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NSP-315

SUNRAY MID-CONTINENT OIL COMPANY

P O BOX 2035

TULSA 2, OKLAHOMA

August 7, 1956

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Oil Conservation Commission
State of New Mexico
125 Mabry Hall
Capitol Building
Santa Fe, New Mexico

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Due
NSL-47
C/2736

Re: Exception to Rules 2 and 5
of the special rules and
regulations for the Eumont
Gas Pool, Lea County, N. M.

Gentlemen:

Sunray Mid-Continent Oil Company respectfully requests that administrative approval be granted for the completion of its A. B. Reeves Well No. 2 in the Eumont Gas Pool, Lea County, New Mexico, and for an assignment of a 160-acre non-standard gas proration unit to such well as an exception to Rules 2 and 5 of the Special rules and regulations for the Eumont Gas Pool as established under Order R-520.

Sunray's A. B. Reeves Well No. 2, located 440 feet from the North and West lines of Section 29-20S-37E, Lea County, was drilled to a total depth of 7150' and abandoned as a dry hole on August 21, 1947. 13-3/8" surface casing was set at 320' and cemented with 400 sacks of cement. 9-5/8" casing was set at 2789' and cemented to the surface. This casing was left in the hole. It is planned to re-enter this abandoned hole, clean out, run production casing and complete in the Queen Sand as a gas well.

An exception to Rule 2 is required since this well was drilled in 1947 at a location 440' from the North and West lines of Section 29, and Rule 2 requires that each well shall be drilled not closer than 1980' to any boundary line of the tract. Under Rule 3 the Secretary of the Commission has the authority to grant exception to the requirements of Rule 2 without notice and hearing where application has been filed, and the necessity for the unorthodox location is occasioned by the recompletion of a well previously drilled to another horizon. This well No. 2 is a twin to Well No. 1, which is located 660' from the North and West lines of Section 29 and is completed as an oil well in the Eunice Monument Field.

An exception to Rule 5 is required since this lease does not include 640 acres. Under Rule 5(b) the Secretary of the Commission has the authority to grant an exception to Rule 5(a) without notice and hearing where application has been filed and where certain facts exist and certain provisions are complied with. In compliance with this rule, Sunray alleges the following:

