

Entered May 24, 1982
JHR

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. 7574
Order No. R-6984

APPLICATION OF SUN EXPLORATION AND
PRODUCTION COMPANY FOR TWO NON-STANDARD
GAS PRORATION UNITS AND AN UNORTHODOX
LOCATION, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on May 12, 1982, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 24th day of May, 1982, 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 two 160-acre non-standard gas proration units being the NW/4 of Section 21 to be dedicated to its Boren & Greer Com Well No. 2 in Unit C and the NE/4 of Section 20 to be dedicated to its Boren & Greer Com Well No. 3 to be drilled at an unorthodox location 660 feet from the North line and 940 feet from the East line of said Section 20, both in Township 22 South, Range 36 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico.

(3) That the applicant further seeks rescission of Division Order No. R-5688.

(4) That both non-standard proration units may reasonably be presumed productive of gas from the Jalmat Gas Pool and that each non-standard gas proration unit can be efficiently and economically drained and developed by the aforesaid wells.

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(4) That approval of the subject application will afford the applicant the opportunity to produce his just and equitable share of the gas in the Jalmat Gas 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:

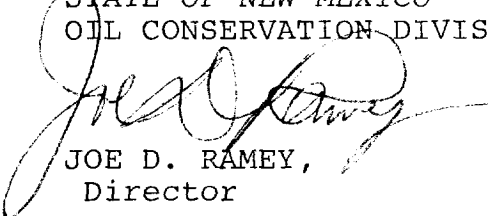
(1) That Sun Exploration and Production Company is hereby granted two 160-acre non-standard gas proration units in the Jalmat Gas Pool comprising the NW/4 of Section 21 and the NE/4 of Section 20, both in Township 22 South, Range 36 East, NMPM, Lea County, New Mexico, said units to be dedicated, respectively, to the Boren & Greer Com Well No. 2 in Unit C and the Boren & Greer Com Well No. 3 to be drilled at an unorthodox location, hereby also approved, 660 feet from the North line and 940 feet from the East line of said Section 20.

(2) That Division Order No. R-5688 is hereby rescinded.

(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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