

CASE NO.

7574

---

APPLICATION,  
TRANSCRIPTS,  
SMALL EXHIBITS,  
ETC.

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
STATE LAND OFFICE BLDG.  
SANTA FE, NEW MEXICO  
12 May 1982

EXAMINER HEARING

IN THE MATTER OF:

Application of Sun Exploration and  
Production Company for two non-  
standard gas proration units and an  
unorthodox location, Lea County, New  
Mexico.

CASE  
7574

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation  
Division:

W. Perry Pearce, Esq.  
Legal Counsel to the Division  
State Land Office Bldg.  
Santa Fe, New Mexico 87501

For the Applicant:

W. Thomas Kellahin, Esq.  
Kellahin & Kellahin  
500 Don Gaspar  
Santa Fe, New Mexico 87501

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

2

I N D E X

NATARAJAN SUBRAMANIAM

Direct Examination by Mr. Kellahin

3

E X H I B I T S

Applicant Exhibit One, Contour Map

4

MR. STAMETS: We'll call next Case 7574.

MR. PEARCE: That is the application of Sun Exploration and Production Company for two nonstandard gas proration units and an unorthodox location, Lea County, New Mexico.

MR. KELLAHIN: If the Examiner please, I'm Tom Kellahin of Santa Fe, New Mexico, appearing on behalf of the applicant and I have one witness to be sworn.

(Witness sworn.)

NATARAJAN SUBRAMANIAM

being called as a witness and being duly sworn upon his oath, testified as follows, to-wit:

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Mr. Subramaniam, would you please state your name and occupation?

A My name is Natarajan Subramaniam. I'm a geologist with Sun Exploration and Production Company.

Q Mr. Subramaniam, have you previously testified as an exploration geologist before the Oil Conservation Division?

1

2

A. Yes, sir.

3

Q. Have you prepared and conducted certain

4

studies with regards to this application?

5

A. Yes, sir.

6

MR. KELLAHIN: We tender Mr. Subramaniam

7

as an expert petroleum geologist.

8

MR. STAMETS: He is considered qualified.

9

Q. I'd like to direct your attention to what

10

we've marked as Applicant Exhibit Number One, Mr. Subramaniam,

11

and have you summarize generally what you propose to accom-

12

plish with this application.

13

A. The Exhibit Number One, Mr. Examiner, shows

14

Sections 16, 17, 20, and 21, in Township 22 South, Range 36

15

East, Lea County, New Mexico, and depicts all the wells

16

drilled within the four above mentioned sections.

17

You will notice the northeast part of

18

Section -- northeast quarter of Section 20 and the northwest

19

quarter of Section 21 is highlighted with a yellow line, indi-

20

cating designation of a Boren and Greer Gas Unit.

21

Q. Mr. Subramaniam, what is the well to which

22

the 320-acre Jalmat gas proration unit is dedicated?

23

A. Well No. 2 in the northeast quarter of the

24

northwest quarter of Section 21, in Unit C, is Well No. 2

25

Boren and Greer Gas Unit Well No. 2 which is dedicated -- the

1  
2 320 acres has been dedicated to.

3 Q All right, what do you propose to do?

4 A We request a dedication of the 160 acres  
5 in the northwest quarter of Section 21 to the well and drill  
6 a new well, No. 3, to which an arrow is indicated in the map,  
7 and dedicate the 160 acres in the northeast quarter of Section  
8 20, of Township 22 South, Range 36 East.

9 Q All right, sir, are there other 160-acre  
10 nonstandard proration units in the Jalmat in this immediate  
11 area?

12 A Yes, sir. As you will observe in the map  
13 shows in the southeast quarter of Section 21 there is a 160-  
14 acre well. In the southwest quarter of Section 21 there is  
15 another 160-acre well. In the northwest quarter of Section  
16 20 -- no, southwest quarter of Section 20, and again in the  
17 southeast quarter of Section 20.

18 I might add the map also indicates with  
19 the explanation legend all the Jalmat gas producers have been  
20 highlighted with an orange dot.

21 Q What has been the cumulative production  
22 history on this No. 2 Well in the northeast of the northwest  
23 of 21?

24 A The No. 2 Well has so far produced 98,000  
25 Mcf with a monthly production, the last one we have numbers

on, of 2,878 Mcf, which has been much lower than the production rates of the other, comparatively, other 160-acre wells.

Q All right, give us an example, Mr. Subramaniam, of how that number compares to some of these offset Jalmat wells.

A For instance, the Marathon McDonald State Com No. 6 Well in the southwest quarter of Section 16 --

Q This is a north offset to this well?

A The north offset to this one.

Q Okay.

A Has so far produced 8.02 billion cubic feet with production rates of more than 3-to-4000 Mcf a month.

The Conoco -- the Hartman Gulf Greer No. 1 Well in the southeast -- southwest quarter of Section 21 is presently producing about 6600 to 7000 Mcf per month.

The Conoco No. 2 Lamar Hunt Well in the southeast quarter of Section 20 has produced better than 13,000 Mcf per month.

Q Based upon your studies, Mr. Sumbramaniam, in your opinion is the current well, this No. 2 Well, adequately draining a 320-acre proration unit?

A We believe that it is not.

Q Was Exhibit One prepared by you or compiled under your direction and supervision?

1

2

A Yes, it was.

3

Q And in your opinion, Mr. Subramaniam, will

4

approval of this application be in the best interest of con-

5

servation, the prevention of waste, and the protection of

6

correlative rights?

7

A I believe so.

8

MR. KELLAHIN: We move the introduction of

9

Exhibit Number One.

10

MR. STAMETS: Exhibit One will be admitted.

11

Are there any questions of the witness?

12

He may be excused.

13

Anything further in this case?

14

The case will be taken under advisement.

15

16

(Hearing concluded.)

17

18

19

20

21

22

23

24

25



C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that  
the foregoing Transcript of Hearing before the Oil Conserva-  
tion Division was reported by me; that the said transcript  
is a full, true, and correct record of the hearing, prepared  
by me to the best of my ability.

Sally W. Boyd CSR

I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the Examiner hearing of Case No. 7574  
heard by me on 5-12-82 1982.

Richard L. Starnes, Examiner  
Oil Conservation Division

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B  
Santa Fe, New Mexico 87501  
Phone (505) 455-7409

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25



STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

May 26, 1982

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87501  
(505) 827-2434

Mr. Thomas Kellahin  
Kellahin & Kellahin  
Attorneys at Law  
Post Office Box 1769  
Santa Fe, New Mexico

Re: CASE NO. 7574  
ORDER NO. R-6984

**Applicant:**

Sun Exploration and Production  
Company

Dear Sir:

Enclosed herewith are two copies of the above-referenced Division order recently entered in the subject case.

Yours very truly,

JOE D. RAMEY  
Director

JDR/fd

Copy of order also sent to:

Hobbs OCD	x
Artesia OCD	x
Aztec OCD	

Other \_\_\_\_\_

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:

CASE NO. 7574  
Order No. R-6984

APPLICATION OF SUN EXPLORATION AND  
PRODUCTION COMPANY FOR TWO NON-STANDARD  
GAS PRORATION UNITS AND AN UNORTHODOX  
LOCATION, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on May 12, 1982, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 24th day of May, 1982, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Sun Exploration and Production Company, seeks approval of two 160-acre non-standard gas proration units being the NW/4 of Section 21 to be dedicated to its Boren & Greer Com Well No. 2 in Unit C and the NE/4 of Section 20 to be dedicated to its Boren & Greer Com Well No. 3 to be drilled at an unorthodox location 660 feet from the North line and 940 feet from the East line of said Section 20, both in Township 22 South, Range 36 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico.

(3) That the applicant further seeks rescission of Division Order No. R-5688.

(4) That both non-standard proration units may reasonably be presumed productive of gas from the Jalmat Gas Pool and that each non-standard gas proration unit can be efficiently and economically drained and developed by the aforesaid wells.

-2-

Case No. 7574

Order No. R-6984

(4) That approval of the subject application will afford the applicant the opportunity to produce his just and equitable share of the gas in the Jalmat Gas Pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That Sun Exploration and Production Company is hereby granted two 160-acre non-standard gas proration units in the Jalmat Gas Pool comprising the NW/4 of Section 21 and the NE/4 of Section 20, both in Township 22 South, Range 36 East, NMPM, Lea County, New Mexico, said units to be dedicated, respectively, to the Boren & Greer Com Well No. 2 in Unit C and the Boren & Greer Com Well No. 3 to be drilled at an unorthodox location, hereby also approved, 660 feet from the North line and 940 feet from the East line of said Section 20.

(2) That Division Order No. R-5688 is hereby rescinded.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
JOE D. RAMEY,  
Director

  
S E

Dockets Nos. 14-82 and 15-82 are tentatively set for May 26 and June 9, 1982. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - MAY 12, 1982

9 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM,  
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Richard L. Stamets, Examiner, or Daniel S. Nutter, Alternate Examiner:

- ALLOWABLE: (1) Consideration of the allowable production of gas for June, 1982, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
- (2) Consideration of the allowable production of gas for June, 1982, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 7540: (Continued and Readvertised)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Pauly-Anderson-Pritchard, William H. Pauly, and all other interested parties to appear and show cause why the Maloy Well No. 1, located in Unit P, Section 16, Township 29 North, Range 11 West, San Juan County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 7538: (Continued and Readvertised)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Francis L. Harvey and all other interested parties to appear and show cause why the Pinkstaff Estate Well No. 2, located in Unit A, Section 29, Township 29 North, Range 10 West, San Juan County, should not be re-entered and plugged and abandoned in accordance with a Division-approved plugging program.

CASE 7566: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Flag-Redfern Oil Co., Principal, National Surety Corporation, and all other interested parties to appear and show cause why four wells, being the Julander No. 1 located in Unit L, Section 34; Julander No. 2 located in Unit I, Section 33; Hargis No. 1 located in Unit G, Section 33; and Hargis No. 2 located in Unit J, Section 33, all in Township 30 North, Range 12 West, San Juan County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 7560: (Continued from April 28, 1982, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Charles H. Heisen, Fidelity and Deposit Company of Maryland, Surety, and all other interested parties to appear and show cause why the Crownpoint Well No. 1, located in Unit F, Section 18, Township 18 North, Range 13 West, McKinley County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 7542: (Continued from April 14, 1982, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Benson-Montin-Greer Drilling Corporation, Hartford Accident and Indemnity Company, and all other interested parties to appear and show cause why the following wells: Dustin No. 1, located in Unit K, Section 6, and the Gallegos Canyon Unit No. 2, located in Unit K, Section 35, both in Township 29 North, Range 12 West, and the Segal No. 1, located in Unit K, Section 10, and the Price No. 1, located in Unit N, Section 15, both in Township 31 North, Range 13 West, San Juan County, should not be plugged and abandoned in accordance with Division-approved plugging programs.

CASE 7567: Application of Harvey E. Yates Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Richardson Unit Area, comprising 1,283.35 acres, more or less, of State and Fee lands in Townships 13 and 14 South, Range 36 East.

CASE 7565: (Continued from April 28, 1982, Examiner Hearing)

Application of Delta Drilling Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the North Mescalero Unit Area, comprising 719.77 acres, more or less, of State, Fee and Federal lands in Townships 9 and 10 South, Range 32 East.

CASE 7568: Application of Petroleum Corp. of Delaware for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Superior Federal Well No. 6 located in Unit N of Section 6, Township 20 South, Range 29 East, East Burton Flat Field, to produce oil from the Strawn formation through tubing and gas from the Morrow formation through the casing-tubing annulus by means of a cross-over assembly.

Examiner Hearing - WEDNESDAY - MAY 12, 1982

CASE 7569: Application of Petroleum Corp. of Delaware for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Atoka and Morrow production in the wellbores of its Parkway West Unit Well No. 3, located in Unit K of Section 29, and Well No. 10, located in Unit G of Section 27, both in Township 19 South, Range 29 East.

CASE 7570: Application of J. Cleo Thompson for three unorthodox oil well locations, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for three unorthodox well locations, being 660 feet from the North line and 1330 feet from the West line, 660 feet from the North line and 2630 feet from the East line, and 660 feet from the North line and 1310 feet from the East line, all in Section 2, Township 17 South, Range 30 East, Square Lake Pool.

CASE 7516: (Continued from March 31, 1982, Examiner Hearing)

Application of Benson-Montin-Greer for a unit agreement, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the North Canada Ojitos Unit Area, comprising 12,361 acres, more or less, of Jicarilla Apache Indian lands in Township 27 North, Range 1 West.

CASE 7571: Application of Yates Petroleum Corporation for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface through the Abo formation underlying the SE/4 of Section 9, the SW/4 of Section 10, the NW/4 of Section 15, all in Township 6 South, Range 26 East, each to form a standard 160-acre spacing and proration unit to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells and a charge for risk involved in drilling said wells.

CASE 7551: (Continued from April 14, 1982, Examiner Hearing)

Application of Harvey E. Yates Company for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp through Mississippian formations underlying the E/2 of Section 21, Township 11 South, Range 31 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 7572: Application of Anadarko Production Company for a waterflood expansion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its Ballard GSA Waterflood Project by drilling and converting ten wells located in Unit N of Section 5, Units N and P of Section 6, Units F, H, J, and P of Section 7, Units F and N of Section 8, and Unit P of Section 17, all in Township 18 South, Range 29 East, Loco Hills Pool.

CASE 7573: Application of Anadarko Production Company for a waterflood expansion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its West Square Lake Waterflood Project by the conversion to water injection of five wells located in Units J and N of Section 9, D and H of Section 10, and J of Section 3, all in Township 17 South, Range 30 East.

CASE 7574: Application of Sun Exploration and Production Company for two non-standard gas proration units and an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of two 160-acre non-standard Jalmat gas proration units comprising the NW/4 of Section 21, for its Boren & Greer Com Well No. 2 in Unit C and the NW/4 of Section 20, for its Boren & Greer Com Well No. 3, to be drilled at an unorthodox location 360 feet from the North line and 940 feet from the East line of said Section 20, all in Township 22 South, Range 36 East. Applicant further seeks rescission of Order No. R-5688.

CASE 7575: Application of Eagle Oil & Gas Co. for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location for a Wolfcamp-Fenn test well to be drilled 1500 feet from the South line and 660 feet from the East line of Section 2, Township 17 South, Range 27 East, the S/2 of said Section 2 to be dedicated to the well.

CASES 7576 and 7577: Application of Apollo Oil Company for compulsory pooling, Lea County, New Mexico. Applicant, in each of the following cases, seeks an order pooling all mineral interests from the surface through the base of the San Andres formation underlying the lands specified in each case, each to form a standard 40-acre oil spacing and proration unit to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells and a charge for risk involved in drilling said wells:

CASE 7576: NE/4 SW/4 Section 6, Township 19 South, Range 38 East

CASE 7577: SE/4 SW/4 Section 6, Township 19 South, Range 38 East

CASE 7578: Application of MGF Oil Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface down through the Seven Rivers formation underlying the SE/4 of Section 31, Township 19 South, Range 39 East, to form a standard 160-acre gas proration unit to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 7579: Application of MGF Oil Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface down through the Seven Rivers formation underlying the N/2 NW/4 of Section 5, Township 20 South, Range 39 East, to form a non-standard 80-acre gas proration unit to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 7580: Application of MGF Oil Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Seven Rivers formation underlying the SW/4 of Section 31, Township 19 South, Range 39 East, to form a standard 160-acre gas proration unit to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 7581: Application of Estoril Producing Corp. for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 660 feet from the South line and 990 feet from the East line of Section 10, Township 23 South, Range 34 East, Antelope Ridge-Morrow Gas Pool, the S/2 of said Section 10 to be dedicated to the well.

CASES 7582 thru 7585: Application of Jack J. Grynberg for compulsory pooling, Chaves County, New Mexico. Applicant, in each of the following cases, seeks an order pooling all mineral interests down through the Abo formation underlying the lands specified in each case, each to form a standard 160-acre gas spacing and proration unit to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells and a charge for risk involved in drilling said wells:

CASE 7582: NW/4 Section 13, Township 6 South, Range 24 East

CASE 7583: NE/4 Section 13, Township 6 South, Range 24 East

CASE 7584: SW/4 Section 13, Township 6 South, Range 24 East

CASE 7585: NW/4 Section 24, Township 6 South, Range 24 East

CASES 7525 thru 7534: (Continued from April 28, 1982, Examiner Hearing)

Application of Jack J. Grynberg for compulsory pooling, Chaves County, New Mexico. Applicant, in each of the following 10 cases, seeks an order pooling all mineral interests down through the Abo formation underlying the lands specified in each case, each to form a standard 160-acre gas spacing and proration unit to be dedicated to a well to be drilled at a standard location thereon. Also to be considered in each case will be the cost of drilling and completing said wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells and a charge for risk involved in drilling said wells:

CASE 7525: SW/4 Section 3, Township 5 South, Range 24 East

CASE 7526: NW/4 Section 3, Township 5 South, Range 24 East

CASE 7527: SE/4 Section 3, Township 5 South, Range 24 East

CASE 7528: NW/4 Section 4, Township 5 South, Range 24 East

CASE 7529: NE/4 Section 4, Township 5 South, Range 24 East

CASE 7530: NW/4 Section 11, Township 6 South, Range 24 East

CASE 7531: SW/4 Section 11, Township 6 South, Range 24 East

CASE 7532: SE/4 Section 27, Township 6 South, Range 24 East

CASE 7533: SW/4 Section 27, Township 6 South, Range 24 East

CASE 7534: NW/4 Section 34, Township 6 South, Range 24 East

CASE 7515: (Continued from April 14, 1982, Examiner Hearing)

Application of Four Corners Gas Producers Association for designation of a tight formation, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the designation of the Dakota formation underlying all or portions of Townships 26 and 27 North, Ranges 12 and 13 West, Township 28 North, Range 13 West, Township 29 North, Ranges 13 through 15 West, and Township 10 North, Ranges 14 and 15 West, containing 164,120 acres, more or less, as a tight formation pursuant to Section 107 of the Natural Gas Policy Act and 18 CFR Section 271. 701-705.

CASE 7586: Application of Standard Resources Corp. for designation of a tight formation, Chaves and Eddy Counties, New Mexico. Applicant, in the above-styled cause, seeks the designation of the Abo formation underlying all or portions of Township 15 South, Ranges 23 through 25 East, Township 19 South, Range 20 East, and Township 20 South, Range 20 East, all in Chaves County; in Eddy County: Township 16 South, Ranges 23 through 26 East, Township 17 South, Ranges 21, 23, 24, and 25 East, and Township 18 South, Ranges 21, 23, 24 and 25 East, Township 19 South, Ranges 21, 23, and 24 East, and Township 20 South, Ranges 21, 23, and 24 East, containing 460,800 acres, more or less, as a tight formation pursuant to Section 107 of the Natural Gas Policy Act and 18 CFR Section 271. 701-705.

CASE 7587: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, abolishing, and extending vertical and horizontal limits of certain pools in Chaves, Eddy, and Lea Counties, New Mexico:

- (a) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Wolfcamp production and designated as the Draper Mill-Wolfcamp Gas Pool. The discovery well is the HNG Oil Company Vaca Draw 16 State Well No. 1 located in Unit E of Section 16, Township 25 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 25 SOUTH, RANGE 33 EAST, NMPM  
Section 16: W/2

- (b) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the Jabalina-Morrow Gas Pool. The discovery well is the Amoco Production Company Perro Grande Unit Well No. 1 located in Unit J of Section 6, Township 26 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 26 SOUTH, RANGE 35 EAST, NMPM  
Section 6: E/2

- (c) ABOLISH the Diamond Mound-Morrow Gas Pool in Chaves and Eddy Counties, New Mexico, as heretofore classified, defined, and described as:

TOWNSHIP 15 SOUTH, RANGE 27 EAST, NMPM  
Section 35: All

TOWNSHIP 15 SOUTH, RANGE 28 EAST, NMPM  
Section 31: E/2

TOWNSHIP 16 SOUTH, RANGE 28 EAST, NMPM  
Section 3: Lots 1 through 16  
Section 4: Lots 1 through 16  
Section 5: Lots 1 through 16  
Section 6: Lots 1, 2, 7, 8, 9, 10, 15, 16, and S/2

- (d) EXTEND the vertical limits of the Diamond Mound-Atoka Gas Pool in Chaves and Eddy Counties, New Mexico, to include the Morrow formation, and redesignate said pool to Diamond Mound-Atoka-Morrow Gas Pool, and extend the horizontal limits of said pool to include acreage from abolished Diamond Mound-Morrow Gas Pool and one additional well as follows:

TOWNSHIP 15 SOUTH, RANGE 27 EAST, NMPM  
Section 35: All

TOWNSHIP 15 SOUTH, RANGE 28 EAST, NMPM  
Section 31: E/2

TOWNSHIP 16 SOUTH, RANGE 27 EAST, NMPM  
Section 9: S/2

TOWNSHIP 16 SOUTH, RANGE 28 EAST, NMPM  
Section 3: Lots 1 through 16  
Section 4: Lots 1 through 16  
Section 5: Lots 1 through 16  
Section 6: Lots 1, 2, 7, 8, 9, 10, 15, 16, and S/2



- (e) EXTEND the Burton Flat-Strawn Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM  
Section 35: E/2  
Section 36: N/2

- (f) EXTEND the Crow Flats-Morrow Gas Pool in Eddy County, New Mexico to include therein:

TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM  
Section 1: All  
Section 12: N/2

- (g) EXTEND the South Culebra Bluff-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM  
Section 10: All  
Section 11: W/2  
Section 14: W/2  
Section 15: W/2  
Section 34: W/2

- (h) EXTEND the South Empire-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM  
Section 17: N/2

- (i) EXTEND the Golden Lane-Strawn Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 30 EAST, NMPM  
Section 28: All

- (j) EXTEND the Kennedy Farms-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 26 EAST, NMPM  
Section 10: N/2

- (k) EXTEND the East Larica-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM  
Section 36: S/2

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM  
Section 31: S/2

- (l) EXTEND the Little Box Canyon-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 22 EAST, NMPM  
Section 18: E/2

- (m) EXTEND the Malaga-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 28 EAST, NMPM  
Section 11: E/2

- (n) EXTEND the South Millman-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM  
Section 16: N/2

- (o) EXTEND the East Millman-Queen-Grayburg Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM  
Section 7: NE/4

- (p) EXTEND the Millman Strawn Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM  
Section 8: S/2

- (q) EXTEND the West Nadine-Blinebry Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM  
Section 5: SW/4

- (r) EXTEND the West Osudo-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 35 EAST, NMPM  
Section 11: S/2  
Section 12: S/2

- (s) EXTEND the Pecos Slope-Abo Gas Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 4 SOUTH, RANGE 24 EAST, NMPM

Section 24: S/2  
Section 25: All  
Section 26: E/2  
Section 35: W/2 and NE/4  
Section 36: N/2

TOWNSHIP 4 SOUTH, RANGE 25 EAST, NMPM

Section 19: SW/4  
Section 30: W/2  
Section 31: NW/4

TOWNSHIP 5 SOUTH, RANGE 24 EAST, NMPM

Section 2: NW/4  
Section 7: All  
Section 8: All  
Section 9: N/2 and SW/4  
Section 16: W/2  
Section 17 thru 20: All  
Section 21: W/2  
Section 28: W/2  
Section 29: All  
Section 30: All  
Section 31: N/2  
Section 32: N/2  
Section 33: NW/4

TOWNSHIP 5 SOUTH, RANGE 25 EAST, NMPM

Section 1 thru 5: All  
Section 6: E/2  
Section 7: SW/4 and E/2  
Section 8 thru 12: All  
Section 14 thru 22: All  
Section 23: N/2  
Section 27: N/2  
Section 28 thru 30: All  
Section 31: NE/4  
Section 32: N/2  
Section 33: All  
Section 34: All

TOWNSHIP 6 SOUTH, RANGE 24 EAST, NMPM

Section 1: All  
Section 11 thru 14: All  
Section 22 thru 28: All  
Section 34: E/2  
Section 35: All  
Section 36: All

Examiner Hearing - WEDNESDAY - MAY 12, 1982

TOWNSHIP 6 SOUTH, RANGE 26 EAST, NNPM

Section 4 thru 6: All  
Section 7 thru 8: All  
Section 9: N/2  
Section 17 thru 20: All  
Section 29 thru 32: All

TOWNSHIP 7 SOUTH, RANGE 24 EAST, NNPM

Section 1: All  
Section 2: All  
Section 3: E/2  
Section 9 thru 15: All  
Section 22 thru 27: All  
Section 34 thru 36: All

TOWNSHIP 7 SOUTH, RANGE 25 EAST, NNPM

Section 6: W/2  
Section 7: S/2  
Section 13: SW/4  
Section 14: S/2  
Section 15: S/2  
Section 18 and 19: All  
Section 20: S/2  
Section 22 thru 27: All  
Section 29 thru 32: All  
Section 34 thru 36: All

TOWNSHIP 7 SOUTH, RANGE 26 EAST, NNPM

Section 5: All  
Section 6: All  
Section 7 thru 10: All  
Section 11: W/2  
Section 15 thru 17: All  
Section 18: N/2  
Section 19 thru 22: All  
Section 28 thru 32: All

TOWNSHIP 8 SOUTH, RANGE 24 EAST, NNPM

Section 1 through 3: All  
Section 10: E/2  
Section 11: All  
Section 12: All

TOWNSHIP 8 SOUTH, RANGE 27 EAST, NNPM

Section 1 through 12: All  
Section 13 through 16: N/2

TOWNSHIP 8 SOUTH, RANGE 26 EAST, NNPM

Section 6: W/2

- (t) EXTEND the West Pecos Slope-Abo Gas Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 22 EAST, NNPM

Section 23: SE/4  
Section 24: S/2 and NE/4  
Section 25 through 27: All  
Section 28: E/2

TOWNSHIP 8 SOUTH, RANGE 23 EAST, NNPM

Section 3 through 5: All  
Section 6: N/2  
Section 8 through 10: N/2  
Section 17: W/2  
Section 18: SE/4  
Section 19: All  
Section 20: W/2  
Section 29: W/2  
Section 30: All  
Section 31: All  
Section 32: W/2

TOWNSHIP 9 SOUTH, RANGE 23 EAST, NMPM

Section 3: W/2  
Section 4: All  
Section 5: All  
Section 6: E/2  
Section 8: All

- (u) EXTEND the East Red Lake-Queen-Grayburg Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 28 EAST, NMPM

Section 25: E/2 NE/4 and NE/4 SE/4

- (v) EXTEND the Sand Ranch-Morrow Gas Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 10 SOUTH, RANGE 29 EAST, NMPM

Section 26: All

- (w) EXTEND the Sawyer-San Andres Associated Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 10 SOUTH, RANGE 38 EAST, NMPM

Section 4: SW/4

- (x) EXTEND the Tom-Tom-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 31 EAST, NMPM

Section 7: All

- (y) EXTEND the Turkey Track-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM

Section 2: W/2

Section 7: N/2

- (z) EXTEND the Twin Lakes-San Andres Associated Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 29 EAST, NMPM

Section 18: N/2 SE/4 and SE/4 SE/4

- (aa) EXTEND the South Vacuum-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM

Section 16: SE/4

\*\*\*\*\*  
DOCKET: COMMISSION HEARING - MONDAY - MAY 17, 1982

Docket No. 14-82

OIL CONSERVATION COMMISSION - 9 A.M.  
ROOM 205 - STATE LAND OFFICE BUILDING,  
SANTA FE, NEW MEXICO.

CASE 7522: (DE NOVO)

Application of Santa Fe Exploration Co. for an unorthodox gas well location, Eddy County, New Mexico Applicant, in the above-styled cause, seeks approval of an unorthodox location 660 feet from the North and West lines of Section 14, Township 20 South, Range 25 East, Permian-Penn, Strawn, Atoka and Morrow formations, the N/2 of said Section 14 to be dedicated to the well.

Upon application of Chama Petroleum Company, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 7476: (DE NOVO)

Application of Jack J. Grynberg for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests down through and including the Abo formation, underlying two 160-acre gas spacing units, being the NE/4 and SE/4, respectively, of Section 12, Township 5 South, Range 24 East, each to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

Upon application of Mesa Petroleum Company, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 7513: (DE NOVO)

Application of Mesa Petroleum Company for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Abo formation underlying the SE/4 of Section 12, Township 5 South, Range 24 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

Upon application of Mesa Petroleum Company, this case will be heard De Novo pursuant to the provisions of Rule 1220.

STATE OF NEW MEXICO  
DEPARTMENT OF ENERGY AND MINERALS  
OIL CONSERVATION DIVISION

RECEIVED  
APR 28 1982

IN THE MATTER OF THE APPLICATION  
OF SUN EXPLORATION AND PRODUCTION  
COMPANY FOR TWO NON-STANDARD GAS  
PRORATION AND SPACING UNITS AND  
AN UNORTHODOX LOCATION, JALMAT  
GAS POOL, LEA COUNTY, NEW MEXICO

Case 7574

SECOND AMENDED APPLICATION

COMES NOW SUN EXPLORATION AND PRODUCTION COMPANY,  
by and through its attorneys, Kellahin & Kellahin, and applies  
to the New Mexico Oil Conservation Division for approval of  
two 160-acre non-standard Jalmat gas proration and spacing  
units to wit: For its Boren & Greer Gas Com Well No. 2, a  
unit consisting of the NW/4 of Section 21, T22S, R36E, and for  
its Boren & Greer Com Well No. 3, a unit consisting of the  
NE/4 of Section 20, T22S, R36E and for approval of an unorthodox  
location for the Boren & Greer Com Well No. 3 at a location 940  
FEL and 660 FNL of Section 20, and in support thereof would  
show:

1. Applicant is the operator and has the right  
to drill and develop the Jalmat Gas Pool underlying  
both the NE/4 of Section 20 and the NW/4 of Section  
21, T22S, R36E, Lea County, New Mexico.
2. In Case 6186, the Division entered Order R-5688  
which established a 320 acre non-standard proration

unit for the Boren & Greer Gas Com Well No. 2 consisting of the NE/4 of Section 20 and the NW/4 of Section 21, as described above.

3. Applicant desires to drill its Boren & Greer Gas Com Well No. 3 in Unit A, 1990 feet from the East line and 980 feet from the North line of said Section 20 and to dedicate thereto the NE/4 of said Section 20.

4. Applicant desires to amend Division Order R-5688 to delete the NE/4 of Section 20 from this unit and to reduce its size from 320 acres to 160 acres, being the NW/4 of Section 21 to which the Boren & Greer Gas Com Well No. 2 is to be dedicated.

5. Applicant further desires approval to drill the Boren & Greer Gas Com Well No. 3 at an unorthodox well location 940 feet from the East line and 660 feet from the North line of Section 20.

6. Approval of this application will prevent waste, result in the recovery of gas that would otherwise not be recovered, protect correlative rights and be in the best interests of conversation.

WHEREFORE, Applicant requests that this application be set for hearing before the Division's Examiner and that after notice and hearing the application be granted as requested.

Respectfully submitted,

SUN EXPLORATION & PRODUCTION COMPANY

By 

Kellahin & Kellahin  
P. O. Box 1769  
Santa Fe, New Mexico 87501  
(505) 982-4285

ATTORNEYS FOR APPLICANT

KELLAHIN and KELLAHIN

*Attorneys at Law*

Jason Kellahin  
W. Thomas Kellahin  
Karen Aubrey

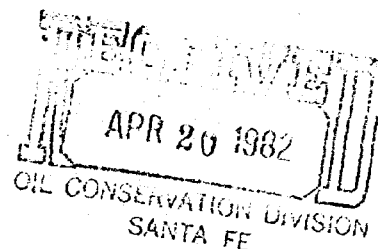
500 Don Gaspar Avenue  
Post Office Box 1769  
Santa Fe, New Mexico 87501

Telephone 982-4285  
Area Code 505

April 20, 1982

Case 7574

Mr. Joe D. Ramey  
Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87501



Re: Sun Exploration & Production Co.

Dear Mr. Ramey:

Please set the enclosed Amended Application for Sun Exploration & Production Company's Boren & Greer Gas Com Well No. 3 for hearing on Wednesday, May 12, 1982.

Very truly yours,

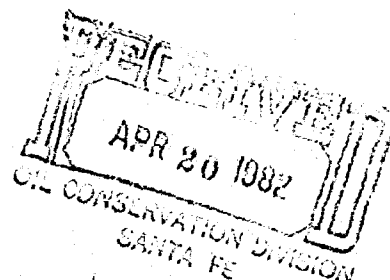
*W. Thomas Kellahin*  
W. Thomas Kellahin

WTK:rb  
Enclosure  
cc: Sun Oil Company



STATE OF NEW MEXICO  
DEPARTMENT OF ENERGY AND MINERALS  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION  
OF SUN EXPLORATION AND PRODUCTION  
COMPANY FOR TWO NON-STANDARD GAS  
PRORATION AND SPACING UNITS AND  
AN UNORTHODOX LOCATION, JALMAT  
GAS POOL, LEA COUNTY, NEW MEXICO



Case 7574

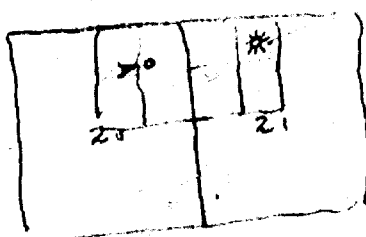
FIRST AMENDED APPLICATION

COMES NOW SUN EXPLORATION AND PRODUCTION COMPANY,  
by and through its attorneys, Kellahin & Kellahin, and applies  
to the New Mexico Oil Conservation Division for approval of  
two 160-acre non-standard Jalmat gas proration and spacing  
units to wit: For its Boren & Greer Gas Com Well No. 2, a  
unit consisting of the NW/4 of Section 21, T22S, R36E, and for  
its Boren & Greer Com Well No. 3, a unit consisting of the  
NE/4 of Section 20, T22S, R36E and for approval of an unorthodox  
location for the Boren & Greer Com Well No. 3 at a location 940  
FEL and 1660 FNL of Section 20, and in support thereof would  
show:

*with correct  
footage correction 4/23/82.*

1. Applicant is the operator and has the right  
to drill and develop the Jalmat Gas Pool underlying  
both the NE/4 of Section 20 and the NW/4 of Section  
21, T22S, R36E, Lea County, New Mexico.
2. In case 6186, the Division entered Order R-5688  
which established a 320 acre non-standard proration

#3  
1660 FNL  
940 FEL



#2 C-21-22-36

unit for the Boren & Greer Gas Com Well No. 2 consisting of the NE/4 of Section 20 and the NW/4 of Section 21, as described above.

3. Applicant desires to drill its Boren & Greer Gas Com Well No. 3 in Unit <sup>A</sup>, 1990 feet from the East line and 980 feet from the North line of said Section 20 and to dedicate thereto the NE/4 of said Section 20.

4. Applicant desires to amend Division Order R-5688 to delete the NE/4 of Section 20 from this unit and to reduce its size from 320 acres to 160 acres, being the NW/4 of Section 21 to which the Boren & Greer Gas Com Well No. 2 is to be dedicated.


5. Applicant further desires approval to drill the Boren & Greer Gas Com Well No. 3 at an unorthodox well location 940 feet from the East line and 1660 feet from the North line of Section 20.

6. Approval of this application will prevent waste, result in the recovery of gas that would otherwise not be recovered, protect correlative rights and be in the best interests of conservation.

WHEREFORE, Applicant requests that this application be set for hearing before the Division's Examiner and that after notice and hearing the application be granted as requested.

Respectfully submitted,

SUN EXPLORATION & PRODUCTION COMPANY

By   
Kellahin & Kellahin  
P. O. Box 1769  
Santa Fe, New Mexico 87501  
(505) 982-4285

ATTORNEYS FOR APPLICANT

KELLAHIN and KELLAHIN

Attorneys at Law

500 Don Gaspar Avenue

Post Office Box 1769

Santa Fe, New Mexico 87501

Jason Kellahin  
W. Thomas Kellahin  
Karen Aubrey

Telephone: 982-4285  
Area Code 505

April 9, 1982

Mr. Joe D. Ramey  
Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Re: Sun Exploration & Production Co.

Case 7574

Dear Mr. Ramey:

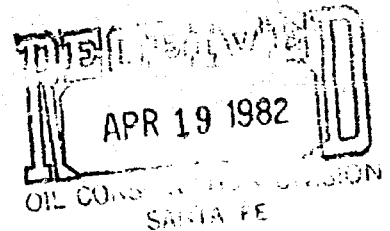
Please set the enclosed application for Sun Exploration and Production Company's Boren & Greer Gas Com Well No. 3 for hearing on Wednesday, May 12, 1982.

Very truly yours,

  
W. Thomas Kellahin

WTK:rb  
Enclosure

cc: Sun Oil Company



STATE OF NEW MEXICO  
DEPARTMENT OF ENERGY AND MINERALS  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION  
OF SUN EXPLORATION AND PRODUCTION  
COMPANY FOR TWO NON-STANDARD GAS  
PRORATION AND SPACING UNITS, JALMAT  
GAS POOL, LEA COUNTY, NEW MEXICO

Case 7574

A P P L I C A T I O N

COMES NOW SUN EXPLORATION AND PRODUCTION COMPANY,  
by and through its attorneys, Kellahin & Kellahin, and applies  
to the New Mexico Oil Conservation Division for approval of  
two 160-acre non-standard Jalmat gas proration and spacing  
units to-wit: For its Boren & Greer Gas Com Well No. 2, a unit  
consisting of the NW/4 of Section 21, T22S, R36E, and for its  
Boren & Greer Com Well No. 3, a unit consisting of the NE/4  
of Section 20, T22S, R36E and in support thereof would show:

1. Applicant is the operator and has the right  
to drill and develop the Jalmat Gas Pool underlying  
both the NE/4 of Section 20 and the NW/4 of Section  
21, T22S, R36E, Lea County, New Mexico.
2. In case 6186, the Division entered Order  
R-5688 which established a 320 acre non-standard  
proration unit for the Boren & Greer Gas Com Well  
No. 2 consisting of the NE/4 of Section 20 and the  
NW/4 of Section 21, as described above.

3. Applicant desires to drill its Boren & Greer Gas Com Well No. 3 in Unit H, 1990 feet from the East line and 980 feet from the North line of said Section 20 and to dedicate thereto the NE/4 of said Section 20.

4. Applicant desires to amend Division Order R-5688 to delete the NE/4 of Section 20 from this unit and to reduce its size from 320 acres to 160 acres, being the NW/4 of Section 21 to which the Boren & Greer Gas Com Well No. 2 is to be dedicated.

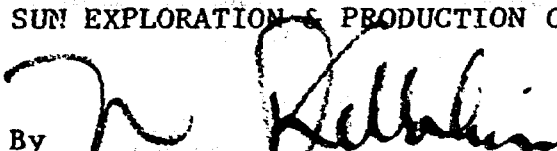
5. Approval of this application will prevent waste, result in the recovery of gas that would otherwise not be recovered, protect correlative rights and be in the best interests of conservation.

WHEREFORE, applicant requests that this application be set for hearing before the Division's Examiner and that after notice and hearing the application be granted as requested.

Respectfully submitted,

SUN EXPLORATION & PRODUCTION COMPANY

By

  
Kellahin & Kellahin  
P. O. Box 1769  
Santa Fe, New Mexico 87501  
(505) 982-4285

ATTORNEYS FOR APPLICANT

Base

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

By

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:

JJR

CASE NO. 7574

Order No. R-6984

APPLICATION OF SUN EXPLORATION AND  
PRODUCTION COMPANY FOR TWO NON-STANDARD  
GAS PRORATION UNITS AND AN UNORTHODOX  
LOCATION, LEA COUNTY, NEW MEXICO.

WPP

ms

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on May 12, 1982,  
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this \_\_\_\_\_ day of May, 1982, the Division  
Director, having considered the testimony, the record, and the  
recommendations of the Examiner, and being fully advised in the  
premises,

FINDS:

(1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Sun Exploration and Production Company, seeks approval of two 160-acre non-standard gas proration units ~~comprising~~ <sup>being</sup> the NW/4 of Section 21 ~~for~~ <sup>to be dedicated</sup> its Boren & Greer Com Well No. 2 in Unit C and the NE/4 of Section 20 ~~for~~ <sup>to be</sup> its Boren & Greer Com Well No. 3 to be drilled at an unorthodox ~~location~~ <sup>location</sup> 660 feet from the North line and 940 feet from the East line of said Section 20, both in Township 22 South, Range 36 East, NMPM,, Lea County, New Mexico.

(3) That the applicant further seeks rescission of <sup>Order</sup> ~~Order~~ No. R-5688.

(3) That both non-standard proration units may reasonably  
be presumed productive of gas from the Jalisco Gas  
Pool and that ~~the entire~~ each non-standard gas proration unit can be  
efficiently and economically drained and developed by the  
aforesaid well.

(4) That approval of the subject application will afford the applicant the opportunity to produce his just and equitable share of the gas in the Jalnet Pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

*Sun Exploration and Production Company  
is hereby granted*

(1) That two 160-acre non-standard gas proration units in the Jalisco Gas Pool comprising the NW/4 of Section 21 and the NE/4 of Section 20, both in Township 22 South, Range 36 East, NMPM, Lea County, New Mexico, ~~are hereby~~ <sup>said units</sup> ~~established and dedicated,~~ <sup>respectively,</sup> to the Boren & Greer Com Well No. 2 in Unit C and the Boren & Greer Com Well No. 3 to be drilled at an unorthodox location, <sup>herby also approved,</sup> 660 feet from the North line and 940 feet from the East line of said Section 20.

(2) That <sup>Division</sup> Order No. R-5688 is hereby rescinded.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

JOE D. RAMEY,  
Director

S E A L





DOCKET MAILED

~~4/30/82~~