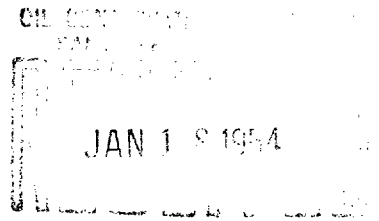


Case 656

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF)
SUNRAY OIL CORPORATION FOR AN EXCEPTION)
TO ORDER NO. R-373-A TO PERMIT IT TO)
ASSIGN AN 80-ACRE GAS PRORATION UNIT)
TO ITS ELLIOTT "A" WELL NO. 2 LOCATED)
IN THE SE/4 OF THE NE/4 OF SECTION 21-)
TWP. 21S - RGE. 37E, LEA COUNTY, N. M.)



APPLICATION

Comes now Sunray Oil Corporation, applicant herein, and respectfully shows to the Honorable Oil Conservation Commission of the State of New Mexico as follows:

1. That the applicant is the owner and operator of an oil and gas lease covering the E/2 of the NE/4 of Section 21 - Twp. 21S - Rge. 37E, Lea County, New Mexico, consisting of 80 acres and known as its Elliott "A" lease.
2. That applicant's Elliott "A" Well No. 2 located therein is presently completed as an oil well in the Drinkard formation. Applicant now intends to complete this well in the Tubb gas zone so as to dually complete in the two formations and assign the above described 80-acre Elliott "A" lease as the gas proration unit for the Tubb completion. Rule 7 of Order R-373-A provides for the establishment of 160 acre gas proration units in the Tubb gas pool. Applicant has made a reasonably diligent effort to unitize this 80-acre tract with the acreage adjacent so as to form a 160-acre quarter section gas unit, but it has been determined to be impractical to so communitize.
3. Attached hereto and incorporated herein by reference is a plat showing the location of the unit well and the outline of the proposed 80-acre gas proration unit.

WHEREFORE applicant prays that this matter be set for hearing, if in the opinion of the Commission a hearing is necessary to obtain this authority, that notice be given thereof as required by law, and that upon final hearing the Oil Conservation Commission of the State of New Mexico enter its order authorizing applicant to assign an 80-acre gas proration unit to this well in accordance with this application and the rules and regulations of the Oil Conservation Commission.

Dated this 6th day of January, 1954.

SUNRAY OIL CORPORATION

By: *John D. Gassett*
John D. Gassett