



CONTINENTAL OIL COMPANY

P. O. Box 460
Hobbs, New Mexico 88240
November 6, 1970

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

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

Gentlemen:

Subject: Application for authority to commingle Scarborough Pool
Production from McCallister "A" and "B" Leases

Enclosed, in triplicate, is our application to commingle
production from the Scarborough Pool on our McCallister "A" and "B"
Leases, Sections 24 and 25, T-26S, R-36E, Lea County, New Mexico.
We are also enclosing a letter from the United States Geological
Survey giving their approval of our proposed commingling.

Your further handling and approval of this application will
be sincerely appreciated.

Yours very truly,

A handwritten signature in cursive script, appearing to read "G. C. Jamieson".

G. C. Jamieson
Assistant Division Manager

VTL-RW

Enc

CC: NMOCC-Hobbs

JJB, NGP, NEL, JWA, JWK

A. D. Kloxin, Atlantic Richfield, Roswell

G. A. Schurman, Chevron Oil Co., Midland

Alex Clarke, Pan American Pet., Fort Worth

V. E. Staley, Pan American Pet., Hobbs

Owners of Overriding Royalty

(Addressed List Attached)



United States Department of the Interior

GEOLOGICAL SURVEY

Drawer 1857
Roswell, New Mexico 88201

October 27, 1970

E. SCHEIDT HOBBS DIVISION	
DOI 2370	
Div. Manager	✓
Asst. Div. M.	✓
Dist. Engr.	✓
Engr. in Charge	✓
Gen'l. Counsel	✓
SFS	✓
BEA	✓

Continental Oil Company
P. O. Box 460
Hobbs, New Mexico 88240
Attention: Mr. G. C. Jamieson
Gentlemen:

Your letter of October 19 requests approval to commingle Yates-Seven Rivers production from wells in secs. 24 and 25, T. 26 S., R. 36 E., Lea County, New Mexico, leases Las Cruces 030167(a) and 030167(b).

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

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

Sincerely yours,

N. O. FREDERICK
Regional Oil and Gas Supervisor

C O N T I N E N T A L O I L C O M P A N Y

P. O. Box 460
Hobbs, New Mexico 88240
November 6, 1970

New Mexico Oil Conservation Commission (3)
P. O. Box 2088
Santa Fe, New Mexico

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

Re: Application of Continental Oil
 Company for Administrative Approval
 as provided by Rule 309-B to **Commingle**
 Scarborough Yates, Seven Rivers Oil
 Production from its McCallister "A"
 and "B" Leases located in **Section 24,**
 and 25, T-26S, R-36E, NMPM, **Lea County,**
 New Mexico

Gentlemen:

Continental Oil Company requests administrative approval as provided by Rule 309-B, to commingle Scarborough-Yates, Seven Rivers oil production from its McCallister "A" and McCallister "B" Leases located in Sections 24 and 25, T-26S, R-36E, Lea County, New Mexico, and in support thereof submits the following data.

1. The McCallister "A" and McCallister "B" Leases produce from a common reservoir - the Scarborough-Yates-Seven Rivers Pool.
2. The McCallister "A" Lease consists of the E/2 and E/2 W/2, Section 24, NE/4 NW/4, N/2 NE/4 and SE/4 NE/4 Section 25; and the McCallister "B" Lease consists of the SE/4 and SW/4 NE/4 Section 25, T-26S, R-36E, Lea County, New Mexico. A plat, Exhibit No. 1, attached hereto, shows the leases, the wells, thereon, and the location of the proposed commingling facility.
3. Mineral rights under both leases are held by the federal government. Working interest ownership under both leases is identical, but the McCallister "A" Lease carries a 7 1/2% overriding royalty which does not apply to the McCallister "B" Lease. Notice of proposed commingling has been given to the overriding royalty owners.

4. Oil production from each lease will be segregated until after being treated, metered and sampled. It is proposed to utilize an ACT unit at the commingled tank battery.
5. One test facility (separator, meter and sampler) will be used for testing all wells on both leases. A schematic diagram, Exhibit No. 2, attached hereto, shows the proposed installation. As shown, the facility conforms to the requirements of the "Manual for the Installation and Operation of Commingling Facilities" dated September 13, 1961.
6. Commingling of production will result in the prevention of waste and will not impair correlative rights.

In view of the facts stated above, it is respectfully requested that Administrative approval be granted under Rule 309-B for the commingling of Scarborough-Yates, Seven Rivers oil production from the applicant's McCallister 'A' and McCallister 'B' leases as described above.

CONTINENTAL OIL COMPANY



L. P. Thompson
Division Manager

LPT:rw
CC: NMOCC-Hobbs
JJB NGP NEL JWA JWK

OVERRIDING ROYALTY OWNERS
McCALLISTER "A"

Charles Francis Beardford
No. 7 Westover Road
Fort Worth, Texas

Henry De Graff Beardford
1312 North Richardson Avenue
Roswell, New Mexico

Rachel Bedford Bowen
P. O. Box 572
San Clemente, California

Cities Service Oil Company
Bartlesville, Oklahoma 74003

Jessie Blevins Crump
David C. Blevins and
Fort Worth National Bank
Tr U/W and Testament
Jones Lester Crump
DECD Account No. 23112
P. O. Box 2050
Fort Worth, Texas

Ed N. Harrison
Executor of Estate of
Thomas S. Harrison, Deceased
1100 Glendon Avenue
Suite 1407
Los Angeles, California 90023

Edwin M. Bedford
964 Westchester Place
Los Angeles 19, California

J. H. Bemis
D. L. McRae
Joint Tenants with Right of Survivorship
Prescott, Arkansas 71857

Chase Manhattan Bank, Assignee
Attention: General Loan 1-B
Argo Production Payment
1 Chase Manhattan Plaza
New York, 15 New York

Jessie Blevins Crump
Box 713
Midland, Texas 79701

Frank Garrison Lower
1848 South Clarkson Street
Denver, Colorado 80210

Hinton Brothers Inc
1st Merchant National Bank
Richmond 17, Virginia

Mrs. Emily J. Martin
335 Sherman Street
Denver, Colorado 80203

Ellen Anne W. Williams
1840 Shere Lane
Glendale, California

Elizabeth Homes Hinton
C/O Virginia Trust Company
821 East Main Street
Richmond 14, Virginia

J. M. Richardson Lyeth, Jr.
Munro Longyear Lyeth, Jr.
First National Bank Denver
Attention: Robert J. Sullivan,
Vice President
Box 5808 TA
Denver Colorado 80202

Mrs. Alice Miller Martin
2316 French Street
Santa Ana, California

Blanche McCallister
C/O St. Mary Hospital
Roswell, New Mexico

Anne Tederstrom McComb
99 South Downing St.
Denver 9, Colorado

Hinman Stuart Milam
Box 126
Chelsea, Oklahoma

North Central Oil Corp.
1300 Main Street
Suite 1000
Houston, Texas 77002

Roger B. Owings
1617 Commerce Building
Fort Worth, Texas 76102

Phillips Investment Corporation
3843 Park Blvd.
San Diego, California 92103

Donald M. Phillips
3843 Park Blvd.
San Diego, California 92103

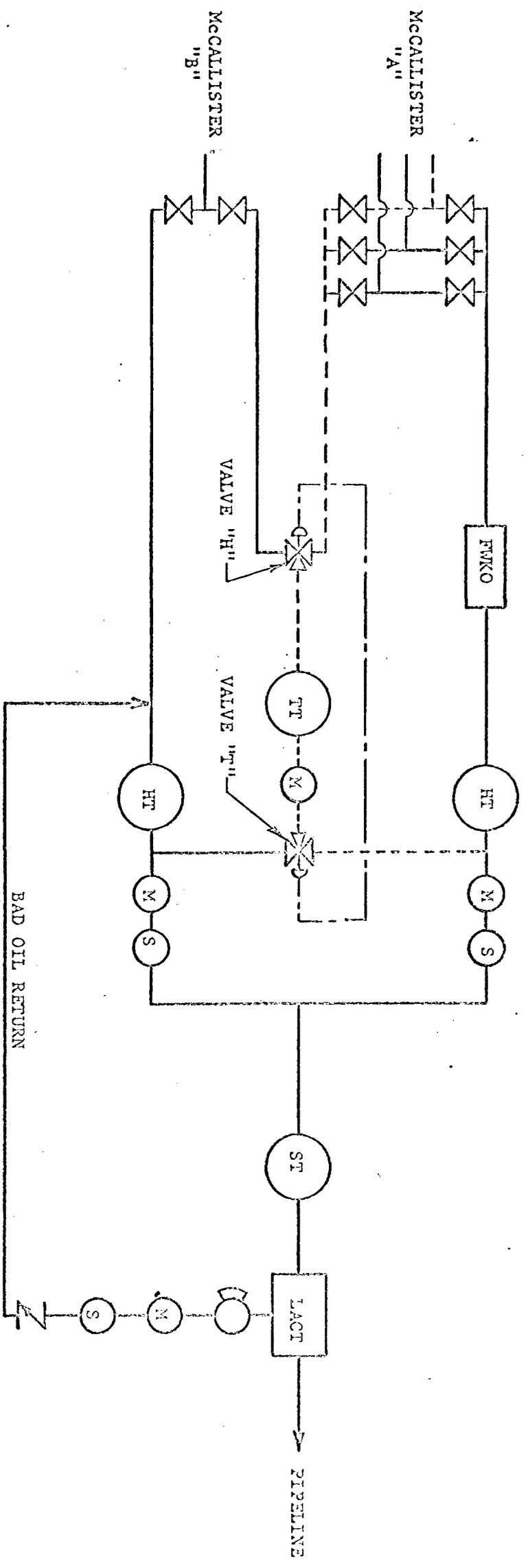
Pittsburg National Bank, Trustee
U/W James W. Grant Estate
C/O R. E. Department
P. O. Box 747
Pittsburg, Pennsylvania

Onez Norman Rooney
2915 Liberty Bank Building
Oklahoma City, Oklahoma

Mary M. Stevenson
902 Park Street
Tarkio, Missouri

Mildred M. Viles
Box 531
Claremore, Oklahoma

Jane McComb Wilson
200 Gaylord Street
Denver, Colorado



- CHECK VALVE
- BLOCK VALVE
- 3 WAY VALVE MECHANICAL OPERATED
- METER POSITIVE VOLUME TYPE
- SAMPLER
- OIL AND WATER METERING HEATER TREATER
- HEATER TREATER
- STOCK TANK
- PUMP

FWKO

FREE WATER KNOCK OUT
 INDICATED PATH FOLLOWED BY PRODUCTION
 OF McCALLISTER "A" WELL WHILE ON TEST

NO SALES CONNECTION FOR GAS

McCALLISTER A AND B LEASES
 SCHEMATIC FOR COMINGLING
 RDT 9-18-70
 etw