

Entered January 9, 1984
JCR

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. 8028
Order No. R-6276-A

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

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on December 15, 1983, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 9th day of January, 1984, 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 Exploration and Production Company, seeks approval of an unorthodox gas well location for its A. B. Reeves Well No. 7 located 990 feet from the North line and 2310 feet from the West line of Section 29, Township 20 South, Range 37 East, NMPM, Eumont Gas Pool, Lea County, New Mexico.

(3) That the applicant further seeks to simultaneously dedicate the N/2 N/2 of said Section 29 to the above-described well and to its Reeves Well No. 6 located 660 feet from the North line and 610 feet from the East line of said Section 29.

(4) That Division Order No. R-6276, entered on February 26, 1980, gave authorization in part for a 160-acre non-standard Eumont Gas proration unit comprising the N/2 N/2 of said Section 29 to be simultaneously dedicated to the applicant's, then Sun Oil Company, A. B. Reeves Well No. 2, located 440 feet from the

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North and West lines of said Section 29 and to said A. B. Reeves Well No. 6 located at the above-described unorthodox location.

(5) That said A. B. Reeves Well No. 2 was plugged and abandoned in November, 1983.

(6) That the A. B. Reeves Well No. 7 at said unorthodox location will better enable applicant to produce the gas underlying the proration unit.

(7) That no offset operator objected to the proposed unorthodox location and simultaneous dedication.

(8) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the subject 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:

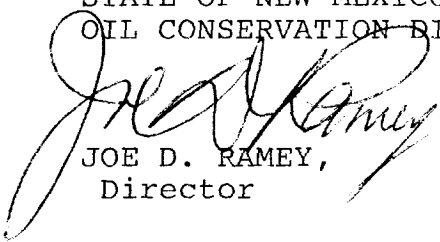
(1) That Sun Exploration and Production Company is hereby authorized to drill its A. B. Reeves Well No. 7 at an unorthodox location 990 feet from the North line and 2310 feet from the West line of Section 29, Township 20 South, Range 37 East, NMPM, Eumont Gas Pool, Lea County, New Mexico.

(2) That the N/2 N/2 of said Section 29 shall be simultaneously dedicated to the above-described well and to applicant's Reeves Well No. 6 located 660 feet from the North line and 610 feet from the East line of said Section 29.

(3) That 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


JOE D. RAMEY,
Director

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