

Case No.

656

Application, Transcript,
Small Exhibits, Etc.

NDL

CASE 656: Sunray Oil Corporation
Gas-Oil Dual of Elliott A-2, and
Unorthodox Gas Unit (Tubb Gas Pool)

BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO
February 17, 1954

Transcript of Proceedings
Case No. 656

ADA DEARNLEY & ASSOCIATES
COURT REPORTERS
ROOM 105-106, EL CORTEZ BLDG.
PHONES 7-9545 AND 5-9546
ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO
February 17, 1954

IN THE MATTER OF:

The application of Sunray Oil Corporation
for permission to effect a gas-oil dual
completion of its Elliott 'A' Well No. 2,
SE/4 NE/4 Section 21, Township 21 South,
Range 37 East, Lea County, New Mexico, in
the Drinkard Oil Pool and the Tubb Gas
Pool; and further, for an exception to
Rule 7(a) of Order No. R-373-A to permit the
establishment of an 80-acre unorthodox gas
proration unit consisting of E/2 NE/4
Section 21, Township 21 South, Range 37 East,
Lea County, New Mexico, in the Tubb Gas Pool.

CASE NO. 656

(Notice of Publication read.)

MR. WHITE: Charles White representing the Sunray Oil Corporation.

The applicant is the owner and operator of certain oil and gas leases contained in the east half of the northeast quarter of Section 21, Township 21 South, Range 37 East. This case involves two applications, one for gas-oil dual completion, and another one for an unorthodox unit. Since the filing of the application we have received written waivers since as to the dual completion excepting as to the offset operator on the east, which is the Shell. This morning I talked with Mr. Mike Brunner of the Shell and he has no protest as to the granting of the dual completion application, and in brevity of time, why, I will just submit the exhibits as to the application and ask for administrative order, if it is satisfactory with the Commission. That will be Exhibits A through I, we would like to have admitted. A, is the plat showing the proposed dual completion, the subject well; Exhibit B is the formation record, we do not have an electric log; C, is a statement by G. D. Strother, geological engineer, setting up the casing program; Exhibit D is the written waiver and consent by the adjoining operator on the

ADA DEARNLEY & ASSOCIATES
COURT REPORTERS
ROOM 105-106, EL CORTEZ BLDG.
PHONES 7-9645 AND 5-9546
ALBUQUERQUE, NEW MEXICO

south, J. C. Cone; Exhibit E is the adjoining operator on the south, Continental; Exhibit F is the adjoining operator on the north, Mid-Continent; and G, is the written consent of the adjoining operator on the west, Trinity Production Company; H, is our diagrammatic sketch of the dual completion installation. We would like to have those admitted in regard to that application.

MR. SPURRIER: Without objection they will be admitted.

MR. WHITE: As to the application for the unorthodox unit, I might state that all the adjoining owners have consented to the unit, excepting the operator on the east which is the Shell. However, they are in a different section. I should like to read into the record the affidavit of G. D. Strother, geological engineer, if I may.

"G. D. Strother, of lawful age, being first duly sworn, deposes and says as follows: 1. That he graduated from the University of Oklahoma with a Bachelor of Science Degree in Geological Engineering in 1947 and has been employed by Sunray Oil Corporation as a production and geological engineer for seven years, that he is familiar with the facts as set forth herein, and in Sunray Oil Corporation's application for authority to assign an unorthodox 80-acre gas proration unit for its Elliott "A" Well No. 2 located in the Se/4 of the NE/4 of Section 21 - Twp. 21S-Rge. 37E, Lea County New Mexico; and that he has made a careful study of the oil and gas producing sands in the vicinity of this well. 2. That the Tubb Gas Sand has been proven to be commercially productive in the following wells surrounding Sunray's Elliott "A" lease, as well as in a number of other wells in this area:

Continental Oil Company's Wantz No. 1, Section 21-21S-37E

Shell Oil Company's Argo 11-A, Section 22-21S-37E

Shell Oil Company's Smith No. 1, Section 14-21S-37E

Shell Oil Company's Argo 8-A, Section 22-21S-37E

Continental Oil Company's No. 1 State "10", Section 10-21S-37E

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PHONES 7-9645 AND 5-9546
ALBUQUERQUE, NEW MEXICO

Continental Oil Company's Lockhardt No. 1-T, Section 27-21s-37E

Continental Oil Company's Hawk No. 4, Section 10-21S-37E

Trinity Production Company's Weatherby No. 3-E, Section 21-21S-37E

The Tubb Gas Sand was proven productive in the above wells either by testing or by actual production. In view of this, it is affiant's opinion that the Tubb Gas Sand is productive throughout Sunray Oil Corporation's 80-acre Elliott "A" lease. 3. That the possibility of unitizing the aforementioned Elliott "A" lease with adjacent tracts, in order to form a standard proration unit, has been studied and seriously considered and has been determined to be impractical. 4. That in the affiant's opinion the application of Sunray Oil Corporation for authority to assign an 80-acre gas proration unit to its Elliott "A" No. 2 is based on sound engineering principles and, accordingly, should be granted."

I might state in an effort to form a standard proration unit the parties in interest on the west are unwilling to form the unit to go in and unitize with us. I should like to introduce in evidence the plat marked Exhibit J, this shows the subject well, the proposed unit, the surrounding well, and the ownership. We would like to have that received in evidence, please. As I have stated we have the waivers from all the adjoining operators except the Shell and we believe that the granting of this unit would be in furtherance of correlative rights and tend to preserve the waste.

MR. SPURRIER: Without objection the Exhibits will be admitted. Is there any question in this Case? Does anyone have anything further in this Case? If not, we will take the Case under advisement, and move on to Case 657.

ADA DEARNLEY & ASSOCIATES
COURT REPORTERS
ROOM 105-106, EL CORTEZ BLDG.
PHONES 7-9645 AND 8-9546
ALBUQUERQUE, NEW MEXICO

C E R T I F I C A T E

I, ADA DEARNLEY, COURT REPORTER, do hereby certify that the foregoing and attached transcript of hearing in the Case No. 656, before the Oil Conservation Commission, State of New Mexico, at Santa Fe, New Mexico on February 17, 1954, is a true and correct record of the same to the best of my knowledge, skill and ability.

DATED at Albuquerque, New Mexico, this 23rd day of February, 1954.


REPORTER

ADA DEARNLEY & ASSOCIATES
COURT REPORTERS
ROOM 105-106, EL CORTEZ BLDG.
PHONES 7-9845 AND 5-9546
ALBUQUERQUE, NEW MEXICO

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF THE STATE OF
NEW MEXICO FOR THE PURPOSE
OF CONSIDERING:

CASE NO. 656
Order No. R-448

THE APPLICATION OF SUNRAY OIL
CORPORATION FOR AN ORDER GRANTING
APPROVAL OF AN EXCEPTION PURSUANT
TO RULE 7 (a) OF ORDER NO. R-373-A IN
ESTABLISHMENT OF AN UNORTHODOX GAS
PRORATION UNIT OF 80 CONTIGUOUS ACRES
CONSISTING OF EAST HALF OF THE NORTH-
EAST QUARTER OF SECTION 21, TOWNSHIP
21 SOUTH, RANGE 37 EAST, NMPM, LEA
COUNTY, NEW MEXICO, IN THE TUBB GAS
POOL.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m., on February 17, 1954, at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this 27th day of May, 1954, the Commission, a quorum being present, having considered the records and testimony adduced, and being fully advised in the premises;

FINDS:

(1) That due notice of the time and place of hearing and the purpose thereof having been given as required by law, the Commission has jurisdiction of this case and the subject matter thereof.

(2) That pursuant to provisions of Rule 7 (a) of Order No. R-373-A, the Commission has power and authority to permit the formation of a gas proration unit consisting of other than a legal quarter section after notice and hearing by the Commission.

(3) That applicant, Sunray Oil Corporation, is the owner of an oil and gas lease in Lea County, New Mexico the land consisting of other than a legal quarter section, and described as follows, to-wit:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
E/2 NE/4 of Section 21

containing 80 acres, more or less.

(4) That applicant, Sunray Oil Corporation has obtained permission from the Commission to dually complete a well on aforesaid lease, the well known as the Elliott "A" No. 2, located in the SE/4 of the NE/4 of Section 21, Township 21 South, Range 37 East, NMPM.

(5) That the aforesaid well is located within the limits of the pool heretofore delineated and designated as the Tubb Gas Pool.

(6) That it is impractical to pool applicant's said lease with adjoining acreage in the NE/4 of Section 21, Township 21 South, Range 37 East and that the owners of adjoining acreage in said quarter section have not objected to the formation of the proposed proration unit of 80 acres, but have expressly consented thereto.

(7) That unless a proration unit consisting of applicant's aforesaid acreage is permitted, applicant will be deprived of the opportunity to recover its just and equitable share of the natural gas in the Tubb Gas Pool.

(8) That creation of a proration unit consisting of the aforesaid acreage will not cause but will prevent waste, will protect correlative rights, and is necessary to prevent confiscation of applicant's property.

IT IS THEREFORE ORDERED:

(1) That the application of Sunray Oil Corporation for approval of an unorthodox proration unit consisting of the following described acreage:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
E/2 NE/4 of Section 21

be and the same is hereby approved, and a proration unit consisting of aforesaid acreage is hereby created.

(2) That applicant's well, Elliott "A", No. 2, located in the SE/4 NE/4 of Section 21, Township 21 South, Range 37 East, NMPM, shall be granted an allowable in the proportion that the above described 80-acre unit bears to the standard or orthodox proration unit for said pool, all until further order of the Commission, the effective date of said allowable being determined in accordance with the provisions of Rule 13 of Order R-373-A, or rules and orders succeeding thereto.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


EDWIN L. MECHEM, Chairman


E. S. WALKER, Member


R. R. SPURRIER, Secretary and Member

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SUNRAY OIL CORPORATION
EDNA ELLIOTT WELL NO. A-2
1980' S. OF N. LINE AND 660'
W. OF E. LINE OF 21 - 21S - 37E.
LEA COUNTY, NEW MEXICO

<u>From</u>	<u>To</u>	<u>Total Feet</u>	<u>Formation</u>
0	40	40	Sand & Claiche
40	295	255	Sand, Redbed
295	330	35	Caliche
330	405	75	Redbed
405	720	315	Redbed & Shells
720	952	232	Redbed, Shale & Shells
952	1184	232	Shale & Shells
1184	1265	81	Anhydrite & Redbed
1265	1401	136	Redbed & Anhydrite
1401	1620	219	Anhydrite, Salt & Potash
1620	1830	210	Salt, Anhydrite & Redbed
1830	2163	333	Anhydrite, Potash & Salt
2163	2285	122	Shell, Salt & Redbed
2285	2438	153	Salt & Anhydrite
2438	2603	165	Lime & Gypsum
2603	2639	36	Lime & Anhydrite
2639	2735	96	Lime & Gypsum
2735	2925	190	Lime
2925	3026	101	Sandy Lime & Gypsum
3026	3360	334	Lime & Gypsum
3360	3825	465	Lime
3825	3900	1075	Sandy Lime & Gypsum
3900	4120	220	Lime
4120	4130	10	Sandy Lime
4130	6635 T.D.	2505	Lime

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF)
 SUNRAY OIL CORPORATION FOR AN EXCEPTION)
 TO ORDER NO. R-373-A TO PERMIT IT TO)
 ASSIGN AN 80-ACRE GAS PRORATION UNIT)
 TO ITS ELLIOTT "A" WELL NO. 2 LOCATED)
 IN THE SE/4 OF THE NE/4 OF SECTION 21-)
 TWP. 21S - RGE. 37E, LEA COUNTY, N. M.)

APPLICATION

Comes now Sunray Oil Corporation, applicant herein, and respectfully shows to the Honorable Oil Conservation Commission of the State of New Mexico as follows:

1. That the applicant is the owner and operator of an oil and gas lease covering the E/2 of the NE/4 of Section 21 - Twp. 21S - Rge. 37E, Lea County, New Mexico, consisting of 80 acres and known as its Elliott "A" lease.

2. That applicant's Elliott "A" Well No. 2 located therein is presently completed as an oil well in the Drinkard formation. Applicant now intends to complete this well in the Tubb gas zone so as to dually complete in the two formations and assign the above described 80-acre Elliott "A" lease as the gas proration unit for the Tubb completion. Rule 7 of Order R-373-A provides for the establishment of 160 acre gas proration units in the Tubb gas pool. Applicant has made a reasonably diligent effort to unitize this 80-acre tract with the acreage adjacent so as to form a 160-acre quarter section gas unit, but it has been determined to be impractical to so communitize.

3. Attached hereto and incorporated herein by reference in a plat showing the location of the unit well and the outline of the proposed 80-acre gas proration unit.

WHEREFORE applicant prays that this matter be set for hearing, if in the opinion of the Commission a hearing is necessary to obtain this authority, that notice be given thereof as required by law, and that upon final hearing the Oil Conservation Commission of the State of New Mexico enter its order authorizing applicant to assign an 80-acre gas proration unit to this well in accordance with this application and the rules and regulations of the Oil Conservation Commission.

Dated this 6th day of January, 1954.

SUNRAY OIL CORPORATION

By: John D. Gassett

(The above mentioned plat is on file with the O.C.C. in Santa Fe, New Mexico.)

New Mexico Oil & Gas Engineering Committee
 Hobbs, New Mexico
 February 3, 1954

Feb *Case 56*

SUNRAY OIL CORPORATION

FIRST NATIONAL BUILDING

TULSA 2, OKLAHOMA

January 13, 1954

JAN 18 1954

New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Re: Application of Sunray Oil Corporation for permission to dually complete its Elliott "A" Well No. 2 located in the SE/4 of the NE/4 of Section 21 - Twp. 21S - Rge. 37E, Lea County, New Mexico and application for assignment of 80-acre gas proration unit

Gentlemen:

Enclosed please find the following applications of Sunray Oil Corporation:

Application for an order granting permission to dually complete the Elliott "A" Well No. 2 located in the SE/4 of the NE/4 of Section 21 - Twp. 21S - Rge. 37E, Lea County, New Mexico.

Application for an exception to Order No. R-373-A to permit assignment of 80-acre gas proration unit to the Elliott "A" Well No. 2 located in the SE/4 of the NE/4 of Section 21 - Twp. 21S - Rge. 37E, Lea County, New Mexico.

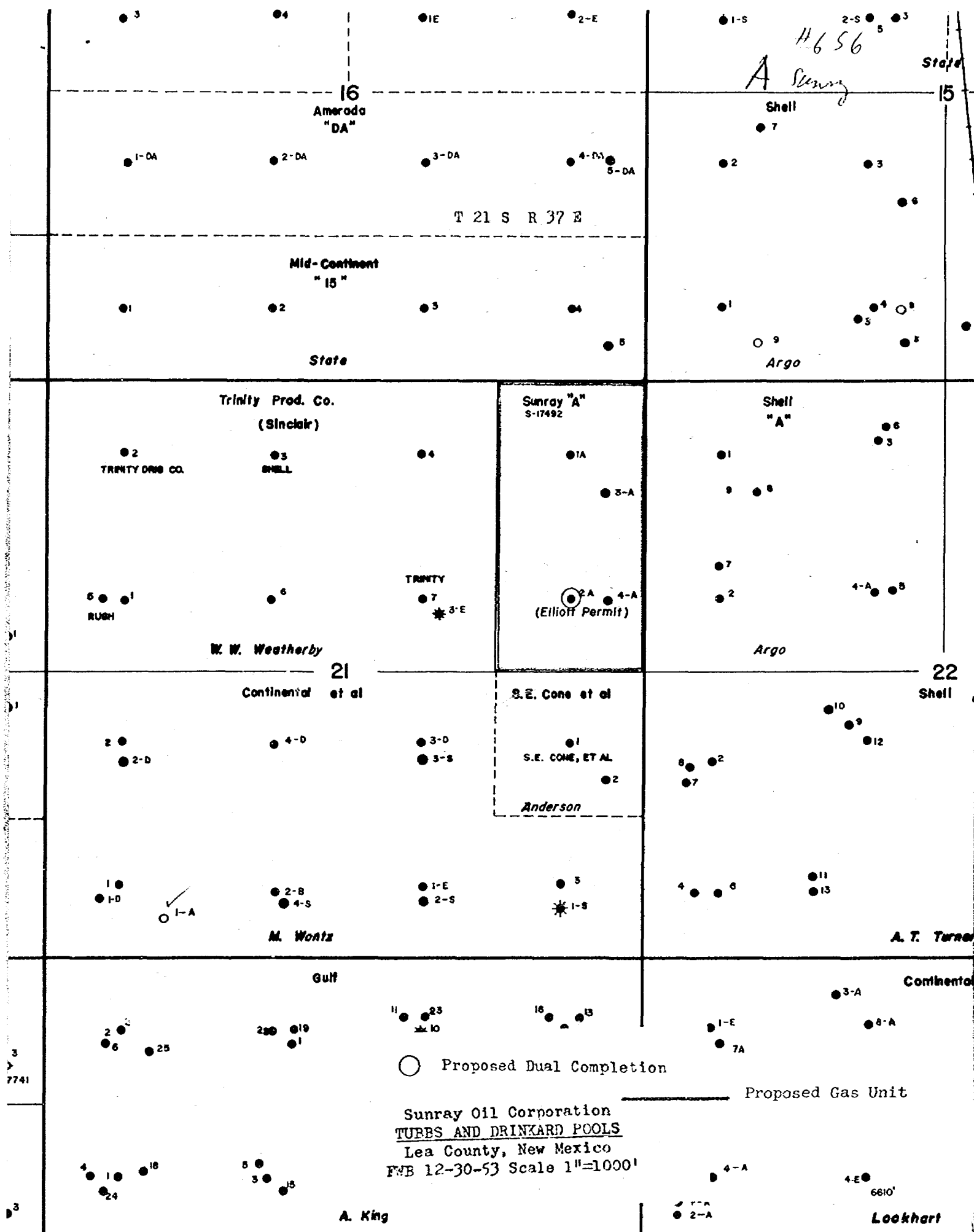
It is requested that these two applications be set for hearing on the same date, and that we be advised of the date.

Very truly yours,

SUNRAY OIL CORPORATION

By: *John D. Gassett*
John D. Gassett

JDJ:mp
encls.



Case 656
Sunray
C

AFFIDAVIT OF G. D. STROTHER, GEOLOGICAL ENGINEER

STATE OF OKLAHOMA)
COUNTY OF TULSA) SS

G. D. Strother, of lawful age, being first duly sworn, deposes and says as follows:

1. That he graduated from the University of Oklahoma with a Bachelor of Science Degree in Geological Engineering in 1947 and has been employed by Sunray Oil Corporation as a production and geological engineer for seven years; that he is familiar with the facts as set forth herein, and in Sunray Oil Corporation's application for authority to dually complete its Elliott "A" Well No. 2 located in the SE/4 of the NE/4 of Section 21 - Twp. 21S - Rge. 37E, Lea County, New Mexico; and that he has made a careful study of the oil and gas producing sands in the vicinity of this well.

2. Sunray Oil Corporation's Elliott "A" Well No. 2 was completed on September 22, 1947 to a total depth of 6635'. Thirteen and three-eighths inch casing is set at 320' with 300 sacks of cement, 9-5/8" casing is set at 2847' with 1000 sacks of cement and 7" casing is set at 6514' with 500 sacks of cement. Two inch tubing is set at 6633'. The Tubb Gas Sand is encountered in this well at approximately 6190'. The Drinkard Oil Sand is encountered in this well at 6520'. It is intended to produce oil from the Drinkard sand through the tubing and gas from the Tubb Gas Sand through the annular space between the tubing and the casing. A Baker Model "D" Production Packer will be set at approximately 6500'. The use of this packer will effectively separate production from the two zones and insure separate passage of the production from each reservoir to the surface.

3. That in his opinion the dual completion of this well, as shown on the diagrammatic sketch which is offered as an exhibit, is feasible and represents sound engineering practice, and therefore the application of Sunray Oil Corporation for authority to so dually complete should be approved.

G. D. Strother

Subscribed and sworn to before me this 12 day of February, 1954.

My commission expires: 3-30-55

Francis Schmappell
Notary

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New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Re: Application of Sunray Oil Corporation for
Assignment of an 80-acre Gas Proration Unit
for its Elliott "A" Well No. 2, Lea County,
New Mexico.

Gentlemen:

We have been advised by Sunray Oil Corporation of its intention to assign its 80-acre Elliott "A" lease as an 80-acre proration unit for its Elliott "A" Well No. 2 located in the SE/4 of the NE/4 of Section 21 - Twp. 21S - Rge. 37E, Lea County, New Mexico. It is our understanding that this well will be dually completed in the Drinkard and Tubb zones. The 80-acre proration unit requested is for the Tubb gas zone which is encountered at approximately 6090'.

As an owner of an oil and gas lease offsetting Sunray Oil Corporation's Elliott "A" lease, we have no objection to the dual completion of this well and the assignment of this gas proration unit as above described and hereby waive rights of protest.

Very truly yours,

S. E. Cone

Date:

Jan 14 - 1954

By:

f. R. Cone

14686
E. H. H. H.

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

Gentlemen:

Re: Application of Sunray Oil
Corporation for Assignment
of an 80-acre Gas Proration
Unit for its Elliott "A" Well
No. 2, Lea County, New Mexico

We have been advised by Sunray Oil Corporation of its intention to assign its 80-acre Elliott "A" lease as an 80-acre proration unit for its Elliott "A" Well No. 2 located in the SE/4 of the NE/4 of Section 21, Township 21 South, Range 37 East, Lea County, New Mexico. It is our understanding that this well will be dually completed in the Drinkard and Tubb zones. The 80-acre proration unit requested is for the Tubb gas zone which is encountered at approximately 6090 feet.

You are respectfully advised that Continental Oil Company hereby waives notice and hearing on the formation of the 80-acre proration unit described above, and to the dual completion of this well.

Very truly yours,

CONTINENTAL OIL COMPANY

By: 

H. L. Johnston
Regional Manager
of Production
Southwestern Region

11 656
F. J. J. J.

New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Re: Application of Sunray Oil Corporation for
Assignment of an 80-acre Gas Proration Unit
for its Elliott "A" Well No. 2, Lea County,
New Mexico

Gentlemen:

We have been advised by Sunray Oil Corporation of its intention to assign its 80-acre Elliott "A" lease as an 80-acre proration unit for its Elliott "A" Well No. 2 located in the SE/4 of the NE/4 of Section 21 - Twp. 21S - Rge. 37E, Lea County, New Mexico. It is our understanding that this well will be dually completed in the Drinkard and Tubb zones. The 80-acre proration unit requested is for the Tubb gas zone which is encountered at approximately 6090'.

As an owner of an oil and gas lease offsetting Sunray Oil Corporation's Elliott "A" lease, we have no objection to the dual completion of this well and the assignment of this gas proration unit as above described and hereby waive rights of protest.

Very truly yours,

MID-CONTINENT PETROLEUM CORP.

Date: 1-14-54

By: A. E. Pierce

11656
J. Sunray

New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Re: Application of Sunray Oil Corporation for
Assignment of an 80-acre Gas Proration Unit
for its Elliott "A" Well No. 2, Lea County,
New Mexico.

Gentlemen:

We have been advised by Sunray Oil Corporation of its intention to assign its 80-acre Elliott "A" lease as an 80-acre proration unit for its Elliott "A" Well No. 2 located in the SE/4 of the NE/4 of Section 21 - Twp. 21S - Rge. 37E, Lea County, New Mexico. It is our understanding that this well will be dually completed in the Drinkard and Tubb zones. The 80-acre proration unit requested is for the Tubb gas zone which is encountered at approximately 6090'.

As an owner of an oil and gas lease offsetting Sunray Oil Corporation's Elliott "A" lease, we have no objection to the dual completion of this well and the assignment of this gas proration unit as above described and hereby waive rights of protest.

Very truly yours,

TRINITY PRODUCTION COMPANY

Date: January 25, 1954

By: J. H. Rush
President

OIL CONSERVATION COMMISSION
P. O. BOX 871
SANTA FE, NEW MEXICO

June 7, 1954

Mr. L. C. White
Box 787
SANTA FE N M

Dear Sir:

On behalf of your client, Sunray Oil Corporation, we en-
close copy of Order R-448 issued by the Commission in
Case 656, heard on February 17, 1954.

Very truly yours, *

W. B. Macey
Chief Engineer

WBM:nr

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BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF THE STATE OF NEW
MEXICO FOR THE PURPOSE OF CON-
SIDERING:

CASE NO. 656
Order No. R- 442

THE APPLICATION OF SUNRAY
OIL CORPORATION
FOR AN ORDER GRANTING APPROVAL
OF AN EXCEPTION ^{present} TO RULE 7 (a) OF
ORDER NO. R- 373A IN ESTABLISHMENT
OF AN UNORTHODOX GAS PRORATION
UNIT OF 80 CONTIGUOUS ACRES
CONSISTING OF E/2 NE/4 of
Section 21, Township 21 South,
Range 37 East, NMPM, Lea
County, New Mexico, in
the Turbb Gas Pool.

BY THE COMMISSION:

ORDER OF THE COMMISSION

This cause came on for hearing at 9 o'clock a. m., on February 17,
1954, at Santa Fe, New Mexico, before the Oil Conservation Commission, herein-
after referred to as the "Commission".

NOW, on this May day of April, 1954, the Commission, a
quorum being present, having considered the records and testimony adduced, and
being fully advised in the premises;

FINDS:

(1) That due notice of the time and place of hearing and the purpose
thereof having been given as required by law, the Commission has jurisdiction of this
case and the subject matter thereof.

(2) That pursuant to provisions of Rule 7 (a) of Order No. R- 373A,
the Commission has power and authority to permit the formation of a gas proration
unit consisting of other than a legal quarter section after notice and hearing by the
Commission.

(3) That applicant, Sunray Oil Corporation,
is the owner of an oil and gas lease in Lea County, New Mexico the land consisting of
other than a legal quarter section, and described as follows, to-wit:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM.

E/2 NE/4 of Section 21.

containing 80 acres, more or less.

1. (4) That applicant, ^{proration} Sunray Oil Corp., has obtained permission from the Commission to dually complete a well on aforesaid lease, the well known as the Elliott 'A' No. 2, located in the SE/4 of the NE/4 of Section 21, Township 21 South, Range 37 East, NMPM.

Order No. R-
(4) That applicant, has a producing well on the aforesaid lease known as located from the line and from the line of Section , Township South, Range East.

(5) That the aforesaid well was ~~completed and in production prior to~~ January 1, 1954, the effective date of Order No. R- and is located within the limits of the pool heretofore delineated and designated as the Tubb Gas Pool.

(6) That it is ^{IMPRACTICAL} ~~impossible~~ to pool applicant's said lease with adjoining acreage in the NE/4 of Section 21, Township 21 South, Range 37 East and that the owners of adjoining acreage in said quarter section have not objected to the formation of the proposed proration unit of 80 acres, but have expressly consented thereto.

(7) That unless a proration unit consisting of applicant's aforesaid acreage is permitted, applicant will be deprived of the opportunity to recover his just and equitable share of the natural gas in the Tubb Gas Pool.

(8) That creation of a proration unit consisting of the aforesaid acreage will not cause but will prevent waste, will protect correlative rights, and is necessary to prevent confiscation of applicant's property.

IT IS THEREFORE ORDERED:

(1) That the application of Sunray Oil Corporation for approval of an unorthodox proration unit consisting of the following described acreage

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM.
E/2 NE/4 of Section 21

be AND THE SAME
is hereby approved, and a proration unit consisting of aforesaid acreage is hereby created and approved.

Order No. R-_____

(2) That applicant's well, *Elliot "A" No. 2*, located in the *SE/4 NE/4* of Section 21, Township 21 South, Range 37 East, NMPM, shall be granted an allowable ~~from January 1, 1954~~ in the proportion that the above described 80-acre unit bears to the standard or orthodox proration unit for said pool, all until further order of the Commission, *the effective date of said* Allowable *being determined in accordance with the provisions of* *Rule 13 of Order R-3734201 and all others* DONE at Santa Fe, New Mexico, the day and year hereinabove designated.

incuding this

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

E. S. WALKER, Member

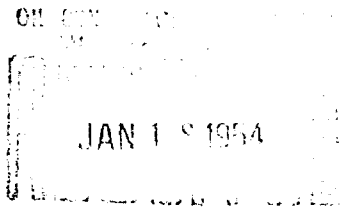
R. R. SPURRIER, Secretary and Member

(S E A L)

C. 6. 16

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF)
SUNRAY OIL CORPORATION FOR AN EXCEPTION)
TO ORDER NO. R-373-A TO PERMIT IT TO)
ASSIGN AN 80-ACRE GAS PRORATION UNIT)
TO ITS ELLIOTT "A" WELL NO. 2 LOCATED)
IN THE SE/4 OF THE NE/4 OF SECTION 21-)
TWP. 21S - RGE. 37E, LEA COUNTY, N. M.)



APPLICATION

Comes now Sunray Oil Corporation, applicant herein, and respectfully shows to the Honorable Oil Conservation Commission of the State of New Mexico as follows:

1. That the applicant is the owner and operator of an oil and gas lease covering the E/2 of the NE/4 of Section 21 - Twp. 21S - Rge. 37E, Lea County, New Mexico, consisting of 80 acres and known as its Elliott "A" lease.
2. That applicant's Elliott "A" Well No. 2 located therein is presently completed as an oil well in the Drinkard formation. Applicant now intends to complete this well in the Tubb gas zone so as to dually complete in the two formations and assign the above described 80-acre Elliott "A" lease as the gas proration unit for the Tubb completion. Rule 7 of Order R-373-A provides for the establishment of 160 acre gas proration units in the Tubb gas pool. Applicant has made a reasonably diligent effort to unitize this 80-acre tract with the acreage adjacent so as to form a 160-acre quarter section gas unit, but it has been determined to be impractical to so communitize.
3. Attached hereto and incorporated herein by reference is a plat showing the location of the unit well and the outline of the proposed 80-acre gas proration unit.

WHEREFORE applicant prays that this matter be set for hearing, if in the opinion of the Commission a hearing is necessary to obtain this authority, that notice be given thereof as required by law, and that upon final hearing the Oil Conservation Commission of the State of New Mexico enter its order authorizing applicant to assign an 80-acre gas proration unit to this well in accordance with this application and the rules and regulations of the Oil Conservation Commission.

Dated this 6th day of January, 1954.

SUNRAY OIL CORPORATION

By: *John D. Gassett*
John D. Gassett

