

CASE 3415: Application of SUN OIL
CO. for a non-standard gas prora-
tion unit, Eddy County, N.M.

Case Number

3415

Application
Transcripts.

Small Exhibits

ETC.

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. 3415
Order No. R-3077

APPLICATION OF SUN OIL COMPANY
FOR A NON-STANDARD GAS PRORATION
UNIT, EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 8, 1966,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 15th day of June, 1966, the Commission, a
quorum being present, having considered the record and the
recommendations of the Examiner, and being fully advised in the
premises,

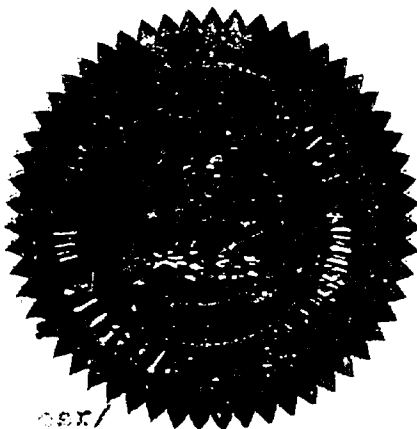
FINDS:

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

IT IS THEREFORE ORDERED:

That Case No. 3415 is hereby dismissed.

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



STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JACK H. CAMPBELL, Chairman

CLIFFORD E. HAYS, Member

A. G. FORGER, Jr., Secretary

State of New Mexico
Oil Conservation Commission

P. O. BOX 2088
SANTA FE

June 15, 1966

Mr. A. R. Ballou
Sun Oil Company
Southland Center - Box 2880
Dallas, Texas 75221

Re: Case No. 3415
Order No. R-3077
Applicant:

Sun 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.
Secretary-Director

ALP/ir

Carbon copy of order also sent to:

Hobbs OCC x
Artesia OCC x
Aztec OCC _____

Other _____

JUNE 8, 1966, EXAMINER HEARING

CASE 3413: Application of Amerada Petroleum 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 Permo-Pennsylvanian zone through three injection wells located in Section 3, Township 15 South, Range 33 East, Saunders Permo-Pennsylvanian Pool, Lea County, New Mexico.

CASE 3414: Application of Phillips Petroleum Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water in the lower San Andres formation, below the oil-water contact, in the following wells, Vacuum Field, Lea County, New Mexico:

TOWNSHIP 17 SOUTH, RANGE 34 EAST

Phillips Hale No. 11, Unit K Section 35

TOWNSHIP 17 SOUTH, RANGE 35 EAST

Phillips Santa Fe No. 97, Unit N Section 33

Phillips Santa Fe No. 86, Unit C Section 26

Phillips Santa Fe No. 58, Unit G Section 35

Applicant further seeks establishment of an administrative procedure whereby additional wells could be placed on salt water disposal below the oil-water contact in the San Andres formation of the Vacuum Field.

CASE 3415: Application of Sun Oil Company for a non-standard gas proration unit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 790-acre non-standard gas proration unit comprising all of Section 5 and 150 acres in the eastern portion of Section 6, Township 22 South, Range 23 East, Indian Basin-Upper Pennsylvanian Gas Pool, Eddy County, New Mexico. Said unit would be dedicated to applicant's Bogle Flats Unit Well No. 8 located in Unit G of said Section 5. Although applicant has drilled a non-commercial well in the NE/4 of said Section 6, it contends that there are approximately 150 acres in said Section 6 which are underlain by the Indian Basin-Upper Pennsylvanian Gas Pool.

CASE 3416: Application of Signal Oil & Gas Company for a dual completion and salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the dual completion (conventional) of its State "AP" Well No. 1 located in Unit I of Section 17, Township 10 South, Range 34 East, Simanola-Pennsylvanian Pool, Lea County, New Mexico, in such a manner as to produce oil from the Pennsylvanian formation through perforations from 9962 feet to 9966 feet and to dispose of produced salt water into the San Andres and Glorieta formations through the annulus between the 8 5/8 inch and the 5 1/2 inch casing in the interval from 4100 feet to 9260 feet.

CASE 2844 (Reopened):

In the matter of Case No. 2844 being reopened pursuant to the provisions of Order No. R-2627, which order established temporary 320-acre gas proration units for the Teas-Pennsylvanian Gas Pool, Lea County, New Mexico, for a period of one year from the date of first pipeline connection. The Commission will consider indefinite extension of Order R-2627 in the absence of evidence to the contrary.

Docket No. 14-66

DOCKET: EXAMINER HEARING - WEDNESDAY - JUNE 8, 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 3410: Application of Pennzoil Company for the creation of a new pool and for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new oil pool for Morrow production for its Bridges-State Well No. 1 in Unit A of Section 11, Township 17 South, Range 34 East, Lea County, New Mexico, and for the promulgation of special pool rules therefor including a provision for 80-acre spacing and a limiting gas-oil ratio of 12,000 to one. In the alternative, applicant requests that the subject well be classified as a gas well and a new Morrow gas pool be created.
- CASE 3411: Application of SEC Operating 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 Yates formation through one well in Unit A of Section 14, Township 20 South, Range 33 East, Teas Pool, Lea County, New Mexico. Applicant further seeks an administrative procedure whereby said project could be expanded to include additional lands and injection wells in Sections 11, 13, 14 and 15, Township 20 South, Range 33 East, under cooperative offset operating agreements.
- CASE 3412: Application of SEC Operating for an exception to Commission Order No. R-111-A, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the potash-oil area casing and cementing rules as set forth in Commission Order No. R-111-A. Applicant proposes to drill and complete a well in Unit D of Section 14, Township 20 South, Range 33 East, Teas Pool, Lea County, New Mexico, with surface casing set at approximately 950 feet, cement circulated, and production casing set at approximately 3400 feet and cemented to approximately 2500 feet above the casing point. The well would be plugged and abandoned in accordance with the provisions of Order No. R-111-A.
- CASE 3261 (Reopened):
- In the matter of Case No. 3261 being reopened at the request of Amerada Petroleum Corporation to consider the amendemnt of the special rules for the Jenkins-Cisco Pool, Lea County, New Mexico, to provide for 160-acre oil proration units. Applicant also seeks the extension of said pool to include certain lands in Township 9 South, Ranges 34 and 35 East. The present temporary special rules promulgated by Order No. R-2931 in Case 3261 provide for 80-acre proration units, and are subject to reconsideration in July, 1966.



PRODUCTION DEPARTMENT **SUN OIL COMPANY** SOUTHLAND CENTER, P. BOX 2880, DALLAS, TEXAS 75221
June 1, 1966

TOM F. HILL
Manager, Southwest Division
F. G. PRUTZMAN
Superintendent Operating Department

RE: Case No. 3415
Indian Basin-Upper Pennsylvanian
Gas Pool, Eddy County, New Mexico:
Application for Non-Standard Unit.

State of New Mexico
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Gentlemen:

The New Mexico Oil Conservation Commission has set Case No. 3415 for 9 a.m., June 8, 1966 upon the application of Sun Oil Company for a non-standard gas proration unit in the Indian Basin-Upper Pennsylvanian Gas Pool of Eddy County, New Mexico. It is respectfully requested that Sun Oil Company be permitted to withdraw its application in this matter and that this case be dismissed without prejudice.

Your consideration in this matter would be appreciated.

Very truly yours,

SUN OIL COMPANY

A. R. Ballou
A. R. Ballou

ARB:mo
Attachment-List of Known Interested Parties

List of Known Interested Parties
Indian Basin-Upper Pennsylvanian
Gas Pool, Eddy County, New Mexico

Mrs. Bonnie Andrikopolis
Box 56
Cheyenne, Wyoming

The Atlantic Refining Co.
Box 1978
Roswell, New Mexico 88201

Beard Oil Co.
1300 N. Broadway
Oklahoma City, Oklahoma

Continental Oil Co.
Box 1377
Roswell, New Mexico

Robert N. Enfield
Box 807
Roswell, New Mexico

Hanagan Petroleum Corp.
Box 1737
Roswell, New Mexico

Kerr McGee Oil Industries, Inc.
Kerr-McGee Building
Oklahoma City, Oklahoma 73101

Ralph Lowe
Box 832
Midland, Texas 79704

Marathon Oil Co.
Box 552
Midland, Texas 79701

Monsanto Company
602 W. Missouri
Midland, Texas 79704

Odessa Natural Gasoline Co.
Box 3908
Odessa, Texas

Pan American Petroleum Corp.
Box 1540
Midland, Texas 79701

Penroc Oil Co.
Box 1004
Midland, Texas 79701

Redfern Development Co.
Box 1747
Midland, Texas 79704

Socony Mobil Oil Co.
Box 820
Roswell, New Mexico

Sohio Petroleum Co.
Box 3167
Midland, Texas

Standard Oil Co. of Texas
Box 1660
Midland, Texas 79701

Transmountain Production Co.
800 San Jacinto Building
Houston, Texas

John H. Trigg
Box 520
Roswell, New Mexico

Union Oil Co. of California
619 W. Texas
Midland, Texas 79704

U. S. Geological Survey
Drawer 1857
Roswell, New Mexico

G. C. Weaver
310½ W. Church Street
Carlsbad, New Mexico

CLASS OF SERVICE
This is a fast message unless the deferred character is indicated by the proper symbol.

WESTERN UNION TELEGRAM

W. P. MARSHALL, PRESIDENT

SYMBOLS
DL = Day Letter
NL = Night Letter
LT = International Letter Telegram

1201 (4-00)

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

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NEW MEXICO OIL CONSERVATION COMMISSION= 1966 JUN 6 PM 12 03
ATTN A L PORTER SANTA FE NMEX=

RALPH LOWE ETAL OPPOSES SUN OIL COMPANY APPLICATION
FOR NON STANDARD GAS PRORATION UNIT CASE NUMBER 3415.
RALPH LOWE ESTATE.==

MAIN OFFICE 010
'66 JUN 6 PM 2 08

3415

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

WFA #1 B 660 N
744 #1 E 1980 6



May 19 AM 8 04

TOM F. HILL
Manager, Southwest Division
F. G. PRUTZMAN
Superintendent Operating Department

PRODUCTION DEPARTMENT **SUN OIL COMPANY** SOUTHLAND CENTER, P. O. BOX 2880, DALLAS, TEXAS 75221

May 17, 1966

RE: Indian Basin-Upper Pennsylvanian
Gas Pool, Eddy County, New Mexico:
Application for Non-Standard Unit.

State of New Mexico
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Unit # 8 Unit G 5
1650 N
1650 E

Gentlemen:

Sun Oil Company is the operator of the Bogle Flats Unit Well No. 8 located in the NE/4 of Section 5, T22S, R23E, Eddy County. This well is producing from the Indian Basin-Upper Pennsylvanian Gas Pool. Sun has also drilled the Weaver Federal No. 1 in Section 6 but this well did not make a commercial producer in the Upper Pennsylvanian Gas Pool.

Geological data based on the wells in the area indicate that there are approximately 150 acres of Section 6 which are underlain by the Upper Pennsylvanian Gas Pool. In order to protect the mineral interest owners in Section 6 it will be necessary to drill either an exception well or a high-risk, second regular location. A better solution which would permit each interest owner the opportunity to recover the hydrocarbons underlying his property would be to permit the assignment of the productive acreage in Section 6 to a non-standard unit composed of such acreage and Section 5 with the Bogle Flats No. 8 as the Unit well. The No. 8 well has an adjusted open flow of 195 MMCF per day and is capable of producing the allowable for such a non-standard unit. The royalty under both sections is common. The working interest is also common except that Marathon owns a $\frac{11}{44}$ section in Section 5 but has no interest in Section 6.

Sun Oil Company respectfully requests that a hearing be set upon its application to create a non-standard unit of approximately 790 acres comprising Section 5 and that portion of Section 6 underlain by the Indian Basin-Upper Pennsylvanian Gas Pool, T22S, R23E, Eddy County. Our application also includes the designation of Sun's Bogle Flats Well No. 8 as the well for such Unit. It is our desire that this hearing be set before an examiner on June 8, 1966 in Santa Fe. Attached is a list of the names and addressees of all interested parties known to the applicant and to whom copies of this letter are being mailed.

Very truly yours,
SUN OIL COMPANY

A. R. Ballou

A. R. Ballou

ARB:mo
Attachment

DOCKET MAILED

Date 5-25-66

List of Known Interested Parties
Indian Basin-Upper Pennsylvanian
Gas Pool, Eddy County, New Mexico

Mrs. Bonnie Andrikopolis
Box 56
Cheyenne, Wyoming

The Atlantic Refining Co.
Box 1978
Roswell, New Mexico 88201

Beard Oil Co.
1300 N. Broadway
Oklahoma City, Oklahoma

Continental Oil Co.
Box 1377
Roswell, New Mexico

Robert N. Enfield
Box 807
Roswell, New Mexico

Hanagan Petroleum Corp.
Box 1737
Roswell, New Mexico

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Kerr-McGee Building
Oklahoma City, Oklahoma 73101

Ralph Lowe
Box 832
Midland, Texas 79704

Marathon Oil Co.
Box 552
Midland, Texas 79701

Monsanto Company
602 W. Missouri
Midland, Texas 79704

Odessa Natural Gasoline Co.
Box 3908
Odessa, Texas

Pan American Petroleum Corp.
Box 1540
Midland, Texas 79701

Penroc Oil Co.
Box 1004
Midland, Texas 79701

Redfern Development Co.
Box 1747
Midland, Texas 79704

Socony Mobil Oil Co.
Box 820
Roswell, New Mexico

Sohio Petroleum Co.
Box 3167
Midland, Texas

Standard Oil Co. of Texas
Box 1660
Midland, Texas 79701

Transmountain Production Co.
800 San Jacinto Building
Houston, Texas

John H. Trigg
Box 520
Roswell, New Mexico

Union Oil Co. of California
619 W. Texas
Midland, Texas 79704

U. S. Geological Survey
Drawer 1857
Roswell, New Mexico

G. C. Weaver
310½ W. Church Street
Carlsbad, New Mexico

dearnley-meier reporting service, inc.

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS
1120 SIMMS BLDG. • P. O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO



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BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
June 8, 1966

EXAMINER HEARING

IN THE MATTER OF:

Application of Sun Oil Company for a
non-standard gas proration unit,
Eddy County, New Mexico.

Case No. 3415

BEFORE: Elvis A. Utz, Examiner

TRANSCRIPT OF HEARING



MR. UTZ: The first case on the docket will be Case 3415.

MR. HATCH: Application of Sun Oil Company for a non-standard gas proration unit, Eddy County, New Mexico.

I have a letter here from Sun Oil Company signed by A. R. Ballou, asking that the company be allowed to withdraw its application in Case 3415, and that it be dismissed without prejudice.

MR. UTZ: Case 3415 will be dismissed without prejudice.

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

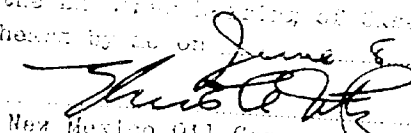
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STATE OF NEW MEXICO)
COUNTY OF BERNALILLO) SS

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 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 9th day of June, 1966.


NOTARY PUBLIC

I do hereby certify that the foregoing is a complete record of the proceedings in the hearing of Case No. 3415 heard by me on June 8, 1966.

Hubert C. [unclear], Examiner
New Mexico Oil Conservation Commission