

*cc to
Hobbs and
Eng. Committee*

CONTINENTAL OIL COMPANY

Roswell, New Mexico
February 7, 1958

New Mexico Oil Conservation Commission
Box 871
Santa Fe, New Mexico

Attention: Mr. A. L. Porter, Jr., Secretary-Director

*ASP-477
Due March 12 1958
Re. SC-554*

Re: Application of Continental Oil Company for administrative approval of dual completion in the Monument Oil Pool and the Eumont Gas Pool of its Sanderson B-10 Well No. 2 located in Section 10, T-20-S, R-36-E, NMPM, Lea County, New Mexico; and for approval of a 160-acre non-standard gas proration unit consisting of the E/2 of the E/2 Section 10, T-20-S, R-36-E.

Gentlemen:

Continental Oil Company respectfully requests administrative approval under the provisions of statewide Rule 112-A of the Rules and Regulations of the New Mexico Oil Conservation Commission for the dual completion of its Sanderson B-10 Well No. 2, located 1650 feet from the North line and 330 feet from the East line of Section 10, T-20-S, R-36-E, NMPM, Lea County, New Mexico for the production of oil from the Monument Oil Pool and gas from the Eumont Gas Pool, and in support thereof states:

1. Applicant is operator of the Sanderson B-10 lease consisting of N/2 of NW/4, S/2 of SW/4, NW/4 of NE/4, SW/4 of SE/4 and E/2 of E/2 of said Section 10.
2. Applicant drilled and completed on August 4, 1937, its Sanderson B-10 Well No. 2 as an oil well in the Grayburg formation. Said well is in the defined limits of the Monument Oil Pool.
3. Applicant perforated selected intervals from 3125 to 3646 feet in the Seven Rivers and Queen formations to produce the gas through the casing-tubing annulus while producing Grayburg oil through two-inch tubing. Separation of fluids from the two pools will be effected by means of a packer set at 3700 feet. A diagrammatic sketch of the dual completion and a copy of the well radioactivity log are attached hereto, showing the formations involved, the interval of production in the Grayburg pay and the intervals perforated in the Seven Rivers and Queen formations, location of packer and other information pertinent to the dual completion.
4. The Seven Rivers and Queen gas zones in said well are in the defined limits of the Eumont Gas Pool.
5. The well will be equipped in such a manner that there will be no commingling of fluids from the two common sources of supply and each productive zone will be tested separately in the well, as required by the Commission.

6. Approval of the proposed dual completion is in the interest of conservation and will serve to prevent waste and protect correlative rights.
7. That by copy of this letter of application, all offset operators are notified of this application.

We further respectfully request approval under the provisions of Rule No. 5 (b) of the Special Rules and Regulations for the Eumont Gas Pool of Order No. R-520 of a 160-acre non-standard gas proration unit consisting of the E/2 of the E/2 of said Section 10 to be allocated to the said well No. 2. In support of this request we should like to point out that the proposed unit conforms with the requirements of said Rule 5 (b) in all respects as follows:

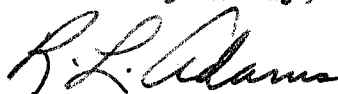
1. Said proposed non-standard gas proration unit consists of contiguous quarter-quarter sections.
2. Said proposed non-standard gas proration unit lies wholly within a single governmental section.
3. The entire proposed non-standard gas proration unit may be reasonably presumed to be productive of gas.
4. The length or width of said proposed non-standard gas proration unit does not exceed 5,280 feet.
5. Copies of this application have been furnished this date by registered mail to all offset operators and all operators within 1,500 feet of said well, as required by the provisions of said Rule 5(b).

A plat is attached hereto showing to the best of our knowledge and belief the proposed unit, the location of the No. 2 well and other wells on the lease, offset wells and ownership thereof.

The granting of this application is in the interest of preventing waste and the protection of correlative rights.

In view of the facts set out herein it is respectfully requested that the Commission enter an order approving the proposed dual completion and non-standard gas proration unit both as described above.

Yours very truly,



R. L. ADAMS
Division Superintendent
of Production
New Mexico Division

STATE OF NEW MEXICO }
COUNTY OF CHAVES } ss.

R. L. Adams, being first duly sworn on behalf of the applicant in the above application, says: That he is the Division Superintendent, of applicant, and as such is authorized to make said application; that he has read the foregoing application, knows the contents thereof, and that the same are true, as he is reliably informed and believes.

R. L. Adams
(Signature)

Subscribed and sworn to before me this 7th day of February,
1958.

Louis B. Houston
Notary Public

My Commission expires:

May 25, 1960

Copies to:

New Mexico Oil Conservation Commission-6
HLJ-2 FTE File

Registered Mail:

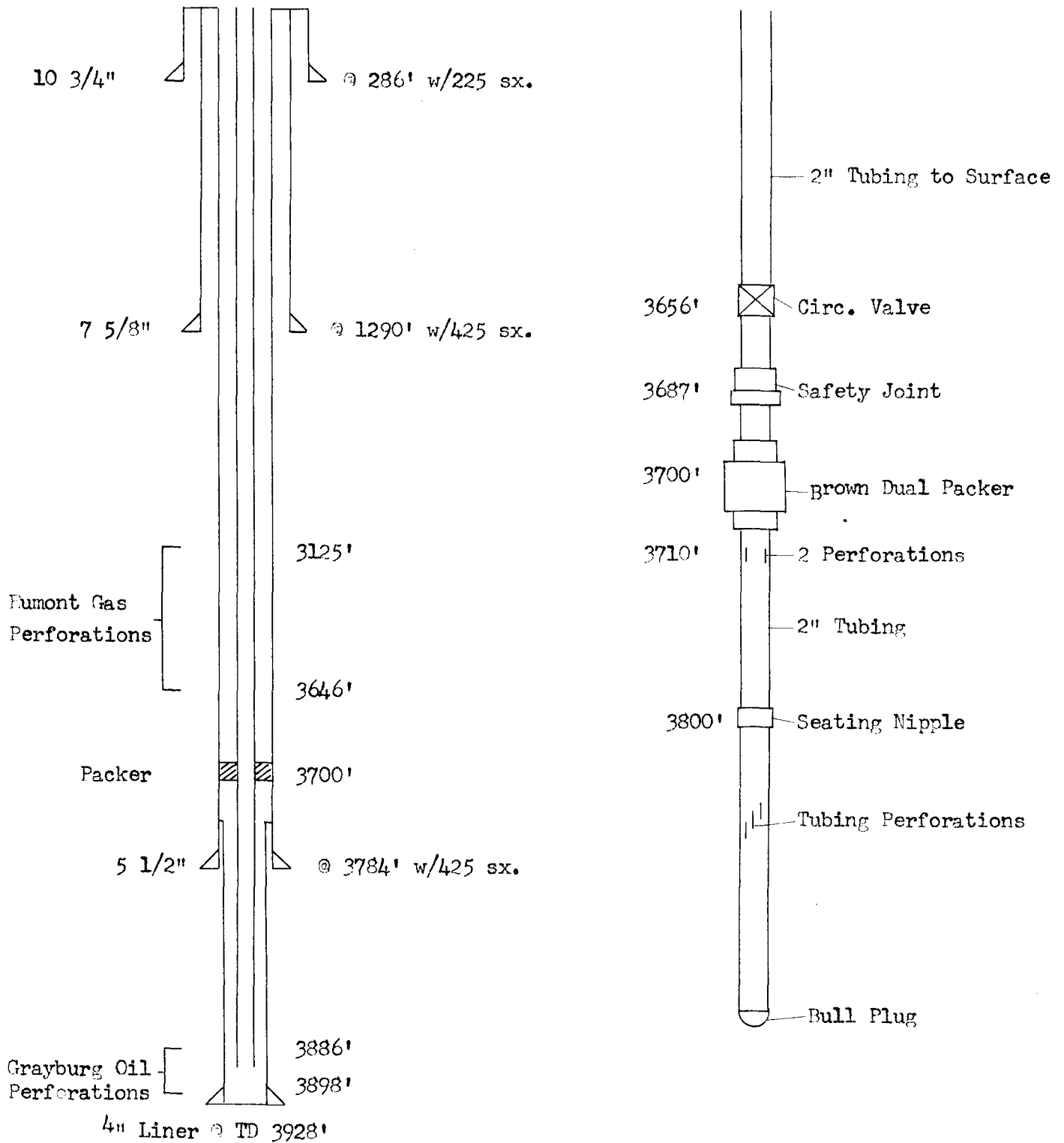
Amerada Petroleum Corporation
Box 2040
Tulsa, Oklahoma

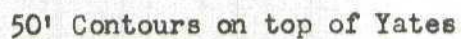
Two States Oil Company
528 Wilson Building
Dallas, Texas

Sinclair Oil and Gas Company
Box 1470
Hobbs, New Mexico

CONTINENTAL OIL COMPANY
Sanderson B-10 No.2

METHOD OF DUAL COMPLETION





CONTINENTAL OIL COMPANY

Sanderson B-10 No.2

Elev. 3598'

