

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. 6712
Order No. R-6179

Sun Oil Co.
APPLICATION OF SUN GAS COMPANY
FOR APPROVAL OF INFILL DRILLING
AND SIMULTANEOUS DEDICATION, SAN
JUAN COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

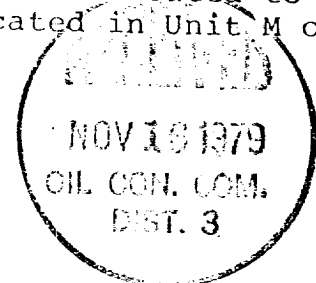
BY THE DIVISION:

This cause came on for hearing at 9 a.m. on October 31, 1979, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 14th day of November, 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 Gas Company, seeks a finding that the drilling of its N. M. Federal "N" Well No. 6-E to be located in Unit P of Section 6, Township 30 North, Range 12 West, Basin-Dakota Pool, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.
- (3) That the name of the applicant should be amended to Sun Oil Company.
- (4) That Sun Oil Company is the operator of a 320-acre standard proration unit consisting of the S/2 of said Section 6 in the Basin-Dakota Pool.
- (5) That said 320-acre proration unit is dedicated to applicant's N. M. Federal "N" Well No. 6 located in Unit M of said Section 6.



(6) That the evidence presented demonstrated that said N. M. Federal "N" Well No. 6 cannot effectively and efficiently drain said 320-acre proration unit.

(7) That the evidence presented further demonstrated that the drilling and completion of applicant's said new well should result in production of approximately 1.9 billion additional cubic feet of gas from said proration unit which would not otherwise be recovered from the proration unit.

(8) That such additional recovery will result in said unit being more efficiently and economically drained.

(9) That said new well is to be drilled as an "infill" well on the existing 320-acre standard proration unit.

(10) That in order to permit the drainage of a portion of the reservoir covered by said 320-acre standard proration unit which cannot be effectively and efficiently drained by the existing well thereon, the subject application for infill drilling and simultaneous dedication should be approved.

IT IS THEREFORE ORDERED:

(1) That the applicant, Sun Oil Company, is hereby authorized to drill its N. M. Federal "N" Well No. 6-E to be located in Unit P of Section 6, Township 30 North, Range 12 West, NMPM, as an infill well on an existing 320-acre standard proration unit being the S/2 of said Section 6, Basin-Dakota Pool, San Juan County, New Mexico. The authorization for infill drilling granted by this order is necessary to permit the drainage of a portion of the reservoir covered by the existing 320-acre proration unit which cannot efficiently and economically be drained by any existing well thereon.

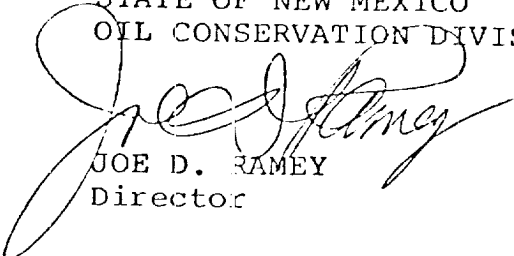
(2) That said proration unit shall be simultaneously dedicated to applicant's proposed new well and to its N. M. Federal "N" Well No. 6 located in Unit M of said Section 6.

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

-3-
Case No. 6712
Order No. R-6179

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

S E A L

fd/