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Roswell, New Mexico
November 30, 1962

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

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

Gentlemen:

Re: Application of Continental Oil Company for Exception to Rule 303 (A) in order to commingle the oil production from the Wantz Abo and Paddock Oil Pools on its Wantz Lease, located in Section 21, T-21S, R-37E, NMPM, Lea County, New Mexico.

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

1. Applicant's Wantz Lease consists of the SW/4, W/2 SE/4 and SE/4 SE/4 of Section 21, T-21S, R-37E, NMPM, 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 Wantz lease are held by Mrs. Mary E. Wantz.

3. Production from the Paddock Oil Pool (where recompletions are now being made) will be measured by a suitable meter and sampler prior to commingling, if top allowable production is obtained. Production from the Wantz Abo Pool will be determined by the subtraction method and will be allocated on the basis of periodic gas-oil ratio tests. A tabulation, Exhibit No. 2, attached hereto, shows the latest test on the Wantz Abo Pool wells, the average daily production during the period from September 1 to November 1, 1962, and the anticipated volume and gravity from the Paddock Pool.

4. The anticipated gravity of the commingled production has been calculated to be approximately 37.2° API with a value of \$2.86 per barrel. The actual commercial value of the commingled production for this lease will be

approximately \$1.65 per day more than it is at the present time.

5. One test facility (separator, meter and sampler) will be utilized for all sour crude-producing 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 two reservoirs indicated above on Applicant's Wantz Lease.

CONTINENTAL OIL COMPANY

BY W. G. Mead
Division Superintendent
of Production

Copies to:
NMOCC-Santa Fe-3
RGP, HGD, JRP, File



CONTINENTAL OIL COMPANY Production Department Eunice, New Mex.	
LOCATION MAP Wantz Lease	
Date: 9-5-62	Scale: 1" = 2000'
Drawn By: GAS	

Exhibit No. 1

WANTZ LEASE

<u>Well No.</u>	<u>Pool</u>	<u>Date</u>	<u>Oil</u>	<u>Water</u>	<u>Gas</u>	<u>9-1-62 to 11-1-62 Daily Average</u>
4	Wantz Abo	TSD				
5	Wantz Abo	10-20-62	2	0	72	2.2
6	Wantz Abo	10-19-62	5	0	9	2.2
7	Wantz Abo	11-7-62	10	2	44	16.2
8	Wantz Abo	11-8-62	4	0	97	25.7

<u>Pool</u>	<u>Daily Oil Volume</u>	<u>Gravity</u>	<u>Value</u>
Wantz Abo	46	39°	\$2.92
Paddock	141 (Estimated)	36.8	\$2.83

CONTINENTAL OIL COMPANY
WARRANTY LEASE

