

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. 8441  
Order No. R-7677-A

APPLICATION OF SUN EXPLORATION AND  
PRODUCTION COMPANY FOR AMENDMENT OF  
DIVISION ORDER NO. R-7677, LEA COUNTY,  
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on December 19, 1984, at Santa Fe, New Mexico, before Examiner Michael E. Stagner.

NOW, on this 11th day of January, 1985, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, Sun Exploration and Production Company, received authorization, by Division Order No. R-7677, dated September 24, 1984, for its U. D. Sawyer Well No. 11 to be located at an unorthodox oil well location 2630 feet from the North line and 1625 feet from the East line of Section 27, Township 9 South, Range 36 East, NMPM, to test the Montoya, Simpson, and Granite Wash formations and the Crossroads-Devonian Pool, Lea County, New Mexico, with the SW/4 NE/4 (Unit G) of said Section 27 to be dedicated to said well forming a standard 40-acre oil proration and spacing unit.

(3) The applicant now seeks to amend the unorthodox oil well location for said U. D. Sawyer Well No. 11 to its present location 2561 feet from the South line and 1610 feet from the East line of said Section 27, drilled to test the Montoya, Simpson, and Granite Wash formation and the Crossroads-Devonian Pool and to further amend the acreage dedication to the well to include the NW/4 SW/4 (Unit J) of said Section 27

forming a standard 40-acre oil proration and spacing unit thereon.

(4) Following entry of said Order No. R-7677, the applicant inadvertently drilled said U. D. Sawyer Well No. 11 at the location described in Finding Paragraph No. (3) above, which is also within Sun Exploration and Production Company's U. D. Sawyer lease.

(5) The subject well's present location is approximately 80 feet from the originally approved unorthodox location described in Finding Paragraph No. (2) above.

(6) A well at said amended unorthodox location will also better enable applicant to produce the oil underlying the proration unit.

(7) No offset operator objected to the amended location.

(8) Approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the oil in the affected formations and/or pools, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED THAT:

(1) Ordering Paragraph No. (1) on Page 2 of Division Order No. R-7677, dated September 24, 1984, is hereby amended to read in its entirety as follows:

"(1) The application of Sun Exploration and Production Company for an unorthodox oil well location for the Montoya, Simpson, and Granite Wash formations and the Crossroads-Devonian Pool is hereby approved for its U. D. Sawyer Well No. 11 to be located at a point 2561 feet from the South line and 1610 feet from the East line of Section 27, Township 9 South, Range 36 East, NMPM, Lea County, New Mexico."

(2) Ordering Paragraph No. (2) on Page 2 of said Division Order No. R-7677, is also hereby amended to read in its entirety as follows:

"(2) The NW/4 SE/4 (Unit J) of said Section 27 shall be dedicated to the above-described well."

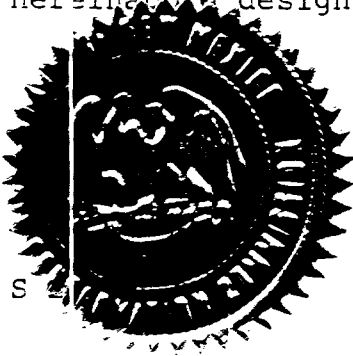
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(3) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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



STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

*R. L. Stamets*  
R. L. STAMETS,  
Director