

CASE 1112: Continental Oil Co. application
for 480 acre NS gas proration unit, W/2, W/2
E/2 Sec. 15-20S-37E, Britt "B-15" Well #3.

Case No.

1112.

Application, Transcript,
Small Exhibits, Etc.

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF THE STATE OF NEW
MEXICO FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 1112
Order No. R-907

THE APPLICATION OF CONTINENTAL
OIL COMPANY FOR THE ESTABLISHMENT
OF A 480-ACRE NON-STANDARD GAS
PRORATION UNIT IN THE EUMONT GAS
POOL, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on July 25, 1956, at Hobbs, New Mexico, before Daniel S. Nutter, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 26th day of October, 1956, the Commission, a quorum being present, having considered the application, the evidence adduced, the recommendations of the Examiner, Daniel S. Nutter, and being fully advised in the premises,

FINDS:

(1) That due notice of the time and place of hearing and the purpose thereof having been given as required by law, the Commission has jurisdiction of this case and the subject matter thereof.

(2) That the applicant is the operator of the Britt "B-15" Well No. 3, located 1980 feet from the South line and 330 feet from the West line of Section 15, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) That a 320-acre non-standard gas proration unit consisting of the W/2 of said Section 15 is presently dedicated to the aforesaid well.

(4) That the applicant in this cause seeks to dedicate an additional 160 acres consisting of the W/2 E/2 of said Section 15 to said well and thereby form a 480-acre non-standard gas proration unit.

(5) That the applicant has failed to show that the said Britt "B-15" Well No. 3 would adequately drain the additional acreage.

(6) That Amerada Petroleum Corporation entered an appearance in this case and objected to the approval of the subject application.

(7) That an increase in allowable for applicant's Britt "B-15" Well No. 3 would, as a result of its 330 foot location, cause undue drainage of the Amerada Petroleum Corporation lease which offsets said well to the West.


IT IS THEREFORE ORDERED:

That the application of Continental Oil Company for an order establishing a 480-acre non-standard gas proration unit in the Eumont Gas Pool consisting of the W/2 and the W/2 E/2 of Section 15, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico, be and the same is hereby denied.

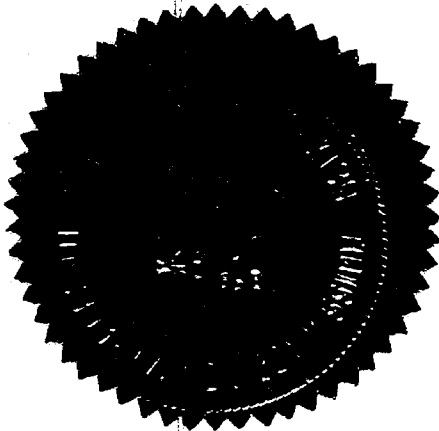
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JOHN F. SIMMS, Chairman


E. S. WALKER, Member


A. L. PORTER, Jr., Member & Secretary



lr/

C O P Y

CONTINENTAL OIL COMPANY

Hobbs, New Mexico

December 21, 1949

TO: Mr. E. L. Shafer - Hobbs, New Mexico

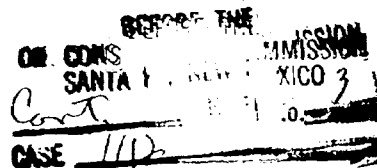
SUBJECT: BACK-PRESSURE TEST - BRIT B-15 NO. 3

The subject well was originally completed as an oil well November 17, 1938 at a total depth of 3836', for an initial potential of 216 barrels oil and 1836 MCF gas per day. The well tested 26 barrels oil and 8 barrels water per day with a gas-oil ratio of 105,211 cubic feet per barrel on October 27, 1942. The well was shut in November 1, 1942 and remained shut-in until commencement of workover operations.

On December 8, 1949 after perforating the Queen sand, the well was recompleted as a gas well for an initial potential of 6,550 MCF sweet gas per day, based on an 8 hour back-pressure test. This back-pressure test was made to determine the theoretical open flow capacity of the well at zero bottom-hole pressure and the deliverability of the well at various well-head pressures.

Attached are curves representing the calculated open-flow potential and deliverability and a chart tabulating the data obtained by this test.

A summary of the results obtained during this test are as follows:



Calculated Open-Flow Potential	6,550 MCF
25% of Potential	1,637.5 MCF
Deliverability at 600 psi	4,733 MCF
Deliverability at 150 psi	app. open flow

G.P. M., H_2S , and Acid Gas Content are not available at the present time.

/s/ L. D. Alston
L. D. ALSTON
Gas Tester
New Mexico District
West Texas-New Mexico Division
Production Department

LDL-MFM
Enc.

CC: (c/o HM) HLJ MHD-3 HM File-2

1000-1112

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

October 31, 1956

C

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P

Y

Mr. Jason Kellahin
P. O. Box 597
Santa Fe, New Mexico

Dear Sir:

On behalf of your client, Continental Oil Company, we enclose two copies of Order R-907 issued October 26, 1956, by the Oil Conservation Commission in Case No. 1112, which was heard on July 25, 1956.

Very truly yours,

A. L. Porter, Jr.
Secretary-Director

jh
encls.

OK
to deny 10/8/56
wown

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Date 10/5/56

CASE 1112

Hearing Date 7/25/56

My recommendations for an order in the above numbered cases are as follows:

Enter an order denying this application for 480 acres. My reasons: Two in General Case 1154

The well is located 1980' FSL of the unit and only 330' FWL of the unit. Order R-520, while it may not necessarily be perfect, was wise in making certain restrictions on the amount of acreage that may be granted a well administratively when the well is crowding its tract boundary. These restrictions may have been intended to apply not only to administrative approvals but exceptions by hearing also. Maximum acreage that may be assigned to a well ~~330~~ located 660-1980 is only 320 acres, whereas this well is only 330-1980 and seeks 480 acres.

Another factor worthy of consideration in this case is the objection of ^{Staff Member} Amersbach

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Date _____

CASE 1112 (cont) Hearing Date _____

My recommendations for an order in the above numbered cases are as follows:

to the assignment of a 480^{acre} allowable to a well offsetting their acreage by only 330 feet.

If the application is denied, Con'tl has a well, Britt B-15 No 8, located in the NW/4 of the SE/4 of Sec. 15, T 20 S, R 37 E, ~~which~~ ^{so} which is located structurally ~~so~~ that a Eumont Gas Well should be possible. This well could be dualled or plugged back ~~if~~ ^{when} it is no longer productive in the Monument Pool and assigned 160 acres consisting of the W/2 of the E/2 of Sec 15_{SE} 320 acres consisting of the W/2 of the E/2 and the E/2 of the E/2 of section 15. These two tracts would have to be communitized to effect such a unit, but Con'tl has an interest in both of the tracts and should be able to negotiate such a communitization without too much difficulty.

Jan Nuttle
Staff Member

BEFORE THE
Oil Conservation Commission
SANTA FE, NEW MEXICO
July 25, 1956

IN THE MATTER OF:

CASE NO. 1112

TRANSCRIPT OF PROCEEDINGS

DEARNLEY-MEIER AND ASSOCIATES
COURT REPORTERS
605 SIMMS BUILDING
TELEPHONE 3-6691
ALBUQUERQUE, NEW MEXICO

2

BEFORE THE
OIL CONSERVATION COMMISSION
HOBBS, NEW MEXICO
JULY 25, 1950

IN THE MATTER OF:

CASE 1112: Application of Continental Oil Company for approval of a non-standard gas proration unit in the Eumont Gas Pool in exception to Rule 5 (a) of the Special Rules and Regulations for the Eumont Gas Pool as set forth in Order R-520. Applicant, in the above-styled cause, seeks an order authorizing a 480 acre non-standard gas proration unit in the Eumont Gas Pool composed of the W/2 and W/2 of the E/2 of Section 15, Township 20 South, Range 37 East, Lea County, New Mexico; said unit to be dedicated to applicant's Britt "B-15" Well No. 3 located 1980 feet from the South line and 330 feet from the West line of said Section 15.

BEFORE:

Mr. Daniel S. Nutter, Examiner.

P R O C E E D I N G S

MR. NUTTER: The next case on the docket is 1112.

MR. GURLEY: Application of Continental Oil Company for approval of a non-standard gas proration unit in the Eumont Gas Pool in exception to Rule 5 (a) of the Special Rules and Regulations for the Eumont Gas Pool as set forth in Order R-520.

(Witness sworn.)

E. V. BOYNTON,

a witness on behalf of the applicant, having been first duly sworn on oath, testified as follows:

DIRECT EXAMINATION

DEARNLEY-MEIER AND ASSOCIATES
STENOGRAPHIC REPORTERS
ALBUQUERQUE, NEW MEXICO
TELEPHONE 3-6691

BY MR. KUTNER:

State your name, please. A E. V. Boynton.

Are you the same E. V. Boynton who testified in cases 1110 and 1111? A I am.

MR. KELLAHAN: Are the witness' qualifications acceptable, Mr. Examiner?

MR. NUTTER: They are.

Q Are you familiar with the application in Case 1112, Mr. Boynton? A Yes, sir.

Q What is proposed to be done in that application?

A It is proposed to increase the present 320 acre proration unit to 480 acres.

Q To what well would that then be dedicated?

A To the No. 3.

Q Britt "B-15" Well No. 3? A That is correct.

Q Now, have you prepared an exhibit showing the ownership of the proposed unit?

A I have. It is an ownership structure contoured on top of the Yates Formation.

Q Exhibit No. 1?

A Exhibit No. 1, Case 1112. It shows the present proration unit outlined with the red dash line and proposed outlined with a solid line; subject well is encircled with red and offset proration units outlined in green, with offset gas wells encircled in green.

Q Where is the Britt "B-15" No. 3 located?

A 330 feet from the East line and 1,300 feet from the South line, Section 15, Township 20 South, Range 3, East, San County, New Mexico.

Q Is there any other producing gas wells on the acreage which is proposed to be included in the acreage?

A No other producing, no.

Q Is there any other producing gas wells in that section?

A No, sir.

Q Is there any reason, Mr. Boynton, that it is not practical to create a unit of the E/2, E/2 and W/2 of the E/2?

A There is no -- the E/2 of the E/2 of that section is included in the Southeast Monument Unit; would be extremely difficult to communitize the E/2 of Section 15.

Q For that reason, you propose to include the W/2 of the E/2 in the expanded unit, is that correct? A That is correct.

Q Now, does Exhibit No. 1 show the structure contours of any formation? A It does.

Q What is that?

A On top of the Yates Formation.

Q Now, would you describe briefly the offsetting units and acreage dedicated to them? Is that on Exhibit No. 1?

A It is. Continental owns the acreage to the north and east and to the southeast of the proposed unit. In Section 14, we have 320 acres assigned to the Skaggs "B-14" No. 1. Amerada owns the 160 acres immediately west of the well, and Stanolind offsets the well to the south and southwest.

Q Getting back to this Skaggs No. 1, you said you expect to apply for a 400 unit; what would that include?

A West half of Section 14, 20S, 37E, and E/2 of the E/2 of Section 15.

Q And at which time, if that were approved and this were approved, all that acreage there would be then included within a unit?

A Yes.

Q Is it at the present time? A No.

Q Now, have you recently completed any wells offsetting this acreage? A Yes, sir.

Q With what results, Mr. Boynton?

A We recently completed the Skaggs "B-14" No. 1 east of the subject well, and the Britt "B-10" No. 3, which is northeast; those wells were completed for about 4,000,000.00 cubic feet of gas per day.

Q How do they compare to the Britt "B-15" No. 3 Well?

A It is approximately the same.

Q On that basis, is it reasonable to assume that all of the acreage which you propose to dedicate to the Britt "B-15" No. 3 Well is productive of gas? A It is.

Q Did you say those wells are approximately the same on structure?

A I didn't say that. I said the producing interval was approximately the same.

Q I will restate my question, then. How does the completion

depth of those wells compare with regards to structure?

A The Britt "B-15" No. 3 Well is considerably higher than any of the recent completions, approximately 75 to 100 feet.

Q How many?

A Seventy-five to one hundred feet.

Q Higher on the structure? A Yes.

Q On that basis, you would then assume that the acreage is productive of gas? A That's right, yes.

Q Now, you have available a radioactive log of the Britt "B-15" No. 3 Well?

A I do. I have a reproduction of the radioactive log.

Q Is that marked as Exhibit No. 2?

A Exhibit No. 2, prepared under my supervision, and it is essentially the same as the original log; shows the top of the various formations, completion interval of the Britt "B-15" No. 3.

Q What is the interval of total production?

A It's 3390 to 3590.

Q Is that wholly within the vertical limits of the Eumont Gas Pool? A It is.

Q Now, you have a record on the deliverability of the No. 3 Well?

A I do, yes, sir.

Q Is that marked as Exhibit No. 3? A Yes, sir.

Q Case 1112; and what does that show?

A It shows that the deliverability at the time the well was completed was 6,000,000.00 -- 6,500,000.00, and at 600 pounds, it

would deliver 4,000 GPM per day.

Q On the basis of that report, in the event the 450 acre unit were granted, could the well make its allowable?

A It can, yes.

Q Were all of the Exhibits, 1, 2 and 3, prepared by you or under your direction and supervision?

A Exhibits Nos. 1 and 2 were prepared under my direction; No. 3 was prepared in 1949, but I believe it to be essentially correct.

Q That was prepared prior to your being located here?

A Yes, sir.

Q Is that a report which ordinarily is kept in the course of business of Continental Oil Company? A Yes, it is.

Q Taken from the files of the company here?

A That is correct.

MR. KELLAHIN: We offer in evidence Exhibits 1, 2, and 3 in Case 1112.

MR. NUTTER: Is there any objections to the introduction of these exhibits in this case? If not, they will be received.

MR. KELLAHIN: That is all the questions I have of the witness.

BY MR. NUTTER:

Q Mr. Boynton, what did you say the E/2 of the E/2 of that is dedicated to?

A It isn't dedicated at the present.

Q Didn't you say it belonged to some Monument --

A Southeast Monument. This is some which we operate for ourselves

and three partners.

Q And this well that is in the SW/4 of Section 14, what acreage is dedicated to it?

A At present it is 320 acres.

Q The E/4 of Section 14? A That's correct.

Q That is going to leave the E/2 of that Section without dedication to any well, isn't it?

A Well, no, sir. We have applied for the E/2 of the E/2 of the Section to be assigned to the well in Section 14.

Q I see. Another thing, when you mentioned the perforated interval, as shown on the log, Exhibit No. 2, I think you said 3390 to 3590?

A That is approximate depth, yes, sir -- oh, I beg your pardon. About 3370.

Q To 3585? A That's right.

MR. NUTTER: Does anyone else have any questions of the witness?

BY MR. REEDER:

Q Mr. Boynton, I don't believe I understood your answer to the question of the reason for this unit creation, or the increase in the size of this unit from its present 320 acres to the proposed 480 acres.

A The reason for the increasing the acreage is to increase the allowable of the well.

Q You believe it will drain the acreage to be dedicated to it?

A I think so, yes.

Q Would it have any adverse effect to any acreage offsetting it?

A I don't see how they can if they keep their wells to the top allowable; as long as they are willing to produce at the top allowable, they get their fair share of the gas.

Q Is there a gas well draining State acreage in the NE/4 of Section 16?

A I don't believe there is.

BY MR. GURLEY:

Q Isn't it a fact, Mr. Boynton, that it will be forcing the people that own the NE/4 of Section 16 to drill a gas well in order to obtain their fair share of the gas?

A Well, no more than they are already forced.

Q In other words, you think they would have been forced on the original granting of the 320 in the same manner?

A I think so.

Q Except that now you are getting 480 acres, if this is allowed, 480 acre allowable, where you were just drawing 320?

A That is true.

Q A little more force in this case? A Increased force.

MR. NUTTER: Does this well presently have a pipeline connection?

A That's right.

MR. NUTTER: It is over produced?

Q And in your opinion, is that formation sufficiently porous that
it will -- that is, if you plug it up, will it plug up and
to a great well at that time?

A 1949, I believe. I don't have the exact date.

MR. GURLEY: I see.

MR. NUTTER: Does anyone else have any further questions of
the witness?

BY MR. KELLAHIN:

Q Mr. Boynton, in response to a question by Mr. Reeder, you
said the reason for asking for the increase was to increase the
allowable; there is a further reason in regards to the problems of
communitization of the E/2 of that Section?

A Well, we have no well to assign the W/2 of the E/2 of that
Section, and it would remain undedicated.

Q And would there be any difficulty in communitizing the W/2 of
the E/2 and the E/2 of the W/2?

A Yes, sir, there would.

Q Because of this --

A Southeast Monument.

Q -- Southeast Monument Unit?

A Yes, sir.

Q In regards to this question of drainage, Mr. Boynton, you
presently have 320 acres dedicated to the well; how long has that
existed?

A Since production.

Q In your opinion, is that formation sufficiently porous that

anyone that produces the top allowable, they will produce their fair share without drainage.

A I believe that to be true.

MR. GURLEY: In response to Mr. Kellahin's question, what you mean if anyone would produce their wells at top allowable?

MR. KELLAHIN: Do you want me to explain it?

MR. GURLEY: Yes. I didn't understand your question.

MR. KELLAHIN: I asked him if the formation was of such a nature that anyone who produces will get their fair share according to the acreage.

MR. NUTTER: In other words, are most of the wells in the area top allowable wells for their acreage?

MR. KELLAHIN: That was the way you understood the question, was it not, Mr. Boynton?

A That is true.

MR. KELLAHIN: And that was the basis for your answer?

A Yes.

MR. NUTTER: Does anyone else have any further questions of the witness in this case?

MR. KELLAHIN: I will now offer the exhibits.

MR. NUTTER: The record will show that if there is no objection the exhibits will be accepted.

Is there anything further in this case?

MR. ABBOTT: W. G. Abbott, Amerada Petroleum Corporation.

We object to this proposed increase in acreage from 320 to 430

acres; we have the state lease west of this, offsetting this No. 3 Well. Their well is 330 feet from our lease line, and we feel that Rule R-5.0 should be the guidance in this, which says the maximum acres for a well in this location should be 320 acres.

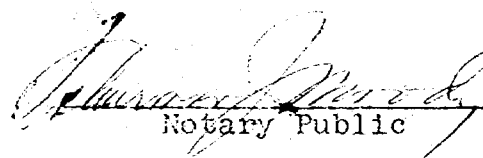
L. NUTTER: Is there any further statements to be made by anyone? If not, we will take the case under advisement.

* * * * *

STATE OF NEW MEXICO)
: ss
COUNTY OF BERNALILLO)

I, THURMAN J. MOODY, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Proceedings was reported by me in stenotype and later reduced to typewritten transcript by me and/or under my personal supervision, and that same is a true and correct transcript to the best of my knowledge, skill and ability.

WITNESS MY HAND AND SEAL, this, the 7th day of August, 1956, in the City of Albuquerque, County of Bernalillo, State of New Mexico.


Notary Public

My Commission Expires:

April 3, 1960.

C O P Y

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CONTINENTAL OIL COMPANY
BACK-PRESSURE TEST DATA
WELL E-15 NO.3

<u>VOLUME</u> <u>(CALCULATED MCF)</u>	<u>B. H. P.</u> <u>(CALCULATED PSI ABS)</u>	<u>B.H.P.²</u>	<u>(BHP_f² - BHP_s²)</u>	<u>SURFACE PRESSURE</u> <u>PSI ABS</u>
0	1223.8	1,497,686	- - -	1137.2
1,392	1116.2	1,245,902	251,784	1039.2
3,910	808.2	653,187	844,499	746.2
6,103.5	344.7	118,818	1,378,868	294.2

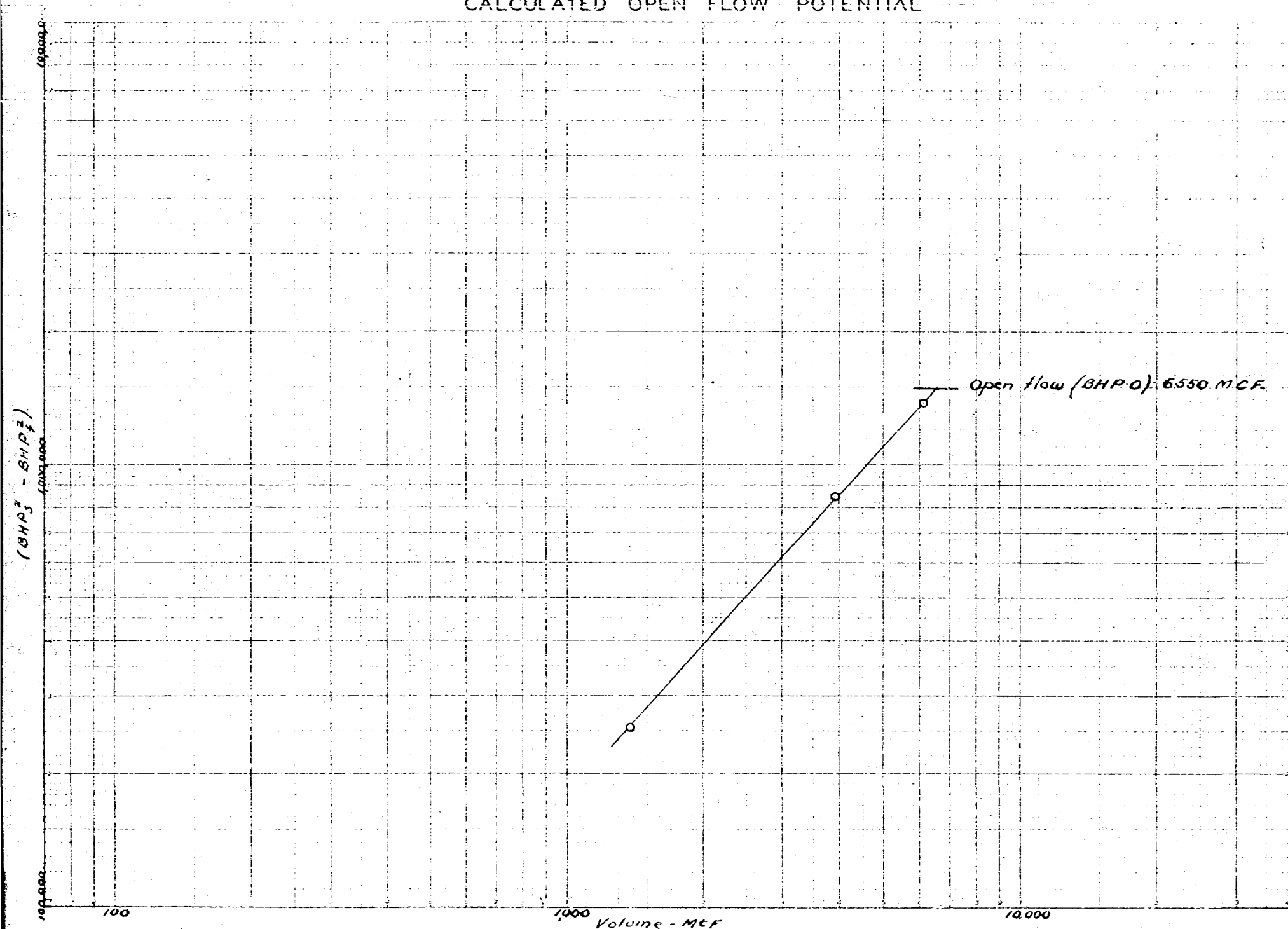
NOTE: Volume corrected for specific gravity
and atmospheric pressure.

Date Tested: December 8, 1949

IDA-MFM
Hobbs, N.M.
12-21-49



BRITT B-15 NO. 3
CALCULATED OPEN FLOW POTENTIAL

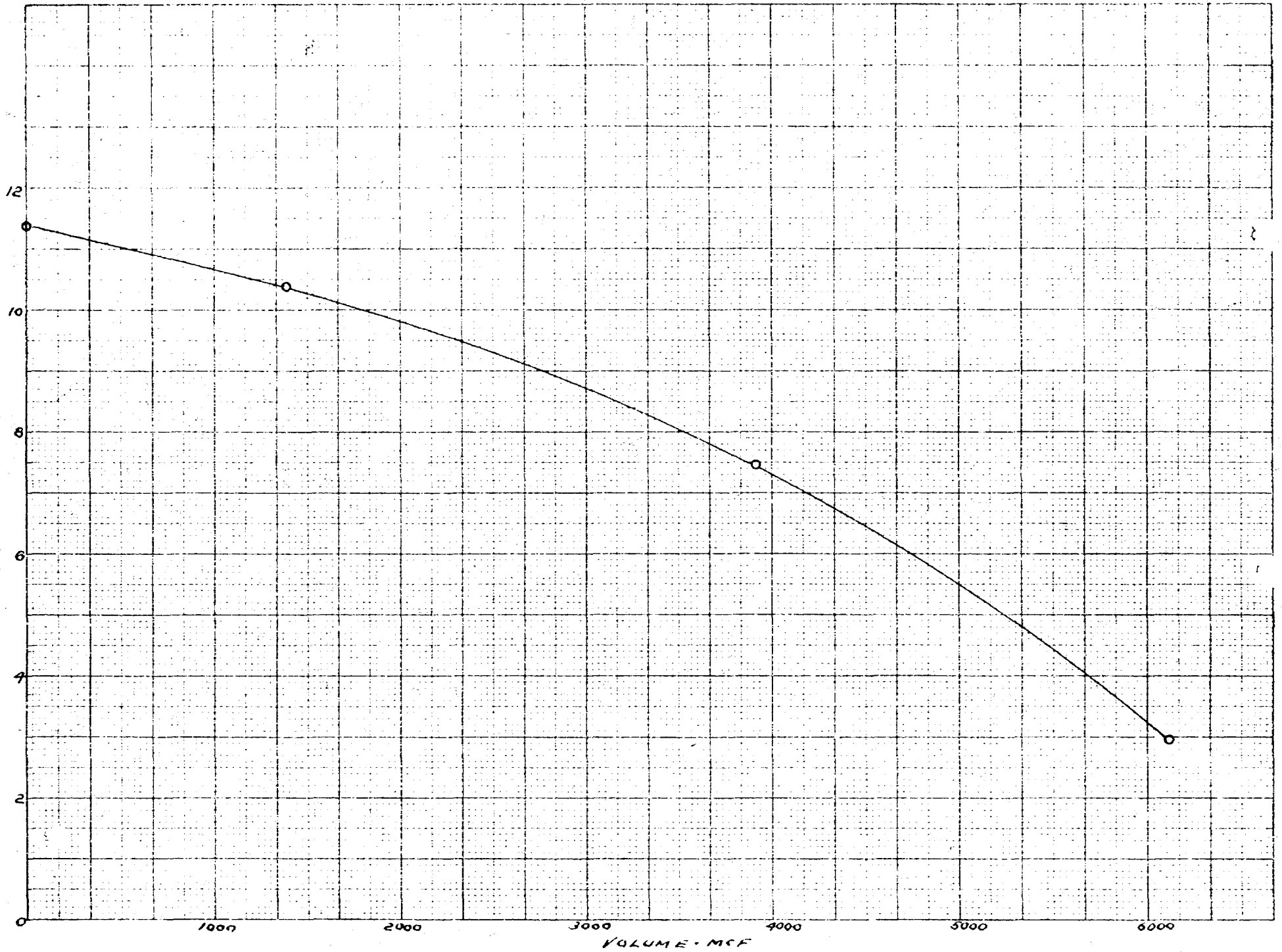


NO. 316 20 DIVISIONS PER INCH BOTH WAYS 150 BY 200 DIVISIONS

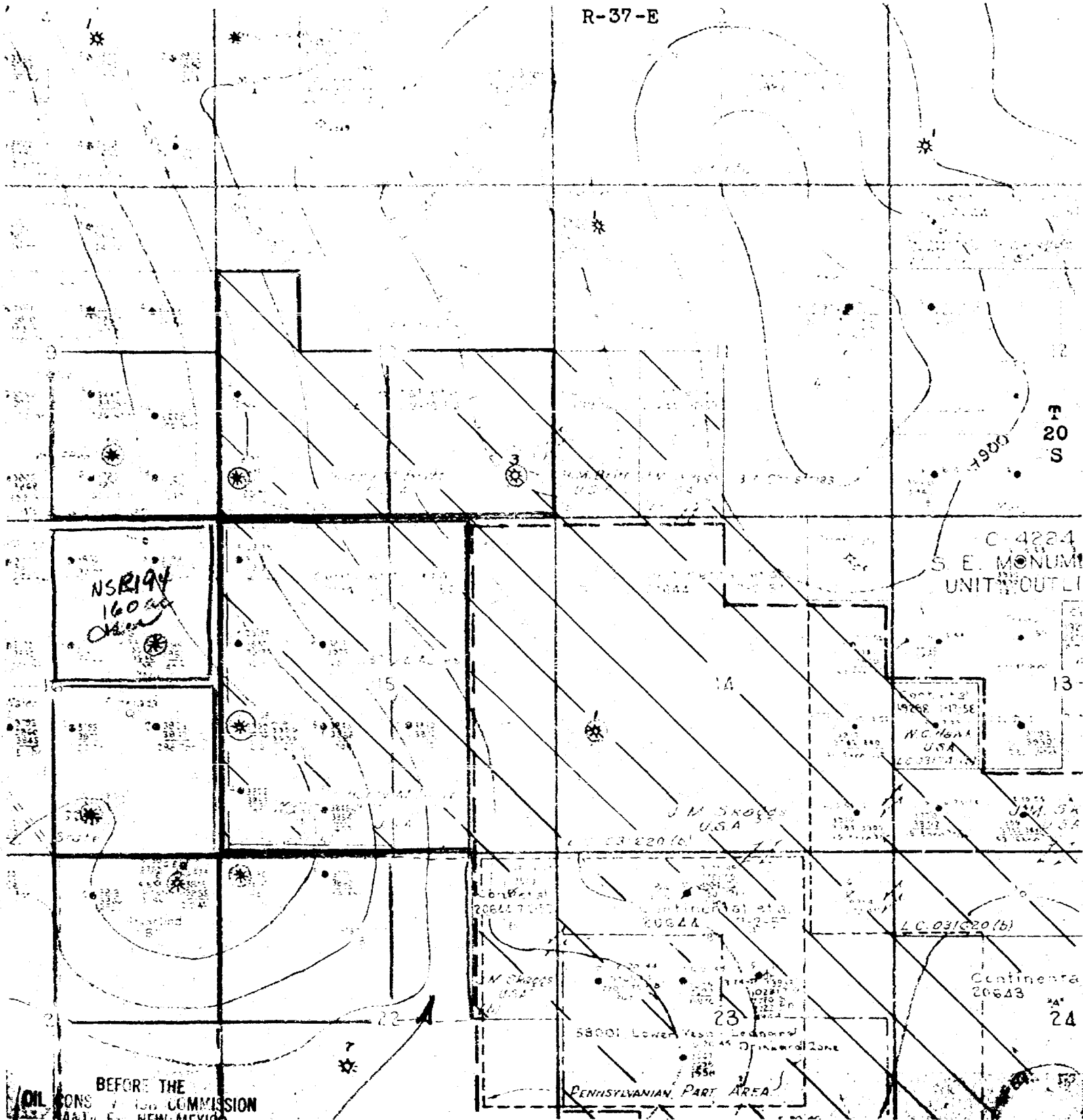


CODEx BOOK COMPANY, INC. NORWOOD, MASSACHUSETTS U.S.A.

BRITT B-15 NO.
DELIVERABILITY CURVE



R-37-E



BEFORE THE
OIL CONS. COMMISSION
SANTA FE, NEW MEXICO
EXHIBIT No. 1
CASE 1112

CONTINENTAL OIL COMPANY

scale: 1"=2000' 25' contours on top of Yates

- Subject Gas Well
- Offset Gas Well
- Acreage Proposed for Gas Well
- Acreage Now Assigned to Gas Well
- Acreage Assigned to Offset Gas Well

320 acres
R 835
July 1956
Chen

240 acres R 834
Chen

CASE: 1112
EXHIBIT: #1

COPY

EL PASO NATURAL GAS COMPANY

MINIMUM CONTRACT TEST

(To Determine Wellhead Deliverability at 100 PSIG)

Company Continental Oil Company Location Lockhart -17 Well No. 3
 Unit K Sec. 18 Twp. 21S Range 36N County Law
 Pool Kumart Type Well Single Date of Test 7-28-55
 Producing thru: Casing X Tubing Gravity Gravity 9.675 Flow Pressure 13.2
 n_t from Previous Test: 1.000 Date of Previous Test: 3-13-55

FLOW DATA						TUBING DATA		CASING DATA		Duration of Flow Hr.
No.	Line Size	x Orifice Size	Press. psig	Diff. h_w	Temp. °F	Press. psig	Temp. °F	Press. psig	Temp. °F	
Shut-in								811 826		24 48
1.	4	1.500	601	5.0	58			605		24
2.										

Choke wide open

No.	Coefficient (24-Hour)	$\sqrt{h_w P_w}$	Pressure psia	Flow Temp. Factor F_t	Gravity Factor F_g	Compress. Factor F_{pv}	Rate of Flow Q-MCFPD @ 15.025 psia
1.	13.99	55.41		1.0019	.9427	1.072	785
2.							

$$D_t = Q \left[\frac{P_c^2 - P_d^2}{P_c^2 - P_t^2} \right]^{n_t}$$

$$P_c^2 = 704.3$$

$$P_d^2 = 12.81$$

$$P_t^2 = 382.2$$

$$\left[\frac{P_c^2 - P_d^2}{P_c^2 - P_t^2} \right] = \frac{691.5}{322.1} = 2.147 = B$$

$$\log B = 1.331832 \times (n_t) \frac{1.000}{2.147} = \text{---}; \text{Antilog} = \text{---} = B^{n_t}$$

$$Q = 785 \times (B^{n_t}) \frac{2.147}{1.000} = 1,685 = D_t$$

n_t = Slope of Wellhead Deliverability
Curve ($P_c^2 - P_t^2$ vs. Q)

Q = Actual flow @ end of Flow Period at
Wellhead Pressure P_t

P_c = Maximum Shut-in Pressure observed in
a 48 hour period, PSIA

P_t = Flowing Wellhead Pressure (tubing if
flowing thru tubing and vice versa),
psia

P_d = Deliverability Pressure (113.2 psia
for Minimum Contract Requirements)

D_t = Wellhead Deliverability at Delivera-
bility Pressure (P_d), MCF/Day

I hereby swear and affirm that the
information given above is true and
correct.
Name /s/ Charles A. Cole

Position Gas Engineer

Witnessed by:

Name _____

Company _____

Name Edward Hake (/s/ E.H.)

Company El Paso Natural Gas Company

EL PASO NATURAL GAS COMPANY

Q 111 ✓

BEFORE THE OIL CONSERVATION COMMISSION
OF THE
STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF CONTINENTAL OIL COMPANY FOR APPROVAL
OF A 480-ACRE NON-STANDARD GAS PRORATION
UNIT CONSISTING OF W/2 AND W/2 E/2 SECTION
15 T20S, R37E, NMPM, LEA COUNTY, NEW MEXICO
FOR ITS BRITT B-15 WELL NO. 3 IN THE EUMONT
POOL

A P P L I C A T I O N

Comes now applicant, Continental Oil Company and petitions the Commission for an order approving a non-standard gas proration unit consisting of the W/2 and W/2 E/2, Section 15, T20S, R37E, NMPM, Eumont Gas Pool, Lea County, New Mexico, to be allocated to its Britt B-15 well No. 3, located 1980 feet from the South line and 330 feet from the West line of said Section 15, and in support thereof would show:

1. That applicant is part owner and is the operator of the Britt "B" lease consisting of, among other lands, Section 15, T20S, R37E, Lea County, New Mexico.
2. That applicant drilled and completed on November 17, 1938 its well No. 3 on the said lease as an oil well producing from the Grayburg formation at a location 1980 feet from the South line and 330 feet from the West line of said Section 15.
3. That said well was subsequently plugged back to the Queen formation and recompleted as a gas well within the vertical and horizontal limits of the Eumont gas pool as presently defined.
4. That the Commission by Order No. NSP-124 approved a non-standard unit of 320 acres size consisting of the W/2 of said Section 15 for the said well.
5. That the E/2 E/2 of said section is within the boundaries of the S. E. Monument Unit and will be allocated to another gas well.
6. That the W/2 E/2 of said section has no producing gas well and is contiguous to the W/2 of said section and has common ownership therewith.
7. That it would be impractical to communitize the W/2 E/2

of said section with other lands or to drill a well for producing the gas under the W/2 E/2 of said section.

6. That failure to allocate said acreage to a gas well will impair the correlative rights of parties owning interests therein and would result in waste or confiscation of gas under said acreage.

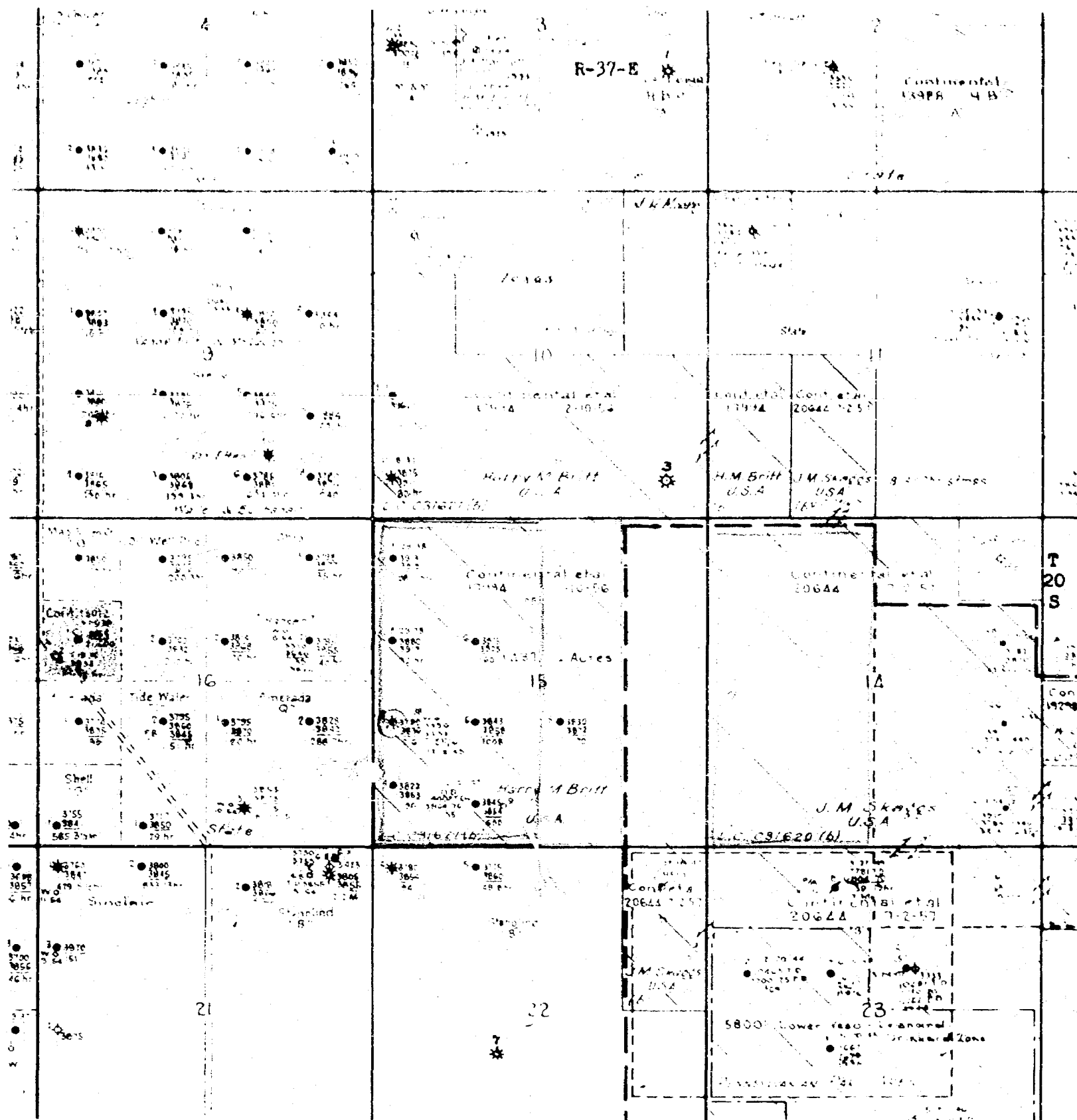
Wherefore, applicant respectfully prays that this application be set for hearing before the Commission's duly appointed examiner in Hobbs, New Mexico after due notice and that upon hearing an order be entered approving the non-standard gas proration unit described above.

Respectfully submitted

CONTINENTAL OIL COMPANY



R. L. ADAMS
Division Superintendent
of Production
New Mexico Division



scale: 1" - 2,000'

LEGEND

Proposed Gas Well
Proposed Gas Unit