Case 738

IN THE MATTER OF THE APPLICATION OF CONTINENTAL OIL COMPANY FOR AN EXCEPTION TO RULE 7(A) OF ORDER NO. R-369-A FOR AN UNORTHODOX GAS PRORATION UNIT CONSISTING OF APPROXIMATELY 120 ACRES DESCRIBED AS THE W/2 SE/4 AND THE SE/4 SE/4 SECTION 35, TOWNSHIP 23 SOUTH, RANGE 36 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO, FOR ITS STEVENS A-35 WELL NO. 1 IN THE LANGMAT POOL

APPLICATION

Comes now Continental Oil Company, hereinafter called "applicant", and respectfully requests an exception to Rule 7(a) of Order No. R-369-A and approval by the Commission of an unorthodox gas proration unit for applicant's Stevens A-35 well No. 1 as described in the caption hereof, and in support thereof would show the following:

1. Applicant is joint owner and is the operator of a lease known as the Stevens "A" Lease, covering the W/2 SE/4 and the SE/4 SE/4 of Section 35, Township 23 South, Range 36 East, N.M.P.M., Lea County, New Mexico, in addition to other lands outside said Section 35.

2. Applicant drilled its Stevens A-35 well No. 1 at a location described as 1980 feet from the south and east lines of Section 35 on said lease and completed said well on June 12, 1948, as a gas well producing from 2898 to 3450 feet in the Yates and Seven Rivers Formations.

3. Said well is located within the limits of the Langmat Gas Pool as defined by the Oil Conservation Commission and is the only well producing from said pool on the 120-acre unit described above.

4. Pooling of these lands with lands outside the above described unit to form gas proration units consisting of governmental quarter sections has not been accomplished to date. Operators owning interests within this quarter section have been contacted for the purpose of investigating the feasibility of effecting a communitization. The purpose of this application is to secure an allowable to the above mentioned well, pending the formation of a larger proration unit provided such communitization is determined to be practicable.

5. The above described unit consists of less acreage than a standard proration unit, lies wholly within a regular quarter section and contains a well which was capable of producing gas into a gas transportation facility prior to January 1, 1954.

Wherefore, applicant respectfully requests the Commission to place this matter on its docket for hearing at an early date in June, 1954, cause due notice to be given thereof and upon hearing enter an order approving an unorthodox gas proration unit for applicant's Stevens A-35 well No. 1 as described above.

CONTINENTAL OIL COMPANY

By [signature]