BEFORE THE OIL CONSERVATION COMMISSION, STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
SUNRAY OIL CORPORATION FOR AN EXCEPTION
TO ORDER NO. R-370-A TO PERMIT IT TO
ASSIGN AN UNORTHODOX 160 ACRE GAS
PRORATION UNIT TO ITS A. COOPER WELL NO. 3
LOCATED IN THE NW/4 OF THE NW/4 OF SECTION
7 - TWP. 20S - RGE. 37E, LEA COUNTY, NEW MEXICO

Case 689

APPLICATION

Comes now Sunray Oil Corporation, applicant herein, and respectfully

shows to the Honorable Oil Conservation Commission of the State of New Mexico

as follows:

1. That applicant is the owner and operator of an oil and gas lease known

as its A. Cooper lease, covering the W/2 of the W/2 of Section 7 - Twp. 20S - Rge.

37E, and the E/2 of the E/2 of Section 12 - Twp. 20S - Rge. 36E, Lea County, New

Mexico. Order R-370-A requires standard proration units to be in the form of a

square, which is a governmental quarter section. It is desired to form an unorthodox

gas proration unit consisting of the W/2 of the W/2 of Section 7 - Twp. 20S - Rge.

37E. for the A. Cooper Well No. 3.

2. Applicant's A. Cooper Well No. 3 was completed on February 6, 1936 to

a total depth of 3895'. This well is presently producing gas from the Yates formation,

encountered at 2890'.

3. Unitization of portions of this tract with other tracts within Section

12 so as to form a standard 160-acre gas proration unit is impractical.

4. Attached hereto and incorporated herein by reference is a plat showing

the location of the unit well and the outline of the proposed 160-acre gas proration

unit.

WHEREFORE applicant prays that this matter be set for hearing, that notice

be given thereof as required by law, and that upon final hearing the Oil Conservation

Commission of the State of New Mexico enter its order authorizing applicant to assign

an unorthodox gas proration unit to this well in accordance with this application and

the rules and regulations of the Oil Conservation Commission.

SUNRAY OIL CORPORATION

John D. Gassett

Dated this 18th day of February, 1954.