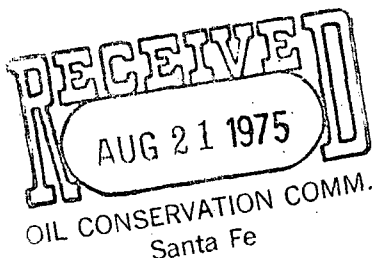


CONOCO

L. P. Thompson
Division Manager
Production Department
Hobbs Division



Western Hemisphere Petroleum Division
Continental Oil Company
P. O. 460
1001 North Turner
Hobbs, New Mexico 88240
(505) 393-4141

NSP - 1003
104 D II
Due Sept 20

660' 1256' 1650' 1257

August 18, 1975

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

State KT-24 Well No. 2

40 Acre NSP - SW/4 SE/4

Attention: Mr. Joe Ramey - Secretary-Director 24-21S-35E

Gentlemen:

State lease

Continental Oil Company's application for a 40-acre NSP unit for the State KT-24 No. 1 well located in the NW/4 of SE/4 of Section 24, T-21S, R-35E, and a 40-acre non-standard proration unit for the State KT-24 No. 2 well located in the SW/4 of SE/4 of Section 24 T-21S, R-35E.

Eumont Gas Pool

Continental Oil Company respectfully requests administrative approval under the provisions of Rule 5(C) of the Special Rules and Regulations for the Eumont Gas Pool (Order No. R-1670) for approval of a 40 acre non-standard gas proration unit for its ~~State KT-24 No. 1 well~~ and a 40 acre non-standard gas proration unit for its State KT-24 No. 2 well. ~~The proposed unit for the State KT-24 No. 1 well to consist of the NW/4 of SE/4 of Section 24, T-21S, R-35E.~~ The proposed unit for the State KT-24 No. 2 well to consist of SW/4 of SE/4 of Section 24, T-21S, R-35E.

State KT-24 No. 1 well currently has an 80 acre non-standard gas proration unit assigned as approved by NSP order No. 818. We wish to have this order dated November 25, 1969 cancelled as it refers to No. 1 well.

The State KT-24 No. 2 well was recently restored to production. This well was a shut-in oil well. Current production is 1 Barrel of oil per day and 110 MCF of gas per day.

In support of this request, we would like to point out that the proposed unit conforms with the requirements of Rule 5 (b) in all respects as follows:

- 1) Said Unit consists of contiguous quarter/quarter sections and/or lots
- 2) Said Unit lies wholly within a single governmental section
- 3) The entire proposed unit may be reasonably presumed to be productive of gas
- 4) The length or width of said unit does not exceed 5280'
- 5) Copies of this application have been furnished by certified mail to all offset operators and all operators within Section 24

NMOCC - Santa Fe
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A plat is attached hereto, showing to the best of our knowledge and belief, the proposed units, the location of the wells, and the offset ownership.

In view of the facts set out herein, it is respectfully requested that the Commission enter an order approving the Non-Standard Gas Proration Units for Continental Oil Company's State KT-24 No. 1 well, and State KT-24 No. 2 well.



L. P. Thompson

SAJ/mew
CC:
New Mexico Oil Conservation Commission
P. O. Box 1980
Hobbs, NM 88240

Shell Oil Company
P. O. Box 1509
Midland, Texas

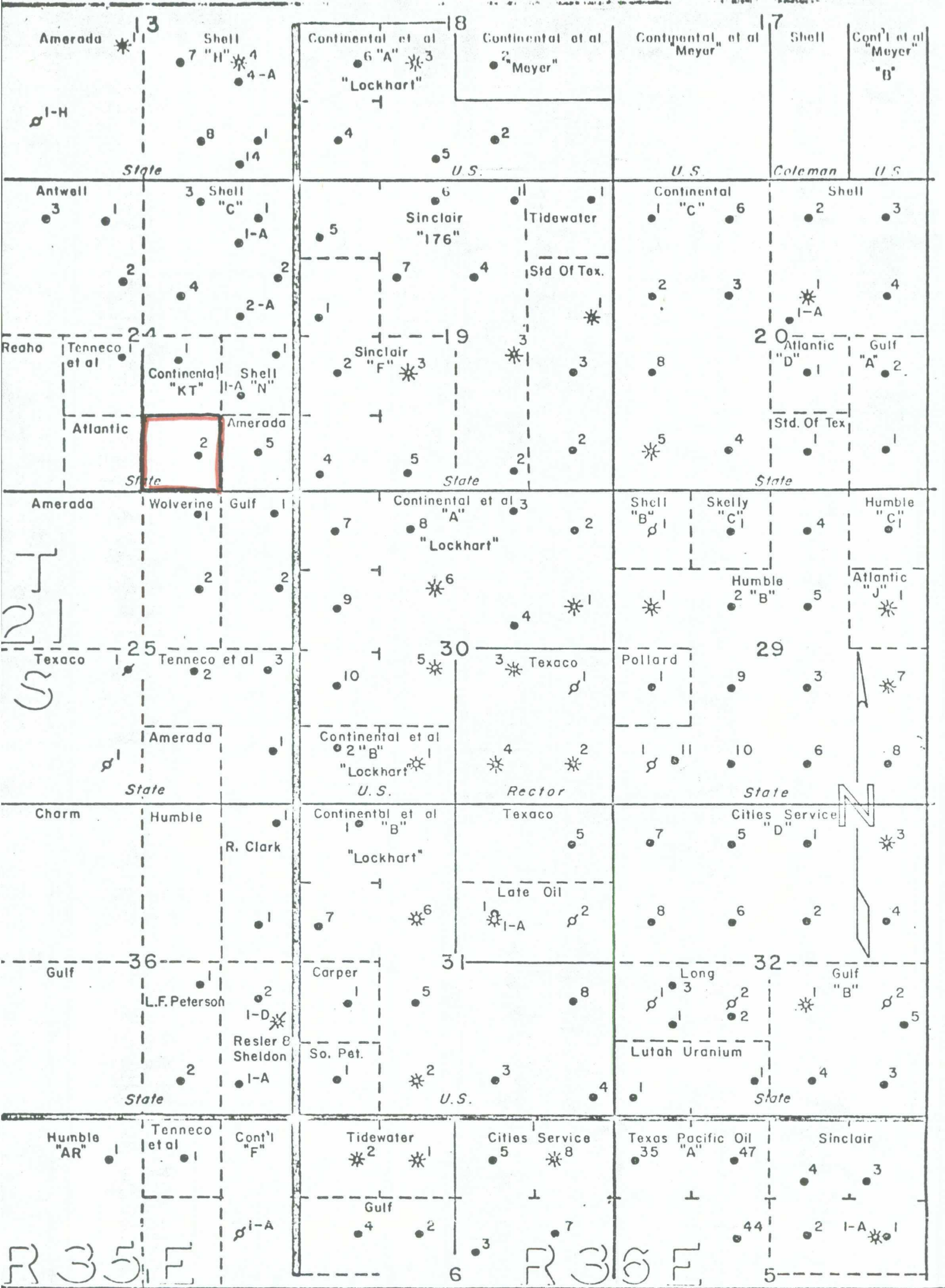
Amerada Hess Corporation
Drawer 817
Seminole, Texas 79360

Tenneco Oil Company
1200 Lincoln Tower Bldg.
Denver, Colorado 80203

Morris Antweil
P. O. Box 2010
Hobbs, New Mexico 88240

Reaho
Mercantile Bank Bldg.
Dallas, Texas

Wolverine Oil Company
443 South 91st East Avenue
Tulsa, Oklahoma 74112



Proposed NSP FOR STATE KT-24 No 2 well