

Entered May 15, 1979

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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. 6542
Order No. R-6008

APPLICATION OF SUN OIL COMPANY
FOR SPECIAL CASINGHEAD GAS
ALLOWABLES, LEA COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on May 9, 1979,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 15th day of May, 1979, 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 Oil Company, seeks an
exception to Rule 303-C-4 to increase the casinghead gas
allowable for its Annie Christmas Well No. 1 and its Walter
Lynch Well No. 2, located in Units N and L, respectively,
of Section 1, Township 22 South, Range 37 East, Drinkard
and Wantz-Granite Wash Pool, Lea County, New Mexico.

(3) That the applicant proposes to commingle production
from the Drinkard zone and the Granite Wash zone in each of
said wells pursuant to administrative approval issued under
the provisions of Rule 303 C of the Division Rules and
Regulations.

(4) That said Rule 303 C provides that production from
a well so commingled shall be subject to the lower of the daily
gas-oil ratio limitations applicable to the reservoirs.

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(5) That the daily casinghead allowables for said Drinkard and Granite Wash zones are 852 MCF and 374 MCF, respectively.

(6) That the applicant proposes a casinghead allowable per day for the aforesaid Warren Lynch Well No. 2 of 900 MCF and 500 MCF per day for the aforesaid Annie Christmas Well No. 1.

(7) That 500 MCF per day is a reasonable casinghead gas allowable for said Annie Christmas Well No. 1 and should be permitted, but 900 MCF per day, as requested for said Warren Lynch Well No. 1, is excessive and should not be permitted.

(8) That 852 MCF per day is a reasonable casinghead gas allowable for said Warren Lynch Well No. 2, and should be permitted.

(9) That the assignment of such special casinghead gas allowables will better permit the applicant to recover its share of the oil and gas production in each of said zones in the subject wells, will not cause waste, and will not violate correlative rights.

(10) That the application should be approved.

IT IS THEREFORE ORDERED:

(1) That Sun Oil Company is hereby granted a special casinghead gas allowable of 500 MCF per day for its Annie Christmas Well No. 1 and 852 MCF per day for its Walter Lynch Well No. 2, located in Units N and L, respectively, of Section 1, Township 22 South, Range 37 East, Drinkard and Wantz-Granite Wash Pools, Lea County, New Mexico.

(2) That any provisions of the Division's Order No. DHC-272 dated February 9, 1979, approving downhole commingling for applicant's Warren Lynch Well No. 2, and in any future order of the Division approving downhole commingling for applicant's Annie Christmas Well No. 1, not in conflict herewith are hereby continued in full force and effect.

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

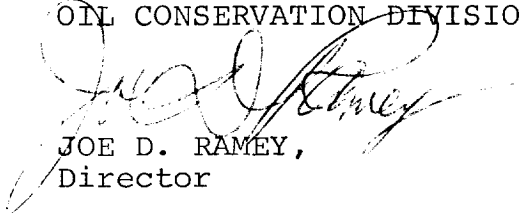
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DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



JOE D. RAMEY,
Director

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