

CASE 1708: Application of CONFIDENTIAL  
for permission to download from an  
undesignated Release pool from 3  
leases - Las County, New Mexico.

Case No.

1708

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Application, Transcript,  
Small Exhibits, Etc.

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:

CASE No. 1708  
Order No. R-1445

APPLICATION OF THE CONTINENTAL  
OIL COMPANY FOR PERMISSION TO  
COMMINGLE THE PRODUCTION FROM  
THREE SEPARATE LEASES IN LEA  
COUNTY, NEW MEXICO

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9:00 o'clock a.m. on July 8, 1959, at Santa Fe, New Mexico, before Daniel S. Nutter, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 31st day of July, 1959, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Nutter, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Continental Oil Company, is the owner and operator of the M. M. Wilder Lease, comprising the NW/4, NW/4 NE/4, S/2 NE/4, and S/2 of Section 25 and all of Section 26, and the E. L. Bradley 35 Lease, comprising the N/2 N/2 of Section 35, and the E. Payne 35 Lease, comprising Lots 1, 2, 3, and 4 of Section 35, all in Township 26 South, Range 32 East, NMPM, Lea County, New Mexico.

(3) That applicant proposes to commingle the Delaware production from the aforesaid leases into a common tank battery located in the SW/4 of said Section 25, after separately metering the production from each lease.

(4) That approval of the subject application will neither cause waste nor impair correlative rights, provided adequate treating, testing, and storage facilities are installed.

-2-  
Case No. 1708  
Order No. R-1445

IT IS THEREFORE ORDERED:

(1) That the application of Continental Oil Company for an order authorizing it to commingle the Delaware production from its M. M. Wilder Lease, comprising NW/4, NW/4 NE/4, S/2 NE/4, and S/2 of Section 25 and all of Section 26, and from its E. L. Bradley 35 Lease, comprising the N/2 N/2 of Section 35, and from its E. Payne 35 Lease, comprising Lots 1, 2, 3, and 4 of Section 35, all in Township 26 South, Range 32 East, NMPM, Lea County, New Mexico, be and the same is hereby granted.

PROVIDED HOWEVER, That the production from each of the above-described leases shall be separately metered prior to commingling.

PROVIDED FURTHER, That in the event that any of the wells on any of the aforesaid leases produces water, the production from said lease shall be adequately treated prior to metering and commingling.

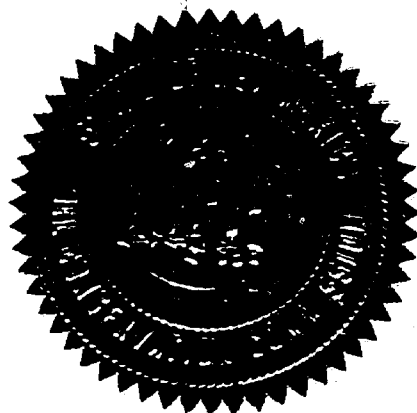
PROVIDED FURTHER, That applicant shall install adequate testing facilities to permit the testing of all wells located on said leases at least once each month to determine the individual production from each well on each lease.

PROVIDED FURTHER, That not more than 16 wells shall be produced into the common tank battery.

PROVIDED FURTHER, That all meters shall be operated and maintained in such a manner as to ensure an accurate measurement of production at all times.

(2) That all meters shall be checked for accuracy at intervals not to exceed one month until further direction by the Secretary-Director. Meters shall be calibrated against a master meter or against a test tank of measured volume and the results of such calibrations filed with the Commission on the Commission form entitled "Meter Test Report."

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

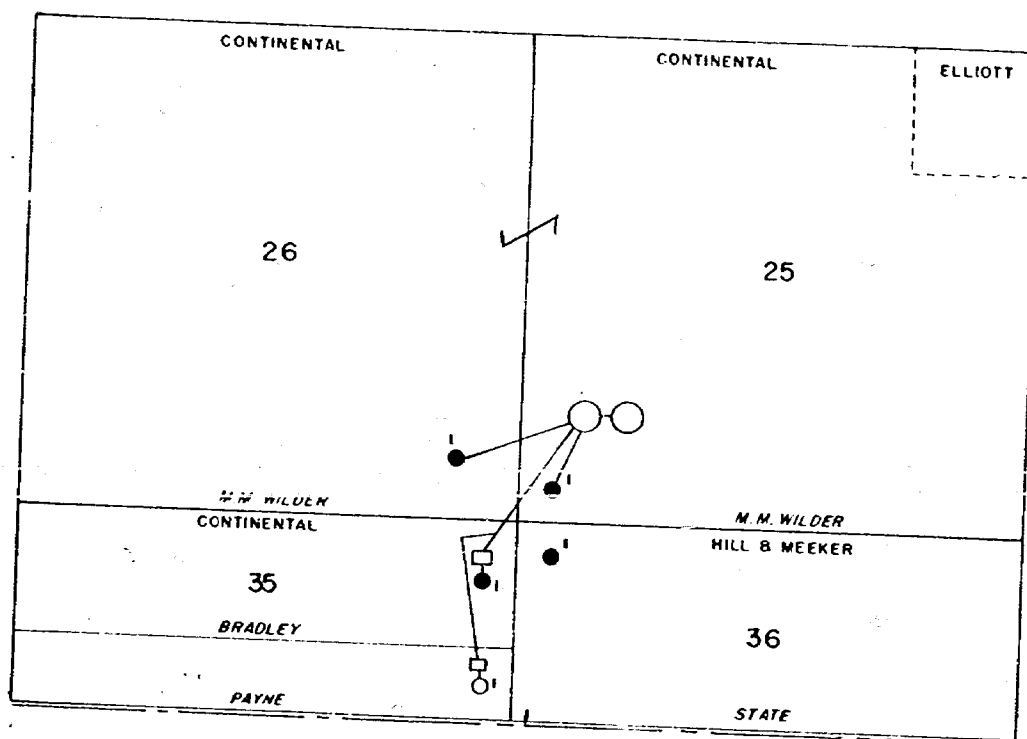
*John Burroughs*  
JOHN BURROUGHS, Chairman

*Murray E. Morgan*  
MURRAY E. MORGAN, Member

*A. L. Porter, Jr.*  
A. L. PORTER, Jr., Member & Secretary



CONTINENTAL OIL COMPANY  
Proposed Gathering and Storage Facilities  
El Mar (Delaware) Pool



T-26-S; R-32-E

☐ Dump metering device

☐ Tank battery

Scale 1" = 2000'

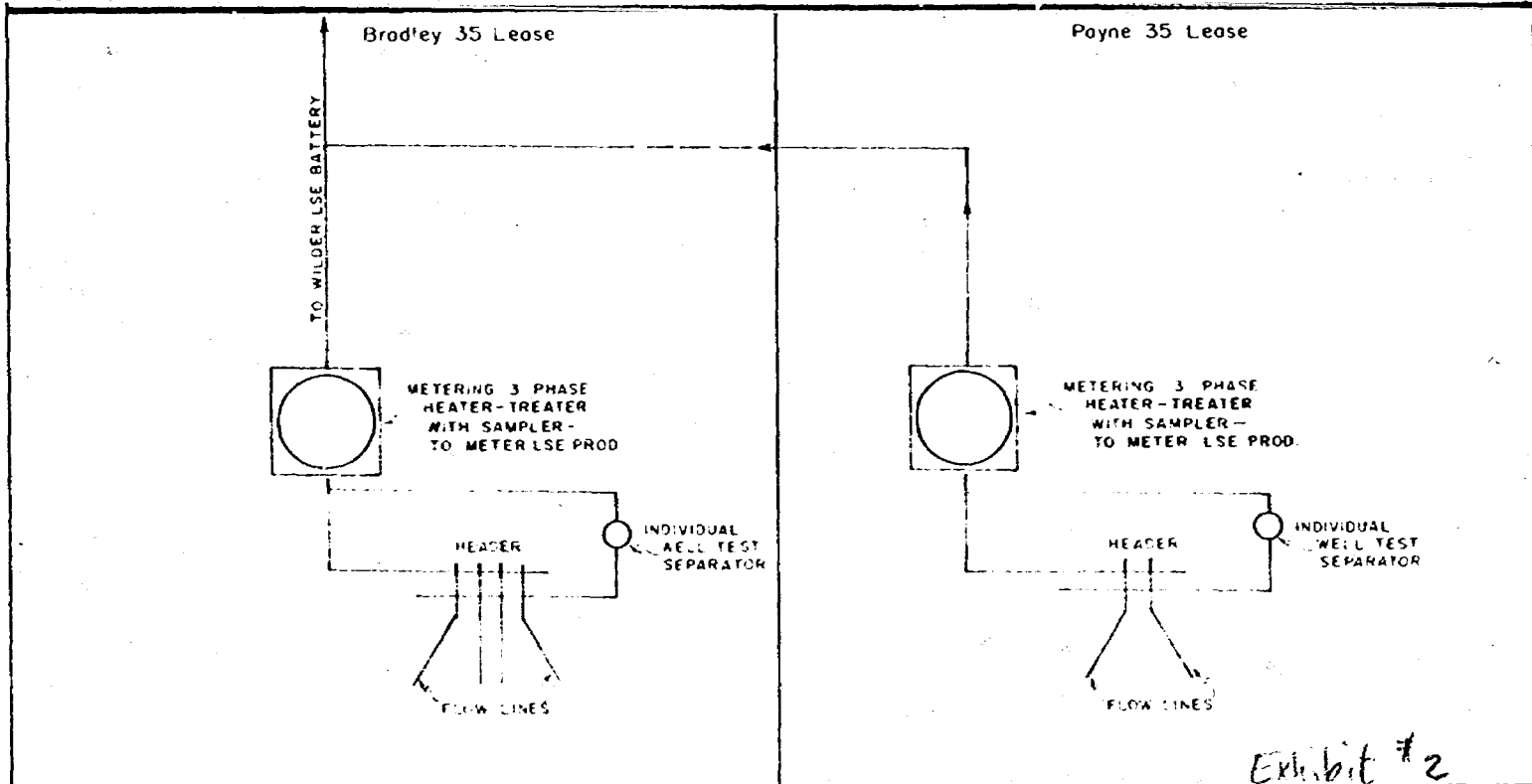
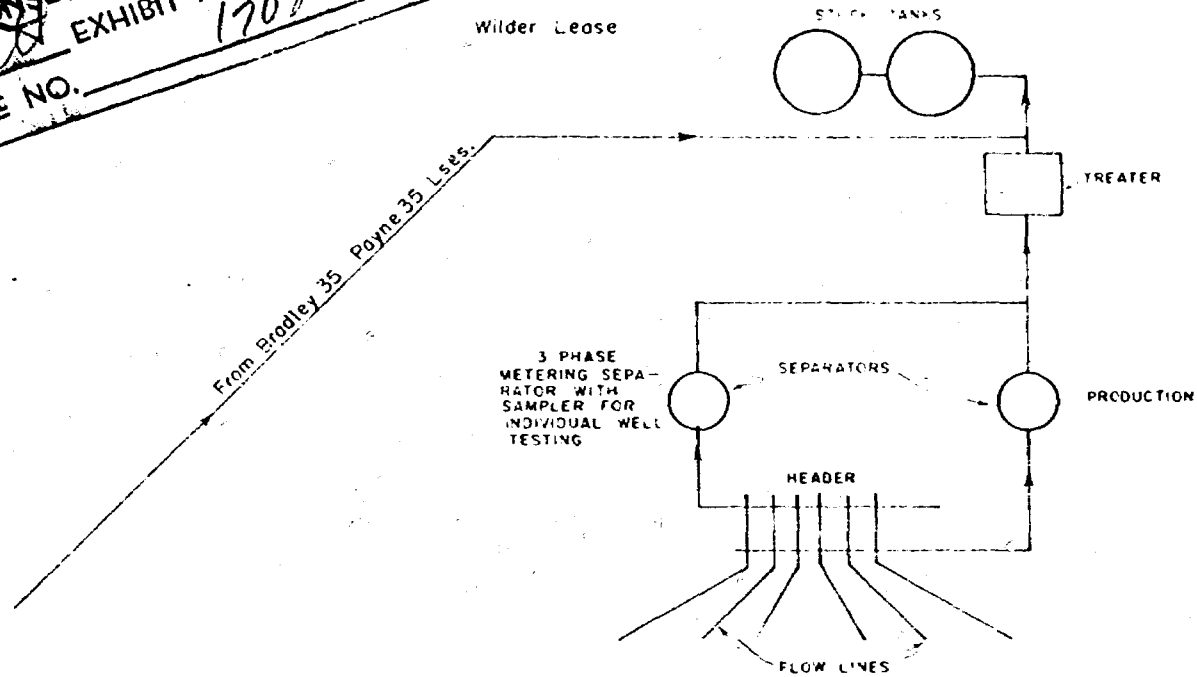
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BEFORE EXAMINER NUTTER  
OIL CONSERVATION COMMISSION  
*Contl* EXHIBIT NO. 2  
CASE NO. 1708

Exhibit 1

CONTINENTAL OIL COMPANY  
 DETAIL OF TEST FACILITIES  
 MAR (Delaware) POOL

BEFORE EXAMINER NUTTER  
 CONSERVATION COMMISSION  
 EXHIBIT NO. 3  
 CASE NO. 1708



BEFORE THE  
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

IN THE MATTER OF:

CASE 1708

TRANSCRIPT OF HEARING

JULY 8, 1959

DEARNLEY - MEIER & ASSOCIATES  
GENERAL LAW REPORTERS  
ALBUQUERQUE NEW MEXICO  
Phone CHapel 3-6691



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BEFORE THE  
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO  
JULY 3, 1959

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IN THE MATTER OF:

CASE 1708 Application of Continental Oil Company for  
permission to commingle the production from  
three separate leases. Applicant, in the  
above-styled cause, seeks permission to com-  
mingle the production from an undesignated  
Delaware pool from three separate leases in  
Sections 25, 26, and 35, Township 26 South,  
Range 32 East, Lea County, New Mexico, after  
separately metering the production from each  
lease.

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BEFORE:

Daniel S. Nutter, Examiner.

T R A N S C R I P T   O F   P R O C E E D I N G S

MR. NUTTER: We will take next Case 1708.

MR. PAYNE: Case 1708. Application of Continental  
Oil Company for permission to commingle the production from three  
separate leases.

MR. KELLAHIN: Jason Kellahin of Kellahin & Fox,  
Santa Fe, representing the applicant. We will have Mr. Queen as  
the witness.

JOHN A. QUEEN,

called as a witness, having been previously duly sworn, testified  
as follows:

## DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Would you state your name, please?

A John A. Queen.

Q Are you the same Mr. Queen who was previously sworn?

A Yes, sir, I am.

Q Mr. Queen, I overlooked your qualifications in the preceding case. Have you previously testified before this Commission?

A I have.

Q And your qualifications have been accepted?

A Yes, sir.

MR. KELLAHIN: Are the witness' qualifications acceptable for both cases?

MR. NUTTER: For the three cases.

Q Mr. Queen, are you familiar with the application in Case 1708?

A Yes, sir, I am.

Q Would you state briefly what is proposed in this application?

A This application is proposed to set up a central tank battery to receive oil from three separate leases of which the Federal Government owns the royalty under all three leases.

Q Now, Mr. Queen, do you have an Exhibit showing the leases involved in this application?

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A We do have.

MR. KELLAHIN: Would you have that marked as Exhibit No. 1, please?

(Thereupon, the document above referred to was marked Continental's Exhibit No. 1 for identification.)

Q Now, referring to what has been marked as Exhibit No. 1, would you state what that Exhibit shows?

A Exhibit No. 1 is a plat of the leases involved in this application. The Wilder Lease, as shown, consists of Section 26, and the W/2 and the SE/4, the W/2 of the NE/4 and the SE/4 of the NE/4 of Section 25. This is all of Section 25 except the NE/4 of the NE/4. The Bradley 35 Lease consists of the N/2 of the N/2 of Section 35. The Payne 35 Lease consists of Lots 1, 2, and 3, and 4, which constitute the remaining portion of the parcel, Section 35 also shown. If I may, we have another map that we would like to either submit in lieu of this one or in addition to this to show the flow lines. It is the same area involved.

Q Do you have that map with you?

A I do have, and this was originally intended as Exhibit No. 1. The only difference is that the proposed flow lines and tank batteries are shown on the second plat.

MR. KELLAHIN: Will you have that marked as Exhibit No. 2, please?

(Thereupon, the document above referred to was marked Continental's Exhibit No. 2 for identification.)

Q Now, Mr. Queen, the wells shown on Exhibits Nos. 1 and 2, are they all drilled?

A The wells that are shown in a solid circle are drilled wells that have been completed. The wells that are circled with a clear circle are drilling or proposed locations.

Q That would include only the wells in the Payne Lease, wouldn't it?

A In this instance, yes.

Q Now, what is the ownership on these leases?

A Continental Oil Company is the operator and owner of the lease. The Federal Government is the owner of the royalty interests.

Q And the other designations consist of the overriding royalties, is that correct?

A That is correct.

Q Now, according to the Exhibit, your tank battery would be located on the Wilder Lease, is that correct?

A That is correct, on Section 25.

Q Does the lease show the location of your meters -- the Exhibit?

A We have what will be marked Exhibit 3. It is a schematic drawing of the meters. However, Exhibit 2 does show the location on each lease that we propose the metering devices.

MR. KELLAHIN: Now, would you have the schematic diagram marked as Exhibit No. 3, please?

(Thereupon, the document above referred to was marked Continental's Exhibit No. 3 for identification.)

Q Referring to what has been marked as Exhibit No. 3, would you state what that shows?

A Since the battery is located on the Wilder Lease, I would like to discuss this location first, this part of the drawing, as shown on the upper part of Exhibit 3. And it consists of stock tanks, tester treaters, separators and a heater for the Wilder lease. The test separator, which is shown on the left, is a three-phase metering free water knockout type in which oil and water are entirely metered separately and also gas. The gas metering is external. This vessel will give accurate testing of the wells. The flow lines are shown on the exhibit on the Payne 35, and the Bradley 35 Lease. The flow lines are between the treater and the stock tanks. Then, in the lower left-hand corner of Exhibit 2, the Bradley 35 system is shown consisting of an individual well test separator and a three-phase metering separator. The maximum number of wells possible in this lease would be four. In the lower right-hand corner is the identical setup with the proposed two wells for this lease, with an individual well separator and a metering three-phase heater-treater.

Q What type meters do you propose to use on this?

A The meters are a dump-type meter in a three-phase metering separator.

Q Will this setup enable you to accurately measure production from the three separate leases?

A Yes, sir, and also accurately test each individual well on each lease.

Q And you will run tests, as may be required by the Commission?

A Yes, sir.

Q Do you have any water problem on these leases, Mr. --

A No, sir. These wells were initially completed with a small percentage of water and immediately thereafter depleted the water, and it is not anticipated that we will produce any quantity of water throughout the life, and it is considered to be a solution gas drive reservoir.

Q Referring to the Exhibits which have been entered here, will you discuss how the individual well tests will be made?

A There will be a flow line from each well to the header of that particular lease. From the header, the fluid may be directed through the production separator or through the test separator. As each well is desired to be tested, each flow of fluid will be directed through the test separator, and thereafter by the oil, gas and water determined from that individual well on a test basis.

Q Now, all three of these leases you have stated are Federal land. Have you received approval from the U.S.G.S.?

A We have.

MR. KELLAHIN: I hand you a letter which I will ask to be marked as Exhibit No. 4. If the Commission please, that is the original copy. We would like to offer it at this time with permission to withdraw it and submit a copy.

MR. NUTTER: This Exhibit will be marked as Exhibit No. 4 and entered in evidence, with the understanding that it may be withdrawn and a reproduction thereof submitted later.

(Thereupon, the document above referred to was marked Continental's Exhibit No. 4 for identification.)

Q Now, referring to what has been marked as Exhibit No. 4, will you state briefly what that shows?

A Exhibit No. 4 is a letter addressed to Continental Oil Company from Edwin M. Thomasson, acting oil and gas supervisor, stating in essence, the method that you propose for metering and storage of oil produced from the above described portion of the lease. "Las Cruces 069515 and 068777, and New Mexico 0291-A is satisfactory to this office." These three leases are the three leases in consideration.

Q Now, Mr. Queen, is it proposed that automatic custody transfer system be installed in this lease?

A It is, at such time as a pipe line is available to the pool.

Q What is the present disposition of production from this lease?

A It is being hauled by tank truck.

Q Now, do the storage facilities, which you propose to install supply adequate storage for the production from the three leases?

A It does. It also allows us to use less storage tanks to store the required amount of oil than would be required than if we installed stock tanks on each lease. This is caused by the sizing of tanks, the availability of extra room while oil is being hauled.

Q Now, in your opinion, will all of the interest affected by this installation be protected?

A It will.

Q Is the application in the interest of prevention of waste?

A It is.

Q Were Exhibits 1, 2, and 3 prepared by you or under your supervision?

A Yes.

Q And Exhibit 4 is the original of a letter from U.S.G.S.?

A That is correct.

MR. KELLAHIN: At this time we offer Continental's Exhibits 1, 2, 3 and 4.

MR. NUTTER: Exhibits 1, 2, 3 and 4 will be received in evidence.



(The documents heretofore marked Continental's Exhibits 1,2,3 and 4 were received in evidence.)

MR. NUTTER: Any questions of Mr. Queen?

CROSS EXAMINATION

BY MR. PAYNE:

Q Mr. Queen, the production which you propose to commingle is all from the same common source of supply, that being an undesignated Delaware pool, is that correct?

A That is correct.

MR. PAYNE: In view of this, Mr. Kellahin, I wonder if you would like to amend the application submitted by Mr. Adams, which asks for an exception to Rule 303. Actually, what you are asking is an exception to Rule 309.

MR. KELLAHIN: At this time, we ask to make that amendment which 303 covers.

MR. PAYNE: Between pools.

Q (By Mr. Payne) Now, Mr. Queen, you are not asking for authority at this time, are you, to produce more than sixteen wells into a common tank battery?

A No, sir, that is correct, because of the unknown size of this pool.

Q Now, is the crude produced from this pool sour crude or sweet crude?

A Sweet crude.

Q So you have no corrosion problems?

A No, sir.

MR. PAYNE: That's all. Thank you.

MR. NUTTER: Any further questions?

QUESTIONS BY MR. NUTTER:

Q Mr. Queen, I note that on the Bradley Lease and on the Payne Lease, that your production passes through a metering three-phase heater-treater with a sampler. However, I note on the Wilder Lease that the production passes through a separator and then through the treater. Do you think that measuring production that has not gone through a treater is going to be accurate on the Wilder Lease?

A The size of the equipment here basically is different than the type of equipment used. The volume of production controls the sizing of equipment and the cost thereof. In the Bradley and the Payne Lease, we were able to install a heater-treater of sufficient size and at a cost of less than a combination of a production treater for the same quantity fluid. This size of equipment is not available or is at excessive cost for the Wilder Lease to handle this amount of production. It is proposed to meter the Bradley production and the Payne production through the metering heater-treater and to measure the production from the Wilder Lease, and that would be the difference in the stock tank of the total volume minus the Bradley and the Payne production.

Q Well now, Mr. Queen, what would be the matter with

putting this treater on the Wilder Lease upstream from the meters?

A We would have to have two treaters, if this were the case, so that we could treat the oil before going into the test system or before going into the production system.

Q However, it would provide a more accurate means of measurement, would it not?

A That is correct. In this particular instance, it is anticipated that due to the low volume of water expected now and in the future, the three-phase metering separator would be sufficient to accurately test the wells.

Q However, the production is not expected to be pipe line quality oil, or you wouldn't feel that it was necessary to put any treater in, is that correct?

A That is correct. We are now producing pipe line oil from wells completed after two weeks. However, for future installation purposes, at such time as a well cannot be tested with the use of the three-phase metering separator, a heater-treater will be installed prior to that time, or a three-phase metering heater-treater would be installed to obtain adequate tests.

Q On which lease?

A On the Wilder Lease.

Q On the Wilder Lease, I see.

MR. NUTTER: Any further questions of Mr. Queen?

A I would like to add one more comment. We have been testing these wells and they are now making water without the

benefit of heat, and we have had very satisfactory use, and we have been transporting stock tank oil even with the water that falls free, and we do not anticipate this to be a problem throughout the life of the field.

Q How old are the wells now?

A They are new.

QUESTIONS BY MR. PAYNE:

Q Mr. Queen, as I understand, the working interest ownership is common in all three leases?

A That is correct.

Q Also the royalty interest?

A Except the overriding.

Q Is there diversification of overrides?

A That is correct.

Q Did you set it forth in the letter to the U.S.G.S.?

A We set forth how we would do it as stipulated in this application, and they said providing we do it this way they agree.

MR. PAYNE: All right, sir.

MR. NUTTER: Any further questions of Mr. Queen? He may be excused.

(Witness excused)

MR. NUTTER: Does anyone have anything further in Case 1708? Take the case under advisement.

STATE OF NEW MEXICO )  
 ) ss  
 COUNTY OF BERNALILLO )

I, J. A. Trujillo, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Proceedings before the New Mexico Oil Conservation Commission was reported by me in Stenotype and reduced to typewritten transcript by me, and that the same is a true and correct record to the best of my knowledge, skill and ability.

WITNESS my Hand and Seal this, the 21<sup>st</sup> day of July, 1959, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

Joseph A. Trujillo  
 NOTARY PUBLIC

My Commission Expires:

October 5, 1960

I do hereby certify that the foregoing is a complete and correct transcript of the proceedings in the Executive Hearing of Case No. 1708 heard by the Commission on 7-8, 1959.

Joseph A. Trujillo, Examiner  
 New Mexico Oil Conservation Commission

OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

Date 7-20-59

CASE NO. 1708

HEARING DATE 1 am 7-8-59  
DSN @ SF

My recommendations for an order in the above numbered case(s) are as follows:

Enter an order approving the application of Continental Oil Co. for commencing of production from the Delaware sand from its M. M. Wilder Lease, comprising NW/4, NW/4 NE/4, S/2 NE/4, and S/2 of Sec 25 and all of Sec 26, from its E. L. Bradley<sup>35</sup> Lease, comprising the N/2 N/2 of Sec 35, and from its E. Payne<sup>35</sup> Lease, comprising Lots 1, 2, 3, 4 of Sec 35, all in Township 26 South Range 32 East, Lea County N. Mex. Provide specifically that the production from Ea. lse shall be separately metered prior to ~~commencing~~ commencing.

Staff Member

Provide also that in the event any of the wells on the aforesaid leases produces water, the production from said lease shall be adequately

treated prior to commingling

Provided that applicant shall  
provide adequate facilities so  
~~to equip the above leases~~ that  
monthly tests can be made  
~~adequate~~ to determine the ~~pro-~~ pro-  
duction from each well ~~of~~ on  
each lease

Provide further that no more  
than 16 units shall be  
produced into the common  
tank battery



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
CONSERVATION COMMISSION  
GEOLOGICAL SURVEY  
EXHIBIT NO. 1708  
CASE NO. 1708  
P. O. Box 6721  
Roswell, New Mexico

IN REPLY REFER TO:  
**RECEIVED**  
New Mexico, Division  
JUN 10 1959

June 9, 1959

Continental Oil Company  
825 Petroleum Building  
Roswell, New Mexico

Attention: Mr. R. L. Adams

Gentlemen:

Your letter of June 1, 1959, requests approval to commingle oil from the following portions of Federal leases located in the El Mar (Delaware) pool, Lea County, New Mexico, of which you are either record lessee or designated operator:

LC 069515 - All of sec. 25 except the NE $\frac{1}{4}$ NE $\frac{1}{4}$  and all of sec. 26, T. 26 S., R. 32 E., N.M.P.M. (your Wilder No. 25 and No. 26 lease).

LC 068777 - NW $\frac{1}{4}$  sec. 35, T. 26 S., R. 32 E., N.M.P.M. (your Bradley No. 35 lease).

NM 02791A - Lots 1, 2, 3, and 4, sec. 35, T. 26 S., R. 32 E., N.M.P.M. (your Payne No. 35 lease).

It is your proposal to commingle oil from your Wilder No. 25 and 26, Bradley No. 35, and Payne No. 35 leases in a central tank battery to be located on your Wilder No. 25 lease. You have indicated that metering heater treaters will be provided to measure production from the Bradley No. 35 lease and Payne No. 35 lease. Production from the Wilder No. 25 and No. 26 leases will be calculated from physical stock tank measurements. Adequate testing facilities will be installed to take periodic individual well tests on each separate leasehold.

The method that you propose for metering and storage of oil produced from the above described portions of leases Las Cruces 069515 and 068777, and New Mexico 02791-A, is satisfactory to this office. It is assumed that periodic meter calibration tests will be made to assure accuracy of measurement.

Very truly yours,

EDWIN M. THOMASSON  
Acting Oil and Gas Supervisor

*Copy to  
JRP  
6-10-59  
(initials)  
(initials)*



DOCKET: EXAMINER HEARING JULY 8, 1959

OIL CONSERVATION COMMISSION, 9 a.m., MABRY HALL, STATE CAPITOL, SANTA FE

The following cases will be heard before Daniel S. Nutter, Examiner, or  
A. L. Porter, Jr., Secretary-Director.

- CASE 1707: Application of Continental Oil Company for two non-standard oil proration units. Applicant, in the above-styled cause, seeks the establishment of two non-standard oil proration units for Delaware production, one 49.8-acre unit to consist of lots 1 and 2 of partial Section 35, Township 26 South, Range 32 East, Lea County, New Mexico, the other 49.9-acre unit to consist of lots 3 and 4 of said partial Section 35. Said units are to be dedicated respectively to a well to be located 330 feet from the North and East lines of lot 1 and to a well to be located 330 feet from the North and East lines of lot 3, all in said Section 35.
- CASE 1708: Application of Continental Oil Company for permission to commingle the production from three separate leases. Applicant, in the above-styled cause, seeks permission to commingle the production from an undesignated Delaware pool from three separate leases in Sections 25, 26, and 35, Township 26 South, Range 32 East, Lea County, New Mexico, after separately metering the production from each lease.
- CASE 1709: Application of Continental Oil Company for a 160-acre non-standard gas proration unit. Applicant, in the above-styled cause, seeks the establishment of a 160-acre non-standard gas proration unit in an undesignated Tubb gas pool consisting of the E/2 SW/4 and the W/2 SE/4 of Section 15, Township 20 South, Range 37 East, Lea County, New Mexico, said unit to be dedicated to applicant's Britt B-15 Well No. 9 located 1980 feet from the South and East lines of said Section 15.
- CASE 1710: Application of The Atlantic Refining Company for the establishment of three non-standard oil proration units and for approval of an unorthodox oil well location. Applicant, in the above-styled cause, seeks the establishment of three 44.56-acre non-standard oil proration units in the Horseshoe-Gallup Oil Pool, the three units together to comprise all of lots 1, 2, 3, and 4 of Section 33, Township 31 North, Range 16 West, San Juan County, New Mexico, one unit to be dedicated to a well in said lot 1, another to a well in said lot 2, the other to a well in said lot 4. Applicant further seeks approval of an unorthodox location for the well in said lot 2,
- CASE 1711: Application of The Atlantic Refining Company for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its State "Y" Well No. 8, located in the SE/4 NE/4 of Section 25, Township 25 South, Range 37 East, Lea County, New Mexico, in such a manner as to produce oil from the Justis Blinbry Pool and from the Justis Fusselman Pool through parallel strings of tubing.
- CASE 1712: Application of Angels Peak Oil Company for a non-standard gas proration unit or in the alternative for a force pooling order. Applicant, in the above-styled cause, seeks the establishment of a 98.87-acre non-standard gas proration unit in the Fulcher Kutz-Pictured Cliffs Pool consisting of lots 1 and 2 of Section 10 and lots 3 and 4 of Section 11, both in Township 28 North, Range 11 West, San Juan County, New Mexico said unit to be

CASE 1712 (continued) dedicated to applicant's Angels Peak Well No. 5, located 285 feet from the North line and 1520 feet from the West line of said Section 11. Applicant proposes, in the alternative, to force pool all interests in the above-described acreage in said Fulcher Kutz-Pictured Cliffs Pool.

CASE 1713: Application of El Paso Natural Gas Company for a gas-gas dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Hancock Well No. 3, located in the SW/4 SW/4 of Section 22, Township 28 North, Range 9 West, San Juan County, New Mexico, in such a manner as to produce gas from the Aztec-Pictured Cliffs Pool and to produce gas from the Blanco-Mesaverde Pool through the casing-tubing annulus and tubing respectively. Applicant proposes to utilize a retrievable-type packer in said well.

CASE 1714: Application of John H. Trigg for an order authorizing a pilot water flood project, for capacity allowables for seven wells in said project area, and for establishment of an administrative procedure for expansion of said project and for granting capacity allowables. Applicant, in the above-styled cause, seeks an order authorizing it to institute a pilot water flood project in the Caprock-Queen Pool in Chaves County, New Mexico. Applicant proposes to inject water into the Queen formation through 4 wells located in Sections 4 and 5, Township 14 South, Range 31 East. Applicant also seeks capacity allowables for seven wells in said project. Applicant further seeks the establishment of a procedure whereby the project area may be expanded and capacity allowables granted without notice and hearing.

CASE 1715: Application of Gulf Oil Corporation for permission to install a lease automatic custody transfer system. Applicant, in the above-styled cause, seeks an order authorizing it to install automatic custody transfer equipment to receive and measure the oil produced from its B. V. Culp Lease consisting of the SW/4 NW/4, E/2 NW/4, and the NE/4 of Section 19, Township 19 South, Range 37 East, Lea County, New Mexico.

CASE 1716: Application of Northwest Production Corporation for an oil-gas dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its "S" Lease Well No. 15-11, located in the NE/4 NE/4 of Section 11, Township 24 North, Range 4 West, Rio Arriba County, New Mexico, in such a manner as to produce oil from an undesignated Gallup oil pool and the production of gas from an undesignated Dakota gas pool through parallel strings of tubing.

CASE 1717: Application of Pan American Petroleum Corporation for an exception to the "No-Flare" provisions of Order No. R-1237. Applicant, in the above-styled cause, seeks an exception to the requirement in Order No. R-1237 that no casinghead gas be flared or vented from any well within the defined limits of the Otero-Gallup Oil Pool or within one mile therefrom for its Jicarilla Tribal 35 Well No. 1, located in the NW/4 SW/4 of Section 35, Township 25 North, Range 5 West, Rio Arriba County, New Mexico.

CASE 1718: Application of Samedan Oil Corporation for an unorthodox oil well location. Applicant, in the above-styled cause, seeks an order authorizing an unorthodox oil well location in the Kemnitz-Wolfcamp Pool for a well to be located 660 feet from the South and East lines of Section 20, Township 16 South, Range 34 East, Lea County, New Mexico, in exception to the spacing requirements for said pool as promulgated by Order No. R-1011.

Docket No. 24-59

CASE 1719: Application of Sinclair Oil & Gas Company to commingle the production from several separate pools. Applicant, in the above-styled cause, seeks authority to commingle the production from the Penrose-Skelly Pool and the Paddock Pool from all wells on its Brunson lease comprising the NW/4 SW/4 of Section 3 and the W/2 SE/4 of Section 4, Township 22 South, Range 37 East, Lea County, New Mexico. Applicant further seeks permission to commingle the production from the Hare Pool, Drinkard Pool and Tubb Gas Pool from all wells on said lease.

CASE 1720: Application of Skelly Oil Company for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its W. P. Saunders Well No. 1, located in the SW/4 SE/4 of Section 11, Township 26 North, Range 11 West, San Juan County, New Mexico, in such a manner as to produce oil from the Gallegos-Gallup Oil Pool and to produce oil from an undesignated Dakota pool through parallel strings of tubing.

CASE 1721: Application of Great Western Drilling Company for an automatic custody transfer system, for permission to commingle the production from separate leases, for permission to produce more than 16 wells into a common tank battery, and for an administrative procedure whereby wells may be produced in excess of top unit allowable. Applicant, in the above-styled cause, seeks an order authorizing installation of an automatic custody transfer system and for permission to commingle the Caprock-Queen Pool production from more than 16 wells located on separate leases within the confines of the North Central Caprock Queen Unit Area in Township 13 South, Ranges 31 and 32 East, Lea and Chaves Counties, New Mexico. Applicant further proposes the establishment of an administrative procedure whereby wells in said Unit Area may be permitted to produce in excess of top unit allowable for said Caprock-Queen Pool.



# CONTINENTAL OIL COMPANY

825 PETROLEUM BUILDING  
ROSWELL, NEW MEXICO

R. L. ADAMS  
DIVISION SUPERINTENDENT  
OF PRODUCTION  
NEW MEXICO DIVISION

June 2, 1959

July 8  
MAIN OFFICE OCC  
MAIN OFFICE OCC

1959 JUN 3 PM 1:20  
1959 JUN 3 PM 1:20

New Mexico Oil Conservation Commission  
Post Office Box 871  
Santa Fe, New Mexico

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

Gentlemen:

Re: Continental Oil Company's  
Application for an Exception  
to Rule 303 in order to  
Commingle the Production  
after Separate Measurement  
from its Wilder, Bradley 35  
and Payne 35 Leases, Sections  
25, 26 and 35, T-26S, R-32E,  
Lea County, New Mexico

We are attaching three copies of Continental Oil Company's  
Application for an Exception to Rule 303 for permission to commingle  
the production after separate measurement from its Wilder, Bradley  
35 and Payne 35 Leases located in Sections 25, 26 and 35, T-26S,  
R-32E, Lea County, New Mexico.

Please set this application for hearing at the earliest  
convenient date.

Yours very truly,

*R. L. Adams*

RLA-BR  
Enc

BEFORE THE OIL CONSERVATION COMMISSION  
ATTN: OFFICE UCC

OF THE  
1959 JUN 3 PM 1:20  
STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF  
CONTINENTAL OIL COMPANY FOR AN EXCEP-  
TION TO RULE 303 IN ORDER TO COMMINGLE  
THE PRODUCTION AFTER SEPARATE MEASURE-  
MENT FROM ITS WILDER, BRADLEY 35 AND  
PAYNE 35 LEASES LOCATED IN SECTIONS 25,  
26 AND 35, T-26S, R-32E, NMPM, LEA  
COUNTY, NEW MEXICO

*Appl amended  
to provide  
exception to 303  
Case 1708*

A P P L I C A T I O N

Comes now applicant, Continental Oil Company and respectfully requests an exception to statewide Rule No. 303 for permission to commingle production from its Wilder, Bradley 35 and Payne 35 Leases located in Sections 25, 26 and 35, T-26S, R-32E, NMPM, Lea County, New Mexico, and in support thereof would show:

1. That applicant is the owner of (a) the Wilder Lease consisting of Section 26, W/2, SE/4, W/2 NE/4 and SE/4 NE/4 Section 25, T-26S, R-32E; (b) the Bradley 35 Lease consisting of N/2 N/2 Section 35, T-26S, R-32E; (c) the Payne 35 Lease consisting of Lots 1, 2, 3 and 4, Section 35, T-26S, R-32E, NMPM, Lea County, New Mexico.

2. That the mineral rights under each of the above described leases are held by the federal government.

3. That oil production has been obtained on the Wilder and Bradley 35 Leases from the El Mar Delaware Pool and that production is anticipated on the Payne 35 Lease from said pool.

4. That the three leases are in an isolated location and the installation of three separate tank batteries would require considerable additional difficulty and expense.

5. That applicant proposes to install accurate metering and test facilities on each lease so that the production from each individual lease will be accurately measured and reported and the performance of each well will be accurately checked.

6. That the proposed installation in exception to Rule 303 is in the interest of conservation and the prevention of waste.

*Robert  
Miles  
6-25-59*

Page 2

Wherefore, applicant prays that this matter be set for hearing before the Commission's duly qualified examiner and that upon hearing an order be entered granting applicant permission to commingle the oil produced from the three leases described hereinabove.

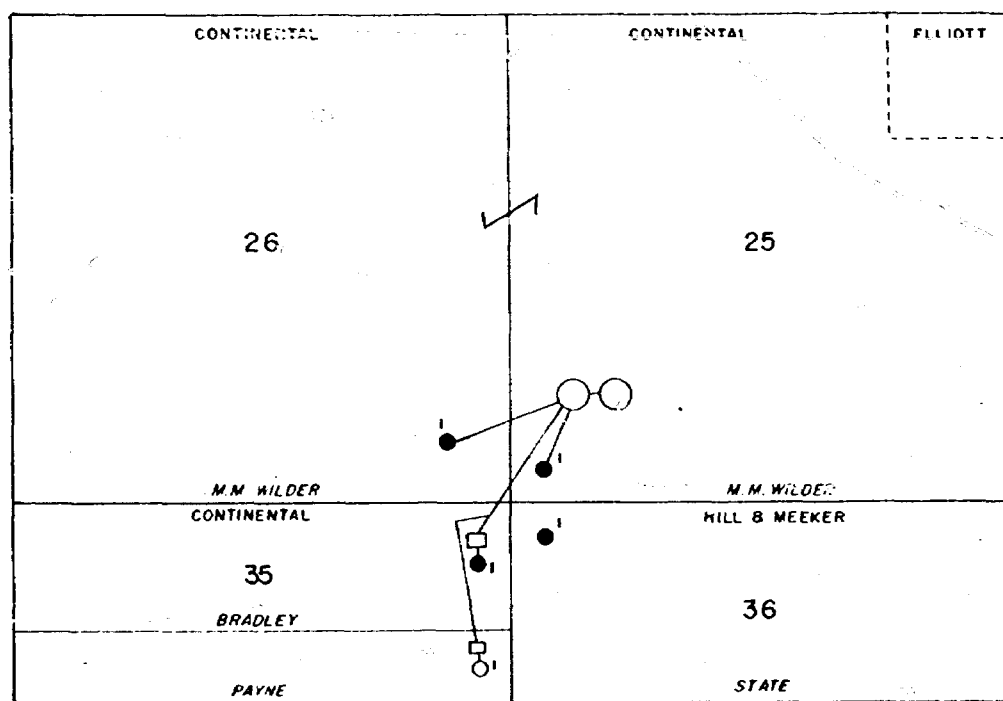
Respectfully submitted,



R. L. Adams  
Division Superintendent  
of Production  
New Mexico Division

RLA-BR

**CONTINENTAL OIL COMPANY**  
**Proposed Gathering and Storage Facilities**  
**El Mar (Delaware) Pool**



**T-26-S; R-32-E**

□ Dump metering device

○○ Tank battery

Scale 1" = 2000'

Drwn. by: COG

*Case 1708*

EL MAR-DELAWARE  
LEA COUNTY, N.M.  
a  
LOVING COUNTY, TEXAS  
SCALE: 1" = 2000'  
6/1/59: DAM