C Xamins MAIN OFFICE OCC BEFORE THE OIL CONSERVATION COMMISSION 1956 JUN 10 AT 11 COOF THE STATE OF NEW MEXICO LAPS C Na . IN THE MATTER OF THE APPLICATION OF CONTINENTAL OIL COMPANY FOR AN Hoo EXCEPTION TO RULE 5(a) OF THE SPECIAL RULES AND REGULATIONS FOR THE EUMONT GAS POOL CONTAINED IN ORDER NO. R-520 IN ESTABLISHMENT OF A NON-STANDARD GAS PRORATION UNIT OF 480 ACRES CONSISTING OF THE E/2 E/2 SECTION 14 AND THE W/2 SECTION 13, T21S, R36E, NMPM, LEA COUNTY, NEW MEXICO TO BE ALLOCATED

<u>APPLICATION</u>

TO ITS LOCKHART B-14 WELL NO. 4

Comes now applicant, Continental Oil Company and petitions the Commission for an order approving a non-standard gas proration unit consisting of the E/2 E/2 Section 14 and W/2 Section 13 both in T2LS, R36E, NMPM, Eumont Gas pool, Lea County, New Mexico, to be allocated to its Lockhart B-14 No. 4 well located 1980 feet from the North line and 660 feet from the East line of said section 14 and in support thereof would show:

l. That applicant is co-owner and is the operator of a lease designated the Lockhart "B" lease containing, among other lands, the E/2 E/2 Section 14 and the W/2 Section 13, T21S, R36E, NMPM, Lea County, New Mexico.

2. That applicant drilled the Lockhart B-14 well No. 4 at a location 1980 feet from the North line and 660 feet from the East line of said Section 14 and completed it November 14, 1936 as an oil well.

3. That said well is now an oil well producing from the Eunice Pool and will be dually completed to produce oil from the Eunice Pool and gas from the Eumont Pool.

4. That no part of the acreage comprising the E/2 E/2 of Section 14 and the W/2 of Section 13 is allocated to a gas well and that all said acreage may reasonably be presumed to be productive of gas from the Eumont Pool and should be allocated to a gas well in the interests of the prevention of waste and the protection of correlative rights.

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5. That the most practical and economical method of allocating said acreage for Eumont Pool gas production is to establish a 480-acre non-standard gas proration unit for assignment to the Lockhart B-14 well No. 4.

Wherefore, applicant prays 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 Eumont gas pool contained in order no. R-520 for the non-standard gas proration unit described above.

> Respectfully submitted, CONTINENTAL OIL COMPANY

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