BEFORE THE OIL CONSERVATION COMMISSION

OF THE

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF CONTINENTAL OIL COMPANY FOR AN EXCEPTION TO RULE 309(a) IN ORDER TO INSTALL AN AUTOMATIC CUSTODY TRANSFER SYSTEM FOR ALL WELLS PRODUCING FROM THE MONUMENT AND EUMONT OIL POOLS WITHIN THE BOUNDARIES OF THE SANDERSON B-14 LEASE CONSISTING OF THE SW/4, SW/4 SE/4, AND THE SW/4, NW/4 OF SECTION 14, T-205, R-36E, NMPM, LEA COUNTY, NEW MEXICO.

Case 2154

APPLICATION

Comes now applicant, Continental Oil Company, and respectfully requests an exception to statewide Rule No. 309(a) for permission to install an automatic custody transfer system for all wells producing from the Monument and Eumont Oil Pools within the boundaries of the Sanderson B-14 lease which consists of the SW/4, SW/4 SE/4, and the SW/4 NW/4 of Section 14, T-20S, R-36E, NMPM, Lea County, New Mexico, and in support thereof would show:

- 1. That the applicant is co-owner and operator of the Sanderson B-14 lease consisting of the SW/4, SW/4 SE/4, and the SW/4 NW/4 of Section 14, T-20S, R-36E, NMPM, Lea County, New Mexico.
- 2. That the royalty interest is common, that being the United States Government.
- 3. That applicant proposes to install an automatic custody transfer system.
- 4. That approval to commingle the oil production from the Monument and Eumont Oil Pools has been granted under the provisions of Rule 663 of the New Mexico Oil Conservation Commission.
- 5. That the proposed installation in exception to Rule 309(a) is in the interest of conservation and 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 install an automatic custody transfer system on the above described property.

Respectfully submitted,

Wm. A. Mead

Division Superintendent

of Production

New Mexico Division

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