



CONTINENTAL OIL COMPANY

825 PETROLEUM BUILDING
ROSWELL, NEW MEXICO
December 23, 1959

WM. A. MEAD
DIVISION SUPERINTENDENT
OF PRODUCTION
NEW MEXICO DIVISION

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

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

Re: Application of Continental
Oil Company for Exception
to Rule 309 (A) in order
to Produce 44 Wells into
a Centralized Tank Battery
and to Install a Lease Auto-
matic Custody Transfer System
for all Wells Producing from
the Skaggs Pool within the
Boundaries of the Southeast
Monument Unit.

Gentlemen:

Please find attached 3 copies of Continental Oil
Company's Application for Exception to Rule 309 (A) in order
to produce 44 wells into a centralized tank battery and to
install a lease automatic custody transfer system for all wells
producing from the Skaggs Pool within the boundaries of the
(Southeast Monument Unit,) located in Sections 13, 14, 15, 22,
24, 25, 26 and 27, T-20S, R-37E and Sections 19, 20, 29, and
30, T-20S, R-38E, NMPM, Lea County, New Mexico.

Please set this matter for hearing at your earliest
convenience.

New Mexico Oil Conservation Commission
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Yours very truly,

W. G. Madsen

WAM-MH
Enc.

BEFORE THE OIL CONSERVATION COMMISSION

OF THE

STATE OF NEW MEXICO

Case 1877

IN THE MATTER OF THE APPLICATION
OF CONTINENTAL OIL COMPANY FOR AN
EXCEPTION TO RULE 309 (A) IN ORDER
TO PRODUCE 44 WELLS INTO A CENTRALIZED
TANK BATTERY AND TO INSTALL A LEASE
AUTOMATIC CUSTODY TRANSFER SYSTEM
FOR ALL WELLS PRODUCING FROM 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-20S, R-37E,
AND SECTIONS 19, 20, 29, AND 30,
T-20S, R-38E, NMPM, LEA COUNTY,
NEW MEXICO.

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. 309 (a) for permission to produce 44 wells into a centralized tank battery and to install a lease automatic custody transfer system for all wells producing from 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-20S, R-37E and Sections 19, 20, 29, and 30 T-20S, R-38E, NMPM, Lea County, New Mexico, and in support thereof would show:

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-20S, R-37E, and Sections 19, 20, 29, and 30 T-20S, R-38E, NMPM, Lea County, New Mexico.

2. That the mineral rights under the above described lease are held by the Federal Government.

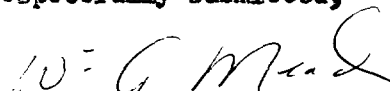
3. That applicant is now operating a centralized automatic tank battery for all wells producing from the Skaggs Pool in the Southeast Monument Unit as authorized by the Oil Conservation Commission's Order No. R-1002.

4. That applicant proposes to incorporate a lease automatic custody transfer system into the centralized battery.

5. That the proposed installation in exception to Rule 309 (a) is in the interest of conservation and the prevention of waste.

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 produce 44 wells into a centralized battery and to install a lease automatic custody transfer system for all Skaggs Pool wells in the Southeast Monument Unit.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Wm. A. Mead". The signature is written in a cursive style with a large, sweeping "M" and a long, horizontal tail stroke.

Wm. A. Mead
Division Superintendent
of Production
New Mexico Division