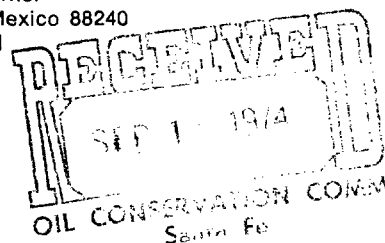




L. P. Thompson  
Division Manager  
Production Department  
Hobbs Division  
Western Hemisphere Petroleum Division

Continental Oil Company  
P.O. Box 460  
1001 North Turner  
Hobbs, New Mexico 88240  
(505) 393-4141



September 16, 1974

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

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

Gentlemen:

Application for Pool Commingling and Use of Common Test System - North  
Mason and Battleaxe Pools, Lea County, New Mexico

Administrative Order OLS-93 approved the off-lease storage for the Russell Federal 30 Lease in Section 30, T-26S, R-32E, Lea County, New Mexico. The wells covered by that order produced from the North Mason-Delaware Pool. We have production under the same basic lease, and of common ownership from wells producing from the Battleaxe-Delaware Pool. It is proposed to produce those wells into the same battery with the wells covered by Order OLS-93.

A consolidated battery is under construction on the Thompson Federal 19 Lease whereby, in a battery parallel to the Russell battery, the North Mason-Delaware wells on the Thompson Federal 19 and Thompson Federal 18 will produce. The attached plat shows the location of the wells, the remote headers and the central tank battery. A production line as well as a test line will be laid from the remote headers to the central battery site. The attached tabulation shows the latest test of all the wells which produce into each stream of the consolidated tank battery.

It is proposed to utilize a common test system for the two leases. The attached schematic diagram shows the flow diagram for this system. Please note that the valves are paired and arranged in such a manner that both valves affecting a given lease will be opened or closed in unison. The system is programmed so that only one system may be on test at any instant so that production from one lease cannot be transferred to the other lease storage facilities.

The attached letter from Mr. Arthur R. Brown, District Engineer for the USGS, indicates approval by that agency of this system. A copy of the application to the USGS together with exhibits has been furnished to the owners of overriding royalty interests under the two basic leases. These owners are: Emma T. Russell, 712 North Main Street, Roswell, New Mexico 88201 and D. L. McBride, Executor Estate of Ernest A. Hanson, P. O. Box 1515, Roswell, New Mexico 88201 as to the Russell properties; Nancy Thompson, 930 Crestview, Farmington New Mexico 87401; and P. S. Hagood, 6010 West 74th Street, Los Angeles, California 90025 as to the Thompson properties. The two basic leases are of common ownership throughout, for each basic lease. It is respectfully requested that

New Mexico Oil Conservation Commission  
Page 2  
September 16, 1974

permission be granted to commingle production on the Russell Lease from the Battleaxe-Delaware and North Mason-Delaware and, further, that authority be given to use a common test system for the two properties served by the consolidated tank battery. Approval of this application will result in reduced evaporation losses and will increase efficiency of our operations in this area without loss of integrity of the two streams of ownership.

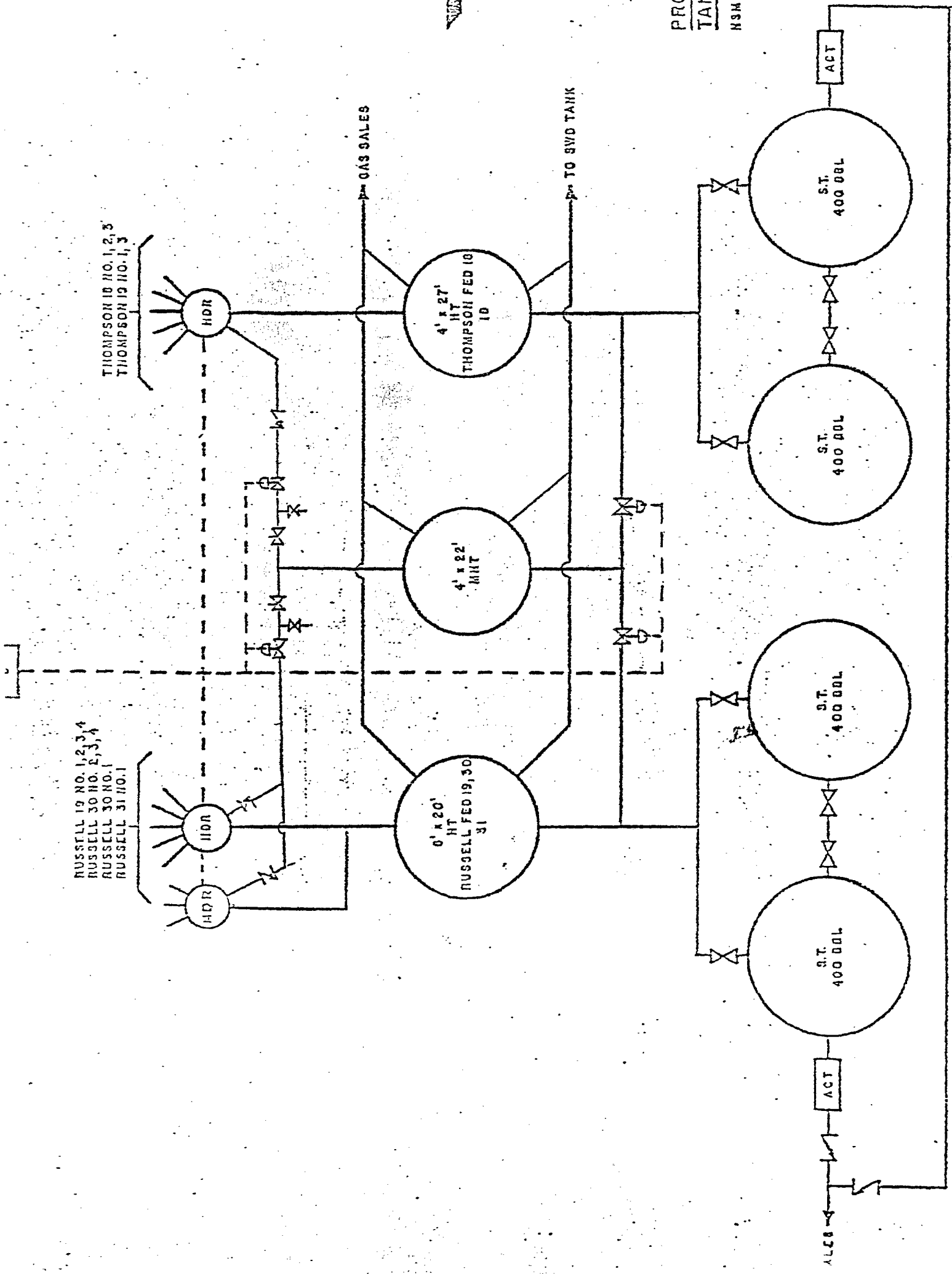
Yours very truly,

A handwritten signature in cursive script, appearing to read "L. Thompson".

VTL:reh  
Enc  
CC:  
New Mexico Oil Conservation Commission  
P. O. Box 1980  
Hobbs, New Mexico 88240

FEE: JWK: FOH





(CONOCO)

PROPOSED NORTH MASON  
TANK BATTERY CONSOLIDATION

NSM 5-74

117

# LATEST TEST DATA

	<u>Date</u>	<u>Oil</u>	<u>Water</u>	<u>Gas</u>
Russell Federal 19 No. 1	4-3	10		
Russell Federal 19 No. 2	4-4	20	20	24
Russell Federal 19 No. 3	4-5	30	22	24
Russell Federal 19 No. 4	4-6	10	45	24
			20	24
Russell Federal 30 No. 2	2-20	50		
Russell Federal 30 No. 3	5-29	19	75	100
Russell Federal 30 No. 4	5-29	60	69	
			102	
Thompson Federal 18 No. 1	4-2	12		
Thompson Federal 18 No. 2	4-3	15	20	7
Thompson Federal 18 No. 3	4-4	7	48	7
Thompson Federal 18 No. 4	4-5	15	20	7
			30	7
Thompson Federal 19 No. 1	4-3	9		
Thompson Federal 19 No. 3	4-4	6	15	27
			10	24
Battlaxe				
Russell Federal 30 No. 1	4-4	5		
Russell Federal 31 No. 1	4-5	15	15	24
			20	24



# United States Department of the Interior

GEOLOGICAL SURVEY

HOBBS DIVISION

P. O. Box 1157

Hobbs, New Mexico 88240

Aug 22 1974

August 20, 1974

Note: Marked in file	
Div. Manager	<input checked="" type="checkbox"/>
Prod. Supv.	<input checked="" type="checkbox"/>
Div. Engr.	<input checked="" type="checkbox"/>
Div. Off. Mgr.	<input checked="" type="checkbox"/>
Consrv. Comm.	<input checked="" type="checkbox"/>
A. S. Supv.	<input checked="" type="checkbox"/>
BEN BH	

Continental Oil Company  
Box 460  
Hobbs, New Mexico

Gentlemen:

Your letter of June 28 requests approval to commingle Delaware Sand production from your Russell Federal 19 wells Nos. 1, 2, 3 and 4, Russell Federal 30 wells Nos. 1, 2, 3, 4 and 5, and Russell Federal 31 well No. 1 in secs. 19, 30 and 31, T. 26 S., R. 32 E., Lea County, New Mexico, leases Las Cruces 068281-A, 068281-B and 068281. The commingled production is to be stored at the consolidated tank battery on lease Las Cruces 062749-B.

The system for commingling described in the diagram attached to your letter, and off-lease storage of the commingled production, is hereby approved subject to like approval by the New Mexico Oil Conservation Commission. Your Lessee's Monthly Report of Sales and Royalty, form 9-361, should show all computations used in allocating production to each lease.

The addition of any wells or leases to the commingling facility must be approved by this office prior to their being added to the facility.

Please notify this office when the installation is completed so that a field inspection of the system can be made.

Sincerely yours,

Arthur R. Brown  
District Engineer