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WESTERN UNION TELEGRAM

Case # 1058

SYMBOLS	
DL	= Day Letter
NL	= Night Letter
LT	= International Letter Telegram

W. P. MARSHALL, PRESIDENT

The filing time shown in the date line on domestic telegrams is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination

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 NEW MEXICO OIL CONSERVATION COMMISSION,
 ATTN W W MANKIN=125 MABRY HALL CAPITOL BLDG PHONE
 37376 SANTAFE NMEX=

Copy of Decret sent 4/10/56

PLEASE ACCEPT THIS AS THE APPLICATION OF SUNRAY MID-CONTINENT OIL CO FOR THE DETERMINATION OF THE ALLOWABLE FOR ITS PROPOSED STATE "J" WELL NO 1 AS REQUESTED IN CASE 1049 TO BE LOCATED 330 FEET FROM THE NORTH LINE AND 330 FEET FROM THE WEST LINE OF SECTION 1, TOWNSITE 12, SOUTH, RANGE 33 EAST, BAGLEY SILURA-DEVONIAN POOL AREA, LEA COUNTY, NEW MEXICO. APPLICANT REQUESTS THAT AN ALLOWABLE BE ASSIGNED EQUAL TO THAT OF A STANDARD 40-ACRE PRORATION UNIT WITH DEEP POOL ADAPTATION AS PROVIDED BY COMMISSION RULES. THE FORTY ACRES WHICH APPLICANT PROPOSES TO ASSIGN IS APPROXIMATELY THE WEST HALF OF THE WEST HALF OF THE NORTHWEST QUARTER OF SAID SECTION 1 TOWNSITE 12, SOUTH RANGE 33 EAST. THIS APPLICATION IS IN ACCORDANCE WITH EXISTING RULES AND REGULATIONS OF THE N MEX OIL CONSERVATION COMMISSION AND MORE PARTICULARLY ORDER R-69-D LETTER WILL FOLLOW=

JOHN D GASSETT SUNRAY MID-CONTINENT OIL CO=

1 1049 330 330 1 12 33 40-ACRE 1 12 33 R-69-D=

Case # 1058

SUNRAY MID-CONTINENT OIL COMPANY

R. E. FOSS, VICE PRESIDENT
C. J. KERWIN, SUPERINTENDENT
PRODUCTION DIVISION
R. W. GRIFFITH, GENERAL MANAGER
GAS-GASOLINE DIVISION

OFFICE
P. O. BOX 2039
TUUSA 2, OKLAHOMA

J. H. DOUMA, MANAGER
JOINT OPERATIONS DIVISION
M. S. PATTON, JR., MANAGER
ENGINEERING DIVISION

PRODUCTION DEPARTMENT
April 9, 1956

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

Attention: Mr. W. W. Mankin

Re: Application of Sunray Mid-Continent Oil Company for determination of allowable of its State "J" Well No. 1, Bagley Siluro-Devonian Pool Area, Lea County, New Mexico

This letter will confirm the telegram of April 5, 1956 of Sunray Mid-Continent Oil Company requesting a hearing for the determination of the allowable for its State "J" Well No. 1, Bagley Siluro-Devonian Pool Area, Lea County, New Mexico. The text of the above mentioned telegram is as follows:

"Please accept this as the application of Sunray Mid-Continent Oil Co. for the determination of the allowable for its proposed State "J" Well No. 1 as requested in Case 1049 to be located 330 feet from the North line and 330 feet from the West line of Section 1, Township 12 South, Range 33 East, Bagley Siluro-Devonian Pool Area, Lea County, New Mexico. Applicant requests that an allowable be assigned equal to that of a standard 40 acre Proration Unit with deep pool adaptation as provided by Commission rules. The forty acres which Applicant proposes to assign is approximately the West half of the West half of the Northwest quarter of said Section 1, Township 12 South, Range 33 East. This application is in accordance with existing rules and regulations of the N. Mex. Oil Conservation Commission and more particularly Order R-69-D."

In addition to the above information, please be advised that Sunray will request that the allowable for its proposed State "J" No. 1 be set in accordance with Rule "c" of said Order R-69-D, or in the alternative that which the Commission may find to be fair, reasonable and equitable.

Yours very truly,

SUNRAY MID-CONTINENT OIL COMPANY

John D. Gassett
John D. Gassett

JDG:dc



BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 249
(Consolidated with Case No. 315)
Order No. R-69-D

THE MATTER OF THE APPLICATION OF
THE OIL CONSERVATION COMMISSION
UPON ITS OWN MOTION FOR AN ORDER
DIRECTED TO THE OPERATORS IN THE
BAGLEY-SILURO-DEVONIAN POOL, LEA
COUNTY, NEW MEXICO, TO SHOW CAUSE
WHY SAID POOL SHOULD NOT BE PLACED
ON 40-ACRE SPACING WITH ALLOWABLE
ADJUSTMENT, UPON EXPIRATION OF
TEMPORARY ORDER.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing on May 19, 1954, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on this 30th day of June, 1954, the Commission, a quorum being present, having considered the testimony adduced and exhibits received at said hearings, and being fully advised in the premises,

FINDS:

- (1) That due notice having been given and proper service had upon the operators in said pool as required by law, the Commission has jurisdiction of this cause.
- (2) That originally the Commission issued Temporary Order R-69, effective May 1, 1951, to and including May 1, 1952, authorizing the development and production of the Bagley-Siluro-Devonian Pool on an 80-acre spacing pattern with 80-acre proration units.
- (3) That thereafter and prior to the expiration of Order R-69, the Commission after due notice and hearing issued Order R-69-A, which granted an extension of Order R-69, as modified, for a period of one year from and after May 1, 1952.

Order No. R-69-D

(4) That thereafter and prior to the expiration of Order R-69-A as modified by Order R-69-B, the Commission after due notice and hearing issued Order R-69-C, effective June 1, 1953, to and including June 1, 1954, which authorized the development and production of the Bagley-Siluro-Devonian Pool on an 80-acre spacing pattern with 80-acre proration units.

(5) That for the prevention of waste and in the interests of conservation, the provisions of said Commission Temporary Order R-69-C, as hereinafter modified and set forth, should be made permanent.

IT IS THEREFORE ORDERED:

(a) That 80-acre spacing of wells and establishment of 80-acre proration units in the Bagley-Siluro-Devonian Pool, Lea County, New Mexico, described as:

Township 11 South, Range 33 East, NMPM
All Section 34; NW/4 and S/2 Section 35

Township 12 South, Range 33 East, NMPM
N/2 and SE/4 of Section 3; all of Section 2;
E/2 NW/4 and N/2 NE/4 of Section 11

be, and the same is hereby authorized; such proration units to consist of the E/2 and the W/2 respectively of each governmental survey quarter section therein and the well location thereon shall be in the center (permissive tolerance 150 feet) of the northwest and southeast quarter sections thereof.

PROVIDED, HOWEVER, that the following described units do, and shall constitute permissible exceptions to the spacing and proration unit plan aforesaid:

Township 11 South, Range 33 East, NMPM
N/2 NW/4 of Section 35; S/2 NW/4 of Section 35

Township 12 South, Range 33 East, NMPM
N/2 NW/4 of Section 3; S/2 NW/4 of Section 3;
N/2 NE/4 of Section 2; SW/4 NE/4 and NW/4 SE/4 of
Section 2; SE/4 NE/4 and NE/4 SE/4 of Section 2;
S/2 SE/4 of Section 2;
N/2 NE/4 of Section 11

(b) That no well shall be drilled or produced in said pool except it be in conformity with the spacing and proration unit pattern hereinabove authorized unless, after notice and hearing, a special order of authorization is had and obtained from the Commission.

(c) That should any well be drilled off-pattern, under authority of any special order, then, and in that event, the same shall be entitled only to an allowable equal to that of a standard 40-acre proration unit with deep pool adaptation as provided by Commission rules. Nothing contained in this order shall be construed as requiring

Order No. R-69-D

by the Commission the drilling of any wells at any location.

IT IS FURTHER ORDERED: That the Bagley-Siluro-Devonian Pool and the 80-acre proration units therein, hereby established and confirmed, be and the same hereby are granted an allowable equal to the top allowable for wells in the Bagley-Siluro-Devonian depth range, calculated by the use of the 80-acre proportional factor as provided for in Rule 505 of the Rules and Regulations of this Commission, together with the acreage factor, if any there be;

PROVIDED HOWEVER, that no well in such pool will be assigned an allowable greater than the amount of oil produced on official gas-oil ratio tests during a 24-hour period in compliance with Rule 301 of the said Rules and Regulations.

IT IS FURTHER ORDERED:

(a) That each operator in said pool shall take or cause to be taken bottom-hole pressure tests of each producing well operated by him in said pool during the months of July of each calendar year; the results of such tests shall be tabulated, and reflect the pressure of each well; the same shall be filed on or before the 5th day of August, of each calendar year, with the Commission at Santa Fe, New Mexico (with copy to Hobbs office); it is further provided, that such bottom-hole pressure tests shall be taken in conformity with the requirements of Rule 302 of the Commission's Rules and Regulations as revised.

This order supersedes all previous temporary orders and interlocutory orders heretofore issued in this case.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

E. S. WALKER, Member

R. R. SPURRIER, Secretary and Member

S E A L