MAIN OFFICE OCC CONTINENTAL OIL COMPANY

Roswell, New Mex December 5, 1956

New Mexico 1575, 1956

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New Mexico Oil Conservation Commission P. O. Box 871 Santa Fe, New Mexico

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

Maria 12/16/12

Continental Oil Company
Application for authority
to effect an Arrowhead OilEumont Gas dual completion
on its Lockhart B-1 well
No. 4 located in Section 1,
T.22S, R.36E, Lea County,
New Mexico; and for approval
of a 160-acre non-standard
gas proration unit consisting
of the S/2 N/2 of Section 1,
T.22S, R.36E.

Gentlemen:

Continental Oil Company respectfully requests administrative approval under the provisions of statewide rule 112-A to dually complete in the Arrowhead oil pool and Eumont gas pool its Lockhart B-1 well No. 4 located 1980 feet from the North line and 2310 feet from the East line of Section 1, T.22S, R.36E, NMPM, Lea County, New Mexico. A plat attached hereto shows the manner in which the dual completion is proposed to be accomplished. The Eumont gas will be produced through 34 the casing tubing annulus while the Arrowhead oil is being produced through the tubing. The fluids from the two reservoirs will be completely separated by appropriate packers, and the well will be so equipped that the reservoir pressure of each of the two pools may be determined separately. Well head equipment will include all necessary connections to permit accurate measurement of fluids produced by each pool as may be required by the Commission.

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 S/2 N/2 of the said Section 1 to be allocated to the said well No. 4. 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:

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New Mexico Oil Conservation Commission Page 2

- 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 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. 4 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 proration unit both as described above.

Yours very truly,

R. L. ADAMS

Division Superintendent

of Production

New Mexico Division

Copies to:

NMOCC-6 HLJ-2 **Dist.** 

Registered Mail

GULF OIL CORPORATION P.O. Box 2167 Hobbs, New Mexico

ROWAN OIL COMPANY P. O. Box 98 Eunice, New Mexico

OHIO OIL COMPANY P. O. Box 2107 Hobbs, New Mexico New Mexico Oil Conservation Commission

STATE OF NEW MEXICO )

COUNTY OF CHAVES )

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.

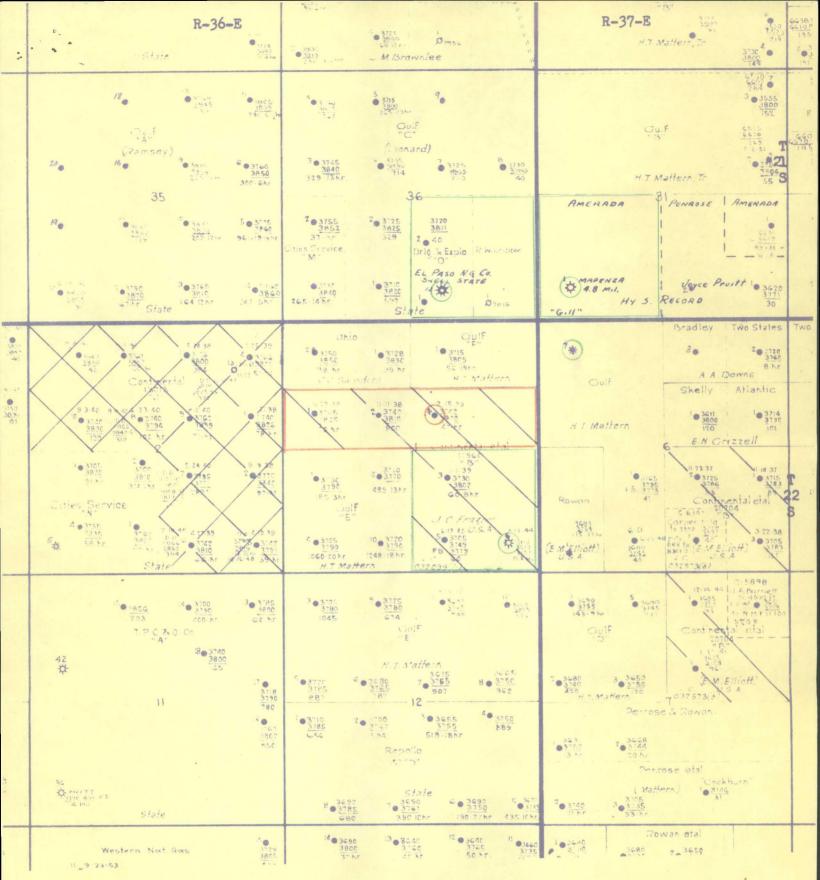
(Signature)

Subscribed and sworn to before me this 577 day of

December, 1956.

Louis B. Houston
Notary Public

My Commission Expires:
May 25, 1960



Scale: 1" - 2,000'

## LEGEND

Proposed Gas Well Offset Gas Well

Proposed Gas Unit - Offset Gas Unit -

## CONTINENTAL OIL COMPANY

## LOCKHART B-1 NO. 4

