



Sunray Mid-Continent Oil Company

Case 2439
NW
AS
20 days.
[Signature]

October 24, 1961

Set for
hearing
pm.

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

Attention: Mr. A. L. Porter, Jr., Secretary-Director

Gentlemen:

Re: Application for administrative approval
of a nonstandard oil proration unit and
for approval of unorthodox location of
well dedicated to such unit

Sunray Mid-Continent Oil Company, as the owner of a valid and subsisting Federal Oil and Gas Lease covering among other lands Lots 2, 3, and 4, Section 14, Township 29 North, Range 14 West, San Juan County, New Mexico, hereby makes application for administrative approval for the establishment of a nonstandard oil proration unit in the Totah-Gallup Oil Pool as hereinafter specifically described, and for approval to dedicate said unit to a well to be drilled at a location described as follows:

330 feet from the North line and 2510 feet from
the West line of Section 14, Township 29 North,
Range 14 West, San Juan County, New Mexico.

The proposed oil proration unit comprises 67.04 acres consisting of Lots 2, 3, and 4 of Section 14, Township 29 North, Range 14 West, San Juan County, New Mexico, as shown by the official survey depicted on U.S.G.L.O. Survey Map approved by the Surveyor General August 31, 1882, which said oil proration unit is shown on the plat attached hereto marked Exhibit "A".

In support of said application, applicant states as follows:

1. The unorthodox size and shape of the proposed oil proration unit is due to variations in the legal subdivisions of the United States Public Lands Survey.
2. The nonstandard location of the proposed well is occasioned by variations in the legal sub-

~~divisions above referred to and also is based on topographical conditions in that a well located within 150 feet of the Center of Lot 3 would be situated in a canyon and the drilling of such well at such location would occasion substantial additional costs and risk. The ownership of all oil and gas leases and lands within a radius of in excess of 790 feet of the proposed location is common with the ownership of the oil and gas lease under the proposed location with the exception of Navajo Tribal lease or leases owned by Pan American Petroleum Corporation covering that part of the North Half of Section 14, Township 29 North, Range 14 West, lying South of the mid-channel of San Juan River and with the possible exception of unleased Federal lands underlying the San Juan River North of the mid-channel thereof, which river bounds the proposed oil proration unit on the South.~~

3. The expedient consideration of this application for establishment of the above described oil proration unit and for permission to drill at the location above set forth is respectfully urged in view of the completion by Pan American Petroleum Corporation of its Navajo Tribal "H" well #11 and its Navajo Tribal "H" well #12 situated on units comprising that portion of the North Half of Section 14, Township 29 North, Range 14 West, San Juan County, New Mexico, lying South of the mid-channel of the San Juan River, which wells are currently producing their respective allowables.
4. The proposed oil proration unit is consistent with the units heretofore established by Order No. R-2050 of the Oil Conservation Commission of the State of New Mexico covering that part of the North Half of Section 14, Township 29 North, Range 14 West, San Juan County, New Mexico, lying South of the mid-channel of the San Juan River.
5. It is believed that administrative approval of this application is authorized by Rule 4 of Order No. R-1882 of the Oil Conservation Commission of New Mexico pertaining to the Totah-Gallup Oil Pool and state-wide Rule 104-F promulgated by the

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6. That the entire 67.04 acre tract comprising the proposed oil proration unit is presumed to be productive of oil from the Totah-Gallup Oil Pool.
7. Pursuant to Rule 4 (5) of Order No. R-1882 and state-wide Rule 104-F of the New Mexico Oil Conservation Commission, copies of this application are as of the date hereof being sent by registered mail to ~~Pan~~ American Petroleum Corporation, Texaco Inc., ~~the~~ Land Office, Bureau of Land Management at Santa Fe, New Mexico, and the ~~Oil~~ and Gas Supervisor, U. S. Geological Survey at Roswell, New Mexico.


In view of the premises, it is respectfully requested that administrative approval be granted to applicant for the establishment of the oil proration unit hereinabove described and the dedication of the acreage comprising said unit to a well to be drilled at the location also hereinabove described.

Respectfully submitted,

SUNRAY MID-CONTINENT OIL COMPANY

NEP:JD
Enclosure

By


Norbert E. Proctor
Division Attorney