



CONTINENTAL OIL COMPANY 24

P. O. Box 1377
Roswell, New Mexico
July 23, 1962

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

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

Gentlemen: Re: Application To Commingle Liquid Production,
Hawk B-10 and Lockhart A-17 Leases

We forward herewith applications in triplicate for permission to commingle liquid production on each of the following leases:

Hawk B-10	Section 10, T21S, R37E
Lockhart A-17	Section 17, T21S, R37E

The ACT unit shown on the schematic diagram is not installed at this date and is not being requested at this time. Permission to make this installation will be requested at a future date by the procedures specified in the statewide rules.

We are also enclosing copies of letters from the Regional Supervisor, U.S.G.S., indicating his consent to the proposal.

Your approval of the installation under the provisions of Rules 303(B) is respectfully requested.

Yours very truly,


A. B. Slaybaugh
Assistant Division Superintendent

VTL-sg
cc: RGP, HGD, JWK, CES, FEB, SW, JRP

Roswell, New Mexico
July 9, 1962

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

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

Re: Application of Continental Oil Com-
pany for exception to Rule 303(A)
in order to commingle the oil pro-
duction from the Blinebry, Drinkard
and Tubb Oil Pools on its Lockhart
A-17 Lease located in Section 17,
T21S, R37E, N14M, Lea County, New
Mexico

Gentlemen:

Continental Oil Company requests an exception to Rule 303(A) for permission to commingle liquids produced from the captioned lease and in support thereof submits the following information:

1. Applicant's Lockhart A-17 Lease consists of E/2 NE/4 and NE/4 SE/4 Section 17, T21S, R37E, Lea County, New Mexico. A plat, Exhibit No. 1, attached hereto, shows the lease, the wells thereon and the battery site.

2. The mineral rights under the Lockhart A-17 Lease are held by the Federal Government.

3. Production from the Blinebry, Drinkard and Tubb Oil Pools will be allocated on the basis of periodic gas-oil ratio tests since there are no top allowable wells in these pools. A tabulation, Exhibit No. 2, attached hereto, shows the latest test on each well and the average daily production by pools during the period from April 1 to June 1, 1962.

4. The anticipated gravity of the commingled production has been calculated to be approximately 38.8° API with a value of \$2.89 per barrel. The gravity and volume of present production by pools is shown on Exhibit No. 2. The actual commercial value of the commingled production for the lease

PC - 90
OK immediately
USGS has
approved
commingle
Bl oil.
Dr oil.
& Tubb
on
basis
of
quarterly
tests.

will be approximately \$.24 per day less than it is at the present time.

5. One test facility (separator, meter and sampler) will be utilized for all wells on the lease and will provide accurate measurement of the performance of each individual well. A schematic diagram, Exhibit No. 3, 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 an exception to Rule 303(A) be granted permitting the commingling of production from the several reservoirs on Applicant's Lockhart A-17 Lease as described above.

CONTINENTAL OIL COMPANY

BY: *E. B. Maybough*
TITLE: Division Superintendent

VTL-sg

cc: NMOCC, Santa Fe - 3

RGP

HGD

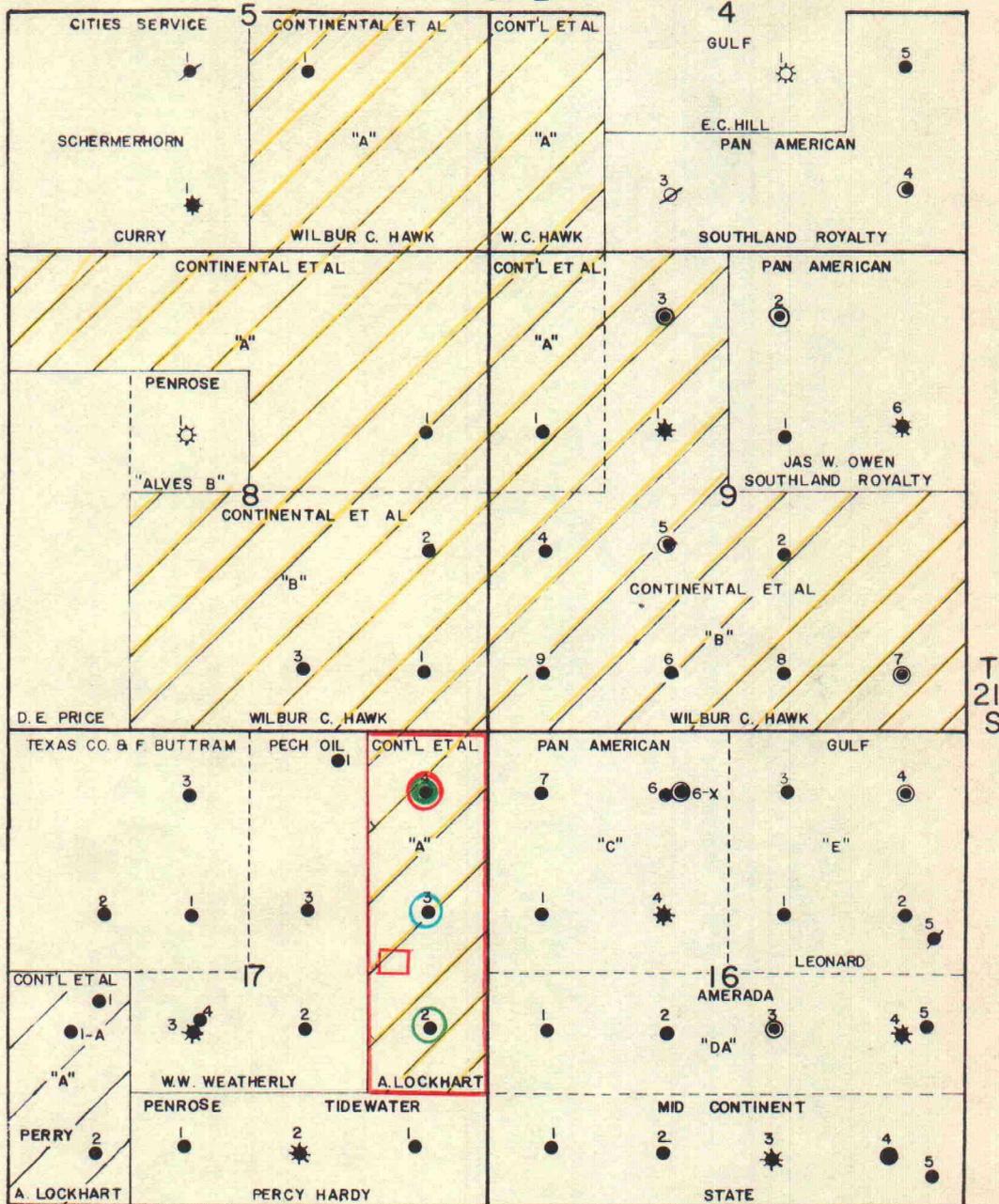
JWK

CES

FEB

CU

R-37-E



Continental Oil Company

Location Plat

Eunice District

Lockhart A-17 Lease —

Tank Battery □

Scale: 1" = 2000

Tubb Oil Pool ○
 Blinebry Oil Pool ○
 Drinkard Oil Pool ○

ILLEGIBLE

LOCKHART A-17 LEASE

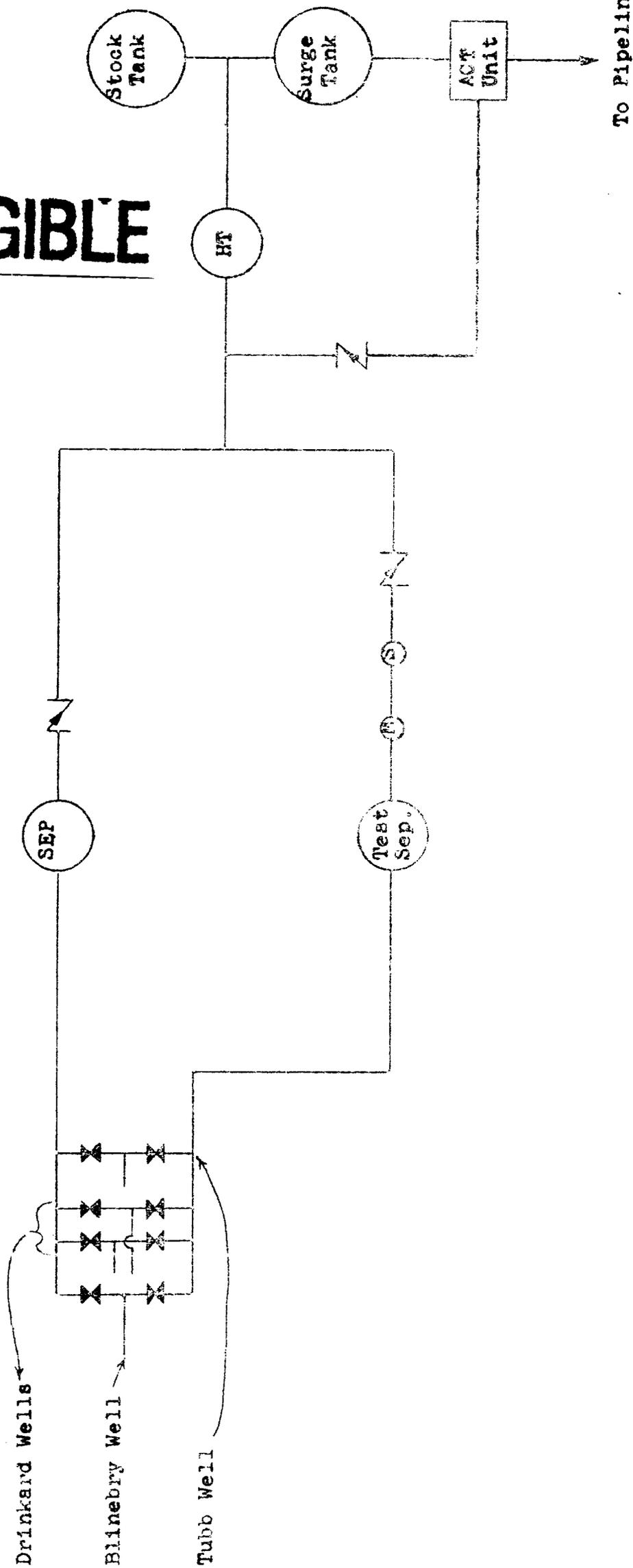
Well No.	Pool	Latest Test (Daily Rate)			4-1-62/6-1-62		Oil Gravity	Value
		Date	Oil	Water	Gas	Daily Average Oil Production		
3	Blinsbry	6-8-62	8	1	5.05	2.2 ✓	39.0	\$ 2.92
2-D	Drinkard	6-8-62	3	0	12.5	2.7	38.0	2.89
4-D	Drinkard	6-8-62	15	0	134.0	15.0	38.0	2.89
4	Tubb	6-7-62	6	0	49.5	5.1 ✓	39.0	2.92

Pool	Daily Volume			Oil Gravity	Value
	Oil	Water	Gas		
Blinsbry	2.2	1	5.26	39.0	\$ 2.92
Drinkard	18.7	0	193.2	38.0	2.89
Tubb	5.1	0	39.9	39.0	2.92

EXHIBIT NO. 2

CONTINENTAL OIL COMPANY
Lockhart A-17 Lease

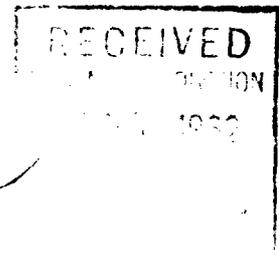
ILLEGIBLE





UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Drawer 1857
Roswell, New Mexico

IN REPLY REFER TO:



June 6, 1962

Continental Oil Company
P. O. Box 1377
Roswell, New Mexico

Attention: Mr. William A. Mead

Gentlemen:

Your letter of May 21, 1962, requests our approval to install an automatic custody transfer unit and to commingle the oil produced from the Blinbry, Drinkard and Tubb Pools in the E $\frac{1}{2}$ NE $\frac{1}{4}$ and NE $\frac{1}{4}$ SE $\frac{1}{4}$ sec. 17, T. 21 S., R. 37 E., N.M.P.M., Lea County, New Mexico, on Federal lease Las Cruces 032096(a).

The automatic custody transfer system and the method of metering the oil production as described by the diagrams attached to your letter, are hereby approved. All master meter proving tests should be scheduled so that a Survey engineer of our Hobbs office may be notified in sufficient time to witness the calibration.

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

Very truly yours,

JOHN A. ANDERSON
Regional Oil and Gas Supervisor

Copy to Eunice

6-11-62

th