

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 provision 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. 3 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

STATE OF NEW MEXICO)
) ss.
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.

R. L. Adams
(Signature)

Subscribed and sworn to before me this 1st day of
November, 1956.

Louis B. Houston
Notary Public

My Commission Expires:
May 25, 1960

Copies to:

The Texas Company
Box 1270
Midland, Texas

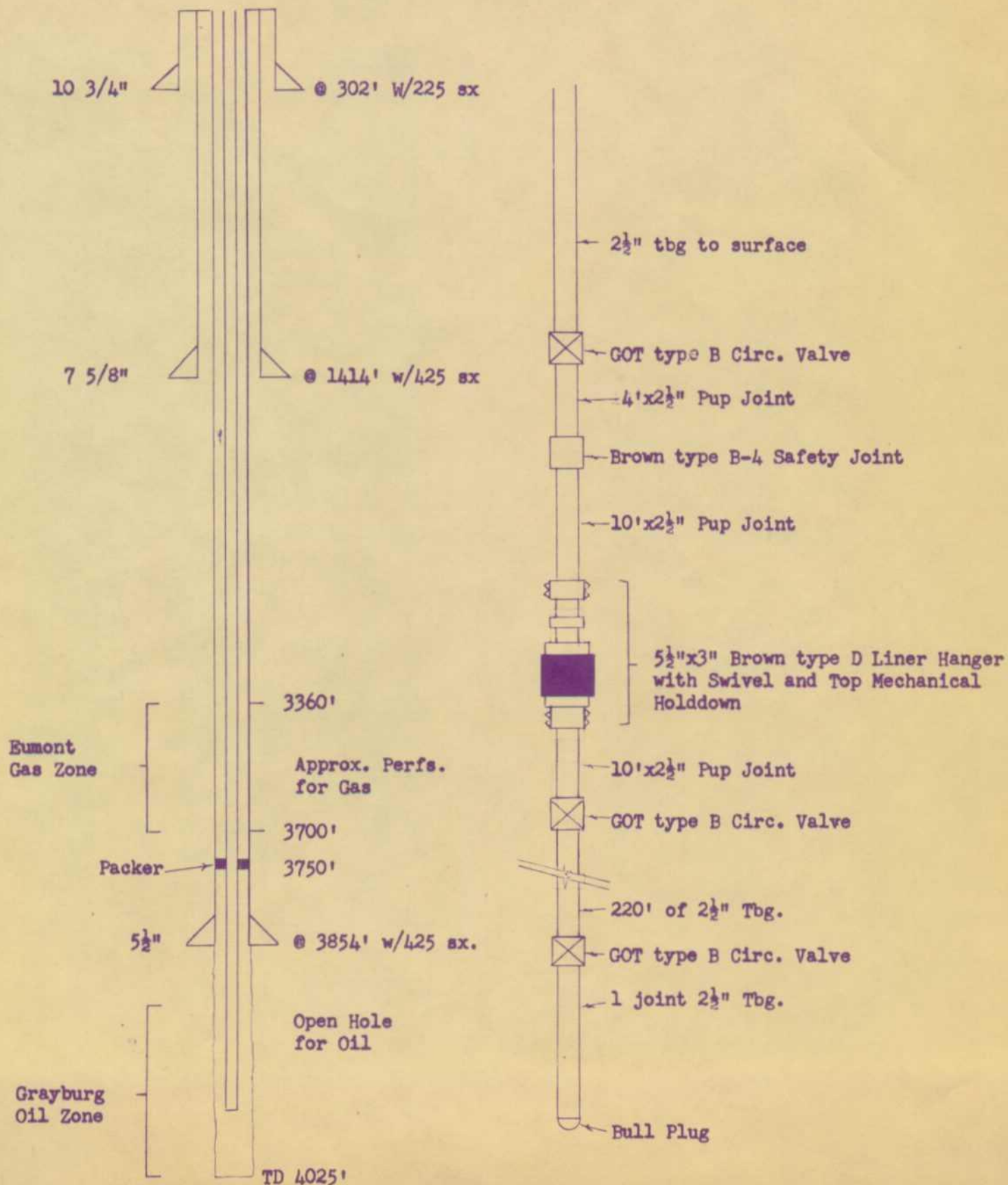
Tidewater Associated Oil Company
Box 1404
Houston, Texas

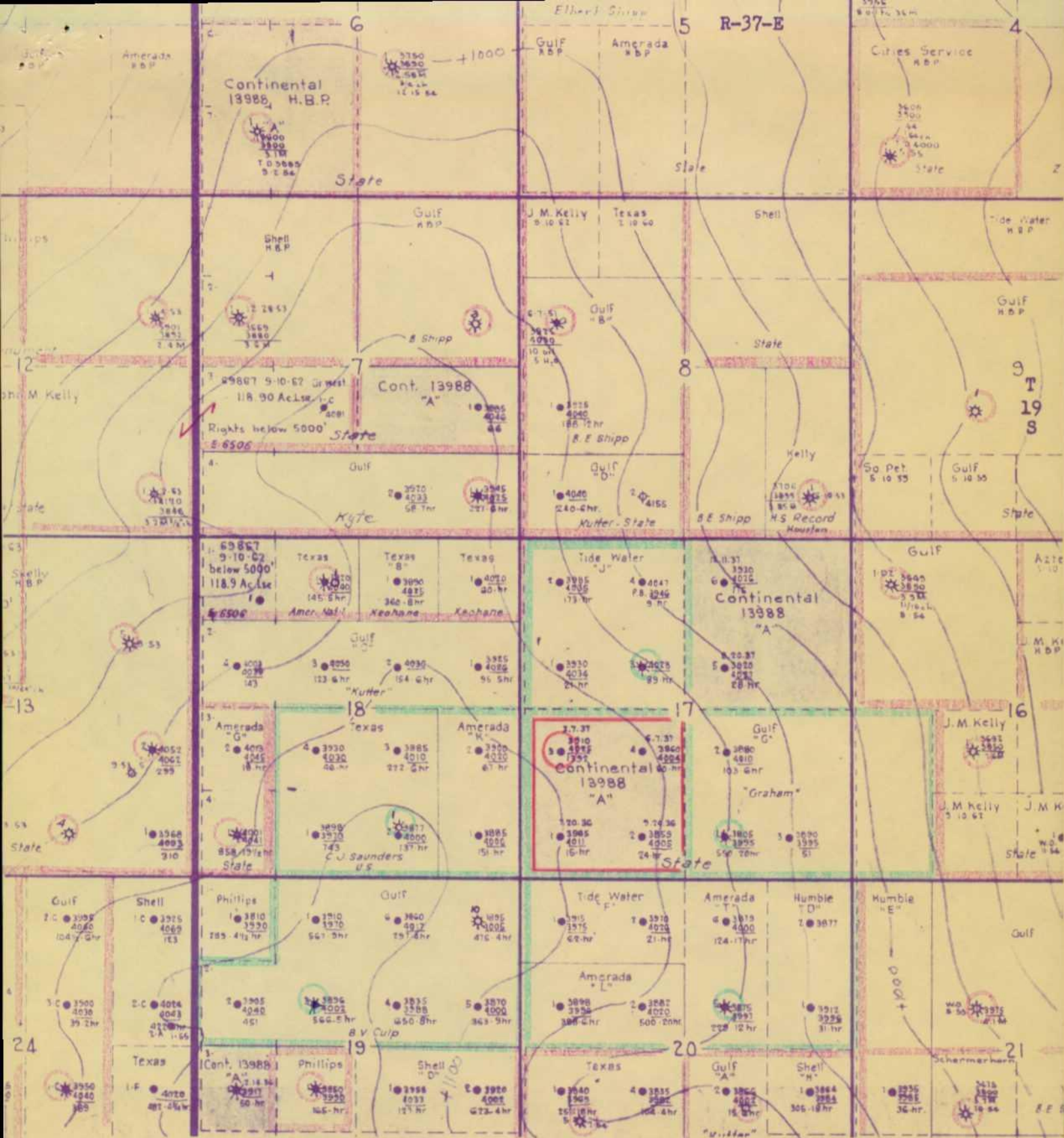
Gulf Oil Corporation
Box 2167
Hobbs, New Mexico

Amerada Petroleum Corporation
Box 2040
Tulsa, Oklahoma

CONTINENTAL OIL COMPANY
PROPOSED METHOD OF DUAL COMPLETION

STATE A-17 NO. 3





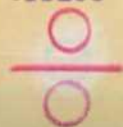
STRUCTURE MAP — EUMONT AREA
Contoured on top of Yates

Contour Int: 25'

Scale: 1"=2,000'

Hobbs Dist. Office

1956.



Proposed Gas Well
Proposed Gas Unit
Other Gas Wells



Offset Gas Well
Offset Gas Unit
Other Gas Units

cc - OCC - Hable
11/6/52

NSA-331
Dec 12/52

See DC-371
Dec 11/52

CONTINENTAL OIL COMPANY

Roswell, New Mexico
November 2, 1956

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

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

Re: Continental Oil Company
Application for authority to
effect a Monument oil -
Eumont gas dual completion
on its State A-17 well No. 3
located in Section 17, T19S,
R37E, Lea County, New Mexico;
and for approval of a 160-acre
non-standard gas proration
unit consisting of the SW/4
Section 17, T19S, R37E.

Gentlemen:

Continental Oil Company respectfully requests administrative approval under the provisions of statewide rule 112-A to dually complete in the Monument oil pool and Eumont gas pool its State A-17 well No. 3 located 1980 feet from the South line and 660 feet from the West line of Section 17, T19S, R37E, 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 the casing tubing annulus while Monument 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 SW/4 of the said Section 17 to be allocated to the said well No. 3. 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: