



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 PROMULGATING SPECIAL RULES
AND REGULATIONS FOR THE AREA AFFECTED
BY DISCOVERY OF OIL AND GAS IN ITS
STATE LEA 886 WELL NO. 1, LOCATED
1980' FROM THE NORTH AND WEST LINES
OF SECTION 16, TWP. 20 SOUTH, RGE. 33
EAST, LEA COUNTY, NEW MEXICO, WHICH
IS LOCATED WITHIN THE POTASH-OIL AREA

CASE NO. 1841

ORDER NO. _____

A P P L I C A T I O N

Sinclair Oil & Gas Company, a Maine corporation with
an operating office in Midland, Texas, hereby files its appli-
cation herein, in triplicate, and represents the following:

I.

Applicant is the owner and operator of its State Lea
886 Lease consisting of State land and described as the S/2 of
the NW/4 and the N/2 of the NE/4, Section 16, Twp. 20 South,
Rge. 33 East, Lea County, New Mexico, containing 160 acres,
which is located entirely within the boundaries of the Potash-
Oil Area as established by Commission Order No. R-111-A. On
December 9, 1959 Applicant completed its State Lea 886 Well
No. 1 as a new discovery and producer of oil in the Yates for-
mation encountered from 3146' to 3232', said well being located
1980' from the North and West lines of said Section 16. Prior
to commencing drilling operations for oil and gas on said land,
the applicant notified all potash operators holding potash leases
within a radius of one mile of the well by registered mail of its
intent to drill, as required by Commission Order No. R-111-A, and
received Commission approval of its Notice of Intention to Drill
without objection from any potash operator so far as known to
applicant.

II.

Applicant seeks an order promulgating special rules
and regulations for the area affected by discovery of oil in its
State Lea 886 Well No. 1, as contemplated by said Order No.
R-111-A, and proposes that the following amendments to Order No.
R-111-A to apply to the affected area:

Roche to Mailes & Co. White
x All Potash Co's.
12-27-59 JH

A. Cable Tools Casing Program

Applicant proposes the same cable tools casing program as was adopted in the Teas Pool by Order No. R-1078 dated October 29, 1957.

B. Rotary Tools Casing Program

Applicant proposes the following casing program for rotary drilled wells:

- (1) Surface casing to be set at approximately 600 feet and cement circulated to surface.
- (2) No salt protection casing to be required.
- (3) Production casing to be set through the pay formation found from 3146' to 3232' in the discovery well and cemented with sufficient cement to fill the annular space behind the casing to a point at least 50' up into the surface pipe.

Applicant further proposes that all other special rules applicable to the affected area shall be in conformity with Order No. R-111-A and the general statewide Rules and Regulations of the Oil Conservation Commission.

III.

Applicant believes and, therefore, alleges that the special rules herein proposed will prevent waste, protect correlative rights, assure maximum conservation and permit the economic recovery of oil, gas and potash minerals in the area.

WHEREFORE, applicant requests that this application be set for hearing before an Examiner at Santa Fe, New Mexico, at the earliest convenience; that notice be given hereon and that upon such hearing special Rules and Regulations be promulgated by Order of the Commission as herein proposed.

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