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WRITER

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August 20, 2018

VIA HAND DELIVERY

Florene Davidson
Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

Case 16404

AUG 20 2018 4:03:46

Re: Continental Resources, Inc. Application

Dear Florene:

Enclosed please find: (i) for filing, the original and one (1) copy of an application by Continental Resources, Inc. for approval of its Callaway State Exploratory Unit; and (ii) a proposed hearing notice. I will email the proposed hearing notice to you in Word format.

As stated in the application, Continental requests that the application be placed on the Division's September 20, 2018 hearing docket.

Thank you for your assistance.

Very truly yours,

Gary W. Larson

GWL:jwl
Enclosures

**STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION**

**APPLICATION OF CONTINENTAL
RESOURCES, INC. FOR APPROVAL OF
THE CALLAWAY STATE EXPLORATORY
UNIT, LEA COUNTY, NEW MEXICO**

2003 0018 49844

Case No. 16404

APPLICATION

Pursuant to 19.15.20.14 NMAC, Continental Resources, Inc. ("Continental") applies for an order approving its Callaway State Exploratory Unit ("the Unit"). In support of its application, Continental states:

1. The proposed Unit Area for the Unit comprises 1,640 acres, more or less, of State of New Mexico lands situated in Lea County, described as follows:

Township 16 South, Range 36 East, N.M.P.M.

Section 22: S/2 SW/4 and SE/4

Section 27: All

Section 28: S/2

Section 33: E/2 E/2

Section 34: NW/4, SE/4 SW/4, and W/2 SW/4

2. Continental (OGRID No. 372548) is the designated operator under the Unit Agreement.

3. The unitized interval includes all formations underlying the Unit Area.

4. The Unit Agreement has been approved by a sufficient percentage of the interest owners within the proposed Unit Area to provide effective control of unit operations.

5. All oil and gas in all formations underlying the Unit Area are unitized.

6. The entire Unit Area will be developed and operated as a single participating area.

7. Approval of this application will serve the interests of conservation, protection of correlative rights, and prevention of waste.

WHEREFORE, Continental requests that (i) this application be set for hearing on September 20, 2018, and (ii) after notice and hearing, the Division enter an order granting this application.

Respectfully submitted,

HINKLE SHANOR LLP

A handwritten signature in black ink, appearing to read "Gary W. Larson", is written over a horizontal line.

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Attorney for Continental Resources, Inc.

Case No. 16404: **Application of Continental Resources, Inc. for Approval of the Callaway State Exploratory Unit, Lea County, New Mexico.** Applicant seeks approval of its Callaway State Exploratory Unit, which comprises 1,640 acres, more or less, of State of New Mexico lands situated in the S/2 SW/4 and SE/4 of Section 22, all of Section 27, the S/2 of Section 28, the E/2 E/2 of Section 33, and the NW/4, SE/4 SW/4, and W/2 SW/4 of Section 34, Township 16 South, Range 36 East, N.M.P.M., in Lea County. The unitized interval includes all formations underlying the unit area. The unit is located approximately two (2) miles south of Lovington, New Mexico.

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