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New Mexico Oil Conservation Commission (3)
P. O. Box 2088
Santa Fe, New Mexico 87501

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

Gentlemen:

Continental Oil Company's Application For A 320-Acre NSP Unit To Be Allocated Jointly To Jack B-17 Nos. 3 and 4, Section 17, T-24S, R-37E, Lea County, New Mexico

Continental Oil Company respectfully requests administrative approval under the provision of Rule 5 (b) of the General Rules and Regulations of Order No. R-1670 for approval of a 320-acre non-standard gas proration unit to be allocated jointly to Jack B-17 Well No. 3 located 990' from the north and east lines and No. 4 located 990' from the north and 1980' from west lines both in Section 17, Township 24 South, Range 37 East, Lea County, New Mexico.

Jack B-17 No. 3 was allocated a 320-acre non-standard gas proration unit consisting of the north half of Section 17 on March 29, 1957, under the provisions of Order No. R-962. This proration unit remained non-marginal until November 1, 1973, when it was reclassified to marginal and 286,262 MCF of non-produced allowable was cancelled. On December 12, 1973, remedial work on the No. 3 well was performed increasing its deliverability from 300 MCF to 1,400 MCF per day. Although, successful remedial work was performed on the unit well and was reported to your Hobbs office, the proration unit is still classified as marginal.

Jack B-17 No. 4 was drilled in February and March, 1974, in order to provide additional producing capacity to the unit. A considerable amount of justification for the well was the underproduction to be made up. The No. 4 well was completed and ready to produce on March 13, 1974. A four-point back pressure test taken on March 13, indicated an absolute open flow of 5,131 MCF per day. The deliverability of wells 3 and 4 is sufficient to produce the monthly allowable and to make up the underproduction.

Attached is a location plat showing the Jack B-17 Lease, wells 3 and 4, and offset properties and wells. The proposed non-standard proration unit is outlined in red and consist of the north half of Section 17. By copy of this application, all offset operators of said proposed proration unit are being notified.