

BEFORE THE OIL CONSERVATION COMMISSION
OF THE
STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF CONTINENTAL OIL COMPANY FOR THE
ESTABLISHMENT OF TWO NON-STANDARD
OIL PRORATION UNITS UNDER THE
PROVISIONS OF STATEWIDE RULE 104 (1)
TO BE LOCATED IN SECTION 30, T17S,
R29E, EDDY COUNTY, NEW MEXICO AND TO
CONSIST OF (a) 27.71 ACRES COM-
PRISING LOT 1 AND 27.94 ACRES
COMPRISING LOT 2 TOTALING 55.65
ACRES TO BE ALLOCATED TO ITS STATE
S-30 WELL NO. 1 AND (b) 28.17 ACRES
COMPRISING LOT 3 AND 28.44 ACRES
COMPRISING LOT 4 TOTALING 56.61
ACRES TO BE ALLOCATED TO ITS STATE
S-30 NO. 3 WHICH IS TO BE DRILLED
ON A STANDARD LOCATION ON SAID LOT
3: AND FOR AN EXCEPTION TO RULE
309 (a) IN ORDER TO COMMINGLE THE
PRODUCTION FROM THOSE PORTIONS OF
THE STATE S AND STATE P LEASES
LOCATED IN SAID SECTION 30 AND TO
ALLOCATE PRODUCTION ON THE BASIS
OF ACREAGE AND UNIT ALLOWABLES

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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 two non-standard oil proration units to be located in Section 30, T17S, R29E, Eddy County, New Mexico and which are to consist of (a) 27.71 acres comprising Lot 1 and 27.94 acres comprising Lot 2, totaling 55.65 acres to be allocated to its State S-30 No. 1 and (b) 28.17 acres comprising Lot 3 and 28.44 acres comprising Lot 4 totaling 56.61 acres to be allocated to its State S-30 Well No. 3 which is to be drilled on a standard location on Lot 3 of said Section 30. The State S-30 Well No. 1 is located 2310 feet from the North and 330 feet from the West lines of said Section 30. Continental Oil Company also petitions the Commission for an exception to Statewide Rule 309 (a) for permission to commingle production from the portions of its State S and State P leases located in said Section 30, and in support thereof would show:

1. That applicant is owner and operator of (a) the State S Lease containing, among other lands, Lots 1, 2 and 3 and (b) the State P Lease containing, among other lands, Lot 4 all in Section 30, T17S, R29E, Eddy County, New Mexico.

2. That applicant drilled the State S-30 No. 1 at a location 2310 feet from the North and 330 feet from the West lines of said Section 30 and completed it on January 21, 1961, as an oil well in the Empire Abo Pool.

3. That applicant has intention of drilling the State S-30 No. 3 at a standard location on Lot 3 of said Section 30 in the Empire Abo Pool.

4. That no part of Lots 1, 3 and 4 of said Section 30 are allocated to an oil well and that all said acreage may reasonably be presumed to be productive of oil from the Empire Abo Pool and should be allocated to an oil well in the interest of the prevention of waste and the protection of correlative rights.

5. That the most practical and economical method of allocating said acreage for Empire Abo Pool oil production is to establish non-standard oil proration units, as described above, for assignment to the State S-30 Wells No. 1 and No. 3.

6. That information available to the applicant indicates that the mineral rights under each of the above described State leases are held as Common School Royalty.

7. That oil production has been obtained on the State S Lease from the Empire Abo Pool, and that production is anticipated on the State P Lease from said pool.

8. That applicant will adjust the allowables for the State S and State P leases on the basis of acreage and unit allowables.

9. That applicant proposes to install accurate test facilities at the common tank battery so that the performance of each well will be accurately checked.

Wherefore, applicant prays that this application be set for hearing before the Commission's duly qualified examiner and that upon hearing an order be entered granting applicant

the non-standard oil proration units and permission to commingle
the oil produced from the two leases described above.

Respectfully submitted,
CONTINENTAL OIL COMPANY

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