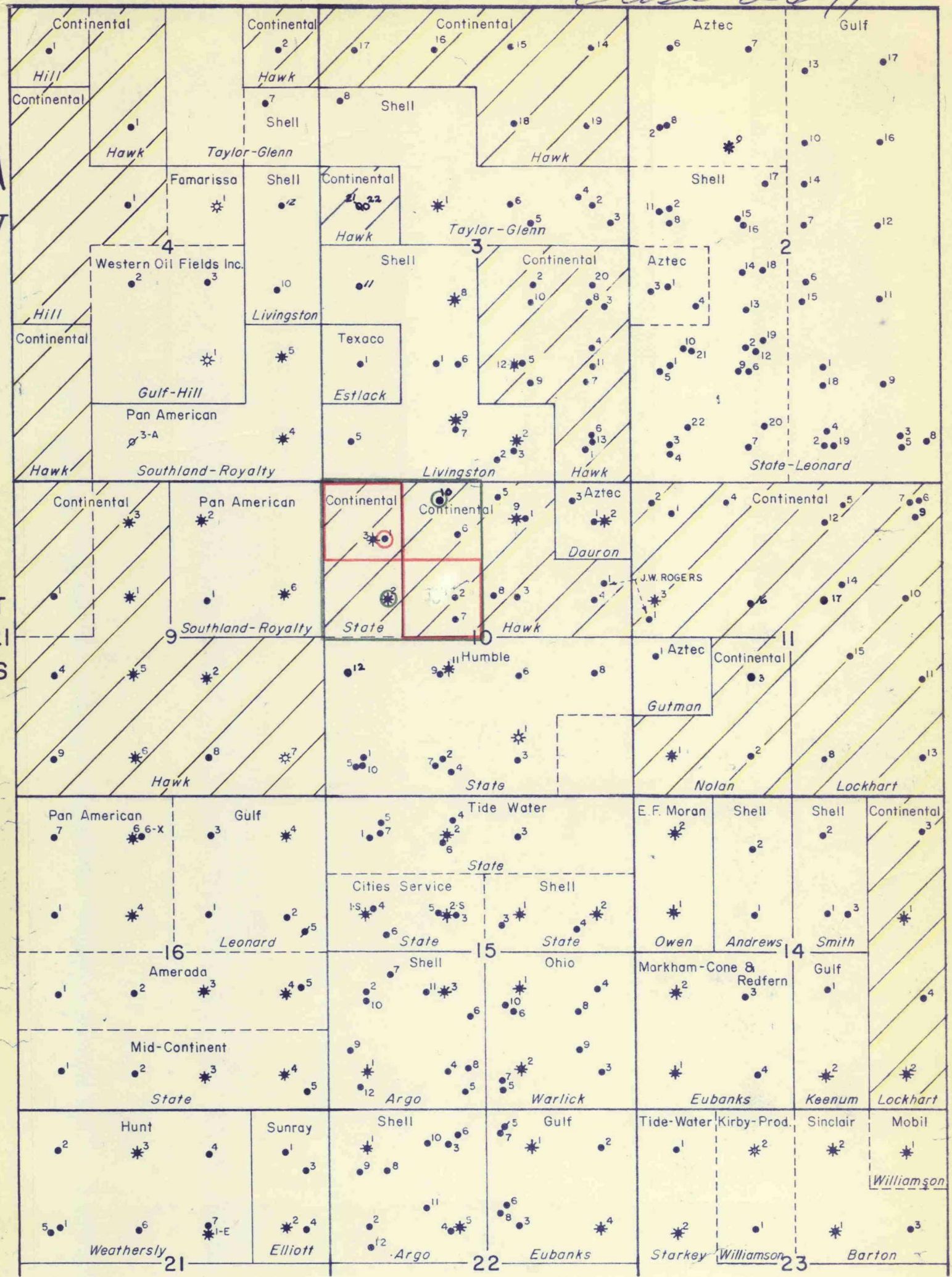


Case 2641

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Proposed Unit

R-37-E

State 10 Unit

State 10 Lease

Tank Battery

- Blinebry Oil Pool
- Drinkard Oil Pool
- Wantz Abo Oil Pool
- Tubb Oil Pool
- Blinebry Gas Pool

EXHIBIT NO. 1

CONTINENTAL OIL COMPANY PRODUCTION DEPARTMENT EUNICE, NEW MEXICO	
LOCATION MAP State 10 - Hawk B-10 Leases	
Date: 10-2-61	Scale 1" = 2,000'
Drawn By: R.P.G.	

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE No. 2641
Order No. R-2331

APPLICATION OF CONTINENTAL OIL COMPANY
FOR A NON-STANDARD GAS PRORATION UNIT,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on September 11, 1962, at Santa Fe, New Mexico, before Elvis A. Utz, 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 18th day of October, 1962, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Continental Oil Company, seeks approval of a non-standard 80-acre gas proration unit comprising the NW/4 NW/4 and the SE/4 NW/4 of Section 10, Township 21 South, Range 37 East, NMPM, Blinbry Gas Pool, Lea County, New Mexico.
- (3) That the applicant proposes to dedicate the above-described non-standard 80-acre gas proration unit to its State 10 Well No. 1, located in the NW/4 NW/4 of said Section 10.
- (4) That the NE/4 NW/4 and the SW/4 NW/4 of said Section 10 are presently dedicated to the production of oil.
- (5) That the southwest corner of the NE/4 NW/4 of Section 10 is contiguous with the northeast corner of the SW/4 NW/4 of Section 10, but that the two quarter-quarter sections comprising the proposed 80-acre non-standard gas proration unit are not otherwise contiguous.

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CASE No. 2641
Order No. R-2331

(6) That the evidence establishes that applicant's State 10 Well No. 1, located in the NW/4 NW/4 of Section 10, cannot drain the SE/4 NW/4 of Section 10 without also draining portions of the NE/4 NW/4 and the SW/4 NW/4 of Section 10 which would in effect be simultaneous dedication of acreage to oil and gas wells in violation of the Special Rules and Regulations governing the Blinebry Oil Pool and the Blinebry Gas Pool, and would thereby impair correlative rights.

(7) That the application should be denied.

IT IS THEREFORE ORDERED:

(1) That the subject application is hereby denied.

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

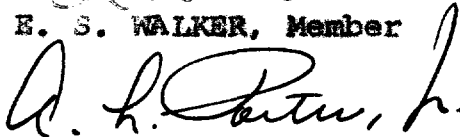
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



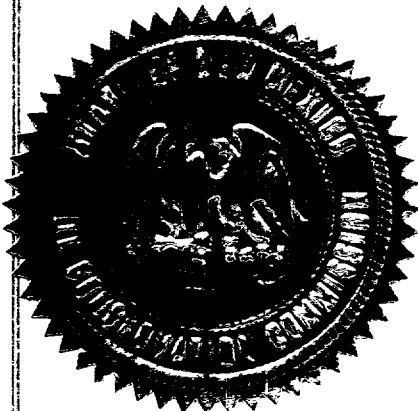
EDWIN L. MECHEM, Chairman



E. S. WALKER, Member



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



esr/