

CASE 6186: SUN PRODUCTION COMPANY
FOR A NON-STANDARD GAS PRORATION UNIT,
LEA COUNTY, NEW MEXICO

Case NO.

6186

Application

Transcripts

Small Exhibits

ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
March 22, 1978

EXAMINER HEARING

IN THE MATTER OF:

Application of Sun Production Company
for downhole commingling, Lea County,
New Mexico.

CASE
6186

BEFORE: Richard L. Stamets, Examiner.

TRANSCRIPT OF HEARING

For the New Mexico Oil
Conservation Commission:

Lynn Teschendorf, Esq.
Legal Counsel for the Commission
State Land Office Building
Santa Fe, New Mexico

For the Applicant:

Jason W. Kellahin, Esq.
KELLAHIN & FOX
Attorneys at Law
500 Don Gaspar Avenue
Santa Fe, New Mexico

sid morrish reporting service
General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone: (505) 982-9212

I N D E X

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1 MR. STAMETS: Call the next case, Case 6186.

2 MS. TESCHENDORF: Case 6186, application of Sun
3 Production Company for a non-standard gas proration unit,
4 Lea County, New Mexico.

5 MR. STAMETS: Call for appearances in this case.

6 MR. KELLAHIN: Jason Kellahin, Kellahin & Fox,
7 appearing on behalf of the applicant and I have one witness
8 to be sworn.

9 (THEREUPON, the witness was sworn.)

10
11 KENNETH W. LARSON

12 was called as a witness by the applicant, and having been
13 first duly sworn, testified upon his oath as follows, to-wit:

14
15 DIRECT EXAMINATION

16 BY MR. KELLAHIN:

17 Q Would you state your name, please?

18 A Kenneth W. Larson.

19 Q By whom are you employed and in what position, Mr.
20 Larson?

21 A Staff Professional Geologist, Sun Oil Company, Dallas
22 Production Region, Dallas, Texas.

23 Q Have you testified before the Oil Conservation
24 Commission of New Mexico and made your qualifications a matter
25 of record?

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1 A. Yes, I have.

2 MR. KELLAHIN: Are the witnesses qualifications
3 acceptable?

4 MR. STAMETS: Yes, they are.

5 Q (Mr. Kellahin continuing.) Mr. Larson, does the
6 area involved in the application present before the
7 Commission come under your jurisdiction?

8 A. Yes, it does.

9 Q Have you made a study of the area involved here?

10 A. I recently completed such a study.

11 Q What does the applicant propose in Case Number
12 6186?

13 A. The formation of a non-standard three hundred and
14 twenty acre proration unit and the approval of the non-
15 standard location for the Borin & Greer Gas Unit.

16 Q The non-standard unit will consist of the north-
17 east quarter section of the northwest quarter of Section
18 21, 22 South, 36 East?

19 A. That's correct.

20 Q This is a Jalmat gas pool well?

21 A. Well, the Commission assigned it as the Jalmat
22 Ansel Seven Rivers Producer.

23 Q What is the footage location of your proposed
24 well?

25 A. The location is eight ninety from the north line

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1 and seventeen eighty from the west line.

2 Q Now, referring to what has been marked as the
3 Applicant's Exhibit One would you discuss the information
4 that is shown on that exhibit?

5 A Geologic Exhibit Number One is the well completion
6 plat of a portion of the Jalmat and Ansel Seven Rivers
7 Field, Lea County, New Mexico.

8 This area of interest lies within T22 North, Range
9 36 East. The scale of the plat is one inch equals two
10 thousand feet.

11 For clarification purposes the map is color
12 coded. The current completions are identified in the legend
13 in the lower left-hand portion of the plat.

14 Those wells not color coded are not listed on either
15 the current New Mexico gas or oil proration schedules.

16 To the right of the plat a type log, the Sun DAX No. 1 Borin
17 located in the northeast quarter of the northeast quarter of
18 Section 20 and marked by a brown area on the plat is shown.

19 The four producing horizons in this immediate area
20 are posted on the map.

21 The boundaries of the Conoco south unit are marked
22 by blue dashed lines. The non-standard three hundred and
23 twenty acre Borin and Greer gas unit is outlined by the yellow
24 dashed lines.

25 The red arrow identifies the proposed unorthodox gas

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1 well location of the Borin and Greer gas unit No. 2, which
2 as previously stated falls eight ninety from the north line
3 and seventeen eighty from the west line of Section 21.

4 Field rules call for nineteen hundred and eighty
5 feet from the outter limits. This unorthodox location is
6 requested because of the configuration of the three hundred
7 and twenty acre unit. Its north and south dimension is
8 twenty-six hundred and forty feet which will not permit a
9 standard location.

10 Q Now, this location has previously been approved by
11 this Commission has it not?

12 A That's correct, established by the New Mexico Oil
13 Corporation Commission Order Number R-1074, October 23, 1957.

14 Q Now, aside from the size of the unit that is the
15 only reason for the non-standard location, is that correct?

16 A Yes, primarily because of that.

17 Q Now, have you contacted all of the offsetting owners?

18 A The proration department of the Sun Production
19 Company has contacted the offset owners.

20 Q Now, Exhibit Number Two, does that contain copies
21 of the waivers received?

22 A That's correct.

23 Q As a result of that contact?

24 A That's correct.

25 Q Have you had any objections from any of the of the

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1 offsetting owners?

2 A. No, we have not.

3 Q. Was Exhibit One prepared by you or under your
4 supervision?

5 A. Yes, it was.

6 Q. And Exhibit Two is a copy of the letters received
7 by the offsetting owners?

8 A. That is correct.

9 MR. KELLAHIN: At this time we offer Exhibits
10 One and Two into evidence.

11 MR. STAMETS: These exhibits will be admitted.

12 MR. KELLAHIN: That's all we have, Mr. Stamets.

13

14

CROSS EXAMINATION

15 BY MR. STAMETS:

16 Q. Mr. Larson, where is the old Jalmat gas producing,
17 original, well on this three hundred and twenty acre tract?

18 A. It is located sixteen sixty from the north and
19 east lines of Section 21. It is presently a green color
20 coded dot with the unit number of 66 assigned to it.

21 Q. That is the well which is directly west of the new
22 proposed well?

23 A. Northwest, yes.

24 Q. I would like to point out one thing, Mr. Larson,
25 the Commission likes to avoid sticking the name the name unit

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1 into a lease name unless there is a unit agreement as opposed
2 to a compulsory pooling or a non-standard proration unit
3 or a communitization as this thing appears to be.

4 A I'll make note of that, Mr. Stamets.

5 Q Normally, it would be the Borin-Greer Gas Comm.

6 A Very well, thank you.

7 Q You can make that change on your application when
8 you file for this well.

9 Any other questions of the witness? He may be
10 excused. Anything further in this case?

11 MR. KELLAHIN: That's all we have.

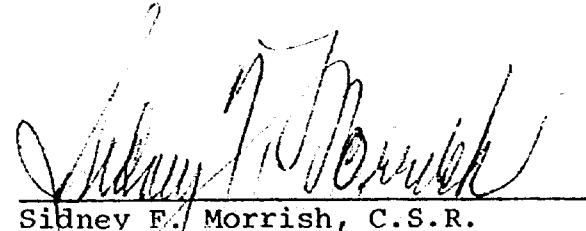
12 MR. STAMETS: The case will be taken under advise-
13 ment.

14 (THEREUPON, the case was concluded.)
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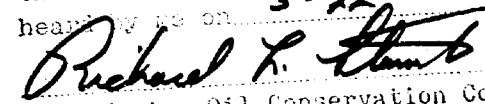
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Phone (505) 982-9212

REPORTER'S CERTIFICATE

I, SIDNEY F. MORRISH, a Certified Shorthand Reporter,
do hereby certify that the foregoing and attached Transcript
of Hearing before the New Mexico Oil Conservation Commission
was reported by me, and the same is a true and correct record
of the said proceedings to the best of my knowledge, skill and
ability.


Sidney F. Morrish, C.S.R.

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General Court Reporting Service
825 Calle Mejia, No. 121, Santa Fe, New Mexico 87501
Phone (505) 982-9212

I do hereby certify that the foregoing is
a complete and correct transcript of the proceedings in
the matter of hearing of case No. 6186
heard by me on 3-22 1978.
 Examiner
New Mexico Oil Conservation Commission



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. 6186
Order No. R-5688

APPLICATION OF SUN PRODUCTION COMPANY
FOR A NON-STANDARD GAS PRORATION UNIT,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on March 22, 1978,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 4th day of April, 1978, the Commission, a
quorum being present, having considered the testimony, the record,
and the recommendations of the Examiner, and being fully advised
in the premises,

FINDS:

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

(2) That the applicant, Sun Production Company, seeks
approval of a 320-acre non-standard gas proration unit comprising
the NE/4 of Section 20 and the NW/4 of Section 21, both in
Township 22 South, Range 36 East, NMPM, to be dedicated to its
Boren & Greer Gas Com Well No. 2 to be located 890 feet from the
North line and 1780 feet from the West line of said Section 21.

(3) That the entire non-standard proration unit may reason-
ably be presumed productive of gas from the Jalmat Gas Pool and
that the entire non-standard gas proration unit can be efficiently
and economically drained and developed by the aforesaid well.

(4) That approval of the subject application will afford
the applicant the opportunity to produce his just and equitable
share of the gas in the Jalmat Gas Pool, 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.

(5) That Commission Order No. R-1074 should be superseded.

-2-

Case No. 6186
Order No. R-5688

IT IS THEREFORE ORDERED:

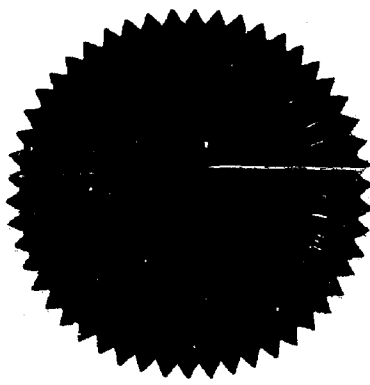
(1) That a 320-acre non-standard gas proration unit in the Jalmat Gas Pool comprising the NE/4 of Section 20 and the NW/4 of Section 21, both in Township 22 South, Range 36 East, NMPM, Lea County, New Mexico, is hereby established and dedicated to the Sun Production Company Borer & Greer Gas Com Well No. 2 to be located 890 feet from the North line and 1780 feet from the West line of said Section 21.

(2) That Order No. R-1074 is hereby superseded.

(3) That 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 hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


Phil R. Lucero
PHIL R. LUCERO, Chairman

EMERY C. ARNOLD, Member

Joe D. Ramey
JOE D. RAMEY, Member & Division
Director

S E A L

jr/

W A I V E R

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention Mr. Joe D. Ramey

Re: Non-Standard Gas Proration Unit
Sun Oil Company
Boren & Greer Gas Unit Well No. 2
Jalmat Gas Pool
Lea County, New Mexico

Gentlemen:

The undersigned has been furnished a copy of Sun Oil Company's application for a non-standard gas proration unit for the subject well. Please be informed that we, as an offset operator to the Boren & Greer Gas Unit, have no objection to the Commission approving Sun's request as outlined in their application dated February 13, 1978.

Yours very truly,

COMPANY Gulf Oil Company

REPRESENTATIVE ^{for} B. J. Pankratz

SIGNATURE *W. M. Hendricks*

TITLE Manager-Engineering

BEFORE EXAMINER STAMETS	
OIL CONSERVATION COMMISSION	
<u>Sun</u>	EXHIBIT NO. <u>2</u>
CASE NO. <u>6186</u>	
Submitted by <u>Kenneth Larson</u>	
Hearing Date <u>March 22, 1978</u>	

W A I V E R

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501


Attention Mr. Joe D. Ramey

Re: Non-Standard Gas Proration Unit
Sun Oil Company
Boren & Greer Gas Unit Well No. 2
Jalmat Gas Pool
Lea County, New Mexico

Gentlemen:

The undersigned has been furnished a copy of Sun Oil Company's application for a non-standard gas proration unit for the subject well. Please be informed that we, as an offset operator to the Boren & Greer Gas Unit, have no objection to the Commission approving Sun's request as outlined in their application dated February 13, 1978.

Yours very truly,

COMPANY Marathon Oil Company
REPRESENTATIVE D. E. Morris
SIGNATURE 
TITLE District Operations Manager

W A I V E R

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention Mr. Joe D. Ramey

Re: Non-Standard Gas Proration Unit
Sun Oil Company
Boren & Greer Gas Unit Well No. 2
Jalmar Gas Pool
Lea County, New Mexico

Gentlemen:

The undersigned has been furnished a copy of Sun Oil Company's application for a non-standard gas proration unit for the subject well. Please be informed that we, as an offset operator to the Boren & Greer Gas Unit, have no objection to the Commission approving Sun's request as outlined in their application dated February 13, 1978.

Yours very truly,

COMPANY Alpert Oil Corporation
REPRESENTATIVE _____
SIGNATURE W. D. Treadwell
TITLE President

W A I V E R

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention Mr. Joe D. Ramey

Re: Non-Standard Gas Proration Unit
Sun Oil Company
Boren & Greer Gas Unit Well No. 2
Jalmat Gas Pool
Lea County, New Mexico

Gentlemen:

The undersigned has been furnished a copy of Sun Oil Company's application for a non-standard gas proration unit for the subject well. Please be informed that we, as an offset operator to the Boren & Greer Gas Unit, have no objection to the Commission approving Sun's request as outlined in their application dated February 13, 1978.

Yours very truly,

COMPANY **CITIES SERVICE COMPANY**

REPRESENTATIVE

SIGNATURE

Robert Horn 3/3/78

TITLE

**MANAGER PRODUCTION
SOUTHWEST REGION**

W A I V E R

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention Mr. Joe D. Ramey

Re: Non-Standard Gas Proration Unit
Sun Oil Company
Boren & Greer Gas Unit Well No. 2
Jalmat Gas Pool
Lea County, New Mexico

Gentlemen:

The undersigned has been furnished a copy of Sun Oil Company's application for a non-standard gas proration unit for the subject well. Please be informed that we, as an offset operator to the Boren & Greer Gas Unit, have no objection to the Commission approving Sun's request as outlined in their application dated February 13, 1978, provided the allowable is based on a 320-acre proration unit.

Yours very truly,

COMPANY Shell Oil Company

REPRESENTATIVE L. W. Wooden

SIGNATURE *L. W. Wooden*

TITLE Division Operations Engineer

CASE 6184: Application of Mesa Petroleum Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the E/2 of Section 24, Township 18 South, Range 24 East, Eddy County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6185: (This Case will be dismissed)

Application of Mesa Petroleum Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the W/2 of Section 32, Township 18 South, Range 35 East, Lea County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6186: Application of Sun Production Company for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 320-acre non-standard gas proration unit comprising the NE/4 of Section 20 and the NW/4 of Section 21, both in Township 22 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico, to be dedicated to applicant's Boren & Greer Gas Unit Well No. 2 to be located 890 feet from the North line and 1780 feet from the West line of said Section 21.

CASE 6187: Application of Continental Oil Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Elinetry and Drinkard production in the wellbore of its Hawk B-1 Well No. 1 located in Unit F of Section 9, Township 21 South, Range 37 East, Lea County, New Mexico.

CASE 6170: Application of Aminoil USA, Inc., for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for its Westlake Unit Area comprising 1920 acres, more or less, of State lands in Township 24 South, Range 33 East, Lea County, New Mexico.

CASE 6188: Application of Sam D. Ares for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Seven Rivers formation through the open-hole interval from 3465 feet to 3497 feet in his Zattu Cushing Well No. 1 located in Unit F of Section 23, Township 24 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico.

CASE 6189: Application of Merrion & Bayless for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Pictured Cliffs and Mesaverde production in the wellbore of its North Lindrith Com Well No. 2, to be drilled in the NW/4 of Section 20, Township 26 North, Range 2 West, Rio Arriba County, New Mexico.



217 1978

SUN PRODUCTION COMPANY

HILLCREST 635 OFFICE PARK, 12850 HILLCREST ROAD, DALLAS, TEXAS 75230 (214) 744-4411

February 13, 1978

New Mexico Oil Conservation Commission (2)
P. O. Box 2088
Santa Fe, New Mexico 87501

*Simultaneous dedication
Previously approved*

Attention Mr. Joe D. Ramey

Re: Non-Standard Gas Proration Unit
Sun Oil Company's
Boren & Greer Gas Unit Well No. 2
Jalmat Gas Pool
Lea County, New Mexico

Gentlemen:

Sun Oil Company plans to drill Well No. 2 on our Boren & Greer Gas Unit, which contains 320 acres of land, described as NW/4 of Section 21, Township 22 South, Range ~~37~~³⁶ East, and NE/4 of Section 20, Township 22 South, Range ~~37~~³⁶ East, Lea County, New Mexico.

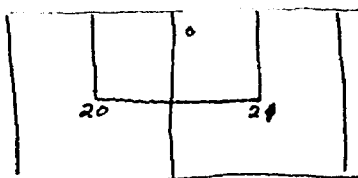
Rule 5(A) of the Jalmat Gas Pool rules provides for 640 acre standard proration units; however, since the subject unit contains only 320 acres, an exception to this rule is sought. Accordingly, it is requested that a 320-acre non-standard gas proration unit described as the NW/4 of Section 21, Township 22 South, Range 37 East, and NE/4, Section 20, Township 22 South, Range ~~37~~³⁶ East, Lea County, New Mexico, be assigned to Well No. 2. Well No. 2 is located in Unit C, 890' from North line and 1780' from West line of Section 21.

In support of this request, the following documents are submitted in duplicate:

1. NMOCC Form C-101, Application to Drill, Deepen or Plug Back
2. NMOCC Form C-102, Acreage Dedication and Well Location Plat
3. Plat showing Sun's Boren & Greer Gas Unit and Offset Operators.

A copy of this letter and attachments are being sent by certified mail to each offset operator as their notice of this application and request for their waiver of objection. These offset operators are:

Cities Service Company, P. O. Box 300, Tulsa, Oklahoma 74102
Continental Oil Company, P. O. Box 460, Hobbs, New Mexico 88240
Dalport Oil Corporation, 3471 First National Bank Building, Dallas, Texas 75202
Gulf Oil Corporation, P. O. Box 1150, Midland, Texas 79701
Marathon Oil Company, P. O. Box 553, Midland, Texas 79701
Shell Oil Company, P. O. Box 1509, Midland, Texas 79701

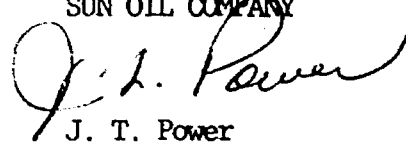


A DIVISION OF SUN OIL COMPANY (DELAWARE)

It is respectfully requested that this application be approved by administrative action. However, should the Commission conclude that this matter cannot be disposed of administratively, please set it for hearing at the earliest convenient date.

Yours very truly,

SUN OIL COMPANY



J. T. Power

JTP/JTH/ak

Attachments

cc: (with attachments)
Offset Operators
NMOCC - Hobbs

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-178
Effective 1-4-65

All distances must be from the outer boundaries of the Section

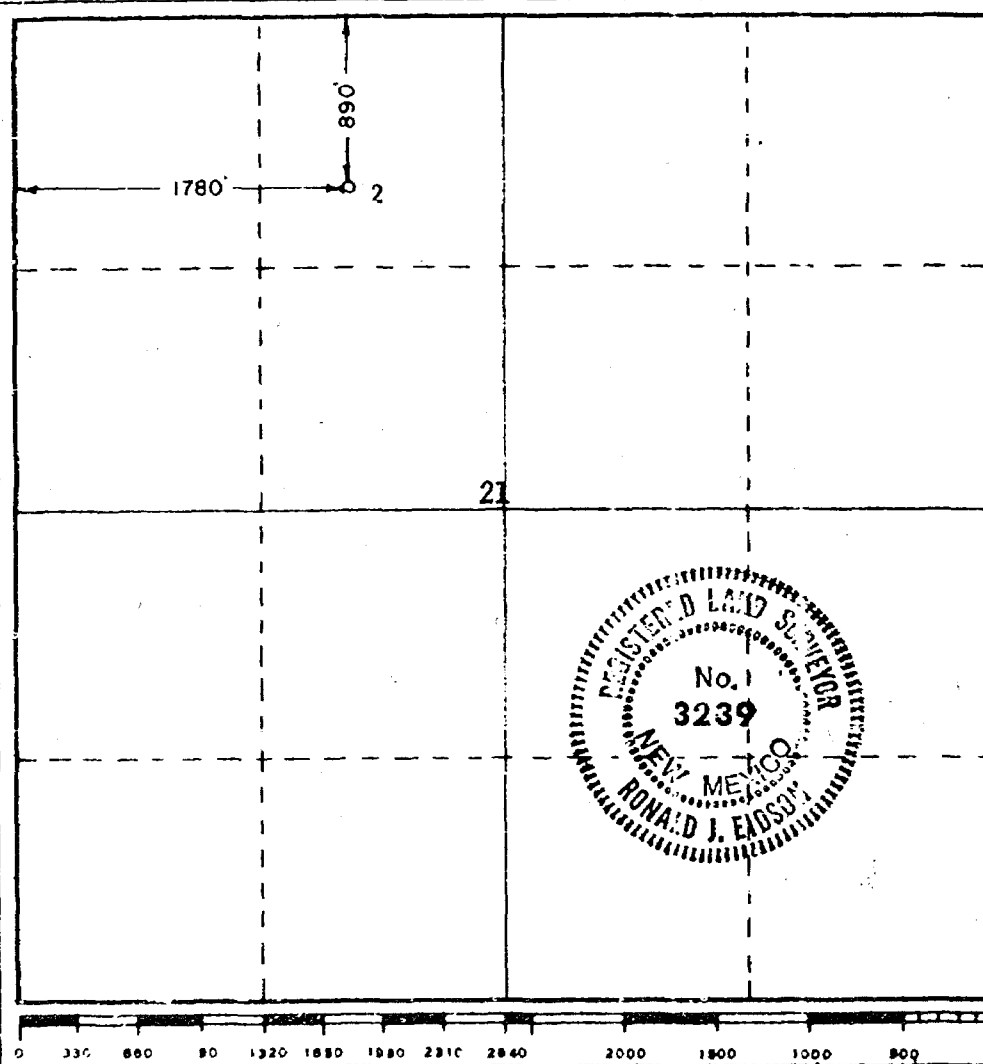
Operator Sun Oil Co.			Lease Boren & Greer Gas Unit			Well No. 2		
Unit Letter C	Section 21	Township 22 South		Range 36 East	County Lea			
Actual Well Location of Well: 890 feet from the North line and 1780 feet from the West line								
Ground Level Elev. 3523.0		Producing Formation Yates-7 Rivers		Pool Jalmat-Tansil Yates 7 Rivers			Dedicated Acreage: 320 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling etc?

☒ Yes ☐ No If answer is "yes," type of consolidation Communitized - Order R-1074 (Case 1317)
10-23-57

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

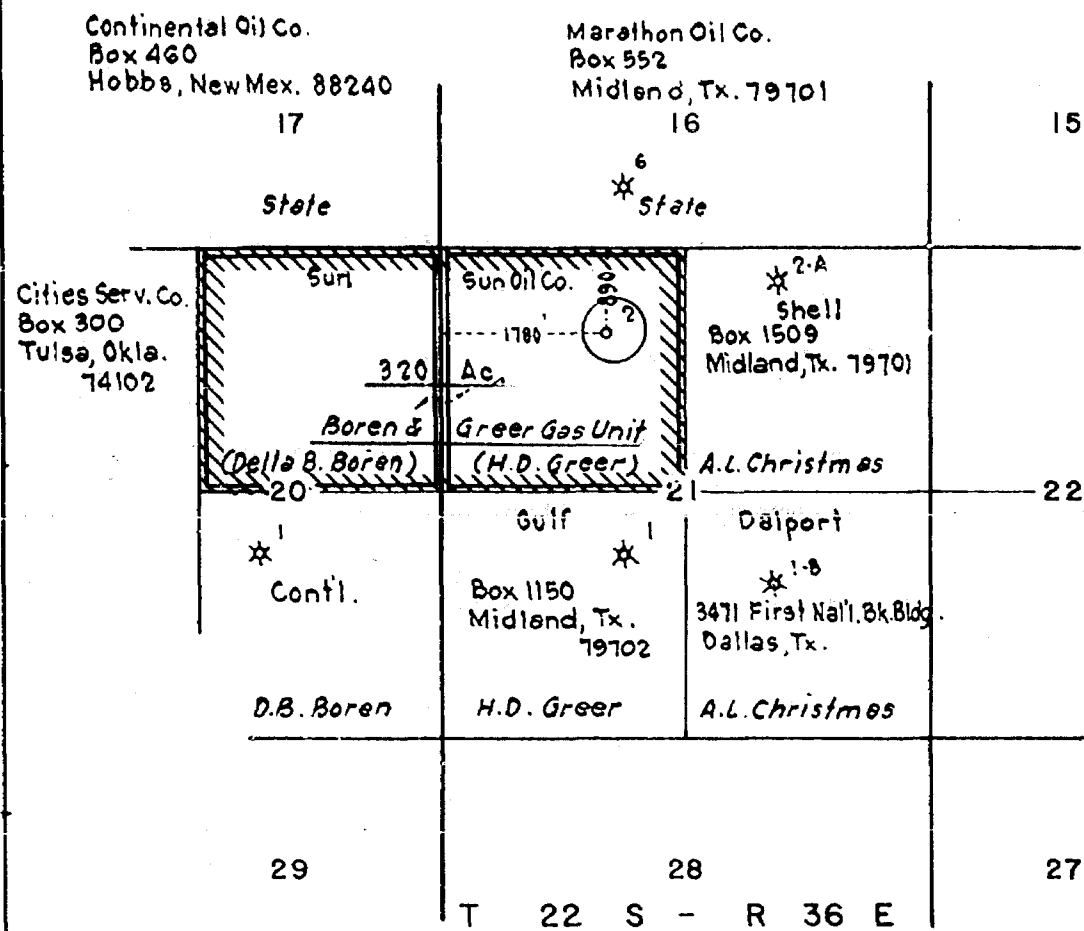
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name J. L. Power
Position
Regional Manager Conservation
Company
Sun Oil Company
Date
February 13, 1978

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
1/31/78
Registered Professional Engineer
and/or Land Surveyor

Ronald J. Eidsen
Certificate No. **John W. Weil 676**
Ronald J. Eidsen 3239



R1074

SUN OIL COMPANY
JALMAT FIELD
BOREN & GREER 320 AC. GAS UNIT
OUT OF SEC. 20&21, T22S-R36E
LEA COUNTY, NEW MEXICO
SCALE: 1" = 2000'
2-13-78

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LAND OFFICE	
OPERATOR	

NEW MEXICO OIL CONSERVATION COMMISSION

Form C-101
Revised 1-1-65

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work		7. Unit Agreement Name	
b. Type of Well OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>		8. Firm or Lease Name Boren & Greer Gas Unit	
2. Name of Operator SUN OIL COMPANY		9. Well No. 2	
3. Address of Operator P. O. Box 1861, Midland, Texas 79701		10. Field and Pool, or Wildcat Jalmat Tansil Yates 7 Riv.	
4. Location of Well UNIT LETTER <u>C</u> LOCATED <u>890</u> FEET FROM THE <u>North</u> LINE AND <u>1780</u> FEET FROM THE <u>West</u> LINE OF SEC. <u>21</u> T4S. <u>22S</u> R4E. <u>36E</u> N4RPM		11. County Lea	
19. Proposed Depth 3600'		19A. Formation Yates-7 Rivers	
20. Rotary or C.T. Rotary		21. Drilling Contractor Unknown	
21A. Kind & Status Plug, Seal On File		22. Approx. Date Work will start As soon as possible	
24. Elevations (Show whether DT, RT, etc.) 3523.0' Ground		25. Proposed Cement Program	

PROPOSED CASING AND CEMENT PROGRAM					
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12- $\frac{1}{2}$	8-5/8"	24 $\frac{1}{2}$	450'	280	Circulated
7-7/8	5-1/2"	14 $\frac{1}{2}$	3600'	600	Circulated

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

Signed J. L. Lowe Title Regional Manager Conservation Date February 13, 1978

(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section

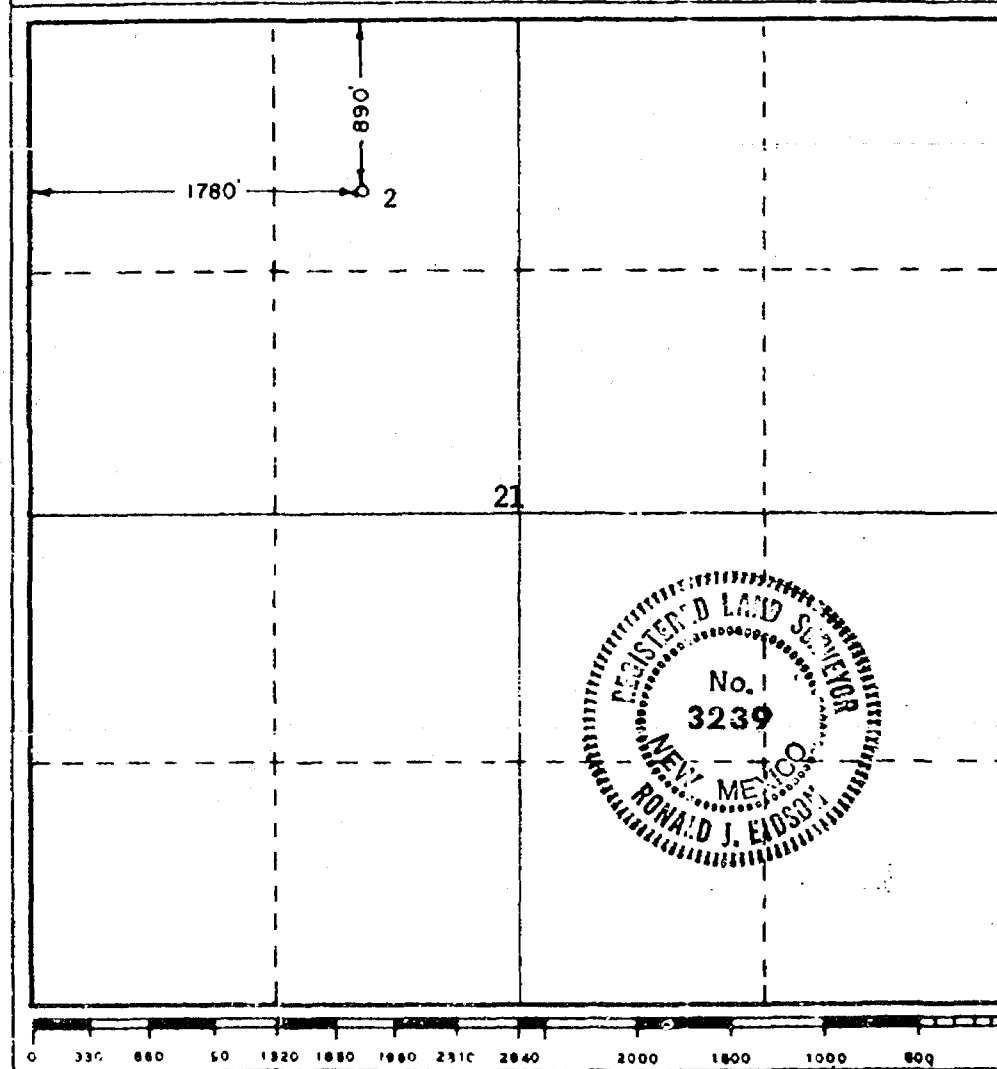
Operator Sun Oil Co.		Lease Boren & Greer Gas Unit		Well No. 2
Unit Letter C	Section 21	Township 22 South	Range 36 East	County Log
Actual Well Location (feet): 890 feet from the North line and 1780 feet from the West line				
Ground Level Elev. 3523.0	Producing Formation Yates-7 Rivers		Pool Jalmit-Tansil Yates 7 Rivers	Dedicated Acreage: 320 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling etc?

☒ Yes ☐ No If answer is "yes," type of consolidation Communitized - Order R-074 (Case 1317) 10-23-57

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name J. L. Power
Position
Regional Manager Conservation

Company
Sun Oil Company

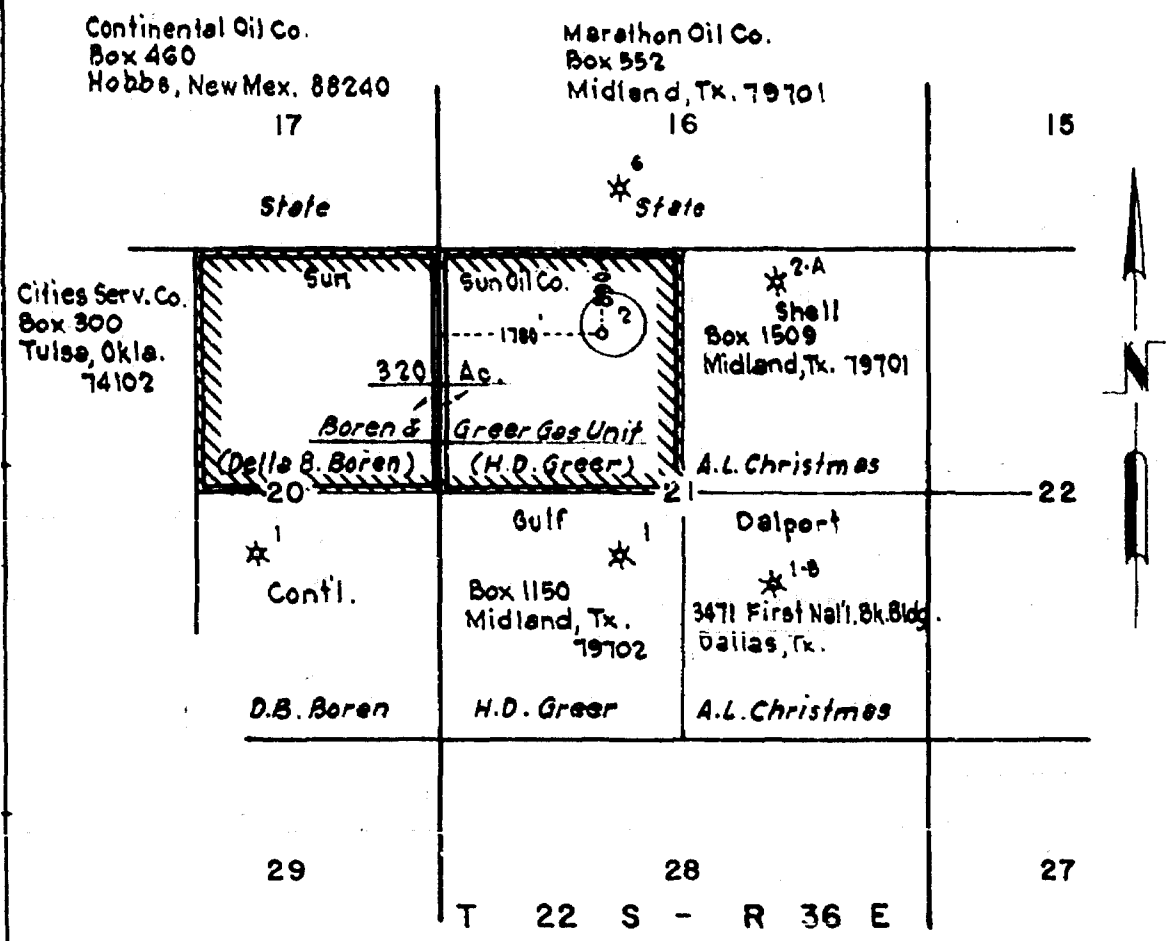
Date
February 13, 1978

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
1/31/78

Registered Professional Engineer and/or Land Surveyor

Ronald J. Eidson
Certificate No. **John W. Well 676**
Ronald J. Eidson 3239



SUN OIL COMPANY
JALMAT FIELD
BOREN & GREER 320 AC. GAS UNIT
OUT OF SEC. 20&21, T22S-R36E
LEA COUNTY, NEW MEXICO
SCALE: 1"= 2000' 2-13-78

W A I V E R

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention Mr. Joe D. Ramey

Re: Non-Standard Gas Proration Unit
Sun Oil Company
Boren & Greer Gas Unit Well No. 2
Jalmar Gas Pool
Lea County, New Mexico

Gentlemen:

The undersigned has been furnished a copy of Sun Oil Company's application for a non-standard gas proration unit for the subject well. Please be informed that we, as an offset operator to the Boren & Greer Gas Unit, have no objection to the Commission approving Sun's request as outlined in their application dated February 13, 1978.

Yours very truly,

COMPANY _____

REPRESENTATIVE _____

SIGNATURE _____

TITLE _____

DRAFT

dr/

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. 6186

Order No. R- 5688

APPLICATION OF SUN PRODUCTION COMPANY
GAS
FOR A NON-STANDARD PRORATION UNIT,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on March 22,
19 78, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this day of , 19 78, the
Commission, a quorum being present, having considered the testimony,
the record, and the recommendations of the Examiner, and being fully
advised in the premises,

FINDS:

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

(2) That the applicant, Sun Production Company,
seeks approval of a 320-acre non-standard gas proration unit
comprising the NE/4 and the NW/4 of Section 21, both in
ship 22 South, Range 36 East, NMPM, to be
dedicated to its Boren & Greer Gas Unit Well No. 2 to be
890 feet from the North line and 1780 feet from the
located in Unit / of said Section
West line of said Section 21.

(3) That the entire non-standard proration unit may rea-
sonably be presumed productive of gas from the Jalmat Gas Pool

~~GAS POOL~~ and that the entire non-standard
gas proration unit can be efficiently and economically drained
and developed by the aforesaid well.

(4) That approval of the subject application will afford
the applicant the opportunity to produce his just and equitable
share of the gas in the Jalmat Gas
Pool, 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.

(5) That Commission Order No. R- 1074
should be superseded.

should be superseded

-2-

Case No. _____

Order No. R- _____

IT IS THEREFORE ORDERED:

(1) That a 320-acre non-standard gas proration unit
in the Jalmat Gas Pool comprising the
the NW/4 of Section 21, both in
NE/4 of Section 20 and of Section xxxxxx, Township 22 South
Range 36 East, NMPM, Lea County,
New Mexico, is hereby established and dedicated to its
890 feet from the North line and 1780 feet from the West
Company Boren & Greer Gas Unit Well No. 2, to be located in Unit of said
line of said Section 21.

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

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

(2) That Order No. R-1074 is hereby
superseded.

*State of NM
Oil Conservation Commission
Fuller Chairman
Arnold Member
James Member and
Division Director*

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

February 17, 1978

J. T. Power
Sun Production Company
Hillcrest 635 Office Park
12850 Hillcrest Road
Dallas, Texas 75230

Dear Mr. Power:

We are in receipt of your letter of February 13, 1978, wherein you request approval of a 320-acre non-standard gas proration unit for your Boren and Greer Well No. 2, Jalmat Gas Pool, Lea County, New Mexico. Because the location of said well is unorthodox, this application must be set for hearing.

Unless advised otherwise, the subject application will be set for hearing before an Examiner on March 22, 1978.

Very truly yours,

R. L. STAMETS
Technical Support Chief

RLS/fd