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IN THE MATTER OF THE APPLICATION OF SUNRAY  
MID-CONTINENT OIL COMPANY FOR A TEMPORARY ORDER CREATING  
THE BISTI LOWER GALLUP OIL POOL, SAN JUAN COUNTY,  
NEW MEXICO, ESTABLISHING UNIFORM 80-ACRE PRORATION  
UNITS AND WELL SPACING, AND PROMULGATING SPECIAL  
RULES AND REGULATIONS FOR SAID POOL.

CASE NO. 1308

A P P L I C A T I O N

TO THE HONORABLE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO:

COMES NOW Sunray Mid-Continent Oil Company and respectfully alleges and states as follows:

1. That the Lower Gallup formation underlying the following described area is productive of oil and gas and constitutes a single common source of supply which should be recognized and created as the Bisti Lower Gallup Oil Pool:

Sections 2, 3, and 4, Township 24 North, Range 10 West;  
Sections 19, 26, 27, 28, 29, 30, 31, 32, 33, 34 and 35,  
Township 25 North, Range 10 West; Sections 7, 13, 14, 15,  
16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30,  
35 and 36, Township 25 North, Range 11 West; Sections 3, 4,  
5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 23, 24  
and 25, Township 25 North, Range 12 West; Sections 1, 2, 3,  
4, 11 and 12, Township 25 North, Range 13 West; Sections 31  
and 32, Township 26 North, Range 12 West; Sections 26, 27,  
28, 29, 30, 31, 32, 33, 34, 35 and 36, Township 26 North,  
Range 13 West; all in San Juan County, New Mexico.

2. That applicant and other parties own oil and gas leases within the above described area and have drilled thereon approximately 100 wells which are productive of oil and gas from the Lower Gallup formation, which formation has an average gross thickness of approximately 280 feet; and that said Lower Gallup formation was encountered at an approximate depth of 4968 feet in the British-American Oil Producing Company No. 1 Salge B, located in the NW/4 of the NW/4 of Section 34, Township 26 North, Range 13 West, San Juan County, and at an approximate depth of 4860 feet in the Shell Oil Company No. 1 Carson, located in the NE/4 of the NE/4 of Section 24, Township 25 North, Range 12 West, San Juan County, and at an approximate depth of 5353 feet in the Monsanto Chemical Company No. 1 Atlas, located in the NW/4 of the SE/4 of Section 34, Township 25 North, Range 10 West, San Juan County.

3. That a well density of no more than one well to each 80 acres has heretofore been maintained in the development of the above area.

4. That one well completed in the Lower Gallup formation will efficiently and economically drain and develop 80 acres; that all wells drilled to and completed in the Lower Gallup formation in the above described area should be located on 80-acre proration units comprising two adjacent governmental quarter-quarter sections within a single governmental quarter section, which units should run either North and South or East and West, and that wells projected to or completed in the Lower Gallup formation should be located on diagonal quarter-quarter sections within a governmental quarter section contained in a proration unit, and should be located not closer than 330 feet from the lines of such quarter-quarter section.

5. That well location exceptions should be granted to all wells drilled or actually drilling at the time of the filing of this application which are not located as prescribed by the Oil Conservation Commission in any order issued pursuant to this application.

6. That other special rules should be established, including provisions for the taking and reporting of proper gas-oil ratios and bottom hole pressure tests.

7. That this application should be granted in the interest of the prevention of waste, the protection of correlative rights, the prevention of the economic loss caused by the drilling of unnecessary wells, and for the recovery of the greatest amount of oil and gas.

8. That a copy of this application will be mailed no later than August 12, 1957, to the parties appearing on Exhibit "A" hereto, who are all of the interested parties known to this applicant.

WHEREFORE Applicant prays that this matter be set for hearing before this Commission, that notice thereof be given according to law, and that upon hearing of this application a temporary order be entered creating the Bisti Lower Gallup Oil Pool for production of oil and gas from the Lower Gallup common source of supply within the area herein described, establishing 80-acre proration units and providing for the location of wells as herein requested, providing for the taking of bottom hole pressure and gas-oil ratio tests as herein requested, and promulgating such other special rules and regulations as this Commission may deem proper and necessary.

Dated this 5<sup>th</sup> day of August, 1957.

SUNRAY MID-CONTINENT OIL COMPANY

By Burns H. Errebo  
Burns H. Errebo, Attorney  
P.O. Box 2039  
Tulsa 2, Oklahoma

By L. C. White  
L. C. White, Attorney  
P.O. Box 787  
Santa Fe, New Mexico

Amerada Petroleum Corporation  
P. O. Box 2040  
Tulsa, Oklahoma  
Attn: Mr. R. S. Christie

Benson-Montin-Greer Drilling Company  
Republic Building  
Oklahoma City, Oklahoma

C. M. & W. Drilling Company  
1650 California  
Denver, Colorado

El Paso Natural Gas Products Company  
P. O. Box 1492  
El Paso, Texas  
Attn: Mr. R. L. Hamblin

Lion Oil Company  
Denver Club Building  
Denver, Colorado

Rex R. Moore  
2904 Liberty Bank Building  
Oklahoma City, Oklahoma

Pan-American Petroleum Corporation  
P. O. Box 1410  
Fort Worth, Texas  
Attn: Mr. Guy Buell

Rex Uranium Company  
316 West Broadway  
Farmington, New Mexico

Southern Union Gas Company  
P. O. Box 2240  
Santa Fe, New Mexico

Western Development Company  
65 Seneca Plaza, P. O. Box 1201  
Santa Fe, New Mexico  
Attn: Mr. W. B. Macey

Humble Oil & Refining Company  
P. O. Box 2180  
Houston, Texas  
Attn: Mr. S. F. Holmesley

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

Magnolia Petroleum Company  
P. O. Box 900  
Dallas 21, Texas  
Attn: Mr. Ed Keeler

E. C. Evenson  
739 High Street  
San Francisco 17, California

Honolulu Oil Corporation  
204 West Illinois  
Midland, Texas  
Attn: Mr. George R. Hoy

F. R. Anderson  
c/o Dempster Oil Company  
P. O. Box 2965  
Houston 1, Texas

British-American Oil Producing Co.  
P. O. Box 180  
Denver, Colorado  
Attn: Mr. Thomas M. Hogan

El Dorado Refining Company  
P. O. Box 551  
El Dorado, Kansas

Gulf Oil Corporation  
P. O. Box 2167  
Hobbs, New Mexico

McWood Corporation  
330 Petroleum Building  
Abilene, Texas  
Attn: Mr. Guy Willis

Kenneth Murchison  
1315 Pacific Avenue  
Dallas, Texas

Phillips Petroleum Company  
Bartlesville, Oklahoma  
Attn: Mr. Jack Turner

Shell Oil Company  
108 North Behrend  
Farmington, New Mexico  
Attn: Mr. R. S. MacAlister, Jr.

Sun Oil Company  
P. O. Box 998  
Roswell, New Mexico

Skelly Oil Company  
P. O. Box 1650  
Tulsa, Oklahoma  
Attn: Mr. George W. Selinger

Atlantic Refining Company  
P. O. Box 6640  
Roswell, New Mexico

P. J. O'Hornett  
Union Oil Company  
First National Building  
Oklahoma City, Oklahoma

Sinclair Oil and Gas Company  
P. O. Box 521  
Tulsa, Oklahoma  
Attn: Mr. James H. McGowan

L. C. Kelly  
309 Bank of America Building  
Beverly Hills, California

Anderson Prichard Oil Corporation  
Liberty Bank Building  
Oklahoma City, Oklahoma