

CASE 3482: Application of SINCLAIR

for a special gas well test, Eddy
County, New Mexico.

Dismissed

CASE No.
3482

Application,
TRANSCRIPTS,
SMALL Exhibits
ETC.

State of New Mexico
Oil Conservation Commission



P. O. BOX 2088
SANTA FE

November 9, 1966

Re: Case No. 3482
Order No. R-3145
Applicant:

Sinclair Oil & Gas 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

Carbon copy of order also sent to:

OTHER

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 3482
Order No. R-3145

APPLICATION OF SINCLAIR OIL & GAS
COMPANY FOR A SPECIAL GAS WELL TEST,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on November 2, 1966,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 9th day of November, 1966, the Commission, a
quorum being present, having considered the record and the recom-
mendations of the Examiner, and being fully advised in the premises,

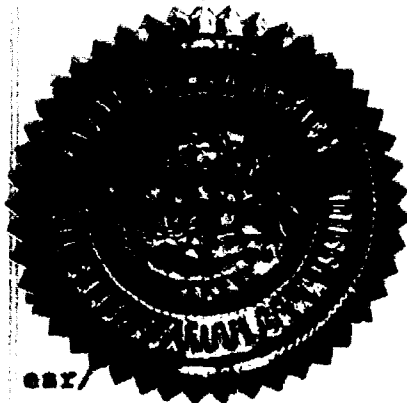
FINDS:

That the applicant's request for dismissal should be
granted.

IT IS THEREFORE ORDERED:

That Case No. 3482 is hereby dismissed.

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

Clinton B. Hays
CLINTON B. HAYS, Member

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

Case 3482

Heard 11-2-66

Rec. 11-4-66

Dismiss Case

Thurston

Docket No. 27-66

DOCKET: EXAMINER HEARING - WEDNESDAY - NOVEMBER 2, 1966

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

- - - -

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

CASE 3479: Application of Gulf Oil Corporation for an exception to Rule 8 of Order No. R-1638 and to Rule 301, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 8 of Order No. R-1638 and to Rule 301 of the Commission rules and regulations to permit discontinuance of individual gas-oil ratio tests in its West Bisti-Lower Gallup Sand Unit, Bisti-Lower Gallup Pool, San Juan County, New Mexico. Applicant proposes to report gas production and ratios on a unit-wide basis rather than individual well GOR data.

CASE 3480: Application of Tidewater Oil Company for a capacity allowable, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-3097 which permitted its GO State "J" Well No. 1 located in Unit H of Section 7, Township 17 South, Range 33 East, Lea County, New Mexico, which directly offsets the Malmar Unit Waterflood Project, to be produced at capacity for a period not to exceed 90 days from date of said order. Applicant seeks additional time in which to produce said well at capacity and the establishment of an administrative procedure for further extensions.

CASE 3336 (Reopened)

In the matter of Case No. 3336 being reopened pursuant to the provisions of Order No. R-3005, which order established 80-acre spacing units for the East Hightower-Upper Pennsylvanian Pool, Lea County, New Mexico, for a period of one year. All interested parties may appear and show cause why said pool should not be developed on 40-acre spacing units.

CASE 3481: Application of Sinclair Oil & Gas Company for a non-standard gas proration unit and an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard gas proration unit comprising the NW/4 of Section 7, Township 22 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico, to be dedicated to its State 157 "B" Well No. 1 located at an unorthodox location for said pool 330 feet from the North line and 2310 feet from the West line of said Section 7.

- CASE 3482: Application of Sinclair Oil & Gas Company for a special gas well test, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to produce and flare up to three million cubic feet of gas per day, for a maximum of 30 days, from its Hackberry Hills Unit Well No. 4 located in Unit F of Section 22, Township 22 South, Range 26 East, Eddy County, New Mexico, as a reservoir limit test to determine the economic feasibility of a pipeline connection to said well.
- CASE 3483: Application of H. S. Moss for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water in the Wolfcamp formation in the interval from 9751 to 9850 feet in its D. P. Peck Well No. 1 located in Unit C of Section 26, Township 12 South, Range 37 East, Gladiola Field, Lea County, New Mexico.
- CASE 3484: Application of Phillips Petroleum Company for a pilot waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pilot waterflood project by the injection of water into the Grayburg-San Andres formation through its Santa Fe Well No. 14 located in Unit P of Section 20, Township 17 South, Range 35 East, Vacuum Field, Lea County, New Mexico.
- CASE 3485: Application of Phillips Petroleum Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Grayburg-San Andres formation through three injection wells located in Sections 8, and 9, Township 17 South, Range 33 East, Vacuum Field, Lea County, New Mexico.
- CASE 3486: Application of Shenandoah Oil Corporation for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Grayburg-San Andres formation through four injection wells located in Sections 7, 8 and 16, Township 17 South, Range 33 East, Vacuum Field, Lea County, New Mexico.
- CASE 3487: Application of Amerada Petroleum Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of its State "SN" Unit Area comprising 692 acres, more or less, of State land in Sections 3 and 4, Township 15 South, Range 33 East, Lea County, New Mexico.

CASE 3488: Application of Amerada Petroleum Corporation for a waterflood expansion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its Saunders SB Waterflood Project by the injection of water into the Permo-Pennsylvanian zone through its Texaco-State "AQ" Well No. 2 located in Unit E of Section 3, Township 15 South, Range 33 East, Saunders Permo-Pennsylvanian Pool, Lea County, New Mexico.

CASE 3489: Application of William A. and Edward R. Hudson for a waterflood expansion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand their Puckett A Waterflood Project by the injection of water into the Grayburg-San Andres formation through their Puckett A Well No. 30 to be drilled at an unorthodox location 1345 feet from the North line and 25 feet from the West line of Section 24, Township 17 South, Range 31 East, Maljamar Pool, Eddy County, New Mexico.

CASE 3490: Application of Sunray DX Oil Company for pool redelineation, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks the redelineation of the Todd-San Andres Pool, Roosevelt County, New Mexico, into two separate pools: The Todd Upper-San Andres Gas Pool comprising that portion of the San Andres formation above the anhydrite bed found at 4200 feet in the Franklin, Aston and Fair Mark Federal Well No. 1 located in Unit M of Section 26, Township 7 South, Range 35 East, and the Todd Lower-San Andres Pool comprising that portion of the San Andres formation below said anhydrite bed, said Todd Lower-San Andres Pool to be governed by the existing rules for the present Todd-San Andres Pool. Also to be considered at said hearing will be such matters as the effective date of the aforesaid redelineation, the period of time in which to effect dual completion of the affected wells, the distribution of the affected wells' accumulated status in the present pool (overproduction and underproduction) to each of the new pools, and such other pertinent matters as may relate to the aforesaid pool redelineation. Also to be considered will be special pool rules for the proposed Todd Upper-San Andres Gas Pool, including 320-acre spacing for wells located therein.

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

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

October 24, 1966

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

Mr. A. L. Porter
Secretary-Director
New Mexico Oil and Gas Commission
Santa Fe, New Mexico

Re: Case No. 3482
Application of Sinclair Oil & Gas Company
for a Special Gas Well Test, Eddy County
New Mexico

Dear Mr. Porter:

I have been asked by Sinclair Oil & Gas Company to set off the hearing in the above-referred to case now set for November 2, 1966. Sinclair had requested permission to flare gas from its Hackberry Hills Unit Well No. 4 located in Unit F of Section 22, Township 22 South Range 26 East, Eddy County New Mexico, for the purpose of establishing the economic feasibility of a pipeline connection. It now appears that one or the other operators plan to lay a pipeline to this well. If this pipeline is completed there would obviously be no reason to flare the gas. I do not ask that the case be dismissed at this time since it might be there will be some hitch in the proposed pipeline.

Very truly yours,

W. B. Kelly
W. B. KELLY

WEK:cc



SINCLAIR OIL & GAS COMPANY

P. O. Box 1470
MIDLAND, TEXAS 79701
September 23, 1966

WEST TEXAS REGION

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico

Attention: Mr. A. L. Porter, Jr.

See
R-2510
(brief appl to
flare 3000 MCF
from 6-9 days)

3482

Gentlemen:

On July 16, 1966, Sinclair Oil & Gas Company completed its Hackberry Hills Unit Well #4 as a gas well in an undesignated Pool, Eddy County, New Mexico. This well is located in Unit F, Section 22, 22-S-26-E and tested upon completion an Open Flow Capacity of 13,574 MCF per day.

This well is located approximately 28,000' from the nearest pipeline connection and it is estimated that an expenditure of over \$40,000 will be necessary in order to connect the well. The Gulf operated Hackberry Hills Unit Well #1 is located approximately 5 miles from this well and reservoir limit test run on Gulf's well in July of 1963 indicated a reservoir size of approximately 200 acres. Consequently the Gulf Well has never been connected. This information along with the remote location of our well makes it impossible for the various interested parties to commit an expenditure of over \$40,000 to connect the well without further test data.

Accordingly, Sinclair proposes to run reservoir limit tests to determine the size of the reservoir and/or the feasibility of connecting this well. We propose to flow the well at the maximum rate of 3 million cubic feet per day for a maximum of 30 days. It is hoped that conclusive information can be achieved in a shorter period of time. It is respectfully requested that Sinclair be authorized to produce this well and flare the gas produced in the manner and for the purpose set out herein.

We are advising the United States Geological Survey, Department of Interior, Drawer "U", Artesia, New Mexico, of this request by copy of this letter this date. They are hereby requested, if they have no objection to this application, they so indicate by signing 2 copies of this letter and returning 1 to the Oil Conservation Commission and 1 to the undersigned.

In the event that this approval can not be granted administratively, it is requested that this matter be set for Hearing at an early date. In the event a Hearing is necessary White, Gilbert, Koch & Kelly will be the Attorneys of record for Sinclair in this matter.

DOCKET MAILED

Date 10-21-66

New Mexico Oil Conservation Commission
Attention: Mr. A. L. Porter, Jr.

September 23, 1966
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Yours very truly,


R. E. Powers
Engineering Supervisor

RMA/ar

cc: United States Geological Survey
Department of the Interior
Drawer "U"
Artesia, New Mexico

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

The United States Geological Survey, Department of Interior, has no objection
to the above described application.

BY: _____

DATE: _____

3982

dearnley-meier reporting service, inc.

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

1120 SIMAS BLDG. • P. O. BOX 1092 • PHONE 243-4491 • ALBUQUERQUE, NEW MEXICO

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

November 2, 1966

EXAMINER HEARING

IN THE MATTER OF:)

Application of Sinclair Oil and Gas)
Company for a special gas well test,)
Eddy County, New Mexico)

) Case No. 3482
)
)

BEFORE: Elvis A. Utz, Examiner

TRANSCRIPT OF HEARING

MR. UTZ: The hearing will come to order. The first case is 3482.

MR. HATCH: Case 3482, Application of Sinclair Oil and Gas Company for a special gas well test, Eddy County, New Mexico.

If the Examiner please, I have a letter here from Booker Kelly, "RE: Case 3482, Application of Sinclair Oil and Gas Company for a special gas well test, Eddy County, New Mexico.

"I have been asked by Sinclair Oil and Gas Company to set off the hearing in the above referred case now set for November 2, 1966. Sinclair had requested permission to flare gas from its Hackberry Hills Unit Well Number Four located in Unit "F" of Section Twenty-Two, Township Twenty-Two South, Range Twenty-Six East, Eddy County, New Mexico, for the purpose of establishing economic feasibility of a pipe line connection. It now appears that one or the other operators plan to lay a pipe line to this well. If this pipe line is completed, there would obviously be no reason to flare the gas.

"I do not ask that the case be dismissed at this time because it might be that there will be some hitch in the proposed pipe line." Signed W. B. Kelly.

At this time, I would like to move that this case be continued, but he sets no time.

dearnley-meier reporting service, inc.

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

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1203 FIRST NATIONAL BANK EAST • PHONE 256-1294 • ALBUQUERQUE, NEW MEXICO

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MR. CUNNINGHAM: Mr. Utz, I am Douglas Cunningham with Sinclair, and I would like to say that the pipe line has been installed, and I believe we can go ahead and dismiss this case.

MR. UTZ: Case 3482, on the basis of the latest information, will be dismissed.

dearnley-meier reporting service, inc.

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

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STATE OF NEW MEXICO)
) ss.
COUNTY OF BERNALILLO)

I, W. DON MCINTYRE, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission Examiner at Santa Fe, New Mexico, is a true and correct record to the best of my knowledge, skill and ability.

IN WITNESS WHEREOF, I have affixed my hand this 18th day of November, 1966.

W. Don McIntyre
Court Reporter

Thudor R.
Nov. 2, 1966