

NSL-58

cc - ooc - Holder
8/10/56

SUNRAY MID-CONTINENT OIL COMPANY

P. O. BOX 2039

TULSA 2, OKLAHOMA

Jul 8/30/56

MAIN OFFICE OOO

August 7, 1956

NSL
EXC. 6 Rule 2
by Rule 3
R-520

Oil Conservation Commission
State of New Mexico
125 Mabry Hall
Capitol Building
Santa Fe, New Mexico

Handwritten: OK per C.A. J.W.R. on 8/10/56 per NSP-315

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Re: Exception to Rules 2 and 5 of the special rules and regulations for the Eumont Gas Pool, Lea County, N. M.

Gentlemen:

Sunray Mid-Continent Oil Company respectfully requests that administrative approval be granted for the completion of its A. B. Reeves Well No. 2 in the Eumont Gas Pool, Lea County, New Mexico, and for an assignment of a 160-acre non-standard gas proration unit to such well as an exception to Rules 2 and 5 of the Special rules and regulations for the Eumont Gas Pool as established under Order R-520.

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Sunray's A. B. Reeves Well No. 2, located 440 feet from the North and West lines of Section 29-20S-37E, Lea County, was drilled to a total depth of 7150' and abandoned as a dry hole on August 21, 1947. 13-3/8" surface casing was set at 320' and cemented with 400 sacks of cement. 9-5/8" casing was set at 2789' and cemented to the surface. This casing was left in the hole. It is planned to re-enter this abandoned hole, clean out, run production casing and complete in the Queen Sand as a gas well.

An exception to Rule 2 is required since this well was drilled in 1947 at a location 440' from the North and West lines of Section 29, and Rule 2 requires that each well shall be drilled not closer than 1980' to any boundary line of the tract. Under Rule 3 the Secretary of the Commission has the authority to grant exception to the requirements of Rule 2 without notice and hearing where application has been filed, and the necessity for the unorthodox location is occasioned by the recompletion of a well previously drilled to another horizon. This well No. 2 is a twin to Well No. 1, which is located 660' from the North and West lines of Section 29 and is completed as an oil well in the Eunice Monument Field.

An exception to Rule 5 is required since this lease does not include 640 acres. Under Rule 5(b) the Secretary of the Commission has the authority to grant an exception to Rule 5(a) without notice and hearing where application has been filed and where certain facts exist and certain provisions are complied with. In compliance with this rule, Sunray alleges the following:



(1). The requested 160-acre non-standard gas proration unit consists of contiguous quarter-quarter sections.

(2). The requested 160-acre non-standard gas proration unit lies wholly within a single governmental section.

(3). The entire 160-acre unit may reasonably be presumed to be productive of gas.

(4). The length of this 160-acre unit does not exceed 5280'.

As required by Rule 3 and Paragraph 6 of Rule 5(b) the following operators have been notified by registered mail this date, by copy of this letter and attached plat.

The Texas Company
P. O. Box 1720
Fort Worth, Texas

Gulf Oil Corporation
P. O. Box 1290
Fort Worth, Texas

Phillips Petroleum Company
Bartlesville, Oklahoma
Attention: Mr. O. P. Nicola

Hudson and Hudson, Inc.
1810 Electric Building
Fort Worth, Texas

Amerada Petroleum Corporation
P. O. Box 2040
Tulsa, Oklahoma

We believe that this request for administrative approval should be granted, as such approval by the Commission will prevent waste, will protect correlative rights of all concerned and will serve the best interests of conservation.

Yours very truly,

SUNRAY MID-CONTINENT OIL COMPANY



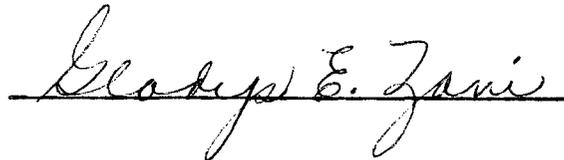
Burns H. Errebo
Attorney

Burns H. Errebo, being duly sworn, upon his oath states:

That he is an attorney for Sunray Mid-Continent Oil Company, Tulsa, Oklahoma, that he has read the foregoing request for exception to Rules 2 and 5 of the special rules and regulations for the Eumont Gas Pool, Lea County, New Mexico, and that the facts as stated in the foregoing request are true and correct to his best knowledge and belief.


Burns H. Errebo

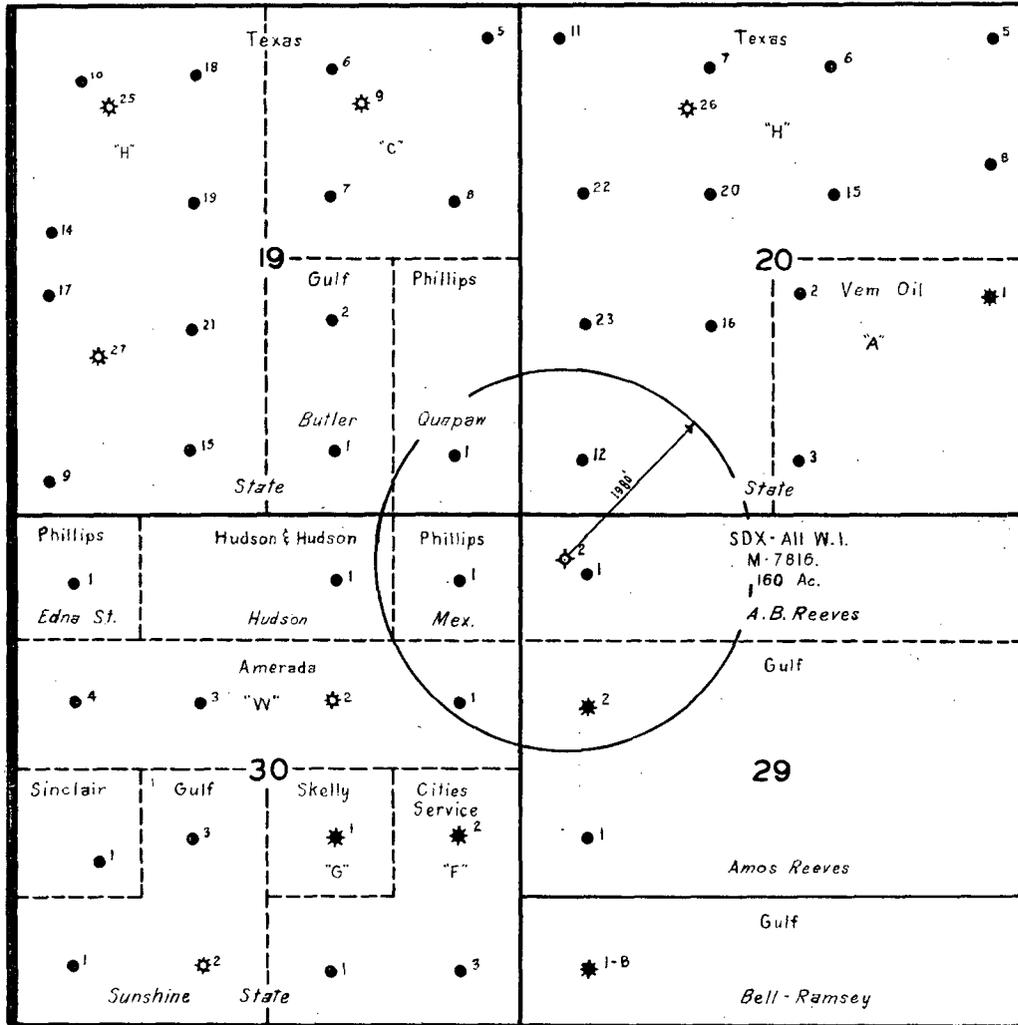
Subscribed and sworn to before me, a Notary Public within and for the State of Oklahoma, County of Tulsa, on this 7th day of August, 1956.



My Commission expires:

25th day of February 1957

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PRODUCING FORMATION		SUNRAY OIL CORPORATION		PRODUCING LEASES	
<u>NAME</u>	<u>AVERAGE DEPTH</u>	FIELD: EUMONT			
		DISTRICT: NEW MEX.		GROUP:	
		COUNTY: LEA		STATE: NEW MEX.	
		SCALE			
		2000	1000	0	1000 2000 4000
		FEET			
		REEVES, A. B.			