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New Mexico Oil Conservation Commission  
P. O. Box 2038  
Santa Fe, NM 87501

Attention Mr. A. L. Porter, Jr. - Secretary-Director

Gentlemen:

Continental Oil's Application for an 40-acre NSP Unit - Jack A-21 No. 1,  
Section 21, T-24S, R-37E, Lea County, New Mexico

Continental Oil Company respectfully requests administrative approval under the provisions of Rule 5 (b) of the Special Rules and Regulations for the Jalmat Gas Pool of Order No. R-1670 for approval of an 40-acre non-standard gas proration unit for its Jack A-21 No. 1, located 660' from the South and 660' from the West of Section 21, T-24S, R-37E, Lea County, New Mexico in the Jalmat Gas Pool. The Unit is proposed to consist of the SW/4 of the SW/4 of Section 21, T-24S, R-37E.

Jack A-21 No. 1 currently holds a 120-acre unit consisting of the S/2 of the SE/4 of Section 20 and the SW/4 of the SW/4 of Section 21, as approved by order No. R-716. This well was classified as marginal effective 7-1-71. We are respectfully requesting that Order No. R-716 be rescinded and an Administrative NSP Order be issued reducing the acreage to 40 acres.

In support of this request we would like to point out that the proposed Unit conforms with the requirements of Rule 5 (b) in all respects 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 5280'
- 5) Copies of this application have been furnished by certified mail to all offset operators and all operators within said unit.