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New Mexico Division

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Case 1235

IN THE MATTER OF THE APPLICATION OF
CONTINENTAL OIL COMPANY FOR AN EXCEPTION
TO RULE 309(a) OF THE RULES AND REGULA-
TIONS OF THE NEW MEXICO OIL CONSERVATION
COMMISSION, AUTHORIZING THE PRODUCTION
INTO A COMMON AUTOMATIC TANK BATTERY OF
ALL WELLS IN THE SKAGGS POOL WITHIN THE
BOUNDARIES OF THE SOUTHEAST MONUMENT
UNIT LOCATED IN SECTIONS 13, 14, 15, 22,
23, 24, 25, 26, AND 27, T-20-S, R-37-E,
AND SECTIONS 19, 20, 29, AND 30, T-20-S,
R-38-E, N.M.P.M., LEA COUNTY, NEW MEXICO

) BEFORE THE
) OIL CONSERVATION
) COMMISSION
) OF THE
) STATE OF
) NEW MEXICO

APPLICATION

Comes now CONTINENTAL OIL COMPANY, a Delaware cor-
poration, hereinafter referred to as "Applicant," and would
respectfully show unto the Commission as follows:

1.

That Applicant is the operator of the Southeast
Monument Unit covering lands located in Sections 13, 14, 15, 22,
23, 24, 25, 26, and 27, T-20-S, R-37-E, and Sections 19, 20,
29, and 30, T-20-S, R-38-E, N.M.P.M., Lea County, New Mexico.

2.

That up to the time of the filing of this application
Applicant has drilled and completed within the boundaries of
said Southeast Monument Unit a total of 35 wells which are pro-
ducing from the Skaggs Pool, said wells being located in Sections
13, 14, 24, and 25, T-20-S, R-37-E, and in Sections 19 and 30,
T-20-S, R-38-E, all as shown on Exhibit "A" attached hereto.

3.

No additional Skaggs Pool wells are currently being
drilled within the boundaries of the Southeast Monument Unit and
the drilling of no such wells is currently being contemplated,
although an additional such well or wells may be drilled in the
future.

4.

That Applicant proposes to install an automatic tank
battery to receive the production from the 35 wells currently

producing from the Skaggs Pool in said unit and from such additional well or wells, if any, as may hereafter be drilled and completed in the Skaggs Pool in said unit, such automatic tank battery to be located on Section 19, T-20-S, R-38-E, as shown on the attached aforesaid Exhibit "A"; that such installation is feasible and practical and will result in more efficient production, testing, and operation of said wells.

5.

That Applicant proposes to install equipment in such manner as will permit each well to be tested individually and that in this connection three test stations are proposed to be installed on Section 13, T-20-S, R-37-E, and on Sections 19 and 30, T-20-S, R-38-E, respectively, as shown on the attached aforesaid Exhibit "A."

6.

That the production of said wells into a common automatic tank battery will result neither in waste nor the impairment of correlative rights.

7.

That there is attached hereto and made a part hereof a plat, marked Exhibit "A," showing the boundary lines of the Southeast Monument Unit; the location of the 35 wells currently producing from the Skaggs Pool within the boundaries of said unit; the location of the proposed common automatic tank battery; the location of the proposed three test stations; and the manner in which said wells are to be connected to the respective test stations and to the common automatic tank battery.

8.

That in the event Applicant should drill and complete any additional well or wells in said Skaggs Pool within the boundaries of said Southeast Monument Unit, Applicant be authorized to produce such well or wells into the aforesaid common automatic tank battery by administrative order of the

Commission upon Applicant's filing with the Commission an application therefor accompanied by a plat showing the location of such additional well or wells and showing the test station or test stations to which said well or wells are to be connected.

9.

That Applicant desires a hearing before an examiner at the Commission's District Office in the City of Hobbs, New Mexico, at the earliest practical date.

10.

That the names and addresses of all interested parties known to Applicant are:

The Atlantic Refining Company
Attn: Mr. S.L. Smith
P.O. Box 871
Midland, Texas

Pan American Petroleum Corporation
Attn: Mr. C.L. Kelley
P.O. Box 899
Roswell, New Mexico

Standard Oil Company of Texas
Attn: Mr. H.W. Mathews
P.O. Box 1249
Houston, Texas

WHEREFORE, Applicant prays that this application be set for hearing upon due notice and that upon hearing an order be entered granting Applicant an exception to Rule 309(a) authorizing Applicant to produce into a common automatic tank battery the 35 wells now producing from the Skaggs Pool within the boundaries of the Southeast Monument Unit, as aforesaid, and authorizing administrative approval of the production of any additional well or wells which may be drilled and completed in said pool in said unit by Applicant upon application by Applicant showing the location of such additional well or wells and the location of the test station or test stations to which such additional well or wells may be connected.

Respectfully submitted,

CONTINENTAL OIL COMPANY

BY *R. L. Adams*