

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

October 11, 1957

Mr. A. R. Ballou  
Sun Oil Company  
Rio Grande National Bldg.  
Dallas 2, Texas

Dear Sir:

We enclose a copy of Order R-1064 issued October 9, 1957, by the Oil Conservation Commission in Case 1318, which was heard on September 24th at Santa Fe.

Very truly yours,

A. L. Porter, Jr.  
Secretary - Director

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Encl.

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## SUN OIL COMPANY

SOUTHWEST DIVISION

S. M. GLADNEY  
MANAGER

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RIO GRANDE NATIONAL BUILDING

DALLAS 2, TEXAS

T. F. HILL  
ASSISTANT MANAGERA. S. RHEA  
SUPT.-OPERATING DEPT

August 15, 1957

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

Attention: Mr. A. L. Porter, Jr.

Gentlemen:

In re: Continental Oil Company application for 160-acre non-standard proration unit for its Meyer B-23 #1 Well and Meyer B-23 #3 Well, Section 23, Township 22, Range 36, Jalmat Pool, Lea County, New Mexico.

Sun Oil Company has been advised of Continental Oil Company's application to reduce the size of its proration unit for its Meyer B-23 #1 Well from 320-acres to 160-acres so that it can form another 160-acre unit for its Meyer B-23 #3 Well. Sun Oil Company, as an offset operator, objects to this application for the following reasons:

1. Applicant does not have a permit to complete a well in the Jalmat Pool since its permit for Meyer B-23 #3 Well was received for the purpose of drilling a well to the Seven Rivers-Queen formation for oil production from the South Eunice Field.
2. Applicant could not have received a permit for this well at its present location on the same quarter section as the Meyer B-23 #1 Well in the Jalmat Pool.
3. If this application is granted applicant will have two gas wells offsetting Sun's H. S. Record well on the same quarter section, and each of applicant's wells will have 160-acres assigned to it.
4. Applicant should not be permitted to reduce the size of its units merely for the purpose of accommodating wells that it has in the area.
5. Sun Oil Company feels that in the future, by reason of the location of these wells, if applicant's request is granted that Sun will suffer drainage by reason of the location of two wells offsetting our one well.

Your consideration of this objection will be appreciated.

Very truly yours,

*A. L. Adams*

ARB:oms

cc - Mr. R. L. Adams  
Continental Oil Company  
Roswell, N. Mexico

Shell Oil Company  
Hobbs, New Mexico

*Refer NSP 386  
and NSP 387  
to hearing*

*File into 1218  
Sun & Continental  
9-12-57 BP*