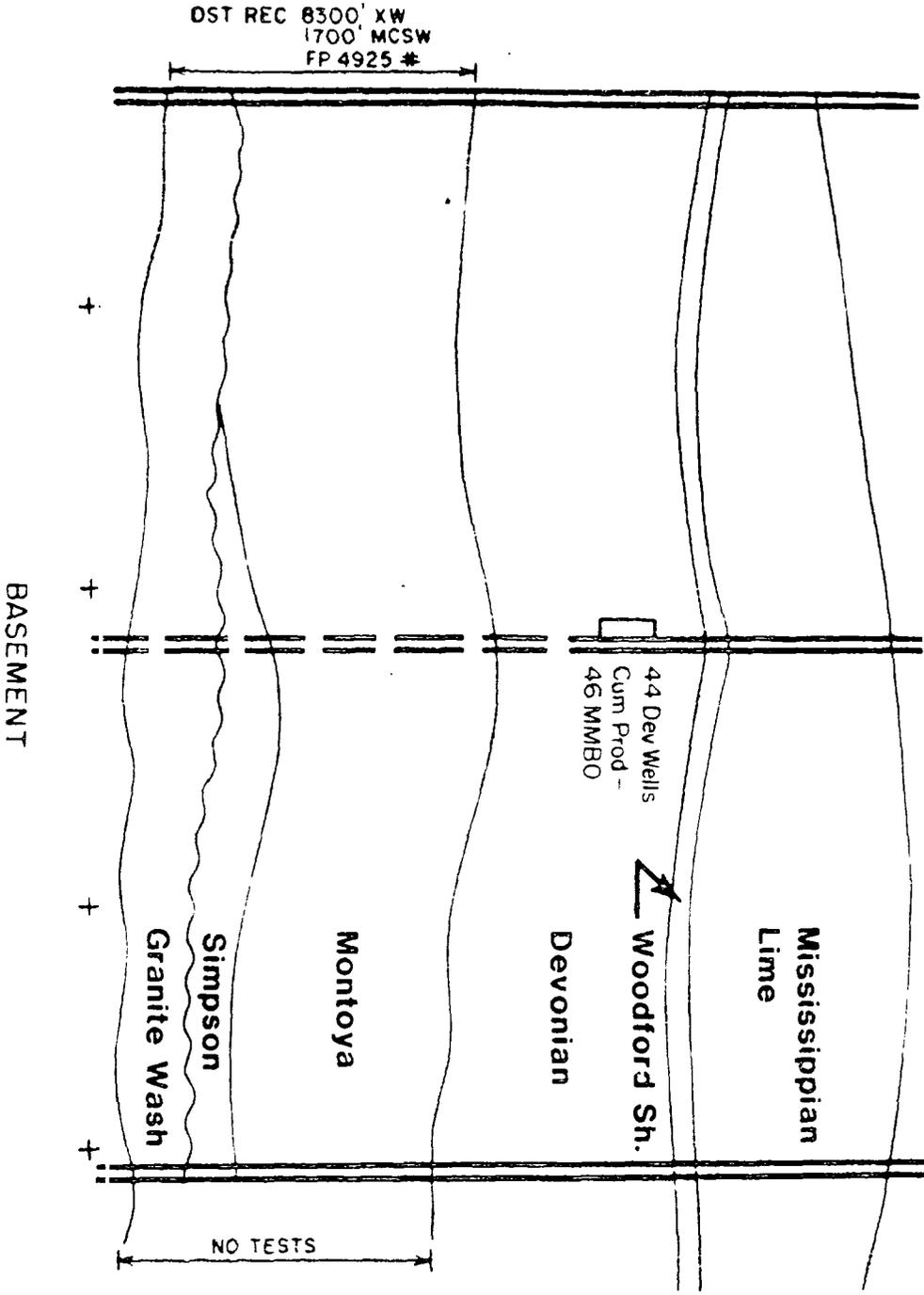


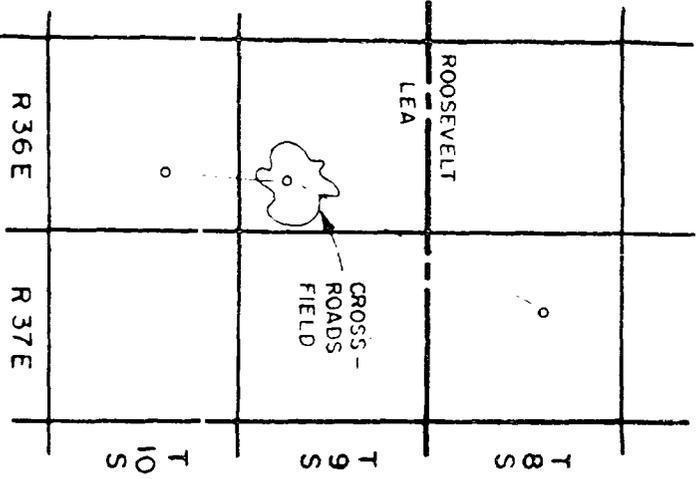
Shell
#2 Bluitt Ut.
16/8S/37E

Crossroads Field
Devonian Producers

Ralph Lowe
#1 T.P. St.
10/10S/36E



BEFORE EXAMINER *Stojan*
OIL CONSERVATION DIVISION
EXHIBIT NO. 2
CASE NO. 8441



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. 8311
Order No. R-7677

APPLICATION OF SUN EXPLORATION AND
PRODUCTION COMPANY FOR AN UNORTHODOX
OIL WELL LOCATION, LEA COUNTY, NEW
MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on August 22, 1984, and on September 19, 1984, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 28th day of September, 1984, 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, seeks approval of an unorthodox oil well location for its U. D. Sawyer Well No. 11 to be located 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.
- (3) The SW/4 NE/4 of said Section 27 is to be dedicated to the well.
- (4) A well at said unorthodox location will better enable applicant to produce the oil underlying the proration unit.
- (5) No offset operator objected to the proposed unorthodox location.

Stogner

BEFORE EXAMINER, QUINLAN,
OIL CONSERVATION DIVISION
Sun *3*
CASE NO. *8441*

(6) 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) 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 2630 feet from the North line and 1625 feet from the East line of Section 27, Township 9 South, Range 36 East, NMPM, Lea County, New Mexico.

(2) The SW/4 NE/4 of said Section 27 shall be dedicated to the above-described well.

(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 hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



R. L. STAMETS,
Acting Director

S E A L

V-F Petroleum Inc.

suite 580

one marienfeld place

midland, texas 79701

915 683-3344

August 7, 1984

Ms. Karen Autrey
Kellahin and Kellahin
P. O. Box 2265
Santa Fe, NM 87504-2265

Sun E-P Co.
Application for unorthodox well location

Dear Karen:

Thank you for your letter of July 30, 1984, forwarding the application for an unorthodox oil well location on behalf of Sun Exploration and Production Company.

V-F Petroleum Inc., as an offset operator, has no objection to such well location and we wish Sun well in its efforts to increase production from this field.

Thank you for the courtesy extended to our company in connection with your representation of Sun in this matter.

Very truly yours,


J. M. Fullinwider
President

mm

cc: ✓ Ms. Carol Burton
Sun Exploration and Production Company

