

Case
1835

BEFORE THE OIL CONSERVATION COMMISSION
OF THE
STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
CONTINENTAL OIL COMPANY FOR CANCELLATION
OF COMMISSION ORDER NO. NSP-290 INVOLVING
A 321-ACRE NON-STANDARD GAS PRORATION
UNIT CONSISTING OF THE E/2 SECTION 3,
T-20S, R-36E, AND THE REASSIGNMENT OF THIS
ACREAGE TO BE INCLUDED IN TWO PRORATION
UNITS TO CONSIST OF THE N/2 OF SAID SEC-
TION 3 TO BE ALLOCATED TO THE REED A-3
NO. 2 AND THE S/2 OF SAID SECTION 3 TO
BE ALLOCATED TO THE REED A-3 NO. 3,
EUMONT GAS POOL, NMPM, LEA COUNTY, NEW MEXICO

Set for hearing
Jan 6th

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 cancellation of the New Mexico Oil Conservation Commission Order No. NSP-290 which ascribed a 321-acre non-standard gas proration unit consisting of the E/2 Section 3, T-20S, R-36E, NMPM, Lea County, New Mexico, to the Reed A-3 Well No. 3, Eumont Gas Pool. Continental Oil Company requests the reassignment of this acreage for the formation of two non-standard gas proration units consisting of 320.99 acres in the N/2 of said Section 3 to be allocated to the Reed A-3 Well No. 2 located 660 FEL and 1980 FNL of said Section 3; and 320 acres in the S/2 of said Section 3 to be allocated to the Reed A-3 Well No. 3, located 660 FEL and 1980 FSL of said Section 3, and in support thereof would show:

1. That applicant is co-owner and operator of the ✓
Reed A-3 Lease consisting of Section 3, T-20S, R-36E, NMPM,
Lea County, New Mexico.

2. That applicant's Reed A-3 Well No. 3 is capable
of producing gas considerably in excess of a 320-acre unit ✓
gas allowable for the Eumont Gas Pool.

3. That applicant proposes to dual complete its ✓
Reed A-3 Well No. 2 for oil from the Monument Oil Pool and gas
from the Eumont Gas Pool.

Reed
mailed
12-27-59
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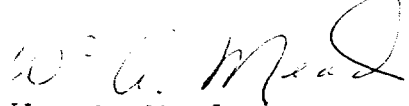
4. That no part of the acreage comprising the W/2 of said Section 3 is allocated to a gas well, and that all said acreage may reasonably be presumed to be productive of gas from the Eumont Gas Pool and should be allocated to a gas well in the interests of prevention of waste and protection of correlative rights.

5. That the most practical and economical method of allocating said acreage to Eumont Gas Pool production is by the cancellation of the non-standard gas proration unit currently assigned the Reed A-3 Well No. 3 and the rededication of acreage in said Section 3 as described above.

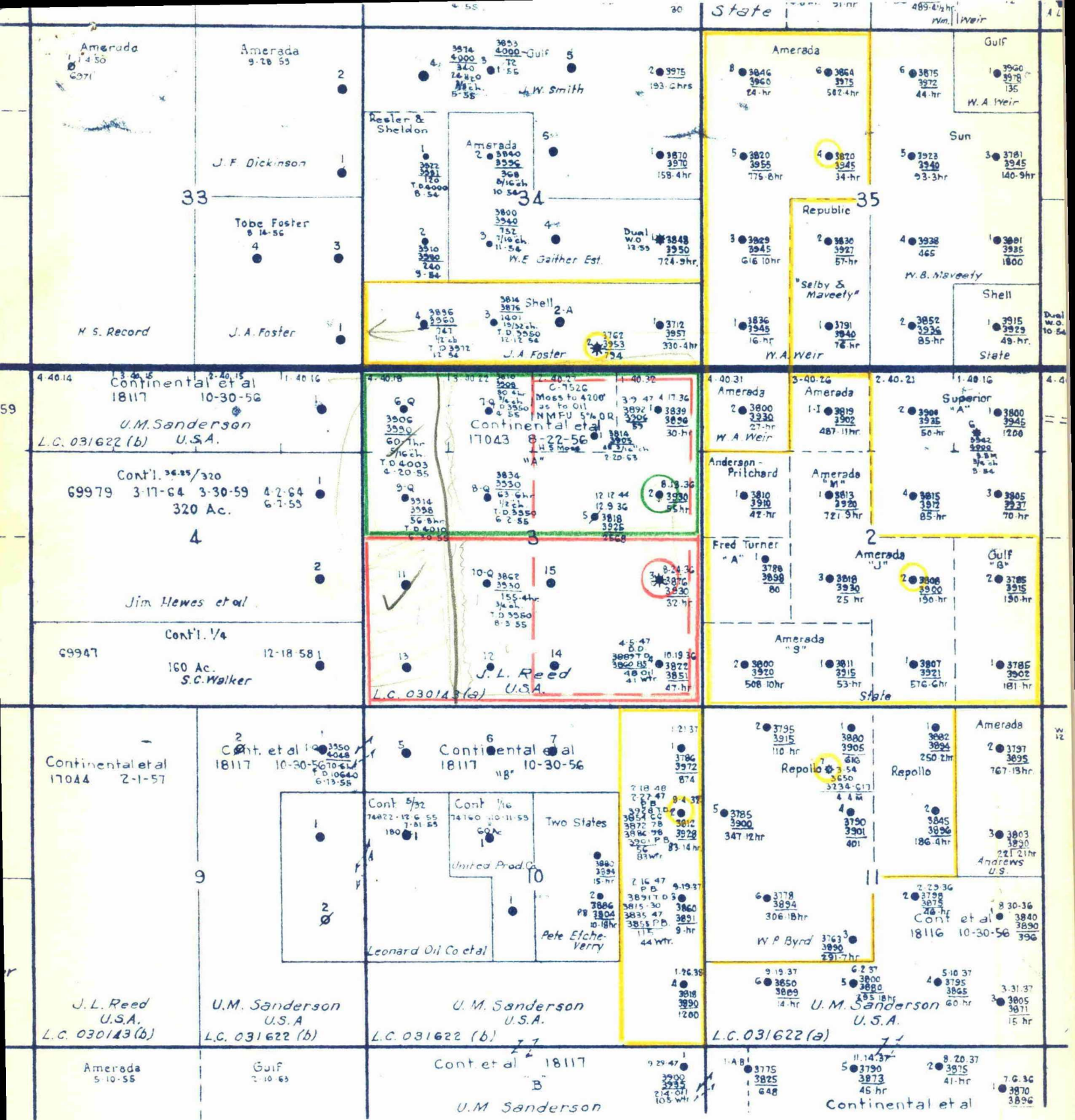
Wherefore, applicant prays that this application be set for hearing before the Commission's duly appointed examiner, that appropriate notice thereof be given and that upon hearing an order be entered granting applicant the cancellation of Commission Order NSP-290 and an exception to Rule 5(a) of the Special Rules and Regulations for the Eumont Gas Pool contained in Order No. R-520 for the formation of two-non-standard gas proration units described above.

Respectfully submitted,

CONTINENTAL OIL COMPANY


Wm. A. Mead
Division Superintendent
of Production
New Mexico Division

WAM-BR



OWNERSHIP PLAT - EUMONT AREA

Scale: 1" = 2000'

- Gas Well No.3
- Present Gas Unit No.3
- Proposed Gas Unit No.3
- Proposed New Gas Well No.2
- Proposed Gas Unit No.2
- Offset Gas Well
- Offset Gas Unit

Continental Oil Co.

October, 1959