

CONTINENTAL OIL COMPANY

Roswell, New Mexico
February 7, 1958

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

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

Re: Application of Continental Oil Company for administrative approval of dual completion in the Eumont Oil Pool and the Eumont Gas Pool of its Reed B-23 Well No. 8 located in Section 23, T-20-S, R-36-E, NMPM, Lea County, New Mexico; and for approval of a 320-acre non-standard gas proration unit consisting of the E/2 of Section 23, T-20-S, R-36-E.

Gentlemen:

Continental Oil Company respectfully requests administrative approval under the provisions of statewide Rule 112-A of the Rules and Regulations of the New Mexico Oil Conservation Commission for the dual completion of its Reed B-23 Well No. 8, located 1980 feet from the North line and 1650 feet from the East line of Section 23, T-20-S, R-36-E, NMPM, Lea County, New Mexico for the production of oil from the Eumont Oil Pool and gas from the Eumont Gas Pool, and in support thereof states:

1. Applicant is operator of the Reed B-23 lease consisting of the E/2 and the S/2 of the SW/4 of said Section 23.
2. Applicant drilled and completed on December 24, 1938, its Reed B-23 Well No. 8 as an oil well in open hole section from 3717 feet to total depth of 3879 feet. Said well is in the defined limits of the Eumont Oil Pool.
3. Applicant perforated intervals from 3002 to 3584 feet in the Yates, Seven Rivers and upper Queen formations to produce the gas through the casing-tubing annulus while producing Eumont Pool oil through two-inch tubing. Separation of fluids from the two pools will be effected by means of a packer set at 3690 feet. A diagrammatic sketch of the dual completion and a copy of the well radioactivity log are attached hereto, showing the formations involved, the interval of production in the Penrose oil zone and the intervals perforated in the Yates, Seven Rivers and upper Queen formations, location of packer and other information pertinent to the dual completion.
4. The Yates, Seven Rivers and upper Queen gas zones in said well are in the defined limits of the Eumont Gas Pool.
5. The well will be equipped in such a manner that there will be no commingling of fluids from the two common sources of supply and each productive zone will be tested separately in the well, as required by the Commission.