



# CONTINENTAL OIL COMPANY

FAIR BUILDING  
FORT WORTH 2, TEXAS

R. T. HANSON  
ASSISTANT REGIONAL MANAGER OF PRODUCTION  
SOUTHWESTERN REGION

May 16, 1957

*Exc to Rule 309*

*Issue 5/20/57*

*All names per Rule 309*

*4  
\$5*

Mr. A. L. Porter, Jr., Secretary-Director  
New Mexico Oil Conservation Commission  
P. O. Box 871  
Santa Fe, New Mexico

Re: Application of Continental Oil Company for authority to produce oil from the following State leases into Common Storage: State U-5, State P-5, State T-8, and State U-8, T-17S, R-29E, Eddy Co., N.M., in the Cave Pool

Dear Mr. Porter:

*see 5/20/57 State P, T #1*

*Cave Pool* Attached, in quadruplicate, is an application to the New Mexico Oil Conservation Commission to produce certain leases in Eddy County into a common tank battery. Plats showing the leases involved and the acreage from which it is desired to produce into the common battery are also attached.

Continental Oil Company respectfully requests exception to Rule 309(a), under the provision of Rule 309(b) of the Commission rules and regulations, and requests administrative approval to produce from the captioned leases into common storage.

Yours very truly,

*R. T. Hanson*

RTH-HE  
Encs

IN THE MATTER OF THE APPLICATION OF  
CONTINENTAL OIL COMPANY FOR AN  
EXCEPTION TO RULE 309(a) OF THE  
RULES AND REGULATIONS OF THE  
NEW MEXICO OIL CONSERVATION  
COMMISSION AUTHORIZING THE PRO-  
DUCTION INTO A COMMON TANK BATTERY  
OF ALL WELLS IN THE CAVE POOL ON  
ITS STATE U-5 AND STATE P-5 LEASES  
IN SECTION 5, AND ITS STATE T-8  
AND STATE U-8 LEASES IN SECTION 8,  
ALL IN T-17-S, R-29-E, N.M.P.M.,  
EDDY COUNTY, NEW MEXICO

BEFORE THE  
OIL CONSERVATION  
COMMISSION  
OF THE  
STATE OF  
NEW MEXICO

APPLICATION

Comes now CONTINENTAL OIL COMPANY, a Delaware corpora-  
tion, hereinafter referred to as "Applicant" and requests  
administrative approval under the provisions of Rule 309(b)  
to produce from the captioned leases into common storage,  
and in support thereof would show the following:

1.

That Applicant is the operator of wells producing  
from the Grayburg pay in the Cave Pool located on its State  
U-5, State P-5, State T-8, and State U-8 leases, comprising  
the SE/4 NE/4, the N/2, and the SW/4 SE/4 of Section 5, and  
the NE/4 of Section 8, T-17-S, R-29-E, N.M.P.M., Eddy County,  
New Mexico.

2.

That the separate state leases covering said lands  
are dedicated to a common beneficiary, to-wit, common schools,  
as indicated in letter dated November 26, 1956, from Mr. E.S.  
Walker, Commissioner of Public Lands, to Applicant.

3.

That said wells are producing from a common source  
of supply.

4.

That no more than eight wells or units will be  
produced into the common tank battery and adequate facilities  
will be provided for accurately determining production from  
each well at reasonable intervals.

5.

That all owners of adjoining oil and gas leases have consented in writing to the proposed commingling of oil from separate leases, as indicated by the attached photostatic copies of letters evidencing such consent from the following:

Gulf Oil Corporation ✓  
P.O. Drawer 1290  
Fort Worth 1, Texas

Durham Drilling Company ✓  
Box 204  
Midland, Texas

John M. Kelly ✓  
Box 5671  
Roswell, New Mexico

Kincaid and Watson Drilling Company ✓  
Box 536  
Artesia, New Mexico

L.B. Hodges ✓  
Box 671  
Roswell, New Mexico

Sinclair Oil and Gas Company ✓  
Box 1470  
Hobbs, New Mexico

Humble Oil and Refining Company ✓  
Box 1600  
Midland, Texas

x Steedly

being all of such owners.

6.

That the State Land Commissioner has approved the commingling of oil produced from the subject leases, as evidenced by the attached photostatic copy of letter from Mr. E.S. Walker, Commissioner of Public Lands, State of New Mexico, to Continental Oil Company, dated November 26, 1956.

7.

That there is attached hereto a plat showing in red outline the boundary lines of the acreage proposed for commingling of oil.

8.

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

WHEREFORE, Applicant prays that the Secretary-Director of the Commission grant an exception to Rule 309(a) pursuant to authority vested in said Secretary-Director for such purpose under the provisions of Rule 309(b) authorizing Applicant to produce into a common tank battery all wells now producing, and any additional well or wells which may be drilled and produced, under the terms of the subject leases from the Grayburg pay in the Cave Pool.

Respectfully submitted,

CONTINENTAL OIL COMPANY

BY

*R. S. Hansen*

Its Assistant Regional Manager  
Production Department  
Southwestern Region

*JRS*





PETROLEUM AND ITS PRODUCTS

# GULF OIL CORPORATION

P. O. DRAWER 1290 · FORT WORTH 1, TEXAS

FORT WORTH  
PRODUCTION DIVISION

March 13, 1957

New Mexico Oil Conservation Commission  
P. O. Box 871  
Santa Fe, New Mexico

Gentlemen:

This is to advise that Gulf Oil Corporation has been given due notice that Continental Oil Company is making application for permission to commingle in a common tank battery the oil produced from the Grayburg Pay, Cave Pool, underlying your leases comprising the SE/4 of the NE/4, the N/2 and the SW/4 of the SE/4 of Section 5, and the NE/4 of Section 8, T-17-S, R-29-E, Eddy County, New Mexico. We hereby waive notice of hearing and advise that we have no objection to the approval of this commingling of the oil produced from the above-mentioned leases into a common tank battery.

Executed this 13th day of March, 1957.

Yours very truly,

GULF OIL CORPORATION

By: *BE Thompson*  
Attorney-in-Fact *BT*



# CONTINENTAL OIL COMPANY

Hobbs, New Mexico  
March 4, 1957

Burham Drilling Company  
Box 204  
Midland, Texas

Gentlemen:

We are presently developing acreage in Sections 5 and 8, Township 17 South, Range 29 East, Eddy County, New Mexico, which consists of a number of small tracts with separate lease designations. In order to reduce producing equipment installation cost to a minimum, we plan to produce oil from the Grayburg Pay, Cave Pool, at a depth of approximately 2400' on the following acreage into a common tank battery.

SE/4 of NE/4, Section 5  
N/2 and SW/4 of SE/4, Section 5  
NE/4, Section 8

Above acreage has one common beneficiary and commingling of oil from this acreage has been approved by the State Land Office.

In order to comply with New Mexico Oil Conservation Commission rule 309 it is necessary that we obtain your approval, as an adjoining owner, to commingle oil from separate leases from above acreage, as set forth on attached ownership plat.

For your convenience and to expedite this matter, we are providing a space below for your approval of this proposal. We will appreciate

Durham Drilling Company

Page 2

your prompt handling of this matter in order that we may continue our present development program without loss of production.

If above proposal meets your approval, please sign and return the attached copy of this letter.

Your signature in space provided below will be considered as your approval to above plan.

Yours very truly,



N. A. RICKMAN  
District Superintendent  
Hobbs Dist., New Mexico Div.  
Production Department

NAR-BG

Enc.

APPROVED:

DURHAM DRILLING COMPANY

By: 

Title: President

Date: March 6, 1967



# CONTINENTAL OIL COMPANY

Hobbs, New Mexico  
March 4, 1957

Mr. John M. Kelly  
Box 5671  
Roswell, New Mexico

Dear Mr. Kelly

We are presently developing acreage in Sections 5 and 8, Township 17 South, Range 29 East, Eddy County, New Mexico, which consists of a number of small tracts with separate lease designations. In order to reduce producing equipment installation cost to a minimum, we plan to produce oil from the Grayburg Pay, Cave Pool, at a depth of approximately 2400' on the following acreage into a common tank battery.

SE/4 of NE/4, Section 5  
N/2 and SW/4 of SE/4, Section 5  
NE/4, Section 8

Above acreage has one common beneficiary and commingling of oil from this acreage has been approved by the State Land Office.

In order to comply with New Mexico Oil Conservation Commission Rule 309 it is necessary that we obtain your approval, as an adjoining owner, to commingle oil from separate leases from above acreage, as set forth on attached ownership plat.

For your convenience and to expedite this matter, we are providing a space below for your approval of this proposal. We will appreciate

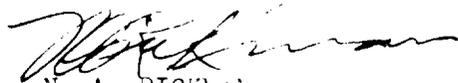
Mr. John M. Kelly  
Page 2

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If above proposal meets your approval, please sign and return the attached copy of this letter.

Your signature in space provided below will be considered as your approval to above plan.

Yours very truly,

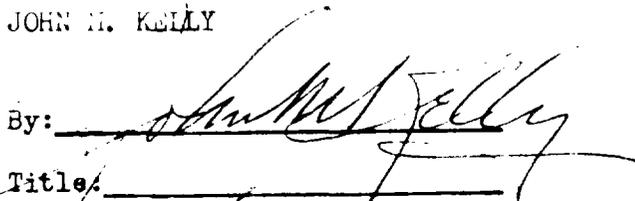


N. A. RICKMAN  
District Superintendent  
Hobbs Dist., New Mexico Div.  
Production Department

NAR-BG  
Enc.

APPROVED:

JOHN M. KELLY

By: 

Title: \_\_\_\_\_

Date: 3/7/57

CONTINENTAL OIL COMPANY

Hobbs, New Mexico  
March 4, 1957

Kincaid and Watson Drilling Company  
Box 536  
Artesia, New Mexico

Gentlemen:

We are presently developing acreage in Sections 5 and 8, Township 17 South, Range 29 East, Eddy County, New Mexico, which consists of a number of small tracts with separate lease designations. In order to reduce producing equipment installation cost to a minimum, we plan to produce oil from the Grayburg Pay, Cave Pool, at a depth of approximately 2400' on the following acreage into a common tank battery.

SE/4 of NE/4, Section 5  
N/2 and SW/4 of SE/4, Section 5  
NE/4, Section 8

Above acreage has one common beneficiary and commingling of oil from this acreage has been approved by the State Land Office.

In order to comply with New Mexico Oil Conservation Commission Rule 309 it is necessary that we obtain your approval, as an adjoining owner, to commingle oil from separate leases from above acreage, as set forth on attached ownership plat.

For your convenience and to expedite this matter, we are providing a space below for your approval of this proposal. We will appreciate

Kincaid & Sons Drilling Company  
Page 2

Your cooperation in this matter is requested in order to  
prevent service interruption without loss of production.

If the above proposal meets your approval, please return  
attached copy of this letter.

Your signature in space provided here will constitute  
your approval of this letter.

Very truly yours,

*W. J. Watson*  
W. J. Watson  
District Superintendent  
Production Department

WJW:dl  
Enc.

WJW:dl

KINCAID & SONS DRILLING COMPANY

By: W. J. Watson  
Title: Partner  
Date: 3-6-57

CONTINENTAL OIL COMPANY

Hobbs, New Mexico  
March 1, 1957

Mr. L. B. Hodges  
Box 671  
Roswell, New Mexico

Dear Mr. Hodges:

We are presently developing acreage in Sections 5 and 8, Township 17 South, Range 29 East, Eddy County, New Mexico, which consists of a number of small tracts with separate lease designations. In order to reduce producing equipment installation cost to a minimum, we plan to produce oil from the Grayburg Pay, Cave Pool, at a depth of approximately 2400' on the following acreage into a common tank battery.

SE/4 of NE/4, Section 5  
N/2 and SW/4 of SE/4, Section 5  
NE/4, Section 8

Above acreage has one common beneficiary and commingling of oil from this acreage has been approved by the State Land Office.

In order to comply with New Mexico Oil Conservation Commission Rule 309 it is necessary that we obtain your approval, as an adjoining owner, to commingle oil from separate leases from above acreage, as set forth on attached ownership plat.

For your convenience and to expedite this matter, we are providing a space below for your approval of this proposal. We will appreciate

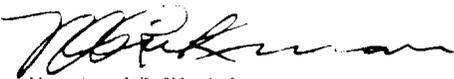
Mr. L. B. Hodges  
Box 671  
Roswell, New Mexico

your prompt handling of this matter in order that we may continue our present development program without loss of production.

If above proposal meets your approval, please sign and return the attached copy of this letter.

Your signature in space provided below will be considered as your approval to above plan.

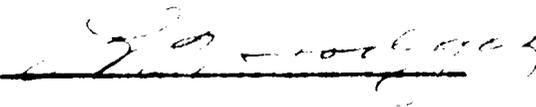
Yours very truly,

  
N. A. HICKMAN  
District Superintendent  
Hobbs Dist., New Mexico Div.  
Production Department

NAR-BG  
Enc.

APPROVED:

L. B. HODGES

By: 

Title: \_\_\_\_\_

Date: 3, 7/57

CONTINENTAL OIL COMPANY

Hobbs, New Mexico  
March 4, 1957

Sinclair Oil and Gas Company  
Box 1470  
Hobbs, New Mexico

Gentlemen:

We are presently developing acreage in Sections 5 and 8, Township 17 South, Range 29 East, Eddy County, New Mexico, which consists of a number of small tracts with separate lease designations. In order to reduce producing equipment installation cost to a minimum, we plan to produce oil from the Grayburg Pay, Cave Pool, at a depth of approximately 2400' on the following acreage into a common tank battery.

SE/4 of NE/4, Section 5  
N/2 and SW/4 of SE/4, Section 5  
NE/4, Section 8

Above acreage has one common beneficiary and commingling of oil from this acreage has been approved by the State Land Office.

In order to comply with New Mexico Oil Conservation Commission Rule 309 it is necessary that we obtain your approval, as an adjoining owner, to commingle oil from separate leases from above acreage, as set forth on attached ownership plat.

For your convenience and to expedite this matter, we are providing a space below for your approval of this proposal. We will appreciate

Sinclair Oil and Gas Company

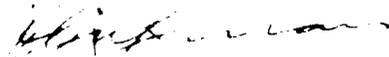
Page 2

your prompt handling of this matter in order that we may continue our present development program without loss of production.

If above proposal meets your approval, please sign and return the attached copy of this letter.

Your signature in space provided below will be considered as your approval to above plan.

Yours very truly,

  
M. H. QUINN  
District Superintendent  
S.O.G. Co., New Mexico Div.  
Production Department

MR-BJ  
Enc.

APPROVED:

SINCLAIR OIL AND GAS COMPANY

By: 

Title: \_\_\_\_\_

Date: MAR 11 1957

OK 11/11/57

# STATE LAND OFFICE

*Santa Fe, New Mexico*

E. S. WALKER  
COMMISSIONER OF PUBLIC LANDS



Oil and Gas Division

November 26, 1956

Continental Oil Company  
Box 427  
Hobbs, New Mexico

Attention: Mr. N. A. Rickman

Gentlemen:

In reply to your letter of November 19, this Office has no objection to commingling of the oil or gas which may be produced from state lands in Sections 5, 8, 19 and 20 in T 17 S, R 29 E, provided permission is granted by the Oil Conservation Commission.

All of the acreage in the above-numbered sections belongs to Common Schools.

Yours very truly,

A handwritten signature in cursive script that reads "E. S. Walker".

E. S. WALKER

Commissioner of Public Lands

Bilberry:mw

CONTINENTAL OIL COMPANY

Hobbs, New Mexico  
November 19, 1956

State Land Office  
State of New Mexico  
Santa Fe, New Mexico

Attention: Mr. E. S. Walker  
Commissioner of Public Lands

Gentlemen:

Continental Oil Company is the owner of state oil and gas leases  
on the following lands in Eddy County, New Mexico:

Section 5, T-17-S, R-29-E

SW/4 of NW/4  
SE/4 of NE/4  
NE/4 of SE/4  
SW/4 of SE/4, total 160 acres.

Section 8, T-17-S, R-29-E

N/2 of NE/4  
S/2 of NE/4, total 160 acres.

Section 19, T-17-S, R-29-E

SE/4, total 160 acres.

Section 20, T-17-S, R-29-E

NE/4  
NE/4 of NW/4  
SW/4 of SE/4, total 240 acres.

If and when the above lands are developed for oil or gas produc-  
tion, please advise from what tracts the production may be commingled and  
from what tracts the production must be separated.

Thanking you, I am

Yours truly,

N. A. RICKMAN  
District Superintendent  
Hobbs Dist., New Mexico Div.  
Production Department

NAR-AP  
CC: RLA



# CONTINENTAL OIL COMPANY

Hobbs, New Mexico  
March 4, 1957

Humble Oil and Refining Company  
Box 1600  
Midland, Texas

Gentlemen:

We are presently developing acreage in Sections 5 and 8, Township 17 South, Range 29 East, Eddy County, New Mexico, which consists of a number of small tracts with separate lease designations. In order to reduce producing equipment installation cost to a minimum, we plan to produce oil from the Grayburg Pay, Cave Pool, at a depth of approximately 2400' on the following acreage into a common tank battery.

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Humble Oil and Refining Company  
Page 2

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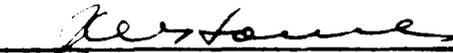
Yours very truly,

  
N. A. RICKMAN  
District Superintendent  
Hobbs Dist., New Mexico Div.  
Production Department

NAR-BG  
Enc.

APPROVED:

HUMBLE OIL AND REFINING COMPANY

By: 

Title: 

Date: 3-6-57