TANK 67894	TANK 67895	TANK 67896	CALCULATED PRODUCTION
1	1' 3"	9' 9"	1' 0"	1' 0"	1' 1"	1' 1"	15' 8"	15' 8"	--
2	15' 8"	15' 8"	9' 9"	10' 12"	1' 1"	1' 1"	1' 3/4"	1' 3/4"	1188
3	1' 1/4"	1' 1/2"	15' 8"	15' 8"	9' 4"	9' 4"	1' 3/4"	1' 3/4"	1105
4	1' 1/2"	1' 1/2"	2' 10"	2' 10"	15' 8"	15' 8"	1' 3/4"	1' 3/4"	208
5	1' 1/4"	1' 1/2"	2' 10"	2' 10"	1' 1 1/2"	1' 1 1/2"	1' 3/4"	1' 3/4"	0
6	1' 1/4"	1' 1/2"	2' 10"	2' 10"	1' 1 1/2"	1' 1 1/2"	1' 3/4"	1' 3/4"	0
7	-	-	-	-	1' 1 1/2"	1' 1 1/2"	0' 0"	Removed	0
8	1' 1/4"	1' 1/2"	2' 10"	5' 9"	1' 5"	1' 5"	0' 9"	0' 9"	96
9	15' 8"	15' 12"	9' 1"	5' 9"	1' 5"	1' 5"	0' 9"	0' 9"	1465
10	15' 8"	15' 6 1/4"	15' 5 3/4"	15' 6 1/2"	1' 5"	1' 5"	0' 9"	0' 9"	618
11	1' 1/4"	1' 0"	1' 0"	1' 0"	1' 5"	1' 5"	0' 9"	0' 9"	99
12	1' 1/4"	1' 5"	15' 5 1/2"	1' 0"	1' 5"	1' 5"	0' 9"	0' 9"	491
13	1' 1/2"	1' 12"	15' 5 1/2"	2' 3"	1' 5"	1' 5"	0' 9"	0' 9"	288
14	1' 1/4"	1' 6"	15' 5 1/2"	2' 3"	6' 9"	6' 9"	8' 8"	-	522
15	1' 6"	15' 2"	15' 8"	3' 10"	11' 2"	11' 2"	14' 4"	-	528
16	15' 10"	1' 1"	1' 1"	15' 5 1/2"	1' 2 1/4"	1' 2 1/4"	14' 4"	-	759
17	CL *	15' 6"	15' 10"	CL **	11' 2 1/4"	11' 2 1/4"	14' 4"	-	1360
18	15' 8"	9' 2"	15' 5"	9' 3"	11' 2 1/4"	11' 2 1/4"	14' 4"	-	1360
19	5' 1"	5' 1"	5' 3"	7' 1"	7' 8"	7' 8"	14' 4"	-	1360
20	13' 12"	15' 8"	5' 3"	6' 0"	6' 0"	6' 0"	14' 1"	-	1360
21	13' 2"	9' 3"	6' 8"	12' 3"	13' 10"	13' 10"	14' 1"	-	1360
22	12' 2"	7' 2"	11' 3"	10' 10"	13' 7"	13' 7"	14' 1"	-	1360

No daily gauges after 10/22/62. On IACT 10-17-62.

* On Lane. Jan 17-70
** On Lane. Jan 17-70

Start installation of commingling facilities meters, flowline, move existing WKO, install new WKO. Followed by installation of automatic shut in facilities, IACT, alarms for telemetering system, etc. (Verbal report not recorded on gauge). Starting commingling Desie Sawyer on the 9th. Draw-off tank #67750 on the 10th?

Draw-off tank #67893?
On IACT 10-17-62

OIL CONSERVATION COMMISSION

P. O. BOX 871
SANTA FE, NEW MEXICO

Case 2713

November 13, 1962

Sunray DX Oil Company
P. O. Box 128
Hobbs, New Mexico

Attention: Mr. C. T. McClanahan, District Manager

Re: U. D. Sawyer Wells Nos. 2, 3, and 4,
Crossroads Pool, Lea County, New Mexico

Gentlemen:

We have your letter of November 6, 1962, wherein you request permission to make up 3,431 barrels of underproduction which occurred during October, 1962, from the above wells.

Please be advised that the Commission rules do not provide for administrative approval in such a situation and it will therefore be necessary to hold a hearing to determine the matter.

We have tentatively placed the case on the docket to be heard at the Examiner Hearing set for December 11, 1962. Please advise us if this date does not meet with your approval.

Very truly yours,

JAMES M. DURRETT, Jr.,
Attorney

JMD/esr

cc: Mr. Joe Ramey, District Supervisor
Oil Conservation Commission
P. O. Box 2045
Hobbs, New Mexico

DOCKET MAILED

Date 11-21-62
JK

C
O
P
Y

Sunray DX Oil Company

P. O. BOX 128, HOBBS, NEW MEXICO

District Office



November 6, 1962

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

Gentlemen:

Sunray DX Oil Company hereby requests permission to make up 3,431 barrels underproduction which occurred during October, 1962, on our U. D. Sawyer Nos. 2, 3, and 4, Crossroads Pool, Lea County, New Mexico. This underproduction was due to wells being shut in for the following reasons:

1. Failure of pool-wide salt water disposal system: wells were shut in 3 days due to this malfunction and to subsequent removal of free water from oil storage tanks.
2. Installation of automatic production facilities: wells were shut in 144, 144, and 216 hours respectively while installing this equipment.
3. Failure of new water knockout: while production was being made up (at the end of the month after shut in for two above reasons) a newly installed water knockout failed. Wells were shut in 2 more days getting water out of oil storage tanks.

Further details are given on the attachment.

We would appreciate administrative approval of this request. If a hearing will be necessary please advise.

Yours truly,

SUNRAY DX OIL COMPANY

C. T. McClanahan
C. T. McClanahan
District Manager

RES:db

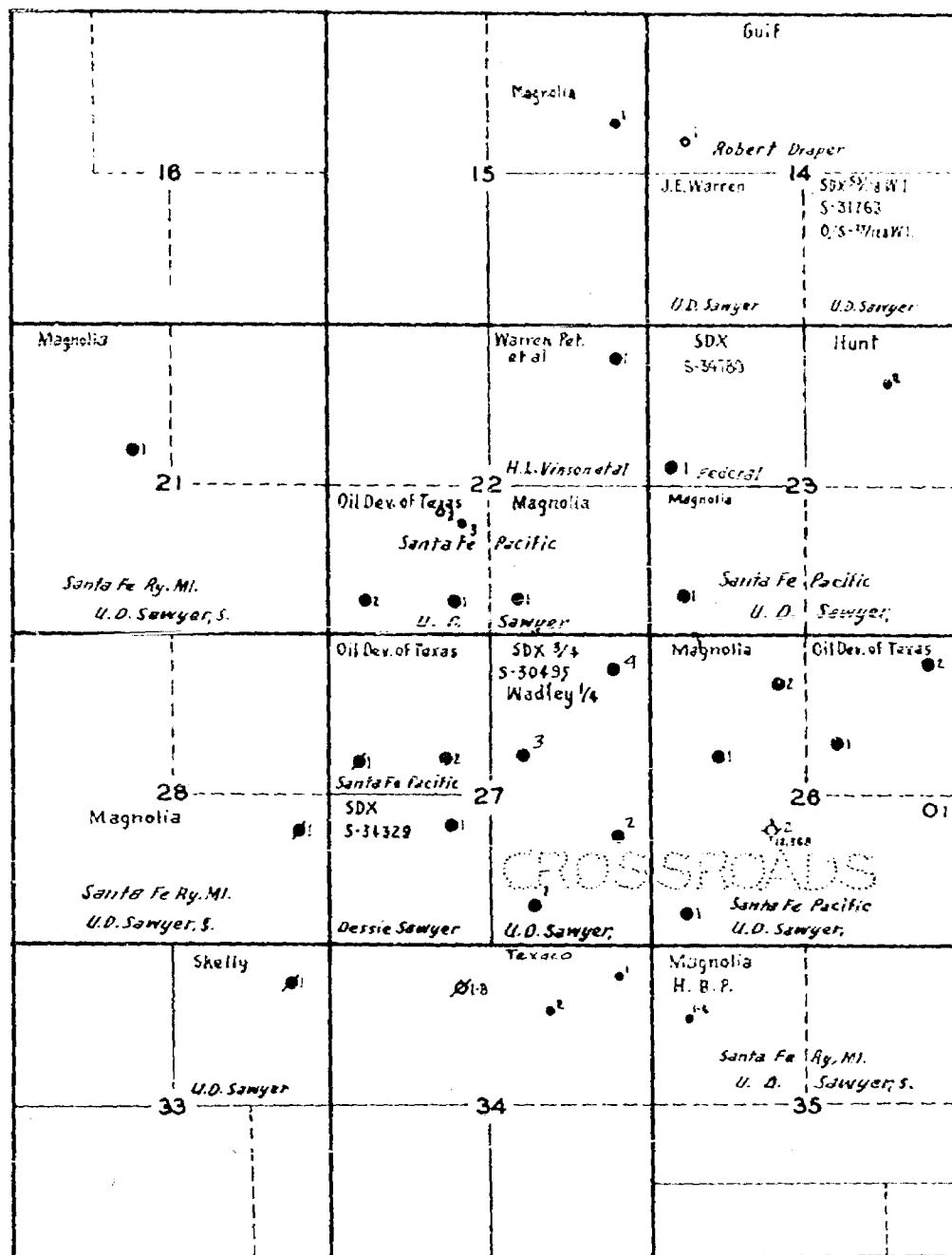
cc: Joe D. Ramey
V. L. Smith
W. R. Loar
File

2106
4977
1422
8505
2627
7161
2406
2194


2106 @
exact all over
11.12.5
2627 @
125
7 days on
4977 @
exact
7161 @
125 %
1422 @
all over
240 @
125 %

R 36 E

Chase 2713



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9
S

PRODUCING FORMATION		SUNRAY OIL CORPORATION		PRODUCING LEASES	
NAME	AVERAGE DEPTH	FIELD: CROSSROADS		U.D. SAWYER, DESSIE SAWYER NEW MEXICO FED. "O"	
		DISTRICT: N & W TEXAS GROUP: TATUM			
		COUNTY: LEA STATE: N. M.			
		SCALE			
		3000 1500 0 1500 3000 6000			
					
		FEET			

-ATTACHMENT NO. 1-

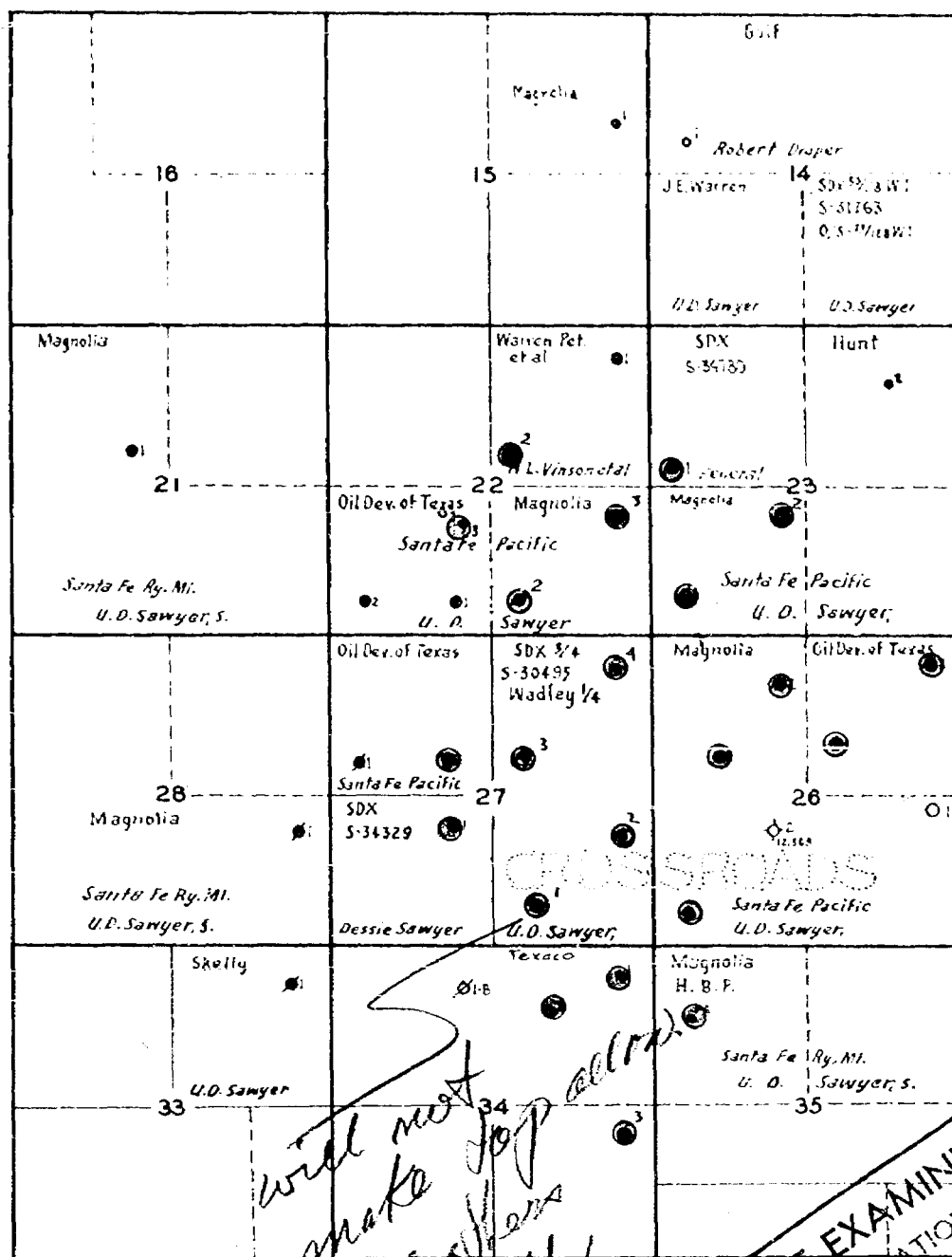
Sunray DX Oil Company Underproduction, Crossroads Pool, October, 1962

Check 2713

WELL	LOCATION	HOURS PRODUCED	OCTOBER ALLOWABLE	OCTOBER PRODUCTION	OCTOBER UNDERPRODUCTION	PREVIOUS OVERPRODUCTION	NET 11-1-62 UNDERPRODUCTION
U. D. Sawyer No. 1	C-27-9-36	286	2180	960	1520	0	1520
U. D. Sawyer No. 2	I-27-9-36	450	7347	6278	1069	260	809
U. D. Sawyer No. 3	G-27-9-36	450	7347	6278	1069	260	809
U. D. Sawyer No. 4	A-27-9-36	378	<u>7347</u>	<u>5247</u>	<u>2073</u>	<u>260</u>	<u>1813</u>
SUB TOTAL			24521	18790	5731	780	4951
Less No. 1 (Marginal well incapable of making up underproduction)							
			<u>2180</u>	<u>960</u>	<u>1520</u>	<u>0</u>	<u>1520</u>
TOTALS			22041	17830	4211	780	3431

Stock on hand beginning of month: 1707 barrels
 Stock on hand end of month: 2385 barrels
 Runs: 18112 barrels

R 36 E



PRODUCING FORMATION		SUNRAY OIL CORPORATION		PRODUCING LEASES	
NAME	AVERAGE DEPTH	FIELD: CROSSROADS			
		DISTRICT N & W TEXAS GROUP TATUM			
		COUNTY LEA STATE N. M.			
		SCALE			
		3000 1500 0 1500 3000 6000			
		FEET			
		U.D. SAWYER, DESSIE SAWYER NEW MEXICO FED. "O"			
		● Devonian Well			

FD-5155

[illegible]

Stock on hand beginning of month:	1707 barrels
Stock on hand end of month:	2385 barrels
Dums:	16112 barrels

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
SDX EXHIBIT NO. 2
CASE NO. 2713