



# CONTINENTAL OIL COMPANY

P. O. BOX 1377  
ROSWELL, NEW MEXICO

PRODUCTION DEPARTMENT  
NEW MEXICO DIVISION

WM. A. MEAD  
DIVISION SUPERINTENDENT

A. B. SLAYBAUGH  
ASSISTANT DIVISION SUPERINTENDENT

September 28, 1962

825 PETROLEUM BUILDING  
TELEPHONE: MAIN 2-4202

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

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

Gentlemen:

Re: Application For Exception To Rule  
303(a), State A-2 Lease, North  
Justis Multipay Field, Lea County,  
New Mexico

We forward herewith application in triplicate for permission to commingle various crudes on captioned lease. Attached also is a copy of letter from the office of the State Land Commissioner showing their consent to the proposed commingling.

Your approval of the application will be sincerely appreciated.

Yours very truly,

Wm. A. Mead  
Division Superintendent

VTL-sg  
cc: RGP, HGD, JWK, JRP

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

P. O. Box 1377  
Roswell, New Mexico  
September 28, 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 Company for  
Exception to Rule 303(A) in Order to Com-  
mingle the Oil Production From the North  
Justis Tubb-Drinkard, Devonian and Fussel-  
man Oil Pools on its State A-2 Lease Loca-  
ted in Section 2, Township 25 South, Range  
37 East, N.M.P.M., 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 State A-2 lease consists of W/2 SE/4 of Sec-  
tion 2, Township 25 South, Range 37 East, N.M.P.M., 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 above described lease are  
held by the State of New Mexico.

3. Production from oil pools on the lease containing top  
allowable or gas-oil ratio-penalized wells will be measured by a  
suitable meter with non-reset counter and sampler, if needed, prior to  
commingling. Production from the other oil pools will be allocated  
on the basis of periodic gas-oil ratio tests.

4. The anticipated gravity of the commingled production has  
been calculated to be approximately 36.5° API with a value of \$2.83  
per barrel. The anticipated gravity and volume of production by  
pools is shown on Exhibit No. 2. The actual commercial value of the

commingled production for this lease will be approximately \$1.05 per day less than it would be without commingling. This will probably be offset by reduced vapor losses.

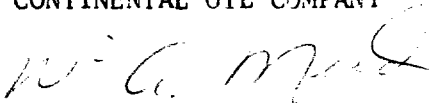
5. If development continues and more than one well in each pool is completed, one test facility (separator, meter and sampler) will be utilized for all wells on the lease and will provide accurate measurement of the performance of each individual well. A schematic diagram, Exhibit No. 3, attached hereto, 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 State A-2 lease as described above.

Respectfully submitted,

CONTINENTAL OIL COMPANY



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

VTL-sg

cc: NMOC, Santa Fe - 3

RGP

HGD

JWK

JRP

File

<p>Johnson</p> <p>U.S. Jack</p> <p>Humble</p> <p>West'n Nat. "Dabbs"</p> <p>Three States</p> <p>Williams</p> <p>So. Calif. Pet.</p> <p>Three States</p> <p>Sinclair</p> <p>R. L. Masley</p>	<p>Fristoe</p> <p>Texaco</p> <p>NCT-1</p> <p>Fristoe</p> <p>Parker Drilg</p> <p>U.S. Erwin</p>	<p>Jack U.S.</p> <p>"Fristoe" U.S.</p> <p>Texaco "B"</p> <p>NCT-2</p> <p>U.S. Fristoe</p> <p>Texaco</p> <p>Clyde N. Cooper</p>	<p>"Hair" Clyde N. Cooper (S)</p> <p>Gulf</p> <p>6 A. Smith</p> <p>Jack Frost</p> <p>TD 3170</p> <p>"Ramsay-State"</p>
<p>So. Calif. Ref.</p> <p>Three States "A"</p> <p>Plains Prod</p> <p>TD 3702</p> <p>Liberty Royalty</p> <p>J. B. Humphrey</p>	<p>Texaco "A"</p> <p>NCT-2</p> <p>Richmond Drilg</p> <p>A</p>	<p>(Shell) Miner</p> <p>Claude E. Aikman (H. Harris, et al, 7/16)</p> <p>"M. E. Hale"</p> <p>Cont. "A"</p> <p>Humble 6-10-11302</p>	<p>Westates</p> <p>032579-E "B-1"</p> <p>Williamson</p> <p>U.S. M. I. "Carlson"</p> <p>Cities Service "B-5"</p> <p>J. L. Hodges</p> <p>Atlantic 1/2 M. I. Clyde N. Cooper (S)</p>
<p>Olsen A. Oils</p> <p>U.S. Langlie</p> <p>And. Prich. U.S. Stuart</p> <p>Sinclair</p> <p>Three States</p> <p>So. Calif. Pet.</p> <p>J. A. Stuart</p>	<p>Gulf</p> <p>And. Prich. Stuart</p> <p>U.S. Stuart</p> <p>Two States</p> <p>King, et al</p> <p>Stuart</p>	<p>And. Prich. U.S. "Jal"</p> <p>Olsen Oils H. B. P. TPCeo</p> <p>Olsen &amp; Atlantic And. - Prich. U.S.</p> <p>Atlantic "U.S. Justis"</p>	<p>Western Nat'l. G/R Olsen Oils</p> <p>JUSTIS</p> <p>TPCeo</p> <p>Olsen Oils</p> <p>Eaton</p>
<p>Pan Amer. (Gackie) Stuart</p> <p>U.S. Langlie</p> <p>El Paso Nat. 032511F</p> <p>Westfall Elliott</p> <p>J. R. Stuart</p>	<p>Amerada</p> <p>Western Nat. Gas. "A"</p> <p>J. A. Stuart "B"</p> <p>Pan Amer. Jal Oil</p> <p>Langlie</p> <p>Langlie</p> <p>U.S. M. I. J. M. Owen</p>	<p>(Atlantic) FZJ</p> <p>Johnson &amp; French</p> <p>Atlantic</p> <p>Johnson &amp; French</p> <p>Jal Oil Odessa Nat.</p> <p>Langlie Fed.</p> <p>And. Prich. Jal Oil H. B. P. Dual SIR 032511F U.S. M. I. Blocker Bros.</p>	<p>And. Prich. Western Petr. B-13</p> <p>0766</p> <p>Odessa Nat. 032579E</p> <p>"Blocker-Fed" Carson</p> <p>Dual U.S. M. I. 5</p> <p>Gulf</p> <p>W. K. Byrom</p> <p>Dual</p> <p>L. McBuffington</p> <p>Dual F455</p> <p>H. S. Blocker, et al</p>

CONTINENTAL OIL COMPANY  
LOCATION AND OWNERSHIP PLAT  
STATE A-2 LEASE  
NORTH JUSTIS AREA

Scale: 1" = 2000' •  
Date: 6-11-62

Exhibit No. 1

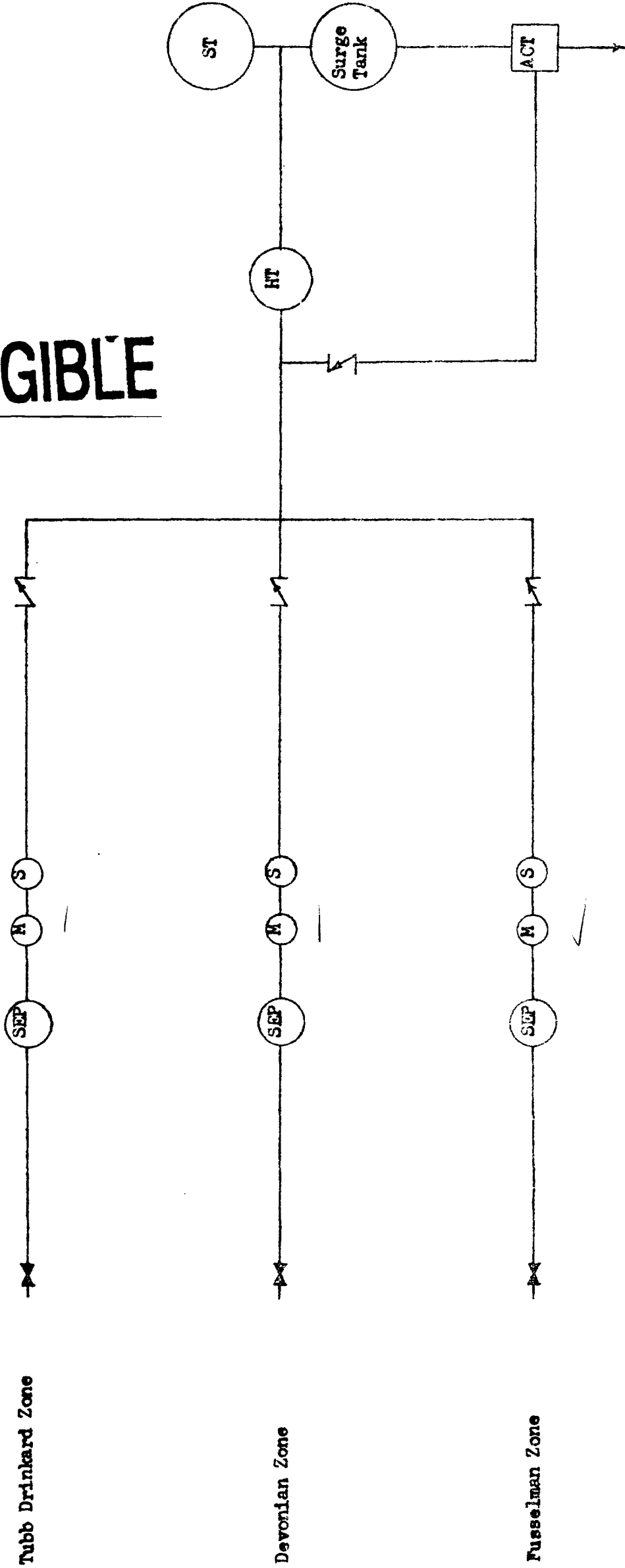
# ILLEGIBLE

<u>Pool</u>	<u>Est. Daily Prod.</u>	<u>Gravity</u>	<u>Value</u>
North Justice Fusselman	82 Bbls.	36.8°	\$2.83
North Justice Devonian	82 Bbls.	37.3°	2.86
North Justice Tubb-Drinkard	47 Bbls.	35.0°	2.80

EXHIBIT NO. 2

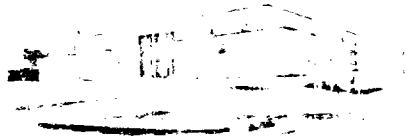
**ILLEGIBLE**

CONTINENTAL OIL COMPANY  
State A-2 Lease



ILLEGIBLE

State of New Mexico



Commissioner of Public Lands



E. S. JOHNNY WALKER  
COMMISSIONER

P. O. BOX 791  
SANTA FE, NEW MEXICO

September 26, 1962

Continental Oil Company  
P. O. Box 1277  
Roswell, New Mexico

Re: Application of Continental Oil Company for permission to install ACP facilities and for permission to commingle liquid production from the North Platte, Hubbard, Devonian and Fusselman oil pools on its State A-2 lease, B-2657, located in Sec. 2, T25S, R. 37E, Lea County, New Mexico.

Gentlemen:

The above referred to proposal is satisfactory with this office provided the commingled oil from the different pools does not reduce the specific gravity to the extent that the State of New Mexico would receive less royalty, or provided the specific gravities of the different pools are tested and accounted for in the settlement for the State's royalty.

Since you propose to triple complete your State A-2 No. 2 well located in Unit "C", Section 21, Township 25S, Range 37E, you have no calculations on results of the gravity of the commingled oil; therefore, we would like to have information on this matter if and when it is available.

Thank you for your cooperation in this matter.

Very truly yours,

E. S. JOHNNY WALKER  
COMMISSIONER OF PUBLIC LANDS

By: *Ted Bilberry*  
TED BILBERRY, Supervisor  
Oil and Gas Department

RW/TB/pb

00 ✓  
**ILLEGIBLE**

**September 26, 1962**

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

**Re: Application of Continental Oil Company for permission to install ACT facilities and for permission to commingle liquid production from the North Justis Tubb Drinkard, Devonian and Fusselman oil pools on its State A-2 lease, B-2657, located in Sec. 2, T25S, R 37E, Lea County, New Mexico.**

**Gentlemen:**

**The above referred to proposal is satisfactory with this office provided the commingled oil from the different pools does not reduce the specific gravity to the extent that the State of New Mexico would receive less royalty, or provided the specific gravities of the different pools are tested and accounted for in the settlement for the State's royalty.**

**Since you propose to triple complete your State A-2 No. 2 well located in Unit "J", Section 21, Township 25S, Range 37E, you have no calculations on results of the gravity of the commingled oil; therefore, we would like to have information on this matter if and when it is available.**

**Thank you for your cooperation in this matter.**

**Very truly yours,**

**E. S. JOHNNY WALKER  
COMMISSIONER OF PUBLIC LANDS**

**By:  
TED BILBERRY, Supervisor  
Oil and Gas Department**

**BW/TR/pb**

September 26, 1963

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

Re: Application of Continental Oil Company for permission  
to install ACT facilities and for permission to co-  
manage liquid production from the North Justice Tubb  
Drinking, Devonian and Permian oil pools on the  
State A-3 lease, S-3657, located in Sec. 3, T22S,  
R 37E, Lea County, New Mexico.

Gentlemen:

The above referred to proposal is satisfactory with this office  
provided the commingled oil from the different pools does not  
reduce the specific gravity to the extent that the State of New  
Mexico would receive less royalty, or provided the specific  
gravities of the different pools are tested and accounted for  
in the settlement for the state's royalty.

Since you propose to strip complete your State A-3 No. 1 well  
located in Unit "J", Section 31, Township 35N, Range 37E, you  
have no calculations on basis of the gravity of the commingled  
oil; therefore, we would like to have information on this matter  
if and when it is available.

Thank you for your cooperation in this matter.

Very truly yours,

E. S. JOHNSON, WALKER  
COMMISSIONER OF PUBLIC LANDS

BY:  
TED MURPHY, Supervisor  
Oil and Gas Department

EW/TS/ps



# CONTINENTAL OIL COMPANY

P. O. BOX 1377  
ROSWELL, NEW MEXICO

PRODUCTION DEPARTMENT  
NEW MEXICO DIVISION

825 PETROLEUM BUILDING  
TELEPHONE: MAIN 2-4202

September 21, 1962

WM. A. MEAD  
DIVISION SUPERINTENDENT  
A. B. SLAYBAUGH  
ASSISTANT DIVISION SUPERINTENDENT

The Honorable E. S. Walker  
Commissioner of Public Lands  
P. O. Box 791  
Santa Fe, New Mexico

Dear Sir:

Re: State A-2 Lease, B-2657  
Section 2, T25S, R37E *W 1/4 SECS*

We forward herewith application in duplicate for permission to commingle production and install ACT unit on the captioned lease.

Your approval will be sincerely appreciated.

Very truly yours,

*A. B. Slaybaugh*  
A. B. Slaybaugh  
Assistant Division Superintendent

VTL-sg

cc: JRP

CONTINENTAL OIL COMPANY

P. O. Box 1377  
Roswell, New Mexico

The Honorable E. S. Walker  
Commissioner of Public Lands  
P. O. Box 791  
Santa Fe, New Mexico

Dear Sir:

Re: Application of Continental Oil Company  
for permission to install ACT facilities  
and for permission to commingle liquid  
production from the North Justis Tubb  
Drinkard, Devonian and Fusselman oil  
pools on its State A-2 lease, B-2657,  
located in Section 2, Township 25 South,  
Range 37 East, N.M.P.M., Lea County,  
New Mexico

Continental Oil Company respectfully requests permission to install an ACT unit and to commingle liquid production from the North Justis Tubb-Drinkard, Devonian and Fusselman oil pools on its State A-2 lease, located in Section 2, Township 25 South, Range 37 East, N.M.P.M., Lea County, New Mexico. Continental Oil Company will request administrative approval from the New Mexico Oil Conservation Commission to commingle production on its State A-2 lease in the manner described below.

Continental Oil Company is the owner and operator of the State A-2 lease, B-2657, which consists of the W/2 SE/4 of Section 2, Township 25 South, Range 37 East, N.M.P.M., Lea County, New Mexico.

It is proposed to triple complete the State A-2 No. 2 well located in Unit "J" of Section 2, Township 25 South, Range 37 East, N.M.P.M., Lea County, New Mexico. Exhibit No. 1 is a plat of the State A-2 lease showing the well location and the location of the tank battery.

Exhibit No. 2 is a schematic drawing of the State A-2 battery, showing the manner in which the production will be commingled and the way well tests will be taken. Production will be measured

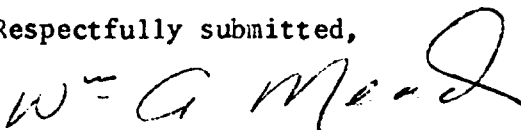
The Honorable E. S. Walker  
Page 2

from the zones having top allowable or allowable penalized by high GOR with a suitable meter with non-reset counter and sampler, if needed, prior to commingling. Production from the other zones will be allocated on the basis of periodic gas-oil ratio tests. As shown, the facility conforms to the requirements of the NMOCC "Manual for the Installation and Operation of Commingling Facilities" dated September 13, 1961. When additional development provides more than one well to any reservoir a test system utilizing a separator, meter and sampler will be installed conforming to the above mentioned manual.

By commingling the production into one common battery and installing an ACT unit, there will be less investment for equipment on the lease and it is anticipated that there will be a reduction of vapor losses. Exhibit No. 3 is a schematic drawing of the ACT unit. The ACT unit will be equipped with all of the usual safety features to prevent oil from being run in the event of equipment failure.

Your permission to install an ACT unit and to commingle production on the State A-2 lease in the manner described above is requested.

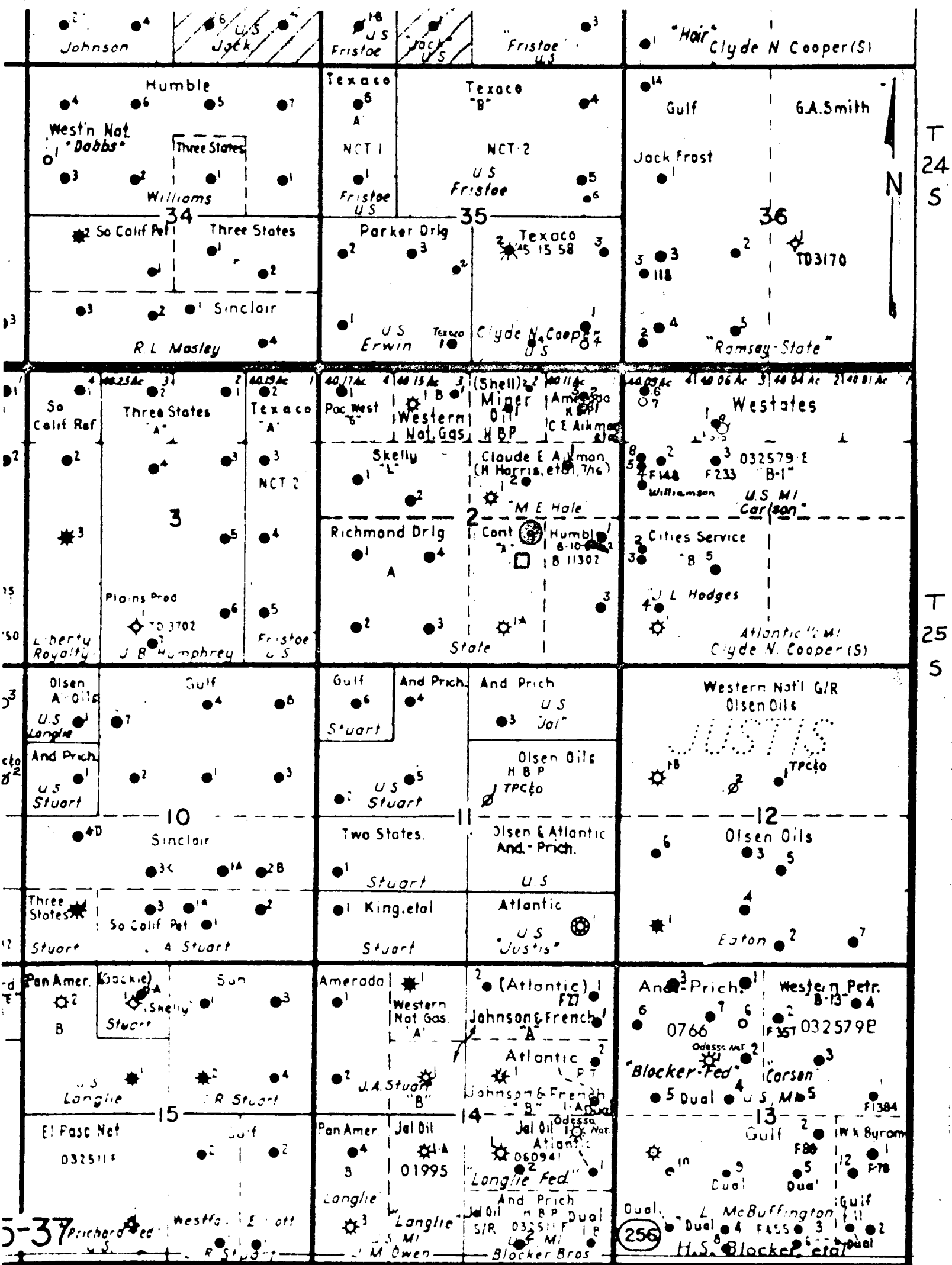
Respectfully submitted,



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

VTL-sg

K-37-E



CONTINENTAL OIL COMPANY  
LOCATION AND OWNERSHIP PLAT  
STATE A-2 LEASE  
NORTH JUSTIS AREA.

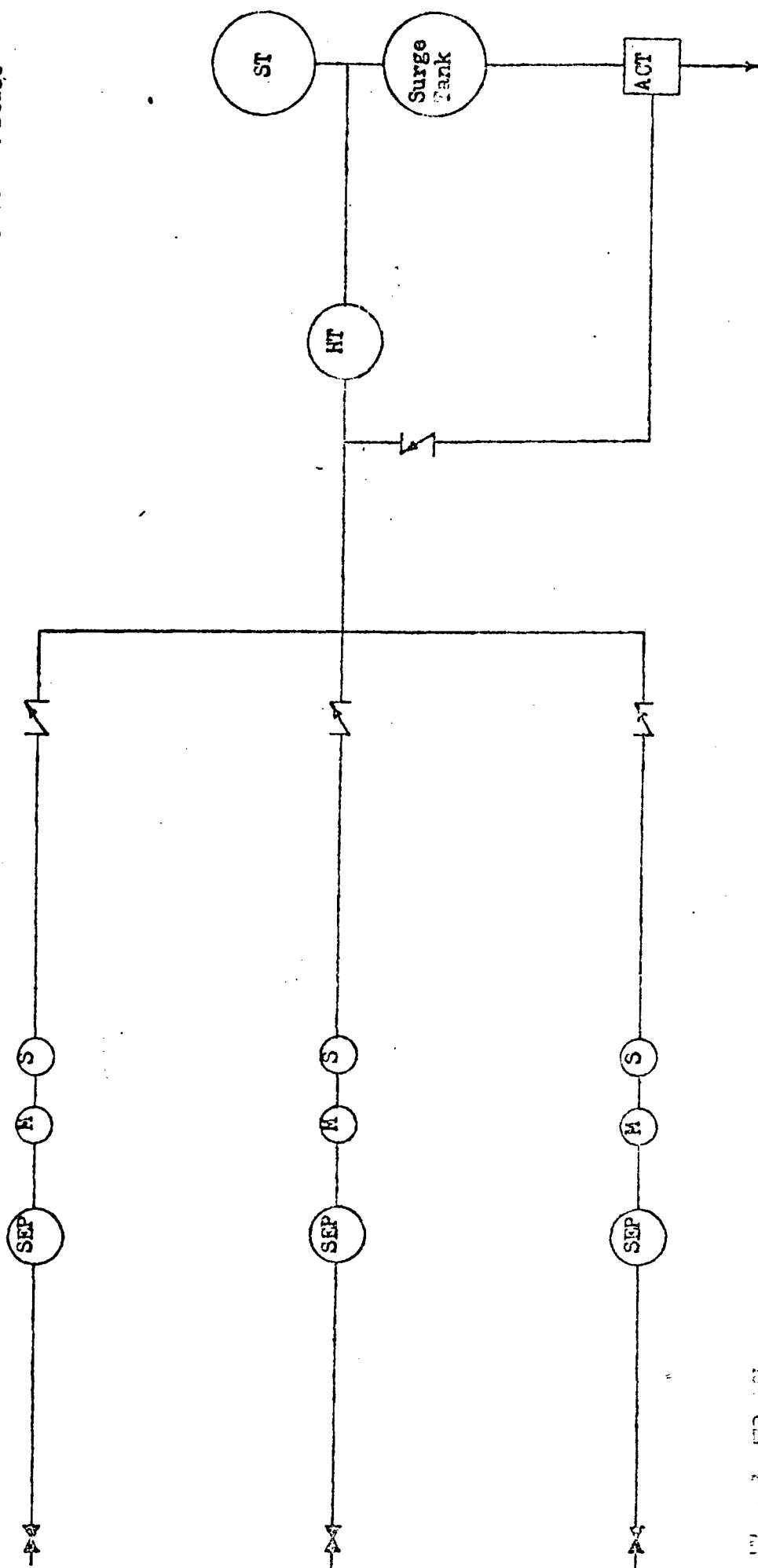
## Proposed Tubingless Triple Completion

Tank Battery Site ☐

Scale: 1" = 2000'  
Date: 6-11-62

Exhibit No. 1

CONTINENTAL OIL COMPANY  
State A-2 Lease



101 SEP 1961

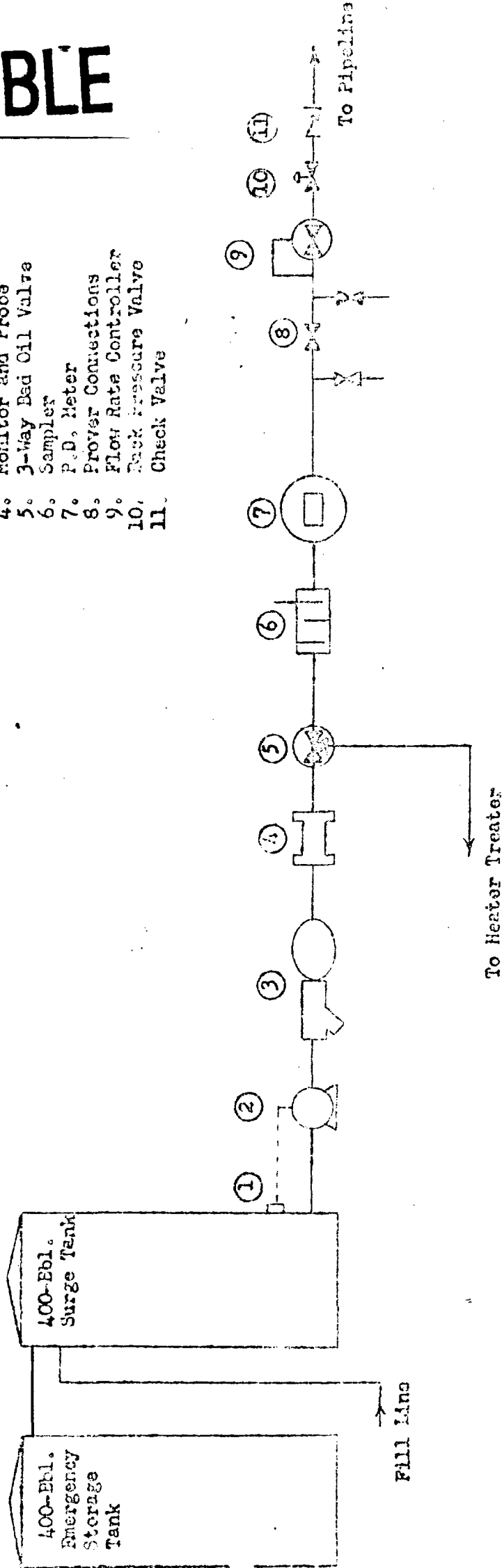
CONTINENTAL OIL COMPANY  
STATE A-2 LEASE

CONTINENTAL OIL COMPANY

PROPOSED ACT INSTALLATION

ILLEGIBLE

1. Mercoid Pressure Switch
2. Motor and Pump
3. Strainer Air Eliminator
4. Monitor and Probe
5. 3-Way Red Oil Valve
6. Sampler
7. P.D. Meter
8. Prover Connections
9. Flow Rate Controller
10. Back Pressure Valve
11. Check Valve



SEP 11 1947

RECEIVED  
OCT 1 1947