

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

October 11, 1957

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Mr. A. R. Ballou
Sun Oil Company
Rio Grande National Bldg.
Dallas 2, Texas

Dear Sir:

We enclose a copy of Order R-1064 issued October 9, 1957, by the Oil Conservation Commission in Case 1318, which was heard on September 24th at Santa Fe.

Very truly yours,

A. L. Porter, Jr.
Secretary - Director

bp
Encl.

SUN OIL COMPANY

REGIONAL OFFICE OCC

SOUTHWEST DIVISION

S. M. GLADNEY
MANAGER
T. F. HILL
ASSISTANT MANAGER

1957 AUG 15 11 3:40

GRANDE NATIONAL BUILDING
DALLAS 2, TEXAS

A. S. RHEA
SUPT.-OPERATING DEPT

August 15, 1957

*Refer NSP 386
and NSP 387
to hearing*

New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Attention: Mr. A. L. Porter, Jr.

Gentlemen:

In re: Continental Oil Company application for 160-acre non-standard proration unit for its Meyer B-23 #1 Well and Meyer B-23 #3 Well, Section 23, Township 22, Range 36, Jalmat Pool, Lea County, New Mexico.

Sun Oil Company has been advised of Continental Oil Company's application to reduce the size of its proration unit for its Meyer B-23 #1 Well from 320-acres to 160-acres so that it can form another 160-acre unit for its Meyer B-23 #3 Well. Sun Oil Company, as an offset operator, objects to this application for the following reasons:

1. Applicant does not have a permit to complete a well in the Jalmat Pool since its permit for Meyer B-23 #3 Well was received for the purpose of drilling a well to the Seven Rivers-Queen formation for oil production from the South Eunice Field.
2. Applicant could not have received a permit for this well at its present location on the same quarter section as the Meyer B-23 #1 Well in the Jalmat Pool.
3. If this application is granted applicant will have two gas wells offsetting Sun's H. S. Record well on the same quarter section, and each of applicant's wells will have 160-acres assigned to it.
4. Applicant should not be permitted to reduce the size of its units merely for the purpose of accommodating wells that it has in the area.
5. Sun Oil Company feels that in the future, by reason of the location of these wells, if applicant's request is granted that Sun will suffer drainage by reason of the location of two wells offsetting our one well.

Your consideration of this objection will be appreciated.

Very truly yours,

A. L. Basson

*File into Nevada
Re Sun & Continental
9-18-57 BP*

ARB:oms

cc - Mr. R. L. Adams
Continental Oil Company
Roswell, N. Mexico

Shell Oil Company
Hobbs, New Mexico