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

Attn: Joe D. Ramey, Secretary Director

Dear Sir:

Application for 160 Acre NSP Unit - Continental Oil Company - Wells B-1 No. 4, Unit Letter I, Sec. 1, T-25S, R-36E, Lea County, New Mexico - Jalmat Gas Pool.

Continental Oil Company respectfully requests administrative approval of a 160 acre non-standard proration unit for its Wells B-1 No. 4, located 660 feet from the East and 1980 feet from the South lines of Section 1, T-25S, R-36E, Lea County, New Mexico. Approval is requested under Rule R-1670 of the Special Rules and Regulations for the Jalmat Gas Pool.

The Southeast quarter of Section 1 is the acreage proposed for this non-standard unit. This quarter section was previously divided and committed to proration units established for Continental's Wells B-1 No. 1 and 3 under Commission Order R-1866-A. Both proration units have since been dissolved as the result of the reclassification of each well from gas to oil.

The proposed non-standard unit conforms to requirements 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 5,280 feet.
- 5) Copies of this application have been furnished by certified mail to all offset operators and all operators within said section.