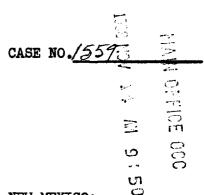
IN THE MATTER OF THE APPLICATION OF SUNRAY MID-CONTINENT OIL COMPANY FOR AN ORDER AUTHORIZING A GAS INJECTION PROJECT IN THE BISTI-LOWER GALLUP OIL POOL IN SAN JUAN COUNTY, NEW MEXICO, PURSUANT TO RULE 701 OF THE COMMISSION'S RULES AND REGULATIONS, AND FOR AN ORDER ESTABLISHING RULES AND REGULATIONS IN THE AREA OF SAID PROJECT.



## APPLICATION

TO THE HONORABLE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO:

COMES NOW the Applicant, Sunray Mid-Continent Oil Company, and respectfully alleges and states as follows:

- l. That it is the owner and operator of leases and wells within the limits of the Bisti-Lower Gallup Oil Pool, San Juan County, New Mexico.
- 2. That it is desired to inject gas, pursuant to Rule 701 of the Commission's Rules and Regulations, into the Bisti-Lower Gallup Oil Pool underlying the following described acreage:

The South Half (S/2) of Section 31, Township 26 North, Range 12 West, except the Southwest Quarter of the Southwest Quarter (SW/4 SW/4) of said Section 31, N.M.P.M.

All of Section 6, Township 25 North, Range 12 West, except the Northwest Quarter of the Northwest Quarter (NW/4 NW/4) of said Section 6, N.M.P.M.

The Northwest Quarter (NW/4) and the East Half (E/2) of Section 7, Township 25 North, Range 12 West, N.M.P.M.

All in San Juan County, New Mexico.

- 3. That the wells in the Bisti-Lower Gallup Gil Pool are produced from the Lower Gallup Gil Sand which is found at the approximate depth of 4829 feet in Sunray Mid-Continent Gil Company's Federal "C" Well No. 1 located in the Northwest Quarter of the Northwest Quarter (NW/4 NW/4) of Section 6, Township 25 North, Range 12 West, N.M.P.M., San Juan County, New Mexico.
- 4. That it is proposed to inject gas into Sunray Mid-Continent Oil Company's Federal "C" Well No. 18, located in the Southwest Quarter of the Northeast Quarter (SW/4 NE/4) of Section 7, Township 25 North, Range 12 West, N.M.P.M., San Juan County, New Mexico.
- 5. That casing has been set and cemented in the proposed injection well as follows:
  - (a) Sunray's Federal "C" No. 18:
    - 8-5/8" casing set at 352' with 225 sacks of cement. 5-1/2" casing set at 4989' with 200 sacks of cement.
  - (b) The casing in the injection well will be tested in accordance with such rules and methods heretofore approved by the Commission or as may be prescribed by it prior to use as an injection well.

- 6. That it is estimated that between 900,000 and 1,900,000 cubic feet of gas per day will be injected into the injection well, however, at a later date it is estimated that the volume of gas injected may increase; that the gas will consist of produced casinghead gas from the Lower Gallup Oil Formation with needed make-up gas to be purchased from outside sources.
- 7. That the Commission by its Order No. R-1027 dated August 7, 1957, has heretofore granted to Sunray Mid-Continent Oil Company permission to inject liquefied petroleum gas followed by gas into the Bisti-Lower Gallup Oil Pool for the purposes of secondary recovery.
- 8. That attached hereto, marked Exhibit "A", and made a part hereof by this reference, is a plat showing the location of the proposed intake well; the location of all oil and gas wells, including drilling wells and dry holes, and the names of lessees within one-half mile of the proposed intake well; and the name of each offset operator.
- 9. That the operator of this project is Sunray Mid-Continent Oil Company, P. O. Box 2039, Tulsa 2, Oklahoma.
- the prevention of wa and regulations be adopted to accomplish the constitution of producing wells to injection wells upon approval of the Secretary-Director of the Commission.

  (1) The conversion of producing wells to injection wells upon approval of the Secretary-Director of the Commission.

  (2) The transfer of the allowables from injection wells within the project area. 10. That in the interest of conservation, the prevention of waste, and to more effectively and efficiently operate the gas injection project, it is recommended to the Commission that rules and regulations be adopted to accomplish the following in

  - The transfer of the allowables from injection wells to producing
  - (3). The transfer of allowable from wells which have been shut-in for observation or to increase the efficiency of the matter in
  - The transfer of allowable from wells which have been shut-in for a servation or to increase the efficiency of the project to producing wells within the project area.

    Of the commission of wells on a net gas-oil ratio basis giving alloware for gas injected.

    From fact Sac angented.

    Of the commission deems to be necessary.

    WHEREFORE A-2: (4). The operation of wells on a net gas-oil ratio basis giving allowance for gas injected. Prof fas - gas injected. Amt, returned to reserve mines and professes.

WHEREFORE Applicant prays that this application be set for hearing, that notice be given as required by law and that upon the evidence adduced at such hearing, the Commission issue an order granting to Applicant permission to inject gas into the Bisti-Lower Gallup Oil Pool, and an order establishing rules and regulations in that portion of the Bisti-Lower Gallup Oil Pool, San Juan County, New Mexico, described in this application, as more fully set out in this application.

Dated this / 4 day of November, 1958.

SUNRAY MID-CONTINENT OIL COMPANY

By William R. Loar, Attorney P. O. Box 2039 Tulsa 2, Oklahoma

By L. C. White, Attorney P. O. Box 787

Santa Fe, New Mexico

min. million au Cons half - 650,000 inte gilotoroj.

100,000 for heater treater etc.

150,000 min.

mi . 1500 # max. 2000 71