

CASE 1154: Continental Oil Company's  
application for 480-acre non-standard  
gas proration unit in Eumont

Case No.

1154

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. 1184  
Order No. R-810**

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

**ORDER OF THE COMMISSION**

**BY THE COMMISSION:**

This cause came on for hearing at 9:00 o'clock a.m. on September 25, 1958, at Hobbs, New Mexico, before Daniel S. Hutter, 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 7<sup>th</sup> day of November, 1958, the Commission, a quorum being present, having considered the application, the evidence adduced, the recommendations of the Examiner, Daniel S. Hutter, 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 Skaggs "B-14" No. 1 Well, located 1980 feet from the South line and 600 feet from the West line of Section 14, Township 20 South, Range 37 East, NMPN, Lea County, New Mexico.

(3) That applicant proposes to form a 480-acre non-standard gas production unit comprising the W/2 of Section 14 and the E/2 E/2 of Section 15, Township 20 South, Range 37 East, NMPN, and to dedicate said unit to the aforesaid Skaggs "B-14" No. 1 Well.

(4) That the said Skaggs "B-14" No. 1 Well is ideally located to drain the proposed unit.

(5) That the approval of the subject application will not cause but will prevent waste and will protect correlative rights.

**IT IS THEREFORE ORDERED:**

(1) That the application of Continental Oil Company for the establishment of a 400-acre non-standard gas proration unit in the Hament Gas Pool comprising the W/2 of Section 14 and the E/2 N/2 of Section 15, Township 20 North, Range 27 East, NMPN, Lea County, New Mexico, be and the same is hereby approved, and a proration unit consisting of the aforesaid acreage is hereby created.

(2) That applicant's Shaggs "B-14" No. 1 Well, located in the NW/4 SW/4 of said Section 14, shall be granted an allowance in accordance with Rule 12 of the pool rules in the proportion that the above-described 400 acres bears to the standard proration unit for the Hament Gas Pool, all until further order of the Commission.

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

**STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION**

*John F. Sims*

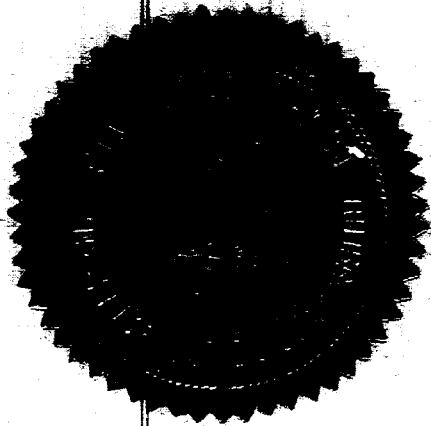
**JOHN F. SIMS, Chairman**

*E. S. Walker*

**E. S. WALKER, Member**

*A. L. Porter, Jr.*

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



**OIL CONSERVATION COMMISSION**

**P. O. BOX 871**

**SANTA FE, NEW MEXICO**

**November 12, 1956**

C  
O  
P  
Y

**Mr. Jason Kellahin  
P. O. Box 897  
Santa Fe, New Mexico**

**Dear Sir:**

**On behalf of your client, Continental Oil Company, we  
enclose two copies each of Orders R-908 and R-910 issued November  
7, 1956, by the Oil Conservation Commission in Cases 1153 and 1154,  
which were heard on September 26, 1956, in Hobbs, New Mexico.**

**Very truly yours,**

**A. L. Porter, Jr.  
Secretary-Director**

**jh  
encls.**

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
HOBBS, NEW MEXICO

CASE NO. 1154

TRANSCRIPT OF HEARING

SEPTEMBER 26, 1956

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

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
HOBBS, NEW MEXICO  
SEPTEMBER 26, 1956

-----  
IN THE MATTER OF: :  
: :  
: :

CASE NO. 1154: Application of Continental Oil Company for :  
an order establishing a 480-acre non-standard :  
gas proration unit in the Eumont Gas Pool in :  
exception to Rule 5 (a) of the Special Rules :  
and Regulations for said pool as set forth in :  
Order R-520. Applicant, in the above-styled :  
cause, seeks an order establishing a 480-acre :  
non-standard gas proration unit in the Eumont :  
Gas Pool comprising the W/2 Section 14 and :  
E/2 E/2 Section 15, Township 20 South, Range :  
37 East, Lea County, New Mexico. Said unit to :  
be dedicated to applicant's Skaggs "B-14" Well :  
No. 1 located 1980 feet from the South line :  
and 660 feet from the West line of said Sec- :  
tion 14. :  
-----

BEFORE:

Daniel S. Nutter, Examiner.

T R A N S C R I P T   O F   P R O C E E D I N G S

MR. NUTTER: Next case is Case 1154.

MR. KELLAHIN: I would like to use Mr. E. V. Boynton in this  
case, and I would like the record to show that he has previously  
been sworn.

MR. NUTTER: It will so show.

E.   V.   B O Y N T O N

called as a witness, having been first duly sworn on oath, testified as follows:

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q State your name, please.

A E. V. Boynton.

Q You are the same Mr. E. V. Boynton who testified in Case 1153?

A Yes.

Q Are you familiar with the case in 1154?

A Yes.

Q What is proposed in that application?

A Case 1154 proposes an enlargement of the present proration unit now assigned to our Skaggs "B-14" No. 1 gas well to include the E/2 of the E/2 of Section 15, thereby forming a 480-acre gas proration unit.

Q What is the status, Mr. Boynton, of the W/2 of the E/2 of Section 15?

A We have proposed to assign that to our Britt "B-15" No. 3 gas well.

Q There is a case pending on that at the present time?

A There is, yes, sir.

Q Now, referring to Exhibit No. 1, will you state what that is?

A Again, Exhibit No. 1 is an ownership plat on which has been drawn contours on top of the Yates formation, it shows the present proration unit assigned to Skaggs "B-14" No. 1, to be outlined in green, it shows the proposed proration unit to be outlined in red, and the subject gas well is encircled in red, it also shows offset proration unit outlined in yellow and offset gas wells encircled in yellow. Again, the cross hatched area is Continental Oil Company leases, operated leases.

Q Are the units offsetting the proposed unit operated by Con-



tinental?

A Most of them are, yes.

Q Now, what are the contours on that Exhibit?

A Those contours show the structure in the area as contoured on top of the Yates formation at twenty-five foot contour intervals.

Q And referring to Exhibit No. 2, would you state what that is?

A Exhibit No. 2 is Welex radio active log of Skaggs "B-14" No. 1, it shows the interval open for production in the subject well and also pertinent formation tops. It illustrates that this well is producing from the Penrose or lower Queen formation.

Q Referring to what has been marked for identification as Exhibit No. 3, state what that is, please.

A Exhibit No. 3 is a calculated open flow potential on the Skaggs "B-14" No. 1 as taken on June the 20th, 1956, it shows that the open flow potential of the well would be 9,115,000 MCF per day, that is deliverability at 600 pounds would be 6,400,000 MCF per day. Again we have this illustrated by close up. .

Q Is the close up attached to the Exhibit?

A It is.

Q Based on your information and the contours, the radio active log, other information, may all the acreage here be presumed to be productive of gas?

A Yes, this area here is relatively flat, we could assume that the entire acreage is productive of gas to the extent that we intend development to the east and also to the south of the subject well.

Q And will the well, Skaggs "B-14" No. 1 located as its effect-  
ively drain and recover gas from that area?

A Yes, it will.

Q Now, is there any other well to which the acreage proposed  
to be dedicated, is that any other well which it could be dedicated  
to?

A No, there isn't.

Q Do you have anything you care to add?

A No, unless you have some more questions.

MR. KELLAHIN: That is all the questions we have.

QUESTIONS BY MR. NUTTER:

Q You presently have 320 acres assigned to that well?

A Yes.

Q It was fairly recently completed? A Yes.

Q And you received the 320 acres approved on an NSP?

A I assume that has been granted, it is a recent thing, but I  
believe it has been granted.

Q Does it presently have a connection?

A To El Paso Natural Gas, yes.

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

MR. REEDER: Is this common lease ownership?

A Yes, it is.

Q (By Mr. Reeder.) There will be no probability of --

A That entire acreage is within the Southeast Monument Unit.

MR. NUTTER: Does anyone have any statements they wish to  
make in this case, if not, --

MR. KELLAHIN: I would like at this time to offer in evidence Exhibits 1 through 3 inclusive.

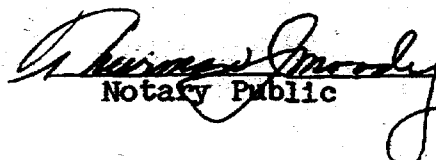
MR. NUTTER: Without objection the Exhibits will be received, the witness may be excused, and we will take the case under advisement.

(Witness excused.)

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 Hearing before the New Mexico Oil Conservation Commission was reported by me in Stenotype and reduced to typewritten transcript by me and/or under my personal supervision; that the same is a true and correct record to the best of my knowledge, skill and ability.

WITNESS my Hand and Seal, this, the 19th day of October, 1956, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

  
Notary Public

My Commission Expires:  
April 3, 1960.

OK  
wrong  
10/19/56

OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

Date 10/18/56

CASE 1154

Hearing Date 9/26/56

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

OK to write an order  
approving the 480-acre  
unit requested in this  
application. The well  
is ideally located for  
a ~~test~~ proration unit  
of this size and shape  
and has a very high  
deliverability so that it  
can produce the allowable  
for a unit this size

Sam Putter  
Staff Member

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. \_\_\_\_\_  
Order No. R- \_\_\_\_\_

THE APPLICATION OF  
FOR AN ORDER GRANTING APPROVAL OF  
AN EXCEPTION PURSUANT TO RULE 5 (b)  
OF ORDER NO. R-520 IN  
ESTABLISHMENT OF AN UNORTHODOX GAS  
PRORATION UNIT OF CONTIGUOUS ACRES  
CONSISTING OF

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a. m. on  
before the Oil Conservation Commission, hereinafter  
referred to as the "Commission".

NOW, on this \_\_\_\_\_ the Commission, a quorum being  
present, having considered the records and testimony adduced, 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 pursuant to provisions of Rule 5 (b) \_\_\_\_\_ of Order  
No. R-520, the Commission has power and authority to permit the formation of a gas  
proration unit consisting of other than a legal section after notice and hearing by the  
Commission.

(3) That applicant, \_\_\_\_\_ is the owner of an oil and gas lease in  
New Mexico the land consisting of other than a legal section, and  
described as follows, to-wit:

**Order No. R-**

containing      acres, more or less.

(4) That applicant, \_\_\_\_\_ has a producing well on the afore-  
said lease known as \_\_\_\_\_ located \_\_\_\_\_ feet from the \_\_\_\_\_ and  
\_\_\_\_\_ feet from the \_\_\_\_\_ of Section \_\_\_\_\_ Township \_\_\_\_\_ Range \_\_\_\_\_.

(5) That the aforesaid well was completed and in production

prior to the effective date of Order No. R-520, and is located within the horizontal limits of the pool heretofore delineated and designated as the Gas Pool;

(6) That it is impractical to pool applicant's said lease with adjoining acreage in the

and that the owners of adjoining acreage in said area have not objected to the formation of the proposed proration unit of                      acres.

(7) That unless a proration unit consisting of applicant's aforesaid acreage is permitted, applicant will be deprived of the opportunity to recover its just and equitable share of the natural gas in the Gas Pool.

(8) That creation of a proration unit consisting of the aforesaid acreage will not cause but will prevent waste, and will protect correlative rights.

**IT IS THEREFORE ORDERED:**

(1) That the application of \_\_\_\_\_ for approval of an unorthodox proration unit consisting of the following described acreage:

be and the same is hereby approved, and a proration unit consisting of aforesaid acreage is hereby created.

(2) That applicant's well, \_\_\_\_\_ located in the \_\_\_\_\_ shall be granted an allowable in the proportion that the above described \_\_\_\_\_ acre unit bears to the standard or orthodox proration unit for said pool, all until further order of the Commission.

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

DOCKET: EXAMINER HEARING SEPTEMBER 26, 1956

New Mexico Oil Conservation Commission 9:00 a.m., Hobbs, New Mexico

Oil Conservation Commission Office, 1000 W. Broadway, Hobbs, New Mexico

The following cases will be heard before Daniel S. Nutter, Examiner:

CASE 1150: Application of Amerada Petroleum Corporation for an order granting permission to make up underproduction on its M. J. Raley "A" No. 1 Oil Well resulting from pipeline proration in exception to Rule 503 (f) of the New Mexico Oil Conservation Commission Rules and Regulations. Applicant, in the above-styled cause, seeks permission to make up approximately 3,990 barrels of under-produced oil which accrued to its M. J. Raley "A" No. 1 Well located 660 feet from the North and East lines of Section 18, Township 20 South, Range 38 East, North Warren McKee Pool, Lea County, New Mexico, which resulted from the Cities Service pipeline proration during the months of April and May of 1956.

CASE 1151: Application of The Texas Company for an order establishing a 114.41-acre non-standard gas proration unit in the Jalmat Gas Pool in exception to Rule 5 (a) of the Special Rules and Regulations for said pool as set forth in Order R-520. Applicant, in the above-styled cause, seeks an order establishing a 114.41-acre non-standard gas proration unit in the Jalmat Gas Pool consisting of the following acreage:

Township 24 South, Range 37 East  
Section 31: Lots 3 & 4 (W/2 SW/4)

Township 25 South, Range 37 East  
Section 6: Lot 4 (NW/4 NW/4)

Said unit to be dedicated to applicant's C. C. Fristoe "B" (NCT-4) No. 2 Well located 660 feet from the South and West lines of Section 31, Township 24 South, Range 37 East, Lea County, New Mexico.

CASE 1152: Application of Continental Oil Company for an order authorizing a gas-gas dual completion in the Fubb and Blinbry formations of undesignated gas pools in the SE/4 of Section 28, Township 20 South, Range 38 East, Lea County, New Mexico, in exception to Rule 112-A of the New Mexico Oil Conservation Commission Rules and Regulations, and further, authorizing the commingling of the liquids produced from the two zones in exception to Rule 303 of the New

Mexico Oil Conservation Commission Rules and Regulations. Applicant, in the above-styled cause proposes to dually complete in the Tubb and Blinbry formations its Warren Unit Well No. 8 located 1980 feet from the South and East lines of Section 28, Township 20 South, Range 38 East, Lea County, New Mexico, by means of parallel strings of tubing and to store the liquids produced therefrom in common tankage.

**CASE 1153:**

Application of Continental Oil Company for an order establishing a 320-acre non-standard gas proration unit in the Eumont Gas Pool in exception to Rule 5 (a) of the Special Rules and Regulations for said pool as set forth in Order R-520. Applicant, in the above-styled cause, seeks an order establishing a 320-acre non-standard gas proration unit in the Eumont Gas Pool comprising the SE/4 of Section 10 and the SW/4 of Section 11, Township 20 South, Range 37 East, Lea County, New Mexico. Said unit to be dedicated to applicant's Britt "B-10" Well No. 3 located 660 feet from the South and East lines of said Section 10.

**CASE 1154:**

Application of Continental Oil Company for an order establishing a 480-acre non-standard gas proration unit in the Eumont Gas Pool in exception to Rule 5 (a) of the Special Rules and Regulations for said pool as set forth in Order R-520. Applicant, in the above-styled cause, seeks an order establishing a 480-acre non-standard gas proration unit in the Eumont Gas Pool comprising the W/2 Section 14 and E/2 E/2 Section 15, Township 20 South, Range 37 East, Lea County, New Mexico. Said unit to be dedicated to applicant's Skaggs "B-14" Well No. 1 located 1980 feet from the South line and 660 feet from the West line of said Section 14.

**CASE 1155:**

Application of Continental Oil Company for an order establishing a 240-acre non-standard gas proration unit in the Jalmat Gas Pool in exception to Rule 5 (a) of the Special Rules and Regulations for said pool as set forth in Order R-520. Applicant, in the above-styled cause, seeks an order establishing a 240-acre non-standard gas proration unit in the Jalmat Gas Pool comprising the SE/4 and E/2 SW/4 of Section 31, Township 21 South, Range 36 East, Lea County, New Mexico. Said unit to be dedicated to applicant's Lockhart "B-31" Well No. 4 located 330 feet from the South line and 660 feet from the East line of said Section 31.

**CASE 1156:**

Application of Continental Oil Company for a 240-acre non-standard gas proration unit in the Eumont Gas Pool in exception to Rule 5 (a) of the Special Rules and Regulations for said pool, and for the forced pooling of all interests therein within the vertical limits of the Eumont Gas Pool in compliance with Section 65-3-14 (c) NMSA (1953). Applicant, in the above-styled cause, seeks an order establishing a



240-acre non-standard gas proration unit in the Eumont Gas Pool comprising the NE/4 and the E/2 NW/4 of Section 28, Township 20 South, Range 37 East, Lea County, New Mexico. Said unit to be dedicated to applicant's Meyer B-28 "A" Well No. 1 located 1980 feet from the North and East lines of said Section 28; and further for the forced pooling of all interests therein within the vertical limits of the Eumont Gas Pool.

CASE 1157:

Application of Continental Oil Company for a 360-acre non-standard gas proration unit in the Eumont Gas Pool in exception to Rule 5 (a) of the Special Rules and Regulations for said pool, and for the forced pooling of all interests therein within the vertical limits of the Eumont Gas Pool in compliance with Section 65-3-14 (c) NMSA (1953). Applicant, in the above-styled cause, seeks an order establishing a 360-acre non-standard gas proration unit in the Eumont Gas Pool comprising the SE/4 and E/2 SW/4 of Section 28, and N/2 NE/4 and NE/4 NW/4 of Section 33, Township 20 South, Range 37 East, Lea County, New Mexico. Said unit to be dedicated to applicant's Meyer B-28 "A" Well No. 2 located 660 feet from the South line and 1980 feet from the East line of said Section 28; and further for the forced pooling of all interests therein within the vertical limits of the Eumont Gas Pool.

CONTINUED CASE

CASE 1137:

Application of Humble Oil and Refining Company for permission to convert its State "A" Well No. 2 into a salt water disposal well in the San Andres formation of the Hobbs Pool in accordance with New Mexico Oil Conservation Commission Statewide Rule 701. Applicant, in the above-styled cause, seeks an order granting permission to convert its previously abandoned State "A" Well No. 2 into a salt water disposal well; said well is located 300 feet from the South and East lines of Section 25, Township 18 South, Range 37 East, Lea County, New Mexico. Applicant proposes to inject salt water below the oil-water contact of the San Andres formation in the Hobbs Pool.

CONTINENTAL OIL COMPANY

Hobbs, New Mexico  
June 26, 1936

TO: Mr. E. V. Hynton - Hobbs, New Mexico

SUBJECT: GAS WELL BACK PRESSURE TEST WELL Stamps 2-14 No. 1  
POOL Summit

LOCATION L 14-20-27

An 8 hour back pressure test was conducted on subject well on 6-20-36 to determine the theoretical open flow capacity of the Queen gas zone at zero bottom hole pressure and the deliverability characteristics at various rates of flow. Well is producing from Perforations at 3348-3438. A calculated open flow potential of 9,115 MCF of gas per day was obtained.

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

Calculated open flow potential: 9,115 MCF/GPD  
Deliverability at 600 lbs. psi: 6,488 MCF/GPD  
Deliverability at 150 lbs. psi: 9,888 MCF/GPD  
Shut in pressure: 1883.2 lbs. psia

*[Signature]*

Gas Tester

CC:

BEFORE THE  
COMMISSION  
SANTA FE NEW MEXICO  
CHAS EXHIBIT No. 3  
CASE 1154

Case 1154  
Exhibit No 3

ILLEGIBLE

CONTINENTAL OIL COMPANY  
HOBBS DISTRICT  
GAS WELL DATA

VOLUME  
(CALCULATED MCFD)

WORKING  
WELLHEAD PRESSURE (PSIA)

M.H.P.<sup>2</sup>

$P_c^2 - P_w^2$

Q<sub>1</sub> 890

P<sub>c</sub> - 1083.2

P<sub>c</sub><sup>2</sup> 1179 M

1179 M

Q<sub>2</sub> 1300

P<sub>w1</sub> - 1024.2

P<sub>w1</sub><sup>2</sup> 1049 M

1049 M

Q<sub>3</sub> 1000

P<sub>w2</sub> - 975.2

P<sub>w2</sub><sup>2</sup> 953 M

953 M

Q<sub>4</sub> 450

P<sub>w3</sub> - 913.2

P<sub>w3</sub><sup>2</sup> 834 M

834 M

P<sub>w4</sub> - 722.2

P<sub>w4</sub><sup>2</sup> 522 M

522 M

Volumes were corrected for specific gravity, flowing temperature, atmospheric pressure and supercompressibility when applicable.

Specific gravity .600

GPM Content NA

CO<sub>2</sub> Content NA

H<sub>2</sub>S Content NA

Water Production 0

Distillate Production 0

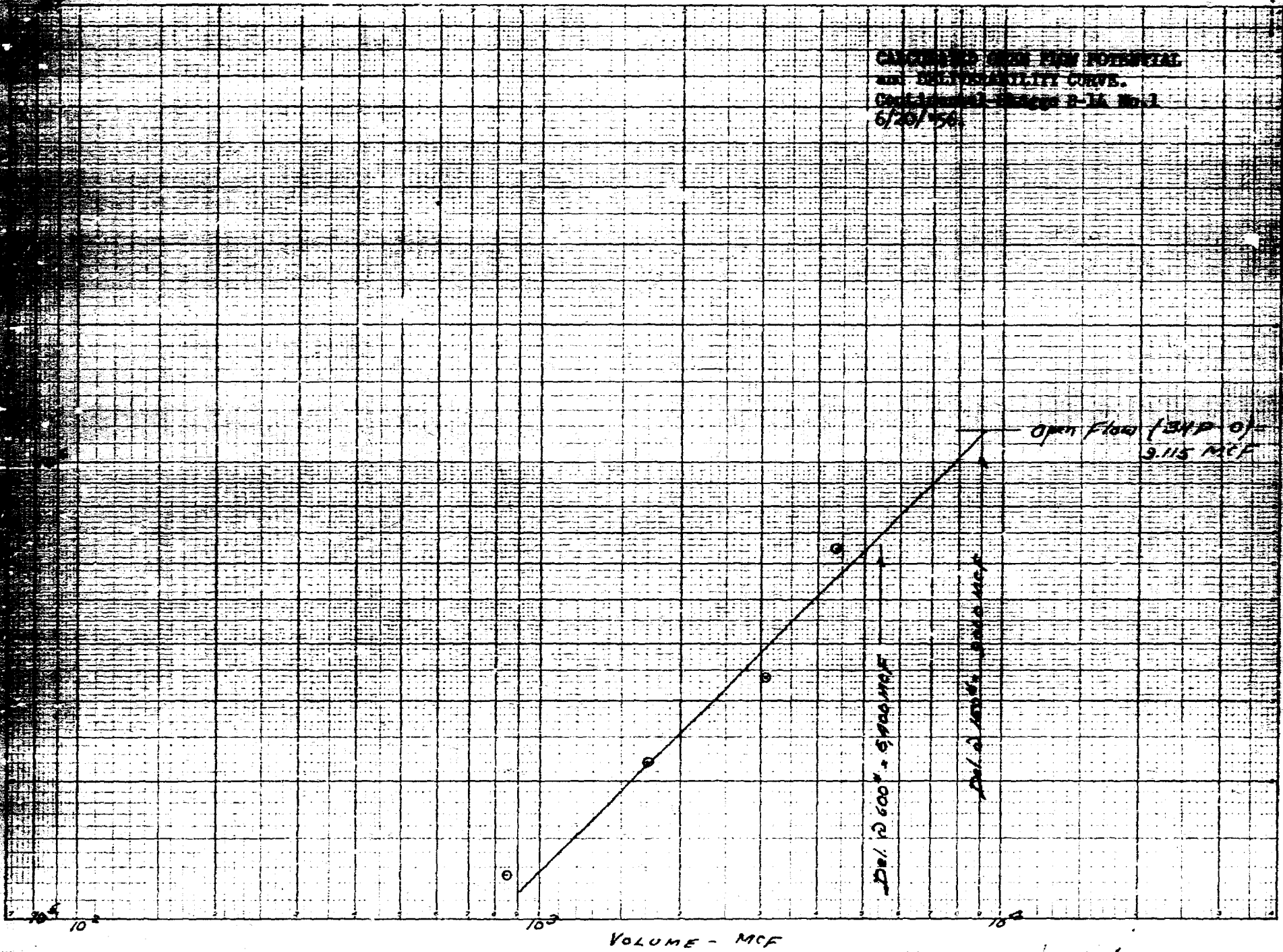
Distillate Gravity -

NO. 3123. LOGARITHMIC: 2 1/4 BY 2 3/4-INCH CYCLES.



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AND DELIVERABILITY CURVE.  
CODE 1-1000-1-1A No. 1  
6/20/50



MAIN OFFICE OCC

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE  
STATE OF NEW MEXICO

1958 AUG 11 PM 1:11

*#1154*  
*Examine*  
*Hg Ca*  
*Hoods*  
*Before DSN*  
*on 9/12/58*  
*sent copy*  
*of report to*  
*Honorable*  
*&*  
*Mr. [unclear]*  
*9/11/58*

IN THE MATTER OF THE APPLICATION  
OF CONTINENTAL OIL COMPANY FOR AN  
EXCEPTION TO RULE 5 (a) OF THE  
SPECIAL RULES AND REGULATIONS FOR  
THE EUMONT GAS POOL CONTAINED IN  
ORDER NO. R-520 IN ESTABLISHMENT OF  
A NON-STANDARD GAS PRORATION UNIT OF  
480 ACRES CONSISTING OF THE E/2 E/2  
SECTION 15 AND THE W/2 SECTION 14,  
T 20S, R 37 E, NMPM, LEA COUNTY, NEW  
MEXICO, TO BE ALLOCATED TO ITS SKAGGS  
B-14 WELL NO. 1.

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 E/2 E/2 Section 15 and W/2  
Section 14 both in T 20S, R 37E, NMPM, Eumont gas pool, Lea  
County, New Mexico, to be allocated to its Skaggs B-14 No. 1  
well located 1980 feet from the south line and 660 feet from  
the west line of said Section 14 and in support thereof would  
show:

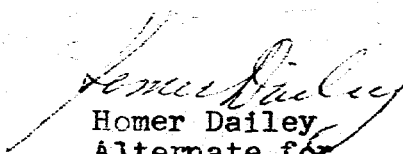
1. That applicant is operator of the SE Monument  
Unit containing, among other lands the E/2 E/2 Section 15 and  
the W/2 Section 14, T 20S, R 37E, NMPM, Lea County, New Mexico.
2. That applicant drilled the Skaggs B-14 No. 1 at  
a location 1930 feet from the south line and 660 feet from the  
west line of said Section 14 and completed it as a gas well  
on June 20, 1956.
3. That no part of the acreage comprising the E/2  
E/2 of Section 15 and W/2 of Section 14 is allocated to  
a gas well and that all of said acreage may reasonably be  
presumed to be productive of gas from the Eumont Pool and  
should be allocated to a gas well in the interests of the  
prevention of waste and the protection of correlative rights.

4. That the most practical and economical method of allocating said acreage for Eumont Pool gas production is to establish a 480-acre non-standard gas proration unit for assignment to the Skaggs B-14 well No. 1.

Wherefore, applicant prays that this application be set for hearing before the Commission's duly appointed examiner in Hobbs, New Mexico, that appropriate notice thereof be given, and that upon hearing an order be entered granting applicant an exception to rule 5 (a) of the special rules and regulations for the Eumont gas pool contained in order No. R-520 for the non-standard gas proration unit described above.

Respectfully submitted,

CONTINENTAL OIL COMPANY

  
Homer Dailey  
Alternate for  
Division Superintendent  
of Production  
New Mexico Division



