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Case #1316

CONTINENTAL OIL COMPANY

PETROLEUM BUILDING
ROSWELL, NEW MEXICO

R. L. ADAMS
DIVISION SUPERINTENDENT
OF PRODUCTION
NEW MEXICO DIVISION

January 28, 1957

New Mexico Oil Conservation Commission
Box 371
Santa Fe, New Mexico

Attention: Mr. A. L. Porter, Jr.

Re: Application for enlargement
of MSP unit for Continental
Oil Company's Jack B-17
well No. 3, Jalmat Pool

Gentlemen:

We forward herewith application in triplicate for
hearing on the above application. It is respectfully requested
that hearing be set at the earliest convenient date.

Yours very truly,

A handwritten signature in cursive script that reads "R. L. Adams".

RLA-BC

BEFORE THE OIL CONSERVATION COMMISSION
OF THE
STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF CONTINENTAL OIL COMPANY FOR AN
EXCEPTION TO RULE 5 (A) OF THE
SPECIAL RULES AND REGULATIONS FOR THE
JALMAT GAS POOL CONTAINED IN ORDER NO.
R-520 IN THE ENLARGEMENT OF A PRESENTLY
ESTABLISHED NON-STANDARD GAS PRORATION
UNIT OF 160 ACRES CONSISTING OF THE NE/4
OF SECTION 17-T24S-R37E TO A NON-
STANDARD UNIT OF 320 ACRES CONSISTING
OF N/2 OF SECTION 17-T24S-R37E, NMPM,
LEA COUNTY, NEW MEXICO, TO BE ALLOCATED
TO ITS JACK B-17 WELL NO. 3.

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A P P L I C A T I O N

Comes now applicant, Continental Oil Company, and petitions the Commission for an order approving an enlargement of a presently established 160 acre non-standard gas proration unit consisting of the NE/4 Section 17-T24S-R37E, to a 320 acre non-standard gas proration unit consisting of N/2 Section 17-T24S-R37E, NMPM, Jalmat gas pool, Lea County, New Mexico, to be allocated to its Jack B-17 well No. 3 located 990 feet from the north and east lines Section 17 and in support thereof would show the following:

1. That the applicant is co-owner and is the operator of the Jack B-17 lease consisting of the N/2 Section 17, T24S, R37E, NMPM, Lea County, New Mexico.
2. That applicant in 1951 drilled the Jack B-17 well No. 3 at a location 990 feet from the north and east lines of Section 17 and completed it as a gas well in the Jalmat gas pool for a potential of 6,000 MCF gas per day.
3. That said well is capable of producing for a 320-acre gas proration unit in the Jalmat gas pool.
4. That the NE/4 of said Section 17 is now allocated to the Jack B-17 No. 3 well, that the NW/4 of said Section 17 is not allocated to any gas well, and that all of the N/2 of said Section 17 may reasonably be presumed to be productive of gas from the Jalmat pool and should be allocated to a gas well in the interests of the prevention of waste and the protection of correlative rights.

5. That the most practical and economic method of allocating said acreage for Jalmat Pool gas production is to establish a 320 acre non-standard gas proration unit for assignment to the Jack B-17 well No. 3 as proposed herein.

Wherefore applicant requests that this application be set for hearing before the Commission's duly appointed examiner in Hobbs, New Mexico; that appropriate notice thereof be given; and that upon hearing an order be entered granting applicant an exception to rule 5 (A) of the special rules and regulations for the Jalmat gas pool contained in order R-520 for the non-standard gas proration unit described above.

Respectfully submitted,
CONTINENTAL OIL COMPANY



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