

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

February 8, 1960

C  
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P  
Y  
  
Sinclair Oil & Gas Company  
P. O. Box 1470  
Midland, Texas

Attention: Mr. Horace N. Burton

Re: Case No. 1841  
Order No. R-1586

Gentlemen:

Reference is made to your letter of February 1, 1960, wherein you point out that the subject order referred to the recently designated West Teas Oil Pool erroneously in the finding on page 2 as the East Salt Lake Oil Pool.

This was of course unintentional and has been corrected.

We are enclosing a corrected page 2 of the order. Please substitute this corrected page for the one previously sent you.

Very truly yours,

DANIEL S. NUTTER,  
Chief Engineer

DSN/ir

cc: L. C. White, Box 787 - Santa Fe, N.M.  
Oil Conservation Commission:  
Artesia  
Hobbs

# SINGLAI OIL & GAS COMPANY

P. O. Box 1470  
~~XXXXXXXXXXXXXXXXXXXX~~

**MIDLAND, TEXAS**

LEGAL DEPARTMENT

February 1, 1960

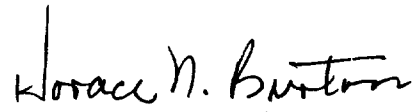
Mr. A. L. Porter, Jr.  
Oil Conservation Commission of  
the State of New Mexico  
Santa Fe, New Mexico

Re: Case No. 1841  
Order No. R-1586

Dear Sir:

We are in receipt of the order of January 27, 1960 and note a reference in the first paragraph, page 2, to designating the pool as the East Salt Lake Oil Pool, but later on the same page it is ordered the pool be designated as the West Teas Oil Pool. We assume the latter name is intended; and if not, kindly advise us.

Very truly yours,

  
Horace N. Burton  
Division Attorney

HNB:my

$$1/2 + 1/2 = 1$$



$F_2$

Handwritten notes, possibly including the word "Handwritten" and some illegible scribbles.

*File*

RICHARDSON & BASS

FT. WORTH NAT'L BANK BLDG.  
FORT WORTH, TEXAS

January 8, 1960

Re: New Mexico Case No. 1841,  
Scheduled January 13, 1960.

New Mexico Oil Conservation Commission  
Santa Fe, New Mexico

Gentlemen:

With reference to the subject Case concerning Sinclair Oil & Gas Company's application for casing rules in their oil field discovery in the Potash Oil Area, Lee County, New Mexico, Richardson & Bass, as an oil operator in the State of New Mexico and lease-holder of tracts in the vicinity of the subject area, concurs with Sinclair in their proposal.

We have examined thoroughly the proposed rules to be offered by Sinclair and the current statewide Rule R-111-A. In our opinion, the proposed rules offer as adequate protection of the Potash formation as the existing state rule mentioned above, and we recommend that the Sinclair proposal be adopted.

Yours very truly,

RICHARDSON & BASS

*J. R. Vann*

J. R. Vann

JRV:vs

cc - Sinclair Oil & Gas Company

JAMES W. STAGNER  
RAY O. SAGE  
JOHN B. WALKER

STAGNER, SAGE AND WALKER  
ATTORNEYS AT LAW  
CARLSBAD, NEW MEXICO

December 29, 1959

*Case file*

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

Re: Case No. 1841 - Order No. R-111-A  
Application of Sinclair Oil and  
Gas Co. for the creation of a new  
pool in the potash-oil area

Dear Sirs:

We enclose, pursuant to Rules 1209 and 1216 of the Oil  
Conservation Commission, written objection of United  
States Borax & Chemical Corporation to the hearing of  
subject application by an examiner.

We understand that this application will now be set  
for the next hearing by the full commission and we  
would appreciate your advising us of the date.

Thanking you for your assistance, we are

Very truly yours,

STAGNER, SAGE AND WALKER

By:

*Ray O. Sage*  
Ray O. Sage

ROS/m

Encls

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. 1841  
ORDER NO. R-111-A

APPLICATION OF SINCLAIR OIL AND GAS  
COMPANY FOR AN ORDER CREATING A NEW  
POOL FOR YATES PRODUCTION IN THE  
POTASH-OIL AREA AS DEFINED BY ORDER  
R-111-A

OBJECTION TO HEARING BEING HELD  
BEFORE AN EXAMINER

Comes now UNITED STATES BORAX & CHEMICAL CORPORATION  
and objects to a hearing on the subject application being held  
before an examiner on January 6, 1960, for the reason that:

1. United States Borax & Chemical Corporation will be  
affected by any order entered by the Commission in connection with  
subject hearing.
2. United States Borax & Chemical Corporation desires to  
protest the subject application and to appear and present evi-  
dence at the hearing on said application.
3. The importance of said application and any order entered  
thereon requires that said application and all protests thereto be  
heard and determined by the full commission rather than by an  
examiner.

Respectfully submitted,

STAGNER, SAGE AND WALKER  
Attorneys for United States  
Borax & Chemical Corporation  
Carter Building, Carlsbad, N. M.

By 

Copy

Copy

STAGNER, SAGE AND WALKER

ATTORNEYS AT LAW

CARLSBAD, NEW MEXICO

JAMES W. STAGNER (1959)

RAY O. SAGE

JOHN E. WALKER

December 30, 1959

Sinclair Oil and Gas Company,  
Box 1470,  
Midland, Texas

Attention, Mr. R. M. Anderson,  
Petroleum Engineer:

*Case  
File*

Re: Case No. 1841  
Order No. R-111-A  
New Mexico Oil Conservation Commission  
Application of Sinclair Oil and  
Gas Company for an Order Creating a  
new pool for Yates Production in  
the potash oil area.

Dear Sirs:

We represent United States Borax & Chemical Corporation and have filed on our client's behalf an objection to the hearing of your subject application before an examiner on January 6, 1960. We enclose a copy of our objection.

We were informed today by Mr. Daniel S. Nutter that the application would be set for hearing at the next regular meeting of the Commission at Santa Fe on ~~February 17~~, 1960.

*Jan. 13,*

Very truly yours,

STAGNER, SAGE & WALKER,

By:

Ray O. Sage

ROS/r1

Encl.

CC: Tom Gambill

CC: N.M. Oil Conservation Comm ✓

CC: J.N. Allen

CC: Paul Speer

CC: Coleman & McDonald

CC: Earl Miller

(with copies of enclosures)

VARIATIONS FROM THE POTASH-OIL RULE R-111-A

Sinclair Proposal  
Variation

Instance in General Area Where OCC has  
Granted Similar Variation

1.) 600' Surface Casing  
instead of 1300'

1.) Teas Pool-R-1078 requires surface to be  
set thru Santa Rosa (about 1000') Top Rustler  
about 1300 ft.(R-111-A would require about  
1400 ft. surface in Teas area)

1.) Middle Lynch Yates, R-1039, Rotary Rule  
requires only 80-100 ft. surface.  
Cable tool rule requires set thru Santa Rosa  
which is same as Teas rule.

1.) R-963, R-999, R-1021 are individual  
well exceptions and do not require  
any surface pipe to be permanently installed.  
(Oil string is only requirement)

1.) R-1282 is an individual well exception  
requiring 70 ft. of surface casing.

2.) Elimination of  
Salt Protection String

2.) All of above instances have  
eliminated the salt protection string.

3.) Bring oil string cement  
50 ft. up into surface  
casing instead of to surface.

3.) Teas Pool Rule R-1078

4.) Drill into pay  
without first  
setting salt protection  
string

4.) Not previously granted. However,  
R-111-A permits cutting and pulling salt  
protection string prior to running oil  
string.



DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

Stipulations to be executed and made part of any oil and gas lease involving lands described in the Departmental Notice of October 16, 1951.

The lessee further agrees that:

- (1) No wells will be drilled for oil or gas in formations above the base of the Delaware sand, or above a depth of 5,000 feet, whichever is the lesser, except upon approval of the Director of the Geological Survey, it being understood that drilling for production to these formations will be permitted only in the event that it is satisfactorily established that such drilling will not interfere with the mining and recovery of potash deposits or the interest of the United States would best be subserved thereby.
- (2) No wells will be drilled for oil or gas in formations below the base of the Delaware sand, or below a depth of 5,000 feet, whichever is the lesser, except pursuant to a unit plan approved by the Director of the Geological Survey, unless drilling is otherwise required or approved by the Director to protect the lease from drainage.
- (3) No wells will be drilled for oil or gas at a location which, in the opinion of the Oil and Gas Supervisor of the Geological Survey, would result in undue waste of potash deposits or constitute a hazard to or unduly interfere with mining operations being conducted for the extraction of potash deposits.
- (4) The drilling or the abandonment of any well on said lease shall be done in accordance with applicable oil and gas operating regulations including such requirements as the Oil and Gas Supervisor of the Geological Survey may prescribe as necessary to prevent the infiltration of oil, gas, or water into formations containing potash deposits or into mines or workings being utilized in the extraction of such deposits.

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Signature of Offeror or Lessee