

RE-595 MAY 1, 1958
JWP
TRIP-42
MAY 21, 1958

CONTINENTAL OIL COMPANY

Roswell, New Mexico
April 18, 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 Jalmat Oil Pool and the Jalmat Gas Pool of its Farney A-17 Well No. 3 located in Section 17, T-23-S, R-36-E, NMPM, Lea County, New Mexico; and for approval of a 160-acre non-standard gas proration unit consisting of the NW/4, Section 17, T-23-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 Farney A-17 No. 3 to be drilled at a location 1650 feet from the north line and 990 feet from the west line of Section 17, T-23-S, R-36-E, NMPM, Lea County, New Mexico, for the production of oil from the Jalmat Oil Pool and gas from the Jalmat Gas Pool, and in support thereof states:

1. Applicant is operator of the Farney A-17 lease consisting of the NW/4 of said Section 17.
2. Applicant proposes to drill and complete its Farney A-17 Well No. 3 as an oil well in the lower Yates formation. Said well will be in the defined limits of the Jalmat Oil Pool.
3. Applicant proposes to perforate selected intervals from approximately 3550 to 3625 feet in the upper Yates formation to produce Jalmat gas through the casing-tubing annulus while producing Jalmat oil through two-inch tubing. Separation of fluids from the two pools will be effected by means of a packer to be set at 3640 feet. A diagrammatic sketch of the dual completion is attached hereto, showing the formation involved, the proposed intervals to be perforated in the lower Yates formation for Jalmat oil production and upper Yates formation for Jalmat gas production, location of packer and other information pertinent to the dual completion.
4. The upper Yates gas zone in said well is in the defined limits of the Jalmat Gas Pool.