

BEFORE THE OIL CONSERVATION COMMISSION
OF THE

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
CONTINENTAL OIL COMPANY FOR CANCELLATION
OF A 640-ACRE STANDARD GAS PRORATION
UNIT CONSISTING OF SECTION 24, T-20S, R-37E,
AND CANCELLATION OF AN 80-ACRE NON-STANDARD
GAS PRORATION UNIT CONSISTING OF THE S/2 OF
THE SE/4 OF SECTION 13, T-20S, R-37E, AND
THE REASSIGNMENT OF THIS ACREAGE TO BE
INCLUDED IN TWO PRORATION UNITS TO CONSIST
OF THE S/2 AND NE/4 OF SECTION 24 TO BE
ALLOCATED TO THE SEMU EUMONT 67 AND THE
NW/4 OF SECTION 24, AND THE SE/4, THE SW/4
OF THE NE/4, AND THE S/2 AND THE NW/4 OF
THE SW/4 OF SECTION 13, T-20S, R-37E, TO
BE ALLOCATED TO THE SEMU EUMONT 69, EUMONT
GAS POOL, NMPM, LEA COUNTY, NEW MEXICO.

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 640-acre standard proration unit consisting of Section 24, T-20S, R-37E, NMPM, Lea County, New Mexico, assigned jointly to the SEMU Eumont No. 67 and the SEMU Eumont No. 69 wells, and the cancellation of an 80 acre non-standard gas proration unit consisting of the S/2 of the SE/4 of Section 13, T-20S, R-37E, NMPM, Lea County, New Mexico, assigned to the SEMU Permian No. 41 well. Continental Oil Company requests the reassignment of this acreage for the formation of two non-standard gas proration units consisting of 480 acres in the S/2 and the NE/4 of Section 24, T-20S, R-37E, to be allocated to the SEMU Eumont well No. 67, located 1980' FSL and 1980' FWL of said Section 24; and 480 acres consisting of the NW/4 of Section 24, T-20S, R-37E and the SE/4, the SW/4 of the NE/4, and the S/2 and NW/4 of the SW/4 of Section 13, T-20S, R-37E to be allocated to the SEMU Eumont well No. 69, located 1980' FNL and 1980' FWL of Section 24, T-20S, R-37E, and in support thereof would show:

1. That applicant is co-owner and operator of the SEMU Eumont lease containing, among other lands, the SE/4, the SW/4 of the NE/4 and the S/2 and the NW/4 of the SW/4 of Section 13, and all of Section 24 in T-20S, R-37E, NMPM, Lea County, New Mexico.

2. That applicant's SEMU Eumont well No. 67 is capable of producing gas in excess of a 480-acre unit gas allowable for the Eumont Pool.

3. That applicant's SEMU Eumont well No. 69 is capable of producing gas in excess of a 480-acre unit gas allowable for the Eumont Pool.

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4. That no part of the acreage comprising the S/2 and the NW/4 of the SW/4, the SW/4 of the NE/4 and the N/2 of the SE/4 of Section 13, T-20S, R-37E is allocated to a gas well and that all said acreage may reasonably be presumed to be productive of gas from the Fumont 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 Fumont Pool gas production is by the cancellation of the standard gas proration unit assigned jointly to the SEMU Fumont wells 67 and 69 and the non-standard gas proration unit assigned to the SEMU Permian No. 41 well and the reassignment of acreage in said Section 13 and 24 as described above.

Wherefore, applicant prays that the 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 the standard gas proration unit assigned jointly to SEMU Fumont wells 67 and 69 and the non-standard gas proration unit assigned to the SEMU Permian No. 41 well and an exception to Rule 5(a) of the General Rules and Regulations for the prorated gas pools of Southeastern New Mexico contained in Order No. R-1670 for the formation of two non-standard gas proration units described above.

Respectfully submitted,

CONTINENTAL OIL COMPANY

W. A. Mead

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WAM-EMP