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 ENLARGEMENT TO 240 ACRES OF THE PRESENTLY APPROVED 160-ACRE NON-STANDARD GAS PRORATION UNIT ALLOCATED TO ITS SANDERSON A-11 WELL NO. 1; SAID ENLARGED UNIT TO CONSIST OF SE/4 AND S/2 SW/4 OF SECTION 11, T-20-S, R-36-E, NMPM, LEA COUNTY, NEW MEXICO

APPLICATION

Comes now applicant, Continental Oil Company, and petitions the Commission for an order enlarging the gas proration unit allocated to its Sanderson A-ll well No. 1 from the presently approved 160-acre unit, consisting of the SE/4 of Section 11, T-20-S, R-36-E, NMPM, Lea County, New Mexico, to a 240-acre unit consisting of SE/4 and S/2 SW/4 of said Section 11; and in support thereof would show:

- 1. That applicant is <u>co-owner</u> and is the operator <u>of a lease</u> designated the Sanderson A-11 lease consisting of the SE/4 and S/2 of the SW/4 Section 11, T-20-S, R-36-E, NMPM, Lea County, New Mexico.
- 2. That applicant drilled the Sanderson A-11 well No. 1 at a location 1980 feet from the South line and 660 feet from the East line of said Section 11 and completed it September 9, 1936 as an oil well.
- 3. That said well is an oil well producing oil from the Monument Pool and a Bradenhead gas well producing gas from the Eumont Pool.
- 4. That for gas proration purposes the well is presently allocated the SE/4 of said Section 11; that the S/2 SW/4 has never been allocated to any gas well for gas proration purposes; that the entire area sought to be allocated to said well may reasonably be presumed to be productive of gas; and that all of said area should be allocated to a gas well in the interests of the prevention of waste and the protection of correlative rights.

5. That the most practical and economical method of allocating said acreage for Eumont Pool gas production is to establish a 240-acre non-standard gas proration unit as described above for assignment to the Sanderson A-11 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.

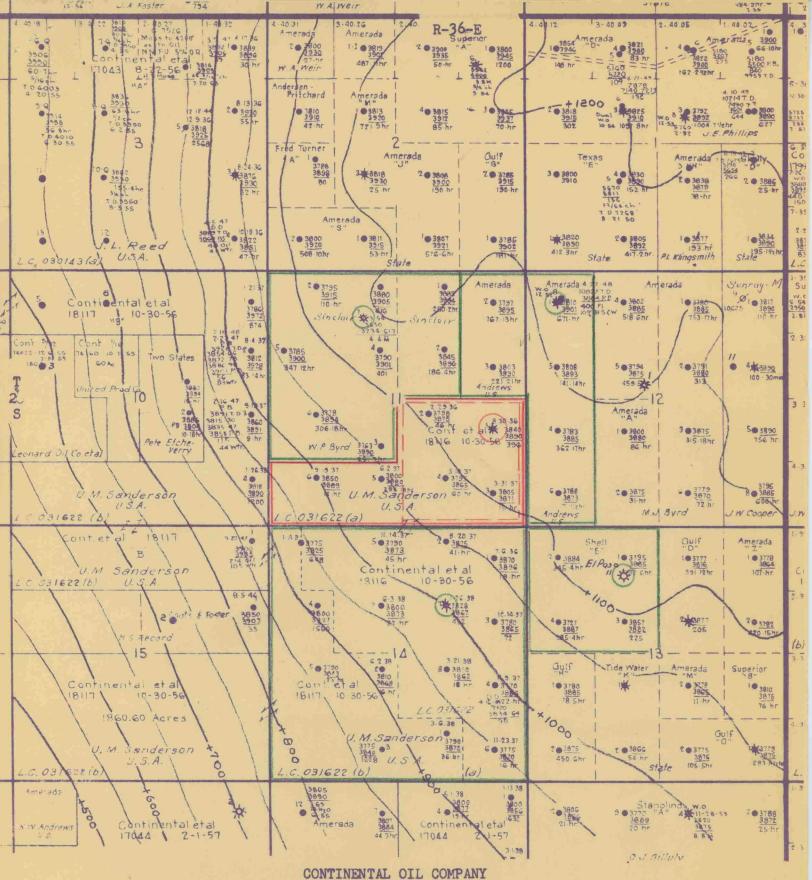
Respectfully submitted, CONTINENTAL OIL COMPANY

R. L. Adams

Division Superintendent

of Production

New Mexico Division



scale: 1" - 2000! 50' contours on top of Yates

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

Offset Gas Well Offset Gas Unit

Jan. 157

CASE EXHIBIT