

CONTINENTAL OIL COMPANY

MAIN OFFICE OCC

Roswell, New Mexico
September 5, 1958

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

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

Re: Continental Oil Company
Application for authority
to effect a Drinkard oil -
Eumont gas dual completion
on its Lockhart A-17 Well
No. 2, located in Section
17, T-21S, R-37E, Lea County,
New Mexico; and for approval
of a 120-acre non-standard
gas proration unit consist-
ing of the E/2NE/4 and NE/4
SE/4 Section 17, T-21S,
R-37E.

Gentlemen:

Continental Oil Company respectfully requests adminis-
trative approval under the provisions of statewide Rule 112-A of
the Rules and Regulations of the New Mexico Oil Conservation Com-
mission to dually complete in the Drinkard Oil Pool and Eumont Gas
Pool its Lockhart A-17 well No. 2 located 1980 feet from the south
line and 660 feet from the east line of Section 17, T-21S, R-37E,
NMPPM, Lea County, New Mexico, and in support thereof states:

1. Applicant is co-owner and operator of the Lockhart A-17 lease consisting of the E/2NE/4 and NE/4SE/4 of said Section 17.
2. Applicant drilled and completed on June 1, 1947, its Lockhart A-17 well No. 2 as an oil well in the Drinkard formation. Said well is in the defined limits of the Drinkard Oil Pool.
3. Applicant perforated selected intervals from 6565 to 6629 feet in the Drinkard formation to produce Drinkard oil. The Eumont gas zone will be perforated in the interval from 3525 to 3565 feet. The Eumont gas will be produced through the tubing-casing annulus while producing the Drinkard oil through two-inch EUE tubing. Separation of fluids will be effected by means of a permanent type production packer to be set at approximately 6500 feet. A diagrammatic sketch of the dual completion and a copy of the well radioactivity log are attached hereto, showing the tops and bottoms of formations and perforations to be involved, the interval of production in the Drinkard oil pay and the intervals to be perforated in the Eumont gas.

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 120-acre non-standard gas proration unit consisting of the E/2NE/4 and NE/4SE/4 of the said Section 17 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.

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 proration unit both as

STATE OF NEW MEXICO)
) ss
COUNTY OF CHAVES)

R. L. Adams, upon being duly sworn, deposes and says that he is the Division Superintendent of Production for Continental Oil Company, and as such is authorized to file the foregoing application, that he has read said application and knows the contents thereof, and that the statements made therein are true, as he is credibly informed and believes.

R. L. Adams
(Signature)

Subscribed and sworn to before me this 5th day of September, 1958.

Louis B. Houston

My Commission expires:

May 25, 1960

Copies to:

NMOCC, Hobbs, New Mexico - 4
NMOCC, Santa Fe, New Mexico - 4
HLJ - 2
JRP - 1
File - 1

Registered Mail:

Pan American Petroleum Corporation
P. O. Box 68, Hobbs, New Mexico

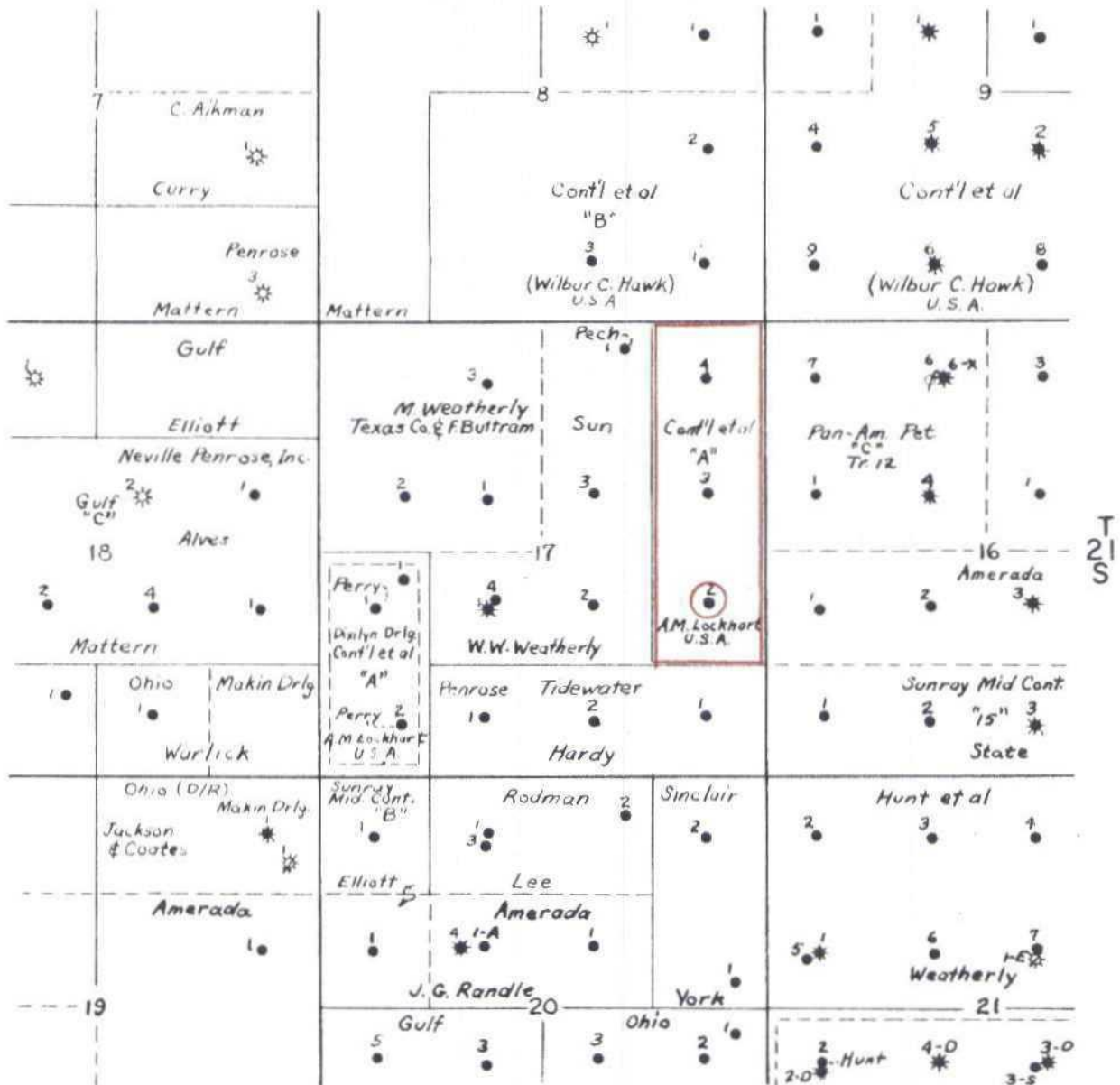
Amerada Petroleum Corporation
Drawer D, Monument, New Mexico

Sunray Mid-Continent Oil Company
9th Floor, V & J Tower, Midland, Texas

Tidewater Oil Company
Box 547, Hobbs, New Mexico

Sun Oil Company
Box 2792, Odessa, Texas

R 37E



LOCATION AND OWNERSHIP PLAT

CONTINENTAL OIL COMPANY

LOCKHART A-17 LEASE AREA

Lockhart A-17 Lease ———

Scale 1" = 2000'

Lockhart A-17 No. 2 ○

Proposed Gas Proration Unit ———

CONTINENTAL OIL COMPANY

Proposed Method of Dual Completion

Lockhart A-17 No. 2

