## OIL CONSERVATION COMMISSION

P. O. BOX 871

## SANTA FE, NEW MEXICO

December 13, 1963

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

Attention: Mr. V. T. Lyon

Administrative Order PC-173

Gentlemen:

Reference is made to your application dated December 5, 1963, for administrative approval of an exception to Rule 303 (a) of the Commission Rules and Regulations to permit the commingling of Drinkard and Blinebry production on your Lockhart B-35 Lease comprising the ME/4 of Section 35, Township 21 South, Range 37 East, Lea County, New Mexico, after separately metering the Blinebry and Drinkard production from Well No. 1, located in the SW/4 ME/4 of Section 33, and separately metering the Blinebry production from the rest of the wells on said lease, and determining the Drinkard production from the rest of the wells on said lease by means of the subtraction method. It is our understanding that this separate measurement of the production from Well No. 1 is necessitated by a difference in the royalty rate applicable to that 40-acre tract.

By the authority vested in me under the provisions of Rule 303 (b) of the Commission Rules and Regulations, you are hereby authorised to commingle the production from the aforesaid pools on said lease in the above-described manner. Provided however, that the installation shall be operated in accordance with the provisions of the Commission "Manual for the Installation and Operation of Commingling Facilities," including the requirement for non-reset counters on the meters, and provided further, that you shall notify the Hobbs District Office of the Commission at such time as this installation is complete in order that a field inspection may be made of the installation prior to putting it in operation.

Very truly yours,

A. L. PORTER, Jr. Secretary-Director

ALP/DSM/esr

cc: Oil Conservation Commission (with enclosure) - Hobbs Oil & Gas Engineering Committee - Hobbs

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