

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

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.

CASE NO. 1557

MINI OFFICE OCC

100 12/11 AM 9:50

A P P L I C A T I O N

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:

1. 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 North-  
west 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 Oil Pool are produced from the  
Lower Gallup Oil Sand which is found at the approximate depth of 4829 feet in Sunray  
Mid-Continent Oil 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 hereto-  
fore 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.

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 portion of the Bisti-Lower Gallup Oil Pool as described above:

- ad. approved*
- offset operators - to the project*
- notice (copy to all offset operators 10 day waiting period)*
- (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 to producing wells within the project area.
  - (3). The transfer of allowable from wells which have been shut-in for observation or to increase the efficiency of the project to producing wells within the project area.
  - (4). The operation of wells on a net gas-oil ratio basis giving allowance for gas injected. *Pool gas - gas injected. Amt. returned to reservoir minus amt. produced.*
  - (5). Such other rules and regulations which the Commission deems to be necessary.

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 14 day of November, 1958.

SUNRAY MID-CONTINENT OIL COMPANY

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

By L. C. White  
L. C. White, Attorney  
P. O. Box 787  
Santa Fe, New Mexico

*Purpose: maintain reservoir pressure*

*all on lease. 16 fed. lease. have rec'd approval of U.S. B.S.*

*min. - Miller and one half - 650,000 mcf per day. 100,000 for heater treater etc. 750,000 min.*

*max. - 2 million cu feet.*

*pressure*

*min. 1500 #*

*max. 2000 #*