

June 29, 1955.

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Application for 360 acre Non-Standard Gas Proration unit in the Jol-Mat Field described as the SW $\frac{1}{4}$; S $\frac{1}{2}$ NW $\frac{1}{4}$; W $\frac{1}{2}$ SE $\frac{1}{4}$; and SW $\frac{1}{4}$ NE $\frac{1}{4}$ Section 21, Twp. 26 South, Rge. 37 East, to include present Non-Standard Gas Proration unit described as S $\frac{1}{2}$ NW $\frac{1}{4}$ Section 21-T26S-R37E., Lea County, N.M.

Oil Conservation Commission
State of New Mexico
Santa Fe, New Mexico.

Gentlemen:

Krupp-Flaherty Oil Corporation hereby makes application for approval of a Non-Standard gas proration unit comprising the SW $\frac{1}{4}$; S $\frac{1}{2}$ NW $\frac{1}{4}$; W $\frac{1}{2}$ SE $\frac{1}{4}$; and SW $\frac{1}{4}$ NE $\frac{1}{4}$ of section 21, township 26 South, range 37 East to combine same with present unit described as the S $\frac{1}{2}$ NW $\frac{1}{4}$ section 21, township 26 South, range 37 East, and in support thereof presents the following facts:

- 1) Krupp-Flaherty Oil Corporation is owner and operator of an oil and gas lease known as the Moberly (Federal) lease comprising 360 acres in section 21, as above described;
- 2) Moberly #3; located 1900 feet from the South and West lines of section 21, township 26 South, range 37 East; will currently produce 1-1/2 barrels of oil with 810,000 cubic feet of gas in 24 hours through a 3/4" tubing choke. It is; by definition; therefore classified as a gas well;
- 3) The proposed non-standard gas proration unit will meet requirements of Rule 5(b) of the Oil Conservation Commission Order No. H-520, as follows:
 - a) Contiguous quarter-quarter sections; in the form of a square; will comprise the unit;
 - b) The proposed unit lies wholly within a single Governmental section;
 - c) All acreage within the proposed unit may reasonably be presumed productive of gas;
 - d) The length or width of the proposed unit does not exceed 5280 feet;
 - e) Location of Moberly #3; the proposed gas well; is in the exact center of the proposed unit and is 1900 feet from the nearest offset acreage;
 - f) Approximately 2-3/4 million cubic feet of gas per day is shut off by a liner which was set in 7" casing (T.D. cs'g. 3070') on a shoulder at 3125'. We believe this gas can be recovered by fracturing through perforations;