

Entered March 4, 1971

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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. 4509
Order No. R-4115

APPLICATION OF CONTINENTAL OIL COMPANY
FOR AN AMENDMENT OF ORDER NO. R-2016,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on February 24, 1971, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 4th day of March, 1971, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, 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, was authorized by Order No. R-2016, dated July 7, 1961, to commingle the Maljamar-Paddock Pool production from its William Mitchell "A" Lease, comprising the N/2 of Section 19 and the N/2 of Section 20, with the Maljamar-Paddock Pool production from its William Mitchell "B" Lease, comprising the W/2 and the W/2 E/2 of Section 17, the E/2 and the E/2 W/2 of Section 18, the S/2 of Section 19, and the S/2 of Section 20, all in Township 17 South, Range 32 East, NMPM, Lea County, New Mexico, after separately metering the production from each lease with meters equipped with non-reset totalizers and samplers.

(3) That the applicant now seeks the amendment of said Order No. R-2016 to permit the commingling of the Paddock oil

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production from said Mitchell "A" and "B" Leases without separately metering the production from each of the leases prior to the commingling.

(4) That the Mitchell "A" Lease has one producing well and the Mitchell "B" Lease has three producing wells.

(5) That each of the above-described wells is capable of only low marginal production.

(6) That the applicant proposes to test monthly the production from the well on its Mitchell "A" Lease and to allocate the production to its Mitchell "B" Lease by the subtraction method.

(7) That approval of the subject application to commingle production prior to measurement will result in economic savings to the operator, prevent waste, and will not violate correlative rights.

(8) That Order No. R-2016 should be superseded.

IT IS THEREFORE ORDERED:

(1) That the applicant, Continental Oil Company, is hereby authorized to commingle prior to measurement the Maljamar-Paddock Pool production from its William Mitchell "A" Well No. 1, located in Unit D of Section 20, with the Maljamar-Paddock Pool production from its William Mitchell "B" Wells Nos. 10 and 11, located in Units O and N, respectively, of Section 17 and Well No. 15, located in Unit L of Section 20, all in Township 17 South, Range 32 East, NMPM, Lea County, New Mexico.

(2) That the Maljamar-Paddock Pool production shall be allocated to each of the above-described leases as follows:

(a) Determine the total monthly production from the two leases.

(b) William Mitchell "A" Lease production shall be equal to the monthly production of the Mitchell "A" Well No. 1 located in Unit D of Section 20, Township 17 South, Range 32 East, as determined by monthly production tests on the well.

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(c) William Mitchell "B" Lease production shall be equal to the total production from the two leases less the William Mitchell "A" Lease production as determined above and shall be allocated among the three wells on said lease on the basis of quarterly well tests.

(3) That the results of the monthly productivity tests required for the Mitchell "A" Well No. 1 as described above shall be filed with the Commission's District Office at Hobbs, New Mexico, on Commission Form C-116 each month until further order of the Commission.

(4) That Order No. R-2016 is hereby superseded.

(5) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

BRUCE KING, Chairman


ALEX J. ARMIJO, Member


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

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