

IN THE MATTER OF THE APPLICATION  
OF CONTINENTAL OIL COMPANY FOR AN EXCEPTION  
TO RULE 7(A) OF ORDER NO. R-368-A FOR AN  
UNORTHODOX GAS PRORATION UNIT CONSISTING OF  
APPROXIMATELY 80 ACRES DESCRIBED AS THE W/2  
NE/4 SECTION 24, TOWNSHIP 25 SOUTH, RANGE  
36 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO,  
FOR ITS ASCARATE C-24 WELL NO. 1 IN THE  
JALCO POOL

APPLICATION

Comes now Continental Oil Company, hereinafter called "applicant", and respectfully requests an exception to Rule 7(A) of Order No. R-368-A and approval by the Commission of an unorthodox gas proration unit for applicant's Ascarate C-24 well No. 1 as described in the caption hereof, and in support thereof would show the following:

1. Applicant is joint owner and is the operator of a lease known as the Ascarate C-24 lease, covering the W/2 NE/4 of Section 24, Township 25 South, Range 36 East, N.M.P.M., Lea County, New Mexico.

2. Applicant drilled its Ascarate C-24 No. 1 well at a location described as 660 feet from north and 1,980 feet from east lines of Section 24 on said lease and completed said well on April 9, 1934, as an oil well producing from the Seven Rivers Formation. Said well subsequently was plugged back and on December 9, 1952, was recompleted as a gas well producing from a depth interval of 2810 to 2940 in the Yates Formation.

3. Said well is located within the limits of the Jalco Gas Pool as defined by the Oil Conservation Commission and is the only well producing from said pool on the 80-acre unit described above.

4. The other 80-acre tract in this quarter section is under lease to Continental by a royalty ownership diverse to the above described unit. For this reason, it would be impractical to pool the tracts in this quarter section to form a single gas proration unit.

5. The above described unit consists of less acreage than a standard proration unit, lies wholly within a regular quarter section, and contains a well which was capable of producing gas into a gas transportation facility prior to January 1, 1954.

Wherefore, applicant respectfully requests the Commission to place this matter on its docket for hearing at an early date in June, 1954, cause due notice to be given thereof and upon hearing, enter an order approving an unorthodox gas proration unit for applicant's Ascarate C-24 well No. 1 as described above.

CONTINENTAL OIL COMPANY

By James L. Bell