

SINCLAIR OIL & GAS COMPANY

SINCLAIR OIL BUILDING

TULSA, OKLAHOMA

LEGAL DEPARTMENT

January 20, 1956

Mr. W. B. Macey
Secretary
Oil Conservation Commission
Santa Fe, New Mexico

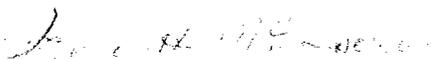
Dear Mr. Macey:

Herewith is original and two copies of application of Sinclair Oil & Gas Company requesting an order of the Commission allowing dual completion of wells for Devonian and Pennsylvanian production in the E $\frac{1}{4}$ NE $\frac{1}{4}$ and SE $\frac{1}{4}$ of Section 34, all of Section 26 and 35, Township 15 South, Range 36 East, and Lots 1 through 8 of Section 5 and Lots 1, 2, 7 and 8 of Section 6, Township 16 South, Range 37 East, Lea County, New Mexico.

It is requested that you have the proper notice of this application made and set same for hearing on February 15.

Would appreciate being advised of the setting of this cause and proof of publication.

Yours very truly,



James H. McGowan
Attorney

JHM md

Enclosures

BEFORE THE OIL CONSERVATION COMMISSION
OF
THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF SINCLAIR)
OIL & GAS COMPANY FOR AN ORDER AUTHORIZING THE DUAL)
COMPLETION OF WELLS IN THE DEVONIAN COMMON SOURCE OF)
SUPPLY AND THE PENNSYLVANIAN COMMON SOURCE OF SUPPLY)
UNDERLYING THE E $\frac{1}{2}$ NE $\frac{1}{4}$ AND SE $\frac{1}{4}$ OF SECTION 34, ALL OF)
SECTION 26 AND 35, TOWNSHIP 15 SOUTH, RANGE 36 EAST)
AND LOTS 1 THROUGH 8, SECTION 5 AND LOTS 1, 2, 7, AND)
8 OF SECTION 6, TOWNSHIP 16 SOUTH, RANGE 37 EAST, LEA)
COUNTY, NEW MEXICO)

CASE: 1016

A P P L I C A T I O N

Comes now Sinclair Oil & Gas Company and respectfully shows to the Oil Conservation Commission as follows, to-wit:

1. That Applicant is the owner of oil & gas leases within the following area, to-wit:

East Half of Northeast Quarter (E $\frac{1}{2}$ NE $\frac{1}{4}$) and Southeast Quarter (SE $\frac{1}{4}$) of Section Thirty-Four (34), all of Section Twenty-Six (26) and Thirty-Five (35), Township Fifteen (15) South, Range Thirty-six (36) East, and Lots One through Eight (1 through 8) of Section Five (5) and Lots one, two, seven and eight (1, 2, 7 and 8) of Section Six (6) Township Sixteen (16) South, Range Thirty-Seven (37) East, Lea County, New Mexico.

2. That Applicant has heretofore completed its J. P. Dean Well No. 1, located in the Southeast Quarter of Southwest Quarter (SE $\frac{1}{4}$ SW $\frac{1}{4}$) of Section 35, Township 15 South, Range 36 East, at a total depth of 13,910 feet; that said well encountered the Pennsylvanian common source of supply between 11,429 feet and 11,530 feet below the surface and the Devonian common source of supply between 13,600 feet and 13,725 feet below the surface; that said well is capable of producing oil from both of said formations.

3. Applicant further states that the entire area covered by this application is underlain by both the Devonian and Pennsylvanian common source of supply at the approximate depths as those encountered in its J. P. Dean Well No. 1; that it costs approximately Three Hundred Five Thousand Dollars (\$305,000.00) to drill and complete a well to the Devonian common source of supply and equip same for production; that it costs approximately Two Hundred Fifty Thousand Dollars (\$250,000.00) to drill a well to the Pennsylvanian common source of supply and complete same for production; that one well can be dually completed to produce oil from both common sources of supply at an approximate cost of Three Hundred Thirty-eight Thousand Five Hundred Dollars (\$338,500.00).

4. That Applicant proposes to dually complete wells into said common sources of supply by using parallel strings of tubing in each hole, one string of tubing to each common source of supply, and further states that such method of dually completing a well for two separate common sources of supply productive of oil is mechanically feasible, will result in separate production and reporting from each common source of supply and will not result in any oil being left in the ground in either source of supply that could be produced by separate wells.

5. That Applicant proposes that any well within the above described area capable of producing from the Devonian common source of supply and the Pennsylvanian common source of supply may be dually completed without the necessity of the operator thereof appearing before the Commission at a separate hearing with respect to each such dual completion upon said operator furnishing to this Commission the following data;

- a; Diagrammatic sketch of dual completion installation.
- b; An electric log of the subject well or/ ^a type electric log showing clearly thereon the subsurface location of the separate reservoirs claimed.
- c; Affidavit of packer setting upon form prescribed by the Commission.
- d; Packer leakage test upon form prescribed by the Commission.
- e; Either waiver of offset operator of evidence that notice of such dual completion has been given to said operators.

PROVIDED that upon a determination by an operator to dually complete a given well, notice of such shall be given by registered mail to all offset operators and to the Conservation Commission and if any offset operator shall, within ten days from the date of receipt of said notice, file in writing with the operator giving said notice, an objection to such dual completion with a copy of such objection going to the Conservation Commission, or if the Commission, on its own motion, shall determine that a hearing should be held, then and in such event the operator desiring to dually complete the well shall file a separate application with the Conservation Commission and cause notice thereof to be given as required by law and thereafter a hearing will be conducted with respect to such application. In the event, however, that no objection is filed by any operator within the time allowed and the Commission does not determine that a hearing should be held concerning said proposed dual completion, then the operator desiring to dually complete said well as herein set forth may proceed with such dual completion and furnish forthwith to the Commission the data set forth above.

Applicant further proposes that it be provided that any well dually completed hereunder shall be so equipped that there will be no commingling of the production from the formations in the well and the production from each of said formations shall be separately stored and measured on the lease in such manner that the pipe line company of purchaser can separately identify the production from each of said formations and separately report the same to the Conservation Commission,

Further, that the operator shall notify the Conservation Commission of the date of dual completion so that tests may be made and allowables figured by the Commission and that each well dually completed hereunder shall be operated in such a manner that no detriment or damage will be done to either of said common sources of supply or to any other oil, gas or fresh water bearing formation.

WHEREFORE, Applicant prays that this matter be set down for hearing, that notice thereof be given as required by law and that upon final hearing this Commission enter its order permitting the dual completion of wells in the Devonian formation and the Pennsylvanian formation common sources of supply.

SINCLAIR OIL & GAS COMPANY

BY _____
James H. McGowan
Its Attorney

NEW MEXICO OIL & GAS ENGINEERING COMM.
HOBBS, NEW MEXICO
January 30, 1956

BEFORE THE OIL CONSERVATION COMMISSION
OF
THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
SINCLAIR OIL & GAS COMPANY FOR AN
ORDER AUTHORIZING THE DUAL COMPLETION
OF WELLS IN THE DEVONIAN COMMON SOURCE
OF SUPPLY AND THE PENNSYLVANIAN COMMON
SOURCE OF SUPPLY UNDERLYING THE E $\frac{1}{2}$ NE $\frac{1}{4}$
AND SE $\frac{1}{4}$ OF SECTION 34, ALL OF SECTION 26
AND 35, TOWNSHIP 15 SOUTH, RANGE 36 EAST
AND LOTS 1 THROUGH 8, SECTION 5 AND LOTS
1, 2, 7 and 8 OF SECTION 6, TOWNSHIP
16 SOUTH, RANGE 37 EAST, LEA COUNTY,
NEW MEXICO

CAUSE NO. 1018
FILED _____
HEARING SET _____

A P P L I C A T I O N

Comes now Sinclair Oil & Gas Company and respectfully shows to the Oil Conservation Commission as follows, to-wit:

1. That Applicant is the owner of oil and gas leases within the following described area, to-wit:

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and further states that such method of dually completing a well for two separate common sources of supply productive of oil is mechanically feasible, will result in separate production and reporting from each common source of supply and will not result in any oil being left in the ground in either source of supply that could be produced by separate wells.

5. That Applicant proposes that any well within the above described area capable of producing from the Devonian common source of supply and the Pennsylvanian common source of supply may be dually completed without the necessity of the operator thereof appearing before the Commission at a separate hearing with respect to each such dual completion upon said operator furnishing to this Commission the following data:

- a. Diagrammatic sketch of dual completion installation.
- b. An electric log of the subject well or a type electric log showing clearly thereon the subsurface location of the separate reservoirs claimed.
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- d. Packer leakage test upon form prescribed by the Commission.
- e. Either waiver of offset operator or evidence that notice of such dual completion has been given to said operators.

PROVIDED that upon a determination by an operator to dually complete a given well, notice of such shall be given by registered mail to all offset operators and to the Conservation Commission and if any offset operator shall, within ten days from the date of receipt of said notice, file in writing with the operator giving said notice, an objection to such dual completion with a copy of such objection going to the Conservation Commission, or if the Commission, on its own motion, shall determine that a hearing should be held, then and in such event the operator desiring to dually complete the well shall file a separate application with the Conservation Commission and cause notice thereof to be given as required by law and thereafter a hearing will be conducted with respect to such application. In the event, however, that no objection is filed by any operator within the time allowed and the Commission does not determine that a hearing should be held concerning said proposed dual completion, then the operator desiring to dually complete said well as herein set forth may proceed with such dual completion and furnish forthwith to the Commission the data set forth above.

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Further, that the operator shall notify the Conservation Commission of the date of dual completion so that tests may be made and allowables figured by the Commission and that each well

dually completed hereunder shall be operated in such a manner that no detriment or damage will be done to either of said common sources of supply or to any other oil, gas or fresh water bearing formation.

WHEREFORE, applicant prays that this matter be set down for hearing, that notice thereof be given as required by law and that upon final hearing this Commission enter its order permitting the dual completion of wells in the Devonian formation and the Pennsylvanian formation common sources of supply.

SINCLAIR OIL & GAS COMPANY

By N. J. Harben

James H. McGowan
James H. McGowan

- Its attorneys

C E R T I F I C A T E

STATE OF OKLAHOMA }
COUNTY OF TULSA } ss

JAMES H. MCGOWAN, of lawful age, being first duly sworn, deposes and says:

That on the 23rd day of January, 1956, he mailed a copy of this application to all parties appearing of record to own any leasehold interest within the area covered hereby.

Further affiant sayeth not.

James H. McGowan
James H. McGowan

Subscribed and sworn to before me this 23rd day of January, 1956.

Agnes Payton
Notary Public

My commission expires:

Jan'y 30 - 1959