

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. 8812
Order No. R-8157

APPLICATION OF SUN EXPLORATION AND
PRODUCTION COMPANY FOR AN UNORTHODOX
GAS WELL LOCATION, LEA COUNTY,
NEW MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on February 5, 1986, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 10th day of February, 1986, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

- (1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.
- (2) The applicant, Sun Exploration and Production Company, seeks approval of an unorthodox gas well location 2080 feet from the North line and 600 feet from the East line of Section 24, Township 18 South, Range 33 East, NMPM, to test the Morrow formation, Lea County, New Mexico.
- (3) A standard proration unit consisting of the N/2 of said Section 24 is to be dedicated to the well.
- (4) Geologic evidence presented at the hearing indicated that a well at said unorthodox location will better enable applicant to produce the gas underlying the proration unit.
- (5) No offset operator objected to the proposed unorthodox location.

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(6) Approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the affected 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.

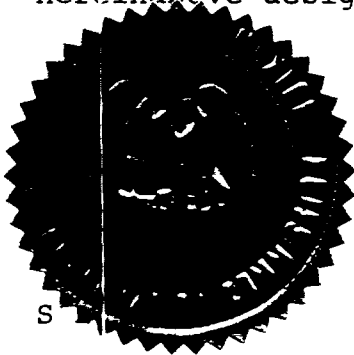
IT IS THEREFORE ORDERED THAT:

(1) The application of Sun Exploration and Production Company for an unorthodox gas well location for the Morrow formation is hereby approved for a well to be located 2080 feet from the North line and 600 feet from the East line of Section 24, Township 18 South, Range 33 East, NMPM, Lea County, New Mexico.

(2) The N/2 of said Section 24 shall be dedicated to the above-described well.

(3) 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

R. L. Stamets
R. L. STAMETS,
Director