Examini Hog Cer Hooks Hooks ifor DSA 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 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 15 AND THE W/2 SECTION 14, T 20S, R 37 E, NMPM, LEA COUNTY, NEW MEXICO, TO BE ALLOCATED TO 1TS SKAGGS B-14 WELL NO. 1.

<u>APPLICATION</u>

Comes now applicant, Continental Oil Company and petitions the Commission for an order approving a non-standard wer gas protation unit consisting of E/2 E/2 Section 15 and W/2Section 14 both in T 20S, R 37E, MAPM, Eumont gas pool, Lea County, New Mexico, to be allocated to its Skaggs B-14 No. well located 1980 feet from the south line and 660 feet from the west line of said Section 14 and in support thereof would show:

1. That applicant is operator of the SE Monument Unit containing, among other lands the E/2 E/2 Section 15 and the W/2 Section 14, T 20S, R 37E, NMPM, Lea County, New Mexico.

2. That applicant drilled the Skaggs B-14 No. 1 at a location 1980 feet from the south line and 660 feet from the west line of said Section 14 and completed it as a gas well on June 20, 1956.

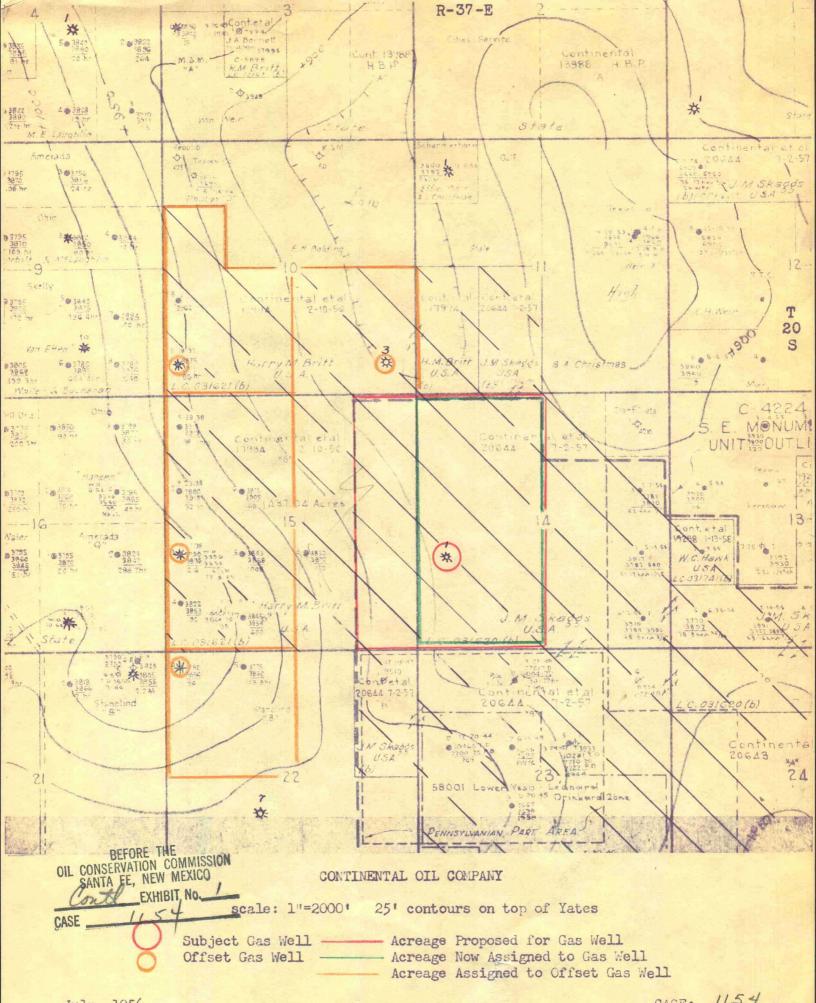
3. That no part of the acreage comprising the E/2 E/2 of Section 15 and W/2 of Section 14 is allocated to a gas well and that all of said acreage may reasonably be presumed to be productive of gas from the Eumont Pool and should be allocated to a gas well in the interests of the prevention of waste and the protection of correlative rights. 4. That the most practical and economical method of allocating said acreage for Humont Pool gas production is to establish a 480-acre non-standard gas provation unit for assignment to the Skaggs E-14 well No. 1.

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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Alternate for Division Superintendent of Production New Mexico Division



CASE: //54 EXHIBIT: /

