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FICE OCC PH 1:12 CONTINENTAL OIL COMPANY ROSWELL, NEW MEXICO July 31, 1957 MUTTION O DIVISION FICE OCC Fr. H. CHHH CHHH August Mugust Mugu

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

MAIN OFFICE OCC

New Mexico Oil Conservation Commission P. 0. Box 871 Santa Fe. New Mexico

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

Re: Continental Oil Company's Application for exception to Rule 309(a) for its State A-36 lease in Section 36, T-20-S, R-37-E, Lea County, New Mexico

Gentlemen:

We forward herewith an application in triplicate for exception to Rule 309(a) of the rules and regulations of the New Mexico Oil Conservation Commission for our State A-36 lease, located in Section 36, T-20-S, R-37-E, Lea County, New Mexico.

It is requested that this matter be set for hearing before an examiner in Hobbs, New Mexico, at the earliest

Docket Mailed 8-20-5.

RLA-BC Enc CC: HLJ, FTE, JWK

Yours very truly,

Case/307

MAIN OFFICE OCC

1957 AUG IN THE MATTER OF THE AFHLICATION OF CONTIMENTAL OIL COMPANY FOR AN EXCEPTION TO THE RULE 309(a) OF THE RULES AND REGULATIONS OF THE NEW MEXICO OIL CONSERVATION COMMISSION AUTHORIZING THE PRODUCTION INTO A COMMON TANK BATTERY OF ALL WELLS IN THE EUMONT POOL WITHIN THE STATE A-36 LEASE LOCATED IN SECTION 36, T-20-S, R-37-E, N.M.P.M., LEA COUNTY, NEW MEXICO

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

APPLICATION

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Comes now CONTINENTAL OIL COMPANY, a Delaware corporation, hereinafter referred to as "Applicant," and petitions the Commission for an exception to Rule 309(a) of the Rules and Regulations of the New Mexico Oil Conservation Commission for the operation of its State A-36 lease located in Section 36, T-20-S, R-37-E, N.M.F.M., Lea County, New Mexico; and in support thereof would respectfully show unto the Commission as follows:

1.

That Applicant is the operator of the State A-36 lease located in Section 36, T-20-S, R-37-E, N.M.F.M., Lea County, New Mexico.

2.

That up to the time of the filing of this application, Applicant has drilled and completed within the boundaries of said lease a total of eleven (11) wells which are producing from the Eumont Pool into a common tank battery and that said wells and tank battery are located in the E/2 and SW/4 of Section 36, T-20-S, R-37-E, as shown on Exhibit "A" attached hereto.

3.

That Applicant proposes to drill an additional well in the Eumont Pool located 1980' FSL and 650' FWL of Section 36, T-20-S, R-37-E, as shown on Exhibit "A".

4.

That upon completion of the additional Humont well and with the consent of the Commission, Applicant proposes to use the existing tank battery to receive the production from all twelve (12) Eumont wells.

5.

That said tank battery, the location of the proposed Eumont well, and all eleven (11) existing Eumont wells are on the same basic lease.

6.

That said tank battery is so equipped that the production from each well can be accurately determined at reasonable intervals.

7.

That said tank battery has the capacity to provide adequate storage for the production of all twelve (12) Eumont wells.

8.

That the production of said wells into said common tank battery will result in neither waste nor the impairment of correlative rights.

9.

That there is attached hereto and made a part hereof a plat, marked Exhibit "A", showing the boundary lines of the State A-36 lease, the location of the eleven (11) wells currently producing from the Eumont Pool, the location of the proposed additional Eumont well, the location of the common tank battery, the manner in which the said existing Eumont wells are connected to the tank battery, and the manner in which the proposed additional Eumont well is to be connected to the common tank battery.

10.

That the Applicant desires a hearing before an examiner at the Commission's District office in the City of Hobbs, New Mexico, at the earliest practical date.

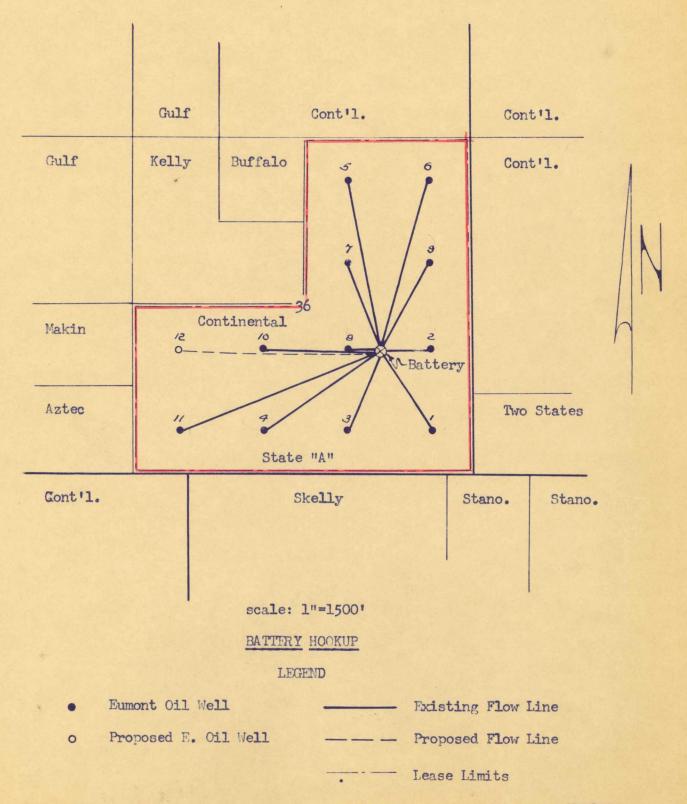
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WHEREFORE, Applicant prays that this application be set for hearing upon due notice and that upon hearing, an order be entered granting Applicant an exception to Rule 309(a) authorizing Applicant to produce into a common tank battery all wells in the State A-36 lease currently producing from the mumont pool and the additional proposed mumont well in the State A-36 lease.

> Respectfully submitted, CONTINENTAL OIL COMPANY

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CONTINENTAL OIL COMPANY STATE A-36 LEASE Section 36-20S-37-E, Lea Co., New Mexico



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EXHIBIT A