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CONTINENTAL OIL COMPANY

Post Office Box 68
Eunice, New Mexico
July 10, 1962

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

Attention: Mr. I. R. Trujillo Re: Argo Leonard No. 1-K
Gentlemen: Eumont Pool

Reference is made to your mimeographed inquiry concerning the above well which was received in this office July 6, 1962.

You are correct that a C-110 was filed on December 9, 1957, which indicated Warren Petroleum Corporation as the gas transporter. This C-110 was apparently filed in error inasmuch as this well has insufficient gas to produce against Warren's gathering system pressure. Warren's gathering system ranges from 30 to 60 pounds whereas the subject well recently tested two pounds pressure against a 1/8" orifice for an approximate gas volume of three MCFPD. This, of course, is barely enough gas to dump the production separator.

The casinghead gas produced under this acreage is committed by contract to Warren; however, because of the low production, they have never connected. The fact that the gas is contracted probably explains how the C-110 was erroneously filed in 1957.