

Entered January 3, 1983
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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. 7760
Order No. R-7173

APPLICATION OF SUN EXPLORATION AND
PRODUCTION COMPANY FOR A NON-STANDARD
PRORATION UNIT AND AN UNORTHODOX LOCATION,
CHAVES COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on December 16, 1982, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 3rd day of January, 1983, 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 660 feet from the South line and 660 feet from the East line of Section 17, Township 7 South, Range 26 East, NMPM, to test the Wolfcamp and Pennsylvanian formations, Pecos Slope Field, Chaves County, New Mexico.

(3) That the applicant further seeks approval of a 160-acre non-standard gas proration unit for the Wolfcamp and Pennsylvanian formations comprising the SE/4 of said Section 17 to be dedicated to the well drilled at said unorthodox location.

(4) That a well at said unorthodox location will better enable applicant to produce the gas underlying the proration unit.

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(5) That no offset operator appeared and objected to the proposed unorthodox location or non-standard unit.

(6) 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:

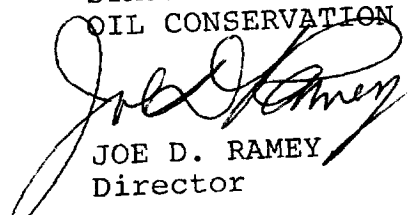
(1) That the application of Sun Exploration and Production Company for an unorthodox gas well location for the Wolfcamp and Pennsylvanian formations is hereby approved for a well drilled at a point 660 feet from the South line and 660 feet from the West line of Section 17, Township 7 South, Range 26 East, NMPM, Pecos Slope Field, Chaves County, New Mexico.

(2) That a 160-acre non-standard gas spacing and proration unit consisting of the SE/4 of said Section 17 is hereby approved for dedication to the well at said unorthodox location in the Wolfcamp or Pennsylvanian formations.

(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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