

CASE 1346: Application of SINCLAIR  
for a waterflood project in the  
Maljamar Pool, Lea County, N. M.

CASE NO.

3346

Application,

TRANSCRIPTS,

SMALL Exhibits

ETC.

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SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

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BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
November 23, 1965

EXAMINER HEARING

IN THE MATTER OF: )

Application of Sinclair Oil & Gas Company )  
for a waterflood project, Lea County, New )  
Mexico. Applicant, in the above-styled )  
cause, seeks authority to institute a )  
waterflood project in the Maljamar Pool by )  
the injection of water into the Grayburg- )  
San Andres formations through eight wells )  
in Section 24, Township 17 South, Range )  
32 East, Lea County, New Mexico. )

Case No. 3346

BEFORE: Daniel S. Nutter, Examiner.

TRANSCRIPT OF HEARING



MR. WHITE: If the Examiner please. Charles White appearing on behalf of the Applicant. We have one witness, Mr. Anderson, to be sworn.

(Witness sworn.)

(Whereupon, Applicant's Exhibits 1 through 5 marked for identification.)

MR. DURRETT: Case 3346. Application of Sinclair Oil and Gas Company for a waterflood project, Lea County, New Mexico.

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R. M. A N D E R S O N, a witness, having been first duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. WHITE:

Q Mr. Anderson, will you please state your full name for the record?

A R. M. Anderson.

Q And by whom are you employed and in what capacity, Mr. Anderson?

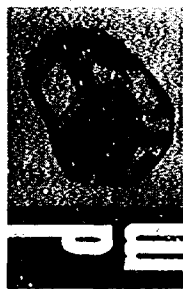
A Sinclair Oil and Gas Company; Senior Petroleum Engineer.

Q Have you previously testified before the New Mexico Oil Conversation Commission or its Examiners?

A Yes, I have.

Q What does Sinclair seek by the application?

A Sinclair seeks approval of a waterflood project for



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its Johns "A" 24 lease located in Section 24 in Township 17 South, Range 32 East.

Q Will you refer to Exhibit 1 and explain the exhibit, please?

A Exhibit 1 is an exhibit of an area ownership map of the ownership within a two-mile radius of the lease. I also caused to be added to the exhibit the present waterflood pattern that is being used by other operators in the area of the Sinclair lease. The subject lease of this application are colored dark in the center of the exhibit. The "B" lease is the north 480. The "A" lease is the south 160 acres. There are 16 wells on the lease. We propose an 80-acre five spot pattern in conformance with the pattern established by the operators to the north and east of these Sinclair leases.

Q Does it also show the proposed injection wells?

A The proposed injection wells are circled and connected with dash lines.

Q I now refer to Exhibit 2 and ask you to explain that exhibit, please?

A Exhibit 2 is a west-east cross section through the northern portion of the "B" lease as shown by the index map on the end of the cross section. Logs of all of the wells across the north section of the lease are shown as well as the Pennzoil "B" Well Number 12 on the east end of the cross section. The



perforated intervals are shown on each well log. In this respect we propose to open additional pay zones in many of the wells during the development of this flooding. It can be seen from the Pennzoil Phillips "B" 12 well that there are several zones up the hole from those zones which we correlated across the Sinclair properties as well as a zone down the hole and eventually as we develop this flood we will open those zones.

Q Would you now similarly explain Exhibit Number 3?

A The north-south cross section extended from the Murphy Baxter Well Number 5 on the north down through four of the Sinclair wells. This exhibit similarly has the completion intervals indicated thereon and again we plan to open some additional porosity development zones in these wells as the flood progresses.

Q Would you explain the diagrammatic sketch?

A Exhibit 4 is a diagrammatic sketch which was submitted with our application; a copy furnished the State Engineer's office. The completion intervals are shown on the schematic sketch, the location of the various casings that are set, the amount of cement used and the top of cement in each case as best we know it. I have also shown dashed the packers that we propose to run in the injection wells and we will fill the annulus with a corrosion inhibited fluid above the packer. We will open in all of the wells that are perforated. We will



open additional perforations above the perforations shown and below the packer. In that interval there will be some additional perforations. Some of these have shown that interval to be rather short but it is not to scale. There is plenty of room for additional perforations between the uppermost perforation and the packer. We propose to drill out and remove the two bridge plugs that are shown on the two center wells: Numbers 4 and 5.

Q What will be your source of water supply?

A We will purchase water from the Yucca Water Company; fresh water.

Q And what do you anticipate to be your initial water injection?

A Initially we anticipate that we will inject 600 barrels per well per day at a surface pressure of between 2,500 to 3,000 pounds.

Q Have you submitted this application to the State Engineer?

A Yes, we have.

Q Has he approved the project?

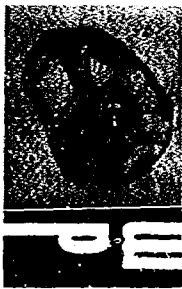
A Yes, he has.

Q Will you refer to Exhibit 5, the production history curve and future production?

A Exhibit 5 is the production history for the last five

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and a half years and it reflects the decline that these two leases, combined, have experienced. In 1964 production was increased and has leveled off to around 3,000 barrels per month as a result of installing seven pumping units and as a result of one of the wells receiving a small response from the offsetting Pennzoil waterflood. I predicted the secondary production with a dashed line and I have calculated that if the Statewide secondary recovery waterflood allowable were used that we would not exceed the allowable granted by that Rule which would be in the neighborhood of some 20,000 barrels per month and we will take, according to the graph, somewhat less than that. I might state while we are talking about the production history curve that we have produced to May 1, 1965; 840,000 barrels of oil from this section and we estimate that the remaining primary reserve is about 82,000 barrels, making a total ultimate recovery of 922,000 barrels. We feel that we will receive, in addition to this primary recovery, another 922,000 barrels of secondary oil as a result of this secondary recovery project.

Q Are any of your wells making top allowable at the present?

A No. September's production was 101 barrels of oil per day for 16 wells which calculates as an average of 6.3 barrels per well per day. No well is anywhere near top allowable.



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Q Do you intend to work this project in cooperation with any other waterflood programs within the area?

A Yes. Exhibit 1 reflects the other waterflooding projects in effect at this time and we see offsetting the Sinclair lease to the east Pennzoil has wells number 12 and 15 on injection. Offsetting this lease to the north Murphy Baxter has well number 6. He also has a well number 4 north of well 6 and west of well 6 and I don't know whose well 7 and 9 are but it is proposed that those two wells be converted at such a time that Sinclair flood gets under operation as they anticipate that they will be converted to water injection also.

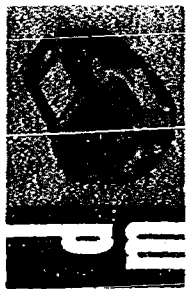
Q In regard to your secondary recovery allowables, do you desire a single project allowable for both leases?

A Yes. We would like both leases to be treated as a single project with ability to transfer to produce the secondary oil from whichever wells it is found in.

Q Is there anything further that you care to add to your testimony?

A Only that the ownership is identical in leases on the "A" and "B" leases and I have discussed this matter with John Anderson in Roswell and he advises that as royalty owner they would be very satisfied with a single project allowable and with us having the flexibility asked for here today.

Q Does that conclude your testimony?



A I believe so.

MR. WHITE: At this time we offer Exhibits 1 through 5.

MR. NUTTER: Sinclair's Exhibits 1 through 5 will be admitted into evidence.

(Whereupon, Applicant's Exhibits 1 through 5 were offered and admitted into evidence.)

MR. WHITE: And that concludes our presentation.

CROSS EXAMINATION

BY MR. PORTER:

Q Mr. Anderson, were these wells ever a part of the Maljamar repressuring project?

A No, sir. A part of our "A" lease as shown on Exhibit 1 is in that Maljamar repressuring project, that is the east half of the northeast quarter of Section 26, a diagonal offset. That lease is in the project but this lease is not now nor never has been in the Maljamar unit.

BY MR. NUTTER:

Q Is that little hashed line that's wandering around through this area the Maljamar repressuring project?

A Yes, operated by Continental.

Q So this is just adjacent to it but outside?

A Yes.

BY MR. PORTER:

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Q So you would say that all the recovery that you have had there so far is strictly primary without benefit of any repressuring?

A Yes, sir.

MR. PORTER: That's all I have.

BY MR. NUTTER:

Q Now with reference, Mr. Anderson, to the Johns "A" and the John's "B" lease. You are referring to the Johns "A" lease in the south half of the south half of 24, not that section over there in 26, right?

A Yes, sir. That portion in 26 is no longer under the operation of Sinclair. It is operated by Continental.

Q So your allowable would be confined here to Section 24?

A Yes.

Q In your project also?

A Yes.

Q Now, did you intend to have any kind of coating on this tubing that's going to be in the injection wells?

A No, sir. We intend to treat the water with chlorine for bacteria and to deaerate it and we found from injecting the same kind of water in other parts of this area that it is not necessary to coat the tubing and we are not planning on coating it the tubing.

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Q But the annulus will be filled with a corrosion inhibited fluid?

A Yes.

Q And there will be a packer in each well?

A Yes.

Q Now, do you propose to reinject the water at a later date?

A The study of the Pennzoil flood and the other operators, Murphy Baxter operators, shown on this Exhibit 1 of ours reflects that they are as yet producing very little water and for that we have not planned to initially fool with produced water because we anticipate it will be in very small quantities. A little later we do anticipate that we will have to reinject it and only after specially treating it making sure that it's of it compatibility and that we will be able to use it. So, we would just as soon not use it initially if we do start producing small amounts of it. At present we are producing only 24 barrels of water a month from this lease.

Q These other projects to the northeast so far the water cuts haven't got so sizeable that they are injecting the produced water?

A As of a recent check with them a month or two ago we made our study, they as yet had not been producing any water to speak of.

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PAGE 11

MR. NUTTER: I see. Are there any further questions of Mr. Anderson? You may be excused.

Do you have anything further, Mr. White?

MR. WHITE: No, sir.

MR. NUTTER: Does anyone have anything further they wish to offer in Case 3346?

We will take the case under advisement.

MR. DURRETT: I would like to state for the record:

The Commission has received a letter from Frank Irby of the State Engineer's office stating that his office has no objection to the granting of the application provided that the well construction and equipment can conform to the application and the casing tubing in the wells is filled with a corrosion inhibited fluid.

MR. NUTTER: Thank you. Is there anything further in Case 3346?

We will take the case under advisement.

The hearing is adjourned.

(Whereupon, the Hearing was adjourned at 3:15 o'clock P.M.)

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I N D E X

WITNESS	PAGE
R. M. ANDERSON	
Direct Examination by Mr. White	2
Cross Examination by Mr. Porter	8
Cross Examination by Mr. Nutter	8

E X H I B I T S

<u>Exhibit</u>	<u>Marked for Identification</u>	<u>Offered</u>	<u>Admitted</u>
App's. 1	2	8	8
App's. 2	2	8	8
App's. 3	2	8	8
App's. 4	2	8	8
App's. 5	2	8	8

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STATE OF NEW MEXICO )  
 ) SS  
COUNTY OF BERNALILLO )

I, DEAN A. ROBINSON, 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; and that the same is a true and correct record of the said proceedings, to the best of my knowledge, skill and ability.

Witness my Hand and Seal this 31st day of December, 1965.

Dean A. Robinson  
NOTARY PUBLIC

My Commission Expires:  
October 16, 1969.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 3346 heard by me on 11/23, 1965.

J. M. [Signature], Examiner  
New Mexico Oil Conservation Commission



OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO

December 10, 1965

C  
Mr. Charles White  
White, Gilbert, Koch & Kelly  
Attorneys at Law  
Post Office Box 787  
Santa Fe, New Mexico

O  
Dear Mr. White:

Reference is made to Commission Order No. R-3011, entered in Case No. 3346, approving the Sinclair Maljamar Johns Waterflood Project.

P  
Injection is to be through the eight authorized water injection wells which shall be equipped with tubing and packers, with the casing-tubing annulus loaded with corrosion inhibited fluid.

Y  
As to allowable, our calculations indicate that when all of the authorized injection wells have been placed on active injection, the maximum allowable which this project will be eligible to receive under the provisions of Rule 701-E-3 is 672 barrels per day.

Please report any error in this calculated maximum allowable immediately, both to the Santa Fe office of the commission and the appropriate district proration office.

In order that the allowable assigned to the project may be kept current, and in order that the operator may fully benefit from the allowable provisions of Rule 701, it behooves him to promptly notify both of the aforementioned commission offices by letter of any change in the status of wells in the project area, i.e., when active injection commences, when additional injection or producing wells are drilled,



OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO

-2-

Mr. Charles White  
December 10, 1965

when additional wells are acquired through purchase or unitization,  
when wells have received a response to water injection, etc.

Your cooperation in keeping the commission so informed as to the  
status of the project and the wells therein will be appreciated.

Very truly yours,

A. L. PORTER, JR.  
Secretary-Director

ALP/DSM/ir

cc: Mr. Frank Irby

Oil Conservation Commission - Hobbs, New Mexico

C

O

P

Y

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. 3346  
Order No. R-3011

APPLICATION OF SINCLAIR OIL & GAS  
COMPANY FOR A WATERFLOOD PROJECT,  
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on November 23, 1965, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 3rd day of December, 1965, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, 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, seeks permission to institute a waterflood project in the Maljamar Pool by the injection of water into the Grayburg-San Andres formations through eight injection wells in Section 24, Township 17 South, Range 32 East, NMPM, Lea County, New Mexico.

(3) That the wells in the project area are in an advanced state of depletion and should properly be classified as "stripper" wells.

(4) That the proposed waterflood project should result in the recovery of otherwise unrecoverable oil, thereby preventing waste.

-2-

CASS No. 3346  
Order No. R-3011

(5) That the subject application should be approved and the project should be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

IT IS THEREFORE ORDERED:

(1) That the applicant, Sinclair Oil & Gas Company, is hereby authorized to institute a waterflood project in the Maljamar Pool by the injection of water into the Grayburg-San Andres formations through the following-described wells in Section 24, Township 17 South, Range 22 East, N28E, Lea County, New Mexico:

<u>WELL</u>	<u>NO.</u>	<u>UNIT</u>
Johns "B" DE	8	R
Johns "B" DE	12	D
Johns "B" DE	4	F
Johns "B" DE	5	H
Johns "B" DE	10	J
Johns "B" DE	2	L
Johns A-24 DE	2	N
Johns A-24 DE	5	P

(2) That the subject waterflood project is hereby designated the Sinclair Maljamar Johns Waterflood Project and shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

(3) That monthly progress reports of the waterflood project herein authorized shall be submitted to the Commission in accordance with Rules 704 and 1120 of the Commission Rules and Regulations.

(4) 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

*Jack M. Campbell*  
JACK M. CAMPBELL, Chairman

*Guyton B. Hays*  
GUYTON B. HAYS, Member

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

esr/

BEFORE THE OIL CONSERVATION COMMISSION OF THE  
STATE OF NEW MEXICO

1955 OCT 26 AM 11:11

IN THE MATTER OF THE APPLICATION  
OF SINCLAIR OIL & GAS COMPANY FOR  
APPROVAL OF A WATERFLOOD PROJECT IN  
THE MALJAMAR (GRAYBURG-SAN ANDRES)  
FIELD, EDDY AND LEA COUNTIES,  
NEW MEXICO.

CASE NO. 3346

ORDER NO. \_\_\_\_\_

A P P L I C A T I O N

SINCLAIR OIL & GAS COMPANY, a Maine corporation with an operating office in Midland, Texas, hereby makes application under Rule 701 for approval to institute a water injection operation under its Johns "A-24" DE and Johns "B" DE leases, Maljamar (Grayburg-San Andres) Field, Eddy and Lea Counties, New Mexico, and in support thereof shows:

1.

That Sinclair Oil & Gas Company is the owner and operator of its Johns "A-24" DE lease, consisting of the S/2 of S/2 of Section 24, T-17-S, R-32-E, and its Johns "B" DE lease, consisting of the N/2 and N/2 of S/2 of said Section 24, T-17-S, R-32-E, Eddy and Lea Counties, New Mexico. Said leases are in an advanced stage of depletion and applicant desires to institute a secondary recovery program by waterflooding. The Grayburg and San Andres formations are the zones proposed to be flooded.

2.

Attached and filed herewith is a plat showing the location of the proposed injection wells and all other wells within the radius of two miles from said proposed injection wells, and showing also the lessees and operators within the two-mile radius.

3.

Attached and filed herewith are the logs run on all proposed injection wells except the Johns "A-24" Well No. 2 and the Johns "B" Well No. 2, in which logs have not been run.

4.

Attached hereto and filed herewith is a diagrammatic sketch of the proposed injection wells showing all casing strings,

DOCKET MAILED

Date 1-10-65

including diameters and setting depths, quantities used and tops of cement, perforated or open hole intervals, tubing strings including diameters and setting depths and the type and location of packers, if any.

5.

Applicant proposes to inject fresh water from the Lea County Underground Water Basin into the Grayburg and San Andres formations at the interval from 3900 feet to 4400 feet below the surface at the initial rate of 600 barrels per day into each injection well, and afterwards at 450 barrels per well per day.

6.

A copy of this application, complete with all attachments, has been sent to the State Engineer's Office, Box 1079, Santa Fe, New Mexico.


7.

Applicant proposes that the waterflood project should be governed by the provisions of Rule 701 of the Commission's Rules and Regulations, including those provisions regarding allocation of allowables. Applicant also proposes to submit to the Commission monthly progress reports of the waterflood project in accordance with Rule 704 and Rule 1119 of the Commission's Rules and Regulations. Applicant further alleges that the granting of this application will be in the interest of prevention of waste and will not impair correlative rights.

WHEREFORE, applicant prays that the Commission set this application for public hearing before an Examiner in Santa Fe, New Mexico, that notice be issued according to law, and that upon hearing this application be granted.

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

WHITE, GILBERT, KOCH & KELLY

By   
P. O. Box 787  
Santa Fe, New Mexico

GOVERNOR  
JACK M. CAMPBELL  
CHAIRMAN

State of New Mexico  
Oil Conservation Commission



LAND COMMISSIONER  
GUYTON B. HAYS  
MEMBER

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

P. O. BOX 2088  
SANTA FE

December 3, 1965

Re: Case No. 3346

Order No. R-3011

Applicant:

Sinclair Oil & Gas Company

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

Dear Sir:

Enclosed herewith is a copy of the above-referenced Commission order recently entered in the subject case. Letter pertaining to conditions of approval and maximum allowable to follow.

Very truly yours,

A handwritten signature in cursive script that reads "A. L. Porter, Jr.".

A. L. PORTER, Jr.  
Secretary-Director

ALP/ir

Carbon copy of order also sent to:

Hobbs OCC   x    
Artesia OCC             
Aztec OCC           

Other           Mr. Frank Irby



STATE OF NEW MEXICO  
STATE ENGINEER OFFICE  
SANTA FE

S. E. REYNOLDS  
STATE ENGINEER

November 15, 1965

ADDRESS CORRESPONDENCE TO:  
STATE CAPITOL  
SANTA FE, NEW MEXICO 87501

Mr. A. L. Porter, Jr.  
Secretary-Director  
Oil Conservation Commission  
Santa Fe, New Mexico

Dear Mr. Porter:

Reference is made to the application of Sinclair Oil & Gas Company which seeks approval to institute a water injection operation under its Johns "A-24" DE and Johns "B" DE leases in the Maljamar Field, Eddy and Lea Counties, New Mexico. Further reference is made to my letter of October 29, 1965 to L. C. White concerning this matter, a copy of which was forwarded to you and to Mr. L. C. White's letter addressed to me November 8, 1965 enclosing a letter from Mr. R. F. Sawyer to Mr. White dated November 2, 1965. Copies of the latter two are enclosed herewith.

This office offers no objection to the granting of the application provided the well construction and equipment conform to the application and the casing-tubing annulus of the injection wells is filled with corrosion inhibited fluid.

FEI/ma  
cc-R.F. Sawyer  
L. C. White  
F. H. Hennighausen

Yours truly,

S. E. Reynolds  
State Engineer

By *Frank E. Irby*  
Frank E. Irby  
Chief  
Water Rights Div.

NOV 16 1965

*Case 2346*

DOCKET: EXAMINER HEARING - TUESDAY - NOVEMBER 23, 1965

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, Alternate Examiner:

CASE 3294 (Continued from the September 22, 1965, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Harold J. Sechler, dba S. & S. Oil Producers, and all other interested parties to show cause why the Bond Well No. 1 located in the SW/4 NE/4 of Section 17, Township 9 North, Range 14 West, Valencia County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 3333: Application of William A. and Edward R. Hudson for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Queen formation through six wells in Sections 10, 11, and 15, Township 18 South, Range 31 East, Shugart Yates-Seven Rivers-Queen-Grayburg Pool, Eddy County, New Mexico.

CASE 3334: Application of Felmont Oil Corporation for an unorthodox location, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill its Federal 9 Well No. 1 at an unorthodox location 660 feet from the North and East lines of Section 9, Township 8 South, Range 37 East, Bluit-San Andres Gas Pool, Roosevelt County, New Mexico.

CASE 3335: Application of Monsanto Company for an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location 1200 feet from the South line and 660 feet from the West line of Section 32, Township 16 South, Range 33 East, West Kemnitz-Lower Wolfcamp Pool, Lea County, New Mexico.

CASE 3336: Application of Shell Oil Company for special rules for the East Hightower-Upper Pennsylvanian Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the East Hightower-Upper Pennsylvanian Pool in Section 25, Township 12 South, Range 33 East, Lea County, New Mexico, including a provision for 80-acre proration units.

CASE 3337: Application of Shell Oil Company for the creation of a new gas pool and for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new gas pool for Morrow production in Sections 3 and 4, Township 22 South, Range 34 East, and Section 34, Township 21 South, Range 34 East, Lea County, New Mexico, and the establishment of special pool rules, including a provision for 640-acre spacing units.



November 23, 1965, Examiner Hearing

- CASE 3338: Application of Socony-Mobil Oil Company, Inc. for pool-lease commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Glorieta, Blinebry, Upper-Pennsylvanian, Lower-Pennsylvanian, Devonian, Abo and Wolfcamp production from its State Bridges (Military Institute) Lease in Section 25, Township 17 South, Range 34 East, and from its State Bridges (Common School) Lease in Sections 3, 10 through 15, 22, 23, 24, and 26 and 27, Township 17 South, Range 34 East, Lea County, New Mexico, after separately metering the Military Institute production, allocating production to each lease by means of the subtraction method.
- CASE 3339: Application of Socony-Mobil Oil Company, Inc. for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Denton North Wolfcamp Unit Area comprising 2,640 acres, more or less, of Federal and fee lands in Township 14 South, Range 37 East, Lea County, New Mexico.
- CASE 3340: Application of Socony-Mobil Oil Company, Inc. for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in its Denton North Wolfcamp Unit by the injection of water into the Wolfcamp formation through twelve wells located in Sections 25, 26, 27, 34, 35, and 36, Township 14 South, Range 37 East, Lea County, New Mexico.
- CASE 3341: Application of Tenneco Oil Company for an administrative procedure, San Juan and Rio Arriba Counties, New Mexico. Applicant, in the above-styled cause, seeks the establishment of an administrative procedure whereby wells presently completed in the Blanco-Mesaverde Pool could, without notice and hearing, be recompleted in the Blanco-Mesaverde and/or Basin-Dakota Gas Pools by means of setting a whipstock above the Mesaverde producing interval and directionally drilling around the old interval of completion which was originally shot. Operators utilizing such administrative procedure would be required to conduct appropriate deviation tests to ensure that no well would be completed nearer than 200 feet to the outer boundary of its proration unit.
- CASE 3342: Application of Sunray DX Oil Company for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Grayburg-Jackson Pool, Eddy County, New Mexico, by the injection of water into the Keeley zone of the San Andres formation through four wells in Sections 22 and 23, Township 17 South, Range 29 East.
- CASE 3343: Application of Sunray DX Oil Company for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Grayburg-Jackson Pool, Eddy County, New Mexico, by the injection of water into the Metex zone of the Grayburg formation through four injection wells in Sections 14 and 15, Township 17 South, Range 29 East.

November 23, 1965, Examiner Hearing

CASE 3344: Application of Texaco Inc. for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the West Vacuum Unit Area comprising 2000 acres, more or less, of State land in Township 17 South, Range 37 East, Lea County, New Mexico.

CASE 3345: Application of Texaco Inc. for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in its West Vacuum Unit by the injection of water into the Grayburg-San Andres formations through six injection wells located in Sections 3 and 4, Township 18 South, Range 34 East, and Sections 33 and 34, Township 17 South, Range 34 East, Vacuum Pool, Lea County, New Mexico.

CASE 3346: Application of Sinclair Oil & Gas Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Maljamar Pool by the injection of water into the Grayburg-San Andres formations through eight wells in Section 24, Township 17 South, Range 32 East, Lea County, New Mexico.

*Irby*

WHITE, GILBERT, KOCH & KELLY  
(GILBERT, WHITE AND GILBERT)  
ATTORNEYS AND COUNSELORS AT LAW  
LINCOLN BUILDING  
SANTA FE, NEW MEXICO

NOV 16 1965

November 8, 1965

POST OFFICE BOX 787  
TELEPHONE 982-4301  
(AREA CODE 505)

CARL H. GILBERT (1891-1963)  
L. C. WHITE  
WILLIAM W. GILBERT  
SUMNER S. KOCH  
WILLIAM BOOKER KELLY  
JOHN F. MCCARTHY, JR.

*Enc 3346*

Mr. Frank Irby  
State Engineer's Office  
State Capitol Building  
Santa Fe, New Mexico

Dear Frank:

Enclosed is a letter from Sinclair Oil & Gas Company relative to your inquiry concerning their Johns Lease Waterflood Hearing scheduled for November 23, 1965. If I can be of any further assistance, please do not hesitate to call upon me.

Sincerely,

*L. C. White*

L. C. WHITE

ICW:el  
Encl.



SINCLAIR OIL & GAS COMPANY  
P. O. Box 1470  
MIDLAND, TEXAS 79701

MAIN

NOV 16 1965

WEST TEXAS REGION

November 2, 1965

Case 3346

White, Gilbert, Koch & Kelly (2)  
P. O. Box 787  
Santa Fe, New Mexico

Attention: Mr. L. C. White:

Dear Sir:

With reference to your telephone call to Mr. H. N. Burton on November 1, concerning our Johns Lease Waterflood Hearing scheduled for November 23, this is to advise that Sinclair Oil & Gas Company does not plan to internally coat the tubing of the injection wells. The produced water, if any, will be disposed of initially by evaporating in open pits and later when the volume justifies, it is planned to re-inject the produced water, if it is compatible with the other water being injected. Further, we propose to fill the casing-tubing annulus of the injection wells with corrosion inhibited fluid.

Please advise if you desire additional information concerning this matter.

Very truly yours,

R. F. Sawyer  
Regional Manager  
Production Department

RMA/oc

NOV 1 1965

October 29, 1965

Mr. L. C. White  
Attorney at Law  
Santa Fe, N. M.

Dear Mr. White:

Reference is made to the application which you submitted to the Oil Conservation Commission on behalf of Sinclair Oil and Gas Company which seeks approval to institute a water injection operation under its Johns "A-24" DE and Johns "B" DE leases in the Maljamar Field, Eddy and Lea Counties, New Mexico.

Please have Sinclair advise me as to whether the water produced by this field will be reinjected.

Will the tubing be internally coated?

Will the annulus between the tubing and casing be filled with inhibited fluid?

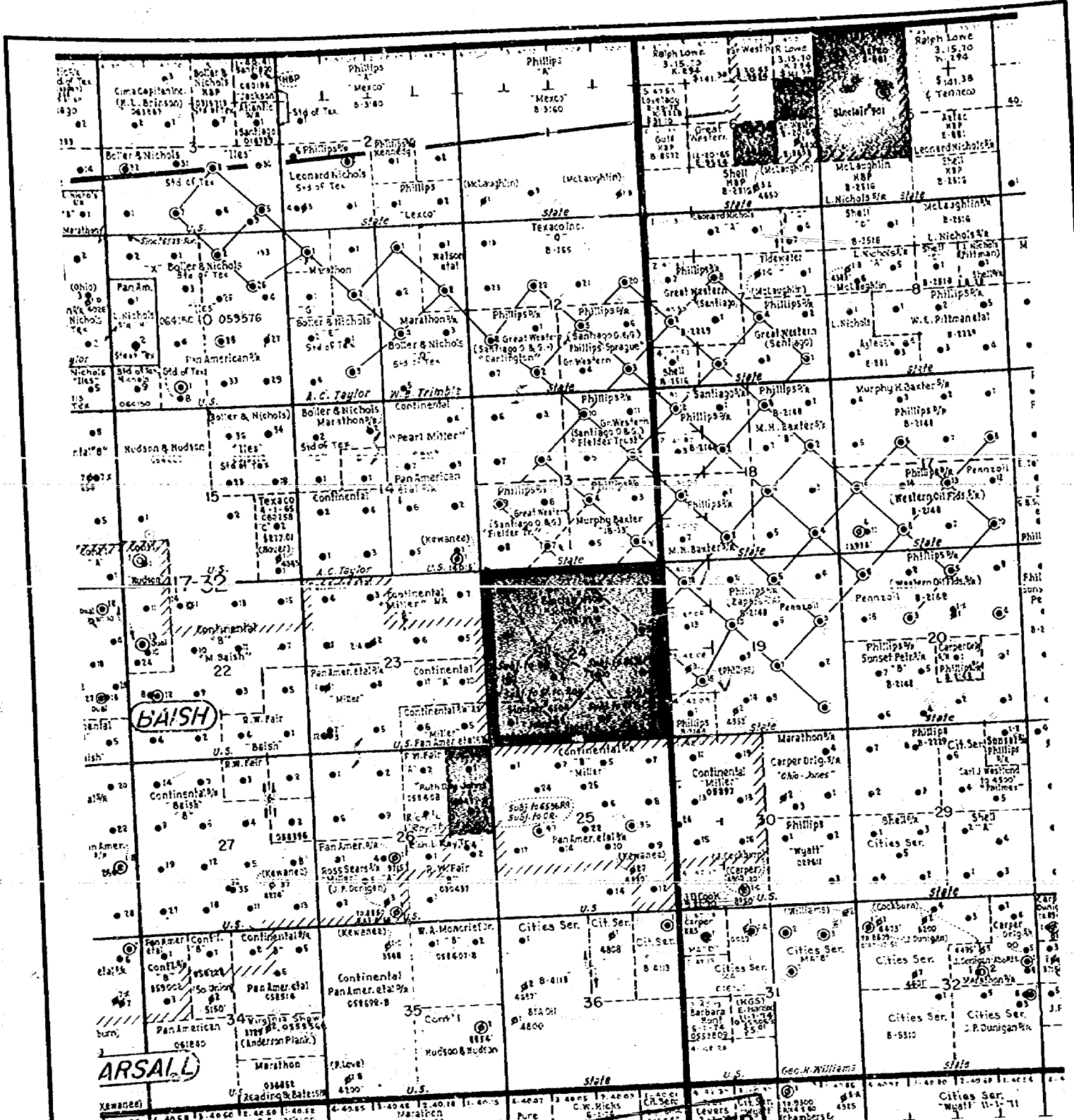
If produced water is not reinjected, how will it be disposed of?

FBI/ma  
cc-Oil Conservation Comm. ✓

Yours truly,

Frank E. Irby  
Chief  
Water Rights Div.

Case 3346



**BEFORE EXAMINER NUTTER**  
**LEGEND**      **EXHIBIT NO. 1**  
**CASE NO. 3346**      **SINCLAIR OIL & GAS CO.**  
MIDLAND, TEXAS

- Grayburg - San Andres Well
- ⊙ Grayburg - San Andres Present Water Injection Well
- ⊗ Grayburg - San Andres Proposed Water Injection Well

Sinclair Oil & Gas Co.  
Exhibit No. 1

PART OF MALJAMAR (GRAYBURG - SAN ANDRES) POOL  
LEA COUNTY, NEW MEXICO

DRAWN BY AVP    CHECKED BY JWH    DATE 10-19-65  
SCALE - 1" = 4000'      REVISED \_\_\_\_\_