NEW MEXICO OIL CONSERVATION COMMISSION 1000 1250 My 25 M 8:15

SANTA FE, NEW MEXICO

APPLICATION OF SUN OIL COMPANY FOR AN ORDER ON THE JENKINS WOLFCAMP POOL, LEA AND ROOSEVELT COUNTIES, SETTING THE LIMITS THERE-FOR, ESTABLISHING EIGHTY ACRE WELL SPACING AND PRORATION UNITS AND PROMULGATING SPECIAL RULES AND REGULATIONS THEREFOR.

(10° 903)

New Mexico Oil Conservation Commission Santa Fe, New Mexico

Comes now Sun Oil Company and hereby makes application for an order on the Jenkins Wolfcamp Pool, Lea and Roosevelt Counties, New Mexico, setting the limits therefor, establishing eighty (80) acre well spacing and proration units, and promulgating special rules and regulations therefor and in support of said application respectfully shows:

(1) Attached hereto for purposes of identification is a plat marked Exhibit A showing the location of all wells drilled in the Jenkins Wolfcamp Pool as defined by the New Mexico Oil Conservation Commission, and the owners of the lands and the leases.

Sun Oil Company is an owner of leases and wells indicated on the plat.

- (2) All wells shown on the plat are producing from a common reservoir, being completed in the Wolfcamp formation of the Permian at a depth of approximately ninety-seven hundred (9700) feet.
- (3) Applicant has made a study of all of the well logs, electrical logs, available core data, well pressures and other information including production history of the wells drilled and producing in the Jenkins Wolfcamp Pool, and from such study believes that one well will efficiently and economically drain at least eighty (80) acres.
- (4) That all of the wells completed within the Jenkins Wolfcamp Pool have been drilled in such a manner that eighty (80) acres can be dedicated to each well and that the adoption of eighty (80) acre spacing and proration units will prevent the economic loss caused by the drilling of unnecessary wells and will protect correlative rights, including those of royalty owners, and will avoid risks arising from the drilling; of an excessive number of wells and will tend to projete the greatest ultimate recovery of oil and gas from said Pool in the most economical manner.

- (5) That the eighty (80) acres spacing and proration units should consist of a unit containing eighty (80) acres, more or less, consisting of two adjacent governmental quarter-quarter sections or lots within a single governmental section and constituting either the North half, South half, East half or the West half of such quarter section and that all wells should be located within one hundred (100) feet of the center of either component quarter-quarter section or lot of such spacing or proration units.
- (6) That each eighty (80) acre spacing and proration unit, situated within said Pool as combined for proration purposes, should be assigned an eighty (80) acre proportional factor for a depth range between nine thousand (9000) feet and ten thousand (10,000) feet as provided by Rule 505 of the New Mexico Oil Conservation Commission. In the event a proration unit contains less than seventy-eight (78) acres or more than eighty-two (82) acres, its allowable should be in the proportion that the acreage contained in such unit bears to eighty (80) and in no event should any proration unit contain more than two governmental quarter-quarter sections or lots.
- (7) That any well heretofore drilled or being drilled as of the effective date of the order establishing eighty (80) acre spacing and proration units, not in conformity with the foregoing, should be granted an exception to such well location requirements.
- (8) That the horizontal limits of the Jenkins Wolfcamp Pool should be designated as follows:

Township 8 South, Range 34 East, N.M.P.M. (Roosevelt County)

Section 34 Section 35

Township 9 South, Range 34 East, N.M.P.M. (Lea County)

Section	2	Section	9
Section	3	Section	10
Section	4	Section	11
Section	8		

WHEREFORE, applicant prays that the Oil Conservation Commission, after due notice and hearing as provided by law and the rules and regulations of the Oil Conservation Commission, enter an order herein designating the same as the Jenkins Wolfcamp Pool and providing for eighty (80) acre well spacing and proration units and promulgating special rules and regulations therefor.

Respectfully submitted,

SUN OIL COMPANY

By: Ganville Dutton