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CONTINENTAL OIL COMPANY

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Roswell, New Mexico August 31, 1956

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

Attention: Mr. A. L. Porter, Jr.

Re: Continental Oil Company
Application for authority
to effect a Skaggs oilEumont gas dual completion
on its SEMU Permian Well
No. 46, located in Section
14, M2OS, R37E, Lea County,
New Mexico; and for approval
of a 240-acre non-standard
gas proration unit consisting
of the SE/4 and the S/2 of
NE/4 Section 14, T2OS, R37E

Gentlemen:

Continental Oil Company respectfully requests administrative approval under the provisions of statewide Rule 112-A to dually complete in the Skaggs oil pool and Eumont gas pool its SEMU-Permian well No. 46 located 1980 feet from the South line and 660 feet from the East line of Section 14, T20S, R37E, NMPM, Lea County, New Mexico. A schematic drawing attached hereto shows the manner in which the dual completion is proposed to be accomplished. The well is currently producing through perforations at 3782 to 3842 feet opposite the Grayburg formation in the Skaggs pool and the casing will be perforated from approximately 3618 to 3700 feet opposite the Queen formation for Eumont gas production. The Eumont gas will be produced through the casing-tubing annulus while Skaggs pool oil is being produced through the tubing. The fluids from the two reservoirs will be completely separated by appropriate packers, and the well will be so equipped that the reservoir pressure of each of the two pools may be determined separately. Well head equipment will include all necessary connections to permit accurate measurement of fluids produced by each pool as may be requared by the Commission.