BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF SINCLAIR OIL & GAS COMPANY FOR APPROVAL OF A WATERFLOOD PROJECT IN THE MALJAMAR (GRAYBURG-SAN ANDRES) FIELD, EDDY AND LEA COUNTIES, NEW MEXICO.

case no. 3346

ORDER NO. ____

APPLICATION

SINCLAIR OIL & GAS COMPANY, a Maine corporation with an operating office in Midland, Texas, hereby makes application under Rule 701 for approval to institute a water injection operation under its Johns "A-24" DE and Johns "B" DE leases, Maljamar (Grayburg-San Andres) Field, Eddy and Lea Counties, New Mexico, and in support thereof shows:

1.

That Sinclair Oil & Gas Company is the owner and operator of its Johns "A-24" DE lease, consisting of the S/2 of S/2 of Section 24, T-17-S, R-32-E, and its Johns "B" DE lease, consisting of the N/2 and N/2 of S/2 of said Section 24, T-17-S, R-32-E, Eddy and Lea Counties, New Mexico. Said leases are in an advanced stage of depletion and applicant desires to institute a secondary recovery program by waterflooding. The Grayburg and San Andres formations are the zones proposed to be flooded.

2.

Attached and filed herewith is a plat showing the location of the proposed injection wells and all other wells within the radius of two miles from said proposed injection wells, and showing also the lessees and operators within the two-mile radius.

3.

Attached and filed herewith are the logs run on all proposed injection wells except the Johns "A-24" Well No. 2 and the Johns "B" Well No. 2, in which logs have not been run.

4.

Attached hereto and filed herewith is a diagrammatic sketch of the proposed injection wells showing all casing strings,

DOCKET MAILED

Date 1-10-65

including diameters and setting depths, quantities used and tops of cement, perforated or open hole intervals, tubing strings including diameters and setting depths and the type and location of packers, if any.

5.

Applicant proposes to inject fresh water from the Lea County Underground Water Basin into the Grayburg and San Andres formations at the interval from 3900 feet to 4400 feet below the surface at the initial rate of 600 barrels per day into each injection well, and afterwards at 450 barrels per well per day.

6.

A copy of this application, complete with all attachments, has been sent to the State Engineer's Office, Box 1079, Santa Fe, New Mexico.

7.

Applicant proposes that the waterflood project should be governed by the provisions of Rule 701 of the Commission's Rules and Regulations, including those provisions regarding allocation of allowables. Applicant also proposes to submit to the Commission monthly progress reports of the waterflood project in accordance with Rule 704 and Rule 1119 of the Commission's Rules and Regulations. Applicant further alleges that the granting of this application will be in the interest of prevention of waste and will not impair correlative rights.

WHEREFORE, applicant prays that the Commission set this application for public hearing before an Examiner in Santa Fe, New Mexico, that notice be issued according to law, and that upon hearing this application be granted.

HORACE N. BURTON P. O. Box 1470 Midland, Texas

WHITE, GILBERT, KOCH & KELLY

P. O. Box 787

Santa Fe, New Mexico