

Ex 1 - Case 360

New Mexico Oil Conservation Commission
Commissioner of Public Lands
Santa Fe, New Mexico


Continental Oil Company, a corporation, is the owner of certain leases in the proposed Anderson Ranch Unit area, as shown on Exhibit "A", attached to the Application for Approval of Anderson Ranch Unit Agreement. The proposed unit is based primarily on the results of a geophysical survey and no definite geological information of a structural nature is available. However, the geophysical structure may be interpreted as being on trend with the production found in the Saunders and South Saunders fields which lie six to twelve miles northeast of the proposed unit. An index map is attached hereto and made a part hereof and for purposes of identification marked Exhibit 1. which shows the position of the proposed unit in relation to nearby producing fields.

Production may be expected under conditions similar to that of Saunders and South Saunders fields and from equivalent geological units. Therefore, the Pennsylvanian, which produces in the above mentioned fields is the primary objective and should be encountered at a predicted depth of 9600 feet.

An 11,000 foot Pennsylvanian test is contemplated contingent upon the approval of the proposed subject unit.

Development in the subject area tends to be retarded due to the wide diversity of ownership and should development be undertaken by the individual lessors, it would not be done in as orderly and scientific a manner as is desirable. The Anderson Ranch area as outlined on Exhibit "A" is a single anticlinal structure and is therefore, submitted as a proposed unit in order to bring this diversified ownership together so that development might be carried out in an orderly manner and in the best interests of conservation.

Respectfully,


S. L. Carter,
Division Geologist

Enc.

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