

BEFORE THE OIL CONSERVATION COMMISSION
OF THE
STATE OF NEW MEXICO

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 JALMAT GAS POOL CONTAINED IN ORDER NO. R-520 IN THE ENLARGEMENT OF A PRESENTLY ESTABLISHED NON-STANDARD GAS PRORATION UNIT OF 160-ACRES CONSISTING OF THE SE/4 OF SECTION 8-T23S-R36E TO A NON-STANDARD UNIT OF 320-ACRES CONSISTING OF THE S/2 OF SECTION 8-T23S-R36E, NMPM, LEA COUNTY, NEW MEXICO, TO BE ALLOCATED TO ITS DANCIGER A-8 WELL NO. 2.

160 ac unit assigned (11/24) per to order R 520

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 the enlargement of the presently established 160-acre non-standard gas proration unit consisting of the SE/4 section 8-T23S-R36E, to a 320-acre non-standard gas proration unit consisting of the S/2 section 8-T23S-R36E, NMPM, Jalmat gas pool, Lea County, New Mexico, to be allocated to its Danciger A-8 No. 2 well, located 660 feet from the south and east lines of section 8, and in support thereof would show the following:

1. That the applicant is co-owner and is the operator of the Danciger A-8 lease containing 640 acres, consisting of the entire section 8, T23S-R36E, NMPM, Lea County, New Mexico.
2. The applicant in 1949 recompleted the Danciger A-8 well No. 2 as a gas well in the Jalmat gas pool for a potential of 3900 MCF gas per day.
3. That the SE/4 of said section 8 is now allocated to the Danciger A-8 well No. 2, that the SW/4 of said section is not allocated to any gas well, and that all of the S/2 of said section 8 may be reasonably presumed to be gas productive from the Jalmat 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 economic method of allocating such acreage for Jalmat Pool gas production is to establish a 320-acre non-standard gas proration unit for assignment to the Danciger A-8 well No. 2 as proposed herein.

Wherefore applicant requests 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 Jalmat gas pool contained in order R-520 for the non-standard gas proration unit described above.

Respectfully submitted,
CONTINENTAL OIL COMPANY



R. L. Adams
Division Superintendent
of Production
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