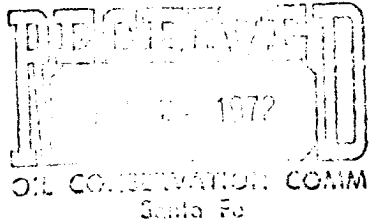




W. C. Blackburn
Division Manager
Production Department

June 28, 1972



Western Hemisphere Petroleum Division
Continental Oil Company
152 North Durbin
Pacific Western Life Building
Casper, Wyoming 82601
(307) 234-7311

Mr. A. L. Porter, Jr.
Secretary-Director
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Dear Mr. Porter:

Non-Standard Proration Unit
J. Gregory Merrion and
Robert L. Bayless
Carnahan Well No. 1 - Kutz Field
Sec. 35, T30N, R12W
San Juan County, New Mexico
File: JO-986.511.N2-JO

Continental Oil Company received a letter by registered mail dated June 9, 1972, signed by Robert L. Bayless notifying us that they had requested a non-standard 160 acre unit for the above well, recently recompleted as a producing well in the Mesa Verde formation.

Continental Oil Company objects to the 160 acre non-standard unit as we believe the Mesa Verde wells in the area should be completed on 320 acre spacing. Prior to the recompletion of Carnahan Well No. 1, the well was completed as a 320 acre spaced Dakota well. We believe the 320 acre spacing unit should include the E $\frac{1}{2}$ of Section 35 or the S $\frac{1}{2}$ of Section 35. Our maps indicate that other Mesa Verde wells drilled in Sections 25, 26, and 27, immediately north of Section 35, are drilled on 320 acre spacing.

If the Commission approves the non-standard 160 acre unit for Carnahan Well No. 1, we believe the entire Section 35, T30N, R12 West should be spaced on 160 acre spacing. In this manner other owners in the section will be in position to communitize their Mesa Verde rights and protect themselves from drainage.

Very truly yours,

Charles W. Tan

for

er

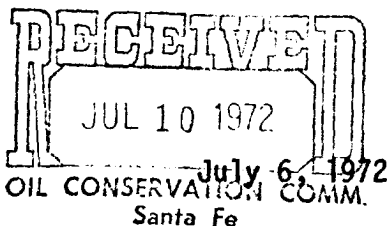
cc: L. A. Johnson - Denver

R. A. Williford - Tenneco Oil Company

Robert L. Bayless

TENNECO OIL COMPANY *A Tenneco Company*

SUITE 1200 • LINCOLN TOWER BUILDING • DENVER, COLORADO 80203



DM

Mr. A. L. Porter, Jr.
Secretary - Director
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Non-Standard Proration Unit
Carnahan Well No. 1
Kutz Field
Section 35, T30N, R12W
San Juan County, New Mexico

Dear Mr. Porter:

Tenneco Oil Company objects to the above named proposed 160 acre non-standard unit. It is our opinion that the Carnahan well, and all other Mesaverde wells in the area, should be completed on 320 acre spacing as are the wells in Sections 25, 26, and 27 to the north. We believe that this policy should remain in effect until there is evidence that a separate pool has been tapped.

Very truly yours,

TENNECO OIL COMPANY

R. A. Williford
R. A. Williford
District Production Manager

LPS mw