

BEFORE THE OIL CONSERVATION COMMISSION
OF THE
STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
CONTINENTAL OIL COMPANY FOR AN EXCEP-
TION TO RULE 5(a) OF THE SPECIAL RULES
AND REGULATIONS FOR THE JALMAT GAS
POOL CONTAINED IN ORDER NO. R-520 IN
ESTABLISHMENT OF A NON-STANDARD GAS
PRORATION UNIT OF 320 ACRES CONSISTING
OF THE N/2 OF SECTION 8, T-23S, R-36E, NMPM,
LEA COUNTY, NEW MEXICO, TO BE ALLOCATED TO
ITS DANCIGER A-8 WELL NO. 3.

A P P L I C A T I O N

Comes now applicant, Continental Oil Company and petitions the Commission for an order approving the enlargement of the 160-acre non-standard gas proration unit consisting of the NE/4 of Section 8, T23S, R36E, NMPM, Lea County, New Mexico, to a 320-acre non-standard gas proration unit to consist of the N/2 of said Section 8. The acreage is to be allocated to its Danciger A-8 No. 3 well located 990 feet from the North and East lines of said section and in support thereof would show:

1. That applicant is co-owner and operator of the Danciger A-8 Lease consisting of Section 8, T-23S, R-36E, NMPM, Lea County, New Mexico.

2. That applicant drilled the Danciger A-8 No. 3 at a location 990 feet from the North and East lines of said Section 8 and completed it March 5, 1958, as a gas well in the Jalmat Pool.

3. That said well was assigned a 160-acre gas proration unit consisting of NE/4 of said Section 8 by order No. NSP 436 and is currently producing its allowable.

4. That the NW/4 of Section 8 is not allocated to any gas well and that said acreage may reasonably be presumed to be productive of gas from the Jalmat Pool and should be allocated to a gas well in the interests of the prevention of waste and the protection of correlative rights.

5. That the most practical and economical method of allocating said acreage for Jalmat Pool gas production is to establish a 320-acre non-standard gas proration unit, as described above, for assignment to the Danciger A-8 well No. 3.

Wherefore, applicant prays that this application be set for hearing before the Commission's duly appointed examiner, that appropriate notice thereof be given, and that upon hearing an order

Page 2

be entered granting applicant an exception to Rule 5 (a) of the Special Rules and Regulations for the Jalmat gas pool contained in order No. R-520 for the non-standard gas proration unit described above.

Respectfully submitted,

CONTINENTAL OIL COMPANY

A handwritten signature in cursive script, appearing to read "R. L. Adams".

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

RLA-BR