

SUN OIL COMPANY

MAIN OFFICE, OCC
SOUTHWEST DIVISION

REGISTRATION NATIONAL BUILDING
1935 CON. 11, 7th
DALLAS 2, TEXAS 32

S. M. GLADNEY
MANAGER
T. F. HILL
ASSISTANT MANAGER

A. S. RHEA
SUPT. OPERATING DEPT

*t Yaman 1/2
Ca Hable
on 7/11/56*

June 8, 1956

*NSL w/ MK
to R-639*

*Send copy
of Report
to arch bellan
on 6/21/56*

Mr. A. L. Porter
New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Dear Sir:

On June 4th Sun Oil Company filed Notice of Intention to Drill its B. T. Lanehart Well No. 3 located 330 feet from the south and east lines of Section 20, Township 25 South, Range 37 East, NMPM, in the Crosby-Devonian Pool of Lea County, New Mexico.

On June 5th Mr. R. F. Montgomery returned our Form C-101 to us stating that the location does not comply with special rules and regulations for the Crosby-Devonian Pool as set out in Commission Order R-639, which requires (1) a well to be located on a drilling unit of not less than 160 acres of land, and (2) that it be located 660 feet from lease lines. These rules govern the production of gas from the Crosby-Devonian Gas Pool.

Our B. T. Lanehart lease consists of 80 acres. We cannot locate a well 660 feet from lease lines on this qrtr/qrtr section because B. T. Lanehart No. 1 is located 660 feet from lease lines and is producing from the Langlie Field. This well is to be drilled in an attempt to make an oil well such as the one completed by Olsen Oil Company No. 1 Mrs. Eva Owens, which is a direct offset to this qrtr/qrtr section to the east.

We are returning Form C-101 covering this location with the request that if a hearing be necessary that a hearing be called for the purpose of securing an exception to the rule requiring 160 acre unit be formed prior to the drilling of the well, and, also, for permission to locate the well 330 feet out of the southeast corner since there is already a well 660 feet from the lease line.

This well is to be drilled in search of oil, such as is producing from the Olsen Owens No. 1 offset to the east, and an appropriate oil unit will be requested if an oil well is completed. In the event a gas well is completed at this location, an attempt will be made to form a standard gas proration

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unit, and if this is not possible we will apply for a hearing requesting a non-standard unit.

We shall appreciate your setting this matter for hearing at an early date, if a hearing is necessary. Your advice will be appreciated.

Very truly yours,

A handwritten signature in cursive script, appearing to read "A. L. Ballou".

ARB:oms

cc: Mr. R. F. Montgomery
Proration Manager
New Mexico Oil Conservation Commission
Hobbs, New Mexico