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

Attention Mr. Joe D. Ramey, Secretary Director

Application to Dissolve and Redistribute 640-acre Eumont Standard
Proration Unit - Continental Oil Company, State F-1 Well No. 1,
Unit Letter U, Section 1, T-21S, R-36E, Lea County, New Mexico

Dear Sir:

Continental Oil Company respectfully requests administrative approval
to dissolve the 640-acre Standard Eumont Gas Proration Unit presently
assigned for our State F-1 Well No. 1 and to redistribute the acreage
as follows:

Current Acreage Assignment

State F-1 No. 1, located 660' F S&W Lines of Sec. 1, T-21S, R-36E:
640-acres, described as 5280' North and 5280' East of the Southwest
Quarter Corner of Irregular Section 1, T-21S, R-36E.

Proposed Redistribution

Well No. 1, located 660' F S&W Lines of Sec. 1, T-21S, R-36E: 80-
acre Non-Standard Proration Unit, consisting of S/2 of SW/4 of Ir-
regular Sec. 1.

Well No. 7, located 3300' FSL and 660' FWL of Sec. 1, T-21S, R-36E:
160-acre Non-Standard Proration Unit, consisting of N/2 of SW/4 and
S/2 of North adjoining Quarter of Irregular Sec. 1.

Well No. 8, located 1980' F S&E Lines of Sec. 1, T-21S, R-36E: 160-
acre Non-Standard Proration Unit, consisting of SE/4 of Irregular
Sec. 1

The N/2 of NW/4 and the NE/4 of the 640-acre current acreage assign-
ment will not be dedicated to a proration unit at this time.