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New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention Mr. Joe D. Ramey, Secretary Director

Gentlemen:

Application for 160-acre NSP Unit - Continental Oil Company, Phillips
Hooper Federal Com. No. 2, Unit Letter B, Section 27, T-20S, R-37E,
Lea County, New Mexico

Continental Oil Company respectfully requests administrative approval of a 160-acre non-standard proration for its Phillips Hooper Federal Com. No. 2, located 660 feet from the north line and 1980 feet from the east line of Section 27, T-20S, R-37E, Lea County, New Mexico. The proposed non-standard proration unit will consist of the west half of the east half of Section 27, which in effect is a request for reassignment of the 160-acre NSP formerly assigned for the Continental operated, Phillips Hooper No. 1, plugged and abandoned on October 6, 1977.

The proposed unit will conform to regulatory requirements as follows:

- (1) Said unit consists of contiguous quarter-quarter sections (and/or lots).
- (2) Said unit lies wholly within a single governmental section.
- (3) The entire proposed unit may be reasonably presumed to be productive of gas.
- (4) The length or width of said unit does not exceed 5,280 feet.
- (5) Copies of this application have been furnished by certified mail to all offset operators and all operators within said section.

The attached plat shows the proposed unit, the location of well No. 2 and the offset ownerships.