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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, Lamar Lunt No. 2, Unit Letter J, Section 20, T-22S, R-36E, Lea County, New Mexico

Continental Oil Company respectfully requests administrative approval of a 160-acre non-standard proration unit for its Lamar Lunt No. 2, located 1980 feet from the south line and 1980 feet from the east line of Section 20, T-22S, R-36E, Lea County, New Mexico. The proposed non-standard proration unit will consist of the Southeast quarter of Section 20.

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 ownderships.