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SINGLAIR OIL & GAS COMPANY

P. O. Box 1470 REPORT OF THE STANK THE ST

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LEGAL DEPARTMENT

May 26, 1958

New Mexico Oil Conservation Commission P. O. Box 871 Santa Fe, New Mexico

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

Re: Application of Sinclair Oil & Gas Company for an order permitting and authorizing the commingling of oil into common storage produced from the Kemnitz Wolfcamp Pool and from the Pennsylvanian Pool in its State Lea 692 Well No. 1 in Lea County.

New Mexico

Gentlemen:

Enclosed in triplicate is Sinclair Oil & Gas Company's application for an order permitting and authorizing the commingling of oil into common storage produced from the Kemnitz Wolfcamp Pool and from the Pennsylvanian Pool in its State Lea 692 Well No. 1 in Lea County, New Mexico.

Very truly yours,

Docket Mailed
Le-24 P Horace N. Burton

Attorney

HNB:my

Encl.

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 PERMITTING AND AUTHORIZING
THE COMMINGLING OF OIL INTO COMMON
STORAGE PRODUCED FROM THE KEMNITZ
WOLFCAMP POOL AND FROM THE PENNSYLVANIAN POOL IN ITS STATE LEA 692
WELL NO. 1 IN LEA COUNTY, NEW MEXICO

case no. <u>1475</u> order no.

APPLICATION

Sinclair Oil & Gas Company, a Maine corporation with an operating office in Midland, Texas, hereby files this application, in triplicate, seeking permission and authority for the commingling of oil into common storage produced from the Kemnitz Wolfcamp Pool and from the Pennsylvanian Pool in its State Lea 692 Well No. 1 in Lea County, New Mexico, and in support thereof shows:

I.

Applicant, Sinclair Oil & Gas Company, is the owner and operator of its State Lea 692 lease insofar as the same covers the Southwest Quarter (SW_{π}^{1}) of Section 24, T-16-S, R-33-E, in Lea County, New Mexico. Applicant has commenced the drilling of its "No. 1 State Lea" Well located 660 feet from the South line and 660 feet from the West line of said Section 24 and intends to test the porosity expected to be encountered in the Wolfcamp formation and also in the Pennsylvanian formation. Applicant further anticipates successful oil completions. Said well will be completed as an oil-oil dual subject to the approval of the Commission pursuant to application therefor in Case No. 1457, now pending.

II.

Adequate facilities will be provided to assure at all times accurate determination of the production from the separate pools which may be commingled into common storage.

III.

Applicant by reference incorporates Exhibits "A" and "B" attached to its application for an oil-oil dual completion in Case No. 1457, now pending. Exhibit "A" is a plat showing the location of all wells on applicant's lease and all offset wells on offset leases. Exhibit "B" is a list of the names and addresses of all the offset operators and all interested parties known to applicant.

IV.

Applicant believes and, therefore, alleges that the commingling of such production into common storage is mechanically feasible and that the same will not adversely affect correlative rights and is in the interest of prevention of waste.

WHEREFORE, applicant requests that this application be set for hearing before an Examiner either in Hobbs or Santa Fe, New Mexico, at the earliest convenience and that upon such hearing authority and permission be granted to applicant for the commingling of production from separate pools.

Horace N. Burton P. O. Box 1470 Midland, Texas

ATTORNEY FOR APPLICANT SINCLAIR OIL & GAS COMPANY

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