

SINCLAIR OIL & GAS COMPANY

Box 1920 Hobbs, New Mexico February 2, 1965

New Mexico Oil Conservation Commission P. C. Box 2088 Santa Fe, New Mexico

> Re: Application for a Non-standard Gas Proration Unit to be assigned Sinclair's Duthie Andrews Unit No. 1 in the Jalmat Pool, Lea County, New Mexico

Gentlemen:

Sinclair Oil & Gas Company wishes to make this application for an order under Rule R-520 which will establish a Non-standard Gas Proration Unit of 160 acres to be assigned to subject well.

In this connection Sinclair wishes to state:

1. Sinclair is the operator of the Duthie Andrews Unit No. 1 which is located in Unit J of Section 18, T235, R37E, Lea County, New Mexico.

2. The Non-standard Proration Unit Sinclair seeks to have assigned to subject well consists of Sinclair's Duthie Andrews Unit lease which contains 160 acres and is located in the SE/4 of Section 18, T23S, R37E. Subject well is located 660 feet from north line and 660 feet from west line of this Unit. Subject well was originally drilled and completed in the Langlie Mattix Pool on March 16, 1942. It is proposed that subject well will be plugged back from the Langlie Mattix and will be recompleted in the Jalmat Gas Pool.

A. On December 14, 1954, Western Natural Gas Commany, the former operators, made application for an 80 acre non-standard gas provation unit for subject well in the Jalmat Gas Pool. By the Oil Conservation Commission letter of January 13, 1955, it was pointed out that the perforations were all within the Langlie Mattix Oil Pool and the request would be refused. Western Natural withdrew the application.

B. The Duthie No. 3, 1320' east of Duthie Andrews Unit No. 1, was completed July 26, 1954, as a dual producer in the Jalmat Gas Pool and the Langlie Mattix Oil Pool. By Administrative Order NSP-72 of February 11, 1955, Duthie No. 3 was granted an 80 acre non-standard gas proration unit in the Jalmat Gas Pool consisting of the following acreage: E/2 SE/4 of Section 18, T23S, P37E. Due to difficulties on completion the Jalmat zone has never produced at a rate high enough to justify a pipe line connection. Page No. 2

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Since this well has 161 feet of Yates Seven Rivers section perforated at four shots per foot, the possibility of a controlled and successful fracture treatment has been greatly reduced. It is therefore requested that the 80 acre non-standard unit be abolished and a 160 acre non-standard gas proration unit be established and assigned to the Duthie Andrews Unit No. 1.

3. The length or width of the proposed Unit does not exceed 5280¹. Both the royalty and leasehold interests are common under this proposed Unit.

4. All the acreage within the proposed Unit may reasonably be presumed productive of gas.

5. The proposed Unit lies wholly within a single governmental section and consists of contiguous quarter-quarter sections.

6. The proposed Unit is shown on the enclosed plat, and by copy of this letter of application all operators owning interests in this section and all operators with 1500' of the proposed Unit are notified by certified mail of the intent of Sinclair to form the proposed non-standard gas provation unit.

Sinclair, therefore, requests that the Secretary of the Commission approve the above described non-standard gas proration unit.

Very truly yours. Burns

District Superintendent

FB:DF:11

Attachments

- Orig. & cc: OCC-Santa Fe
 - 2 cc: OCC-Hobbs
 - cc: Offset operators
 - cc: PFS, File

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