

Entered January 13, 1966
D.L.P.

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. 3359
Order No. R-3028

APPLICATION OF SINCLAIR OIL & GAS
COMPANY FOR A DUAL COMPLETION, NON-
STANDARD LOCATION, NON-STANDARD GAS
PRORATION UNIT, AND AN EXCEPTION TO
RULE 104 C I, EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on January 5, 1966, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 13th day of January, 1966, 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 authority to complete its Fren Oil Company Well No. 21, located 560 feet from the South line and 1689 feet from the West line of Section 19, Township 17 South, Range 31 East, NMPM, Eddy County, New Mexico, as a dual completion (conventional) to produce oil from the Cedar Lake-Abo Pool and gas from an undesignated Morrow gas pool through parallel strings of 2-inch tubing, with separation of zones by a packer set at approximately 11,050 feet.

(3) That the applicant also seeks approval of a 305.32-acre non-standard gas proration unit in the undesignated Morrow gas pool comprising the S/2 of said Section 19.

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(4) That the applicant also seeks approval of a non-standard wildcat gas well location for the subject well pursuant to Rule 104 B I (b) of the Commission Rules and Regulations.

(5) That the applicant also seeks an exception to Rule 104 C I of the Commission Rules and Regulations to simultaneously dedicate the SE/4 SW/4 of said Section 19 to the subject well and to its Fren Oil Company Well No. 20 located 900 feet from the South line and 1980 feet from the West line of said Section 19, with assignment of a single 40-acre Cedar Lake-Abo allowable to the unit and authority to produce any or all of the allowable from either well.

(6) That the applicant also seeks approval of a non-standard oil well location in the Cedar Lake-Abo Pool as an exception to Rule 104 C I of the Commission Rules and Regulations for its Fren Oil Company Well No. 21 which is located nearer than 660 feet to the nearest well capable of producing from the Cedar Lake-Abo Pool.

(7) That the mechanics of the proposed dual completion are feasible and in accord with good conservation practices.

(8) That the proposed non-standard gas proration unit is necessitated by a variation in the legal subdivision of the U. S. Public Lands Survey and can be efficiently and economically drained and developed by the subject well.

(9) That the subject well was drilled as a wildcat oil well at a standard location to test the Devonian formation but was non-productive in the Devonian formation, and was subsequently completed in the Cedar Lake-Abo Pool and an undesignated Morrow gas pool.

(10) That approval of the subject application will prevent the drilling of unnecessary wells, will avoid the augmentation of risk arising from the drilling of an excessive number of wells, will prevent reduced recovery which might result from the drilling of too few wells, will afford the applicant the opportunity to produce its just and equitable share of the oil and gas in the subject pools, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Sinclair Oil & Gas Company, is hereby authorized to complete its Fren Oil Company Well No. 21, located 560 feet from the South line and 1689 feet from the West line of Section 19, Township 17 South, Range 31 East, NMPM, Eddy County, New Mexico, as a dual completion (conventional) to produce oil from the Cedar Lake-Abo Pool and gas from an undesignated Morrow gas pool through parallel strings of 2-inch tubing, with separation of zones by a packer set at approximately 11,050 feet;

PROVIDED HOWEVER, that the applicant shall complete, operate, and produce said well in accordance with the provisions of Rule 112-A of the Commission Rules and Regulations insofar as said rule is not inconsistent with this order;

PROVIDED FURTHER, that the applicant shall take packer-leakage tests upon completion and annually thereafter during the Annual Shut-In Pressure Test Period for the Morrow formation.

(2) That a 305.32-acre non-standard gas proration unit comprising the S/2 of Section 19, Township 17 South, Range 31 East, NMPM, Eddy County, New Mexico, in an undesignated Morrow gas pool, is hereby created and dedicated to the above-described well.

(3) That a non-standard wildcat gas well location is hereby approved for the above-described well.

(4) That the applicant is hereby granted an exception to Rule 104 C I of the Commission Rules and Regulations to simultaneously dedicate the SE/4 SW/4 of Section 19, Township 17 South, Range 31 East, NMPM, Eddy County, New Mexico, to its Fren Oil Company Well No. 20 located 900 feet from the South line and 1980 feet from the West line of said Section 19 and to its Fren Oil Company Well No. 21 located 560 feet from the South line and 1689 feet from the West line of said Section 19; that a single 40-acre Cedar Lake-Abo allowable shall be assigned to said 40-acre unit; and that the applicant is hereby authorized to produce any or all of the Cedar Lake-Abo allowable from either well.

(5) That the applicant is hereby granted an exception to Rule 104 C I of the Commission Rules and Regulations to produce

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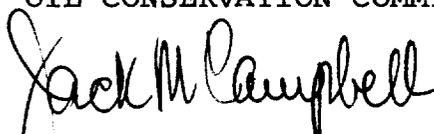
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its Fren Oil Company Well No. 21 which is located nearer than 660 feet to the nearest well capable of producing from the Cedar Lake-Abo Pool.

(6) 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, Chairman



GUYTON B. HAYS, Member



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

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