



CONTINENTAL OIL COMPANY

825 PETROLEUM BUILDING
ROSWELL, NEW MEXICO

April 24, 1961

WM. A. MEAD
DIVISION SUPERINTENDENT
OF PRODUCTION
NEW MEXICO DIVISION

New Mexico Oil Conservation Commission
Box 871
Santa Fe, New Mexico

Attention: Mr. A. L. Porter, Jr., Secretary-Director

Re: CONTINENTAL OIL COMPANY'S
APPLICATION FOR EXCEPTION
TO RULE 5 (a) OF THE SPECIAL
RULES AND REGULATIONS FOR
PRORATED GAS POOLS OF SOUTH-
EAST NEW MEXICO CONTAINED
IN ORDER NO. R-1670 FOR THE
ENLARGEMENT OF THE PRESENTLY
APPROVED 120-ACRE UNIT TO A
NON-STANDARD GAS PRORATION
UNIT OF 240-ACRES CONSISTING
OF E/2 E/2, SW/4 SE/4 AND SE/4
SW/4 SECTION 17, T21S, R37E,
NMPM, LEA COUNTY, NEW MEXICO
TO BE ALLOCATED TO ITS LOCK-
HART A-17 WELL NO. 2-EUMONT
GAS POOL

Gentlemen:

We are attaching three copies of Continental Oil
Company's Application as described above.

We respectfully request that you set this matter for
hearing at the earliest possible date.

Yours very truly,

W. A. Mead

WAM-sk
cc: RGP HGD JRP JWK

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 PRORATED GAS POOLS
OF SOUTHEAST NEW MEXICO CONTAINED IN
ORDER NO. R-1670 FOR THE ENLARGEMENT OF
THE PRESENTLY APPROVED 120-ACRE UNIT TO
A NON-STANDARD GAS PRORATION UNIT OF
240 ACRES CONSISTING OF E/2 E/2, SW/4
SE/4 AND SE/4 SW/4 SECTION 17, T21S,
R37E, NMPM, LEA COUNTY, NEW MEXICO TO
BE ALLOCATED TO ITS LOCKHART A-17 WELL
NO. 2, EUMONT GAS POOL

A P P L I C A T I O N

Comes now applicant, Continental Oil Company, and
petitions the Commission for an order enlarging the present
120-acre gas proration unit to one of 240 acres consisting of
E/2 E/2, SW/4 SE/4 and SE/4 SW/4 of Section 17, T21S, R37E,
NMPM, Eumont Gas Pool, Lea County, New Mexico, to be allocated
to its Lockhart A-17 No. 2 well located 1980 feet from the
south line and 660 feet from the east line of said Section 17
and in support thereof would show:

1. That applicant is co-owner and operator of a lease
designated as the Lockhart A-17 Lease, consisting of E/2 NE/4
and NE/4 SE/4 of Section 17, T21S, R37E, NMPM, Lea County,
New Mexico.

2. That Tidewater Oil Company is owner and operator
of a lease designated as the Percy Hardy Lease, consisting of
the S/2 SE/4 of said Section 17, and that N.G. Penrose, Inc.
is owner and operator of a lease designated as the Hardy Lease
consisting of the SE/4 SW/4 of said Section 17.

3. That this acreage contained in these two tracts
will be communitized with the above mentioned Lockhart A-17
Lease to form a 240-acre non-standard gas proration unit
consisting of E/2 E/2, SW/4 SE/4 and SE/4 SW/4 of said Section
17.

4. That applicant drilled and completed in June,
1947, its Lockhart A-17 No. 2 as a Drinkard oil well, located
1980 feet from the south line and 660 feet from the east line
of said Section 17, and on April 21, 1959, the said well was
dually completed in the Drinkard Oil and Eumont Gas Pools.

5. That the E/2 NE/4 and NE/4 SE/4 of said Section 17 is presently assigned the said Well No. 2, but that the S/2 SE/4 and SE/4 SW/4 is not assigned to any Eumont 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.

6. That the most practical and economical method of allocating said acreage for Eumont Pool gas production is to enlarge the existing 120-acre unit to a 240-acre non-standard gas proration unit for assignment to the Lockhart A-17 Well No. 2.

Wherefore, applicant prays that this application be set for hearing before the Commission's duly appointed examiner, in Santa Fe, 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 prorated gas pools of southeast New Mexico, contained in Order No. R-1670 for the non-standard gas proration unit described above.

Respectfully submitted,
CONTINENTAL OIL COMPANY

A handwritten signature in cursive script, appearing to read "Wm. A. Mead".

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