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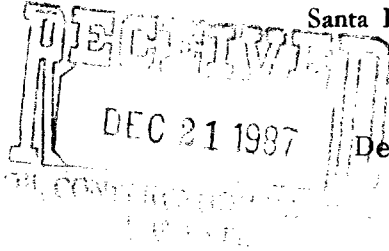
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December 16, 1987

Examiner David Catanach
Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87504-2088

Re: Case No. 9275

Dear Mr. Catanach:

I enclose a proposed form of order in the above-captioned matter.

Please let me know if we may be of further assistance to you.

Sincerely,

Jo Carolyn Martin
secretary to
Karen Aubrey

KA/jo
enclosure
cc: Charles A. Gray, Esq.,
w/enclosure

**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. 9275

ORDER NO. R-6483-A

IN THE MATTER OF THE APPLICATION
OF SUN EXPLORATION AND PRODUCTION
COMPANY FOR SIMULTANEOUS DEDICATION
AND UNORTHODOX GAS WELL LOCATION,
LEA COUNTY, NEW MEXICO

PROPOSED ORDER OF THE DIVISION

BY THE DIVISION:

This cause having come on for hearing at 8:15 o'clock a.m. on December 16, 1987, at Santa Fe, New Mexico, before Examiner David R. Catanach of the Oil Conservation Division,

NOW, on this _____ day of December, 1987, the Division Director, having considered the testimony, the record and the recommendations of the hearing examiner, and being fully advised in the premises,

FINDS:

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

(2) That the applicant, Sun Exploration and Production Company, seeks amendment of Order R-6283, by authorizing its proposed State "A" A/C-2 Well No. 73 to be drilled at an unorthodox gas well location, 990 feet from the south line and 660 from the east line (Unit P) of Section 11, Township 22 South, Range 36 East, Jalmat Gas Pool, and the simultaneous dedication of said Well to the 640-acre standard Jalmat gas proration unit comprising all of Section 11 previously authorized by Order R-6483.

(3) That the State "A" A/C-2 Well No. 73 was drilled at a standard oil well location.

(4) That, upon completion, the State "A" A/C-2 Well No. 73 was non-productive of oil.

(5) That Sun Exploration and Production Company is attempting to recomplete the State "A" A/C-2 Well No. 73 as a gas well.

(6) That the approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of gas in the Jalmat gas pool which would otherwise remain unproduced, will otherwise prevent waste and protect correlative rights.

(7) That the four Jalmat gas wells presently dedicated to Section 11 are underproduced.

IT IS THEREFORE ORDERED:

(1) That the applicant, Sun Exploration and Production Company, is hereby authorized to simultaneously dedicate its "A" A/C-2 No. 73 Well located in Unit P of Section 11, Township 22 South, Range 36 East, NMPM, to a standard gas proration unit in said Jalmat gas pool to be comprised of all of Section 11.

(2) That Division Order R-6483 is hereby amended.

(3) That the State "A" A/C-2 Well No. 73 was drilled at a standard oil well location.

(4) That, upon completion, the State "A" A/C-2 Well No. 73 was non-productive of oil.

(5) That Sun Exploration and Production Company is attempting to recomplete the State "A" A/C-2 Well No. 73 as a gas well.

(6) That the unorthodox location, 990 FSL and 660 FEL, Section 11, Township 22 South, Range 36 East, should be authorized.

(7) That applicant is the operator of all Jalmat gas wells located in Section 11.

(8) That Sun Exploration and Production Company should be permitted to produce the allowable for Section 11 from any combination of the five Jalmat gas wells located in Section 11.

(9) 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 DIVISION

William J. LeMay
Director

SEAL