

IN THE MATTER OF THE APPLICATION OF  
CONTINENTAL OIL COMPANY FOR AN EX-  
CEPTION TO STATEWIDE RULE NO. 303  
FOR ITS LOCKHART B-31 LEASE IN SEC.  
31-T21S-R36E, NMPM, LEA COUNTY, N.M.

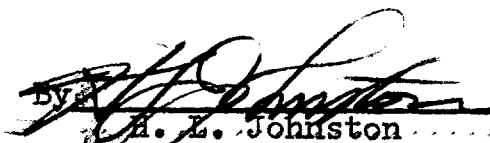
A P P L I C A T I O N

Comes now Continental Oil Company and respectfully  
shows the following:

1. Applicant is co-owner and is the operator of the Lockhart B-31 lease consisting of the NW/4, E/2 SW/4 and SE/4 Sec. 31-T21S-R36E, NMPM Lea County, N. M., containing 400 acres, more or less.
2. Applicant has drilled six wells on said lease, of which one is a gas well, four are producing oil wells and one well is a shut in oil well. Said oil wells, numbered 1 through 5, until recently were classified as producing from the South Eunice oil pool.
3. Under the provisions of the Commission's order No. R-520 wells No. 1 and No. 5 were re-classified as oil wells producing from the Jalmat gas pool, whereas wells Nos. 2, 3 and 4 remain classified as South Eunice oil wells. All five wells currently are producing into a common tank battery.
4. Said wells have produced into common tankage for several years in full compliance with the Commission's rules and regulations.
5. Under the provisions of Statewide Rule No. 303 wells No. 1 and No. 5 should be produced into a separate battery from that into which the South Eunice oil wells are producing.
6. The erection of a separate battery to receive the oil production from the recently-created Jalmat gas pool would result in an unnecessary expense to the applicant.

Therefore, applicant respectfully requests that this application be set for hearing at the regularly scheduled hearing in June, that proper notice be issued and that after such hearing an order be entered granting applicant an exception to rule 303 for its Lockhart B-31 lease as outlined above.

CONTINENTAL OIL COMPANY

By   
H. L. Johnston  
Regional Manager  
of Production  
Southwestern Region