CONTINENTAL OIL COMPANY

P. O. BOX 460
HOBBS, NEW MEXICO

April 9, 1964

PRODUCTION DEPARTMENT
HOBBS DISTRICT
A. B. SLAYBAUGH
DISTRICT MANAGER
G. C. JAMIESON
ASSISTANT DISTRICT MANAGER

1001 NORTH TURNER
TELEPHONE: EX 3-4141

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

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

Gentlemen:

Please refer to your letter dated April 2, 1964, relating to Administrative Order No. PC-173. Our letter dated March 26, 1964, requested amendment to this order to permit the commingling of gas well liquids with the Blinebry and Drinkard oil produced on our Lockhart B-35 Lease. After studying the contents of your letter, we have revised Exhibit No. 3, the schematic diagram, and forward herewith the revised exhibit. You will note that the liquid production from the Blinebry gas well is proposed to be metered separately. When this well is recompleted as a Blinebry oil well, its flow line will be connected to the production manifold for Blinebry oil production shown at the top of the exhibit. We have also revised the proposed system to meter the Blinebry production from Well No. 1. The Drinkard production will be determined by the subtraction method.

If the application with the revised Exhibit No. 3 is satisfactory, we should appreciate your amending Order No. PC-173 permitting the commingling of Tubb and Blinebry gas well liquids with the Blinebry and Drinkard oil production on the lease.

Yours very truly,

AB Slaybaugh

VTL-MLH
cc: U.S.G.S. - Roswell, New Mexico
U.S.G.S. - Hobbs, New Mexico
RGP

Enc.

OIL CONSERVATION COMMISSION
P. O. BOX 871
SANTA FE, NEW MEXICO

April 2, 1964

COPY

Continental Oil Company
P.O. Box 460
Hobbs, New Mexico

Attention: Mr. G. C. Jamieson

Gentlemen:

Reference is made to your letter of March 26, 1964, wherein you request that Administrative Order No. PC-173 be amended to permit the commingling of Tubb and Blinebry gas well liquids with the crude oil presently being commingled under authority of said order.

Inasmuch as the schematic diagram of the proposed installation indicates that insufficient metering facilities will be installed to comply with the provisions of the Commission "Manual for the Installation and Operation of Commingling Facilities," the installation as proposed cannot be approved. This is, of course, due to the fact that you would be commingling top allowable production from Blinebry No. 3 with marginal condensate from No. 2 without separate measurement or by means of the subtraction method, and that you would be commingling top allowable Blinebry production from No. 1 with marginal Tubb condensate and Drinkard production from the No. 1 without separate measurement or by means of the subtraction method.

Assuming that your planned development program results in wells Nos. 2 and 4 being completed as Blinebry oil producers, it is believed that an installation similar to that sketched on the attached memo would qualify. This installation would meet the requirements of the United States Geological Survey for separate measurement of all production from Well No. 1, and assuming that an adequate testing loop would be added should meet the requirements of the Commission also.

Please let us know if we can be of further help in this matter.

Very truly yours,

A. L. Porter, Jr.
Secretary-Director

ALP:DSN:mg

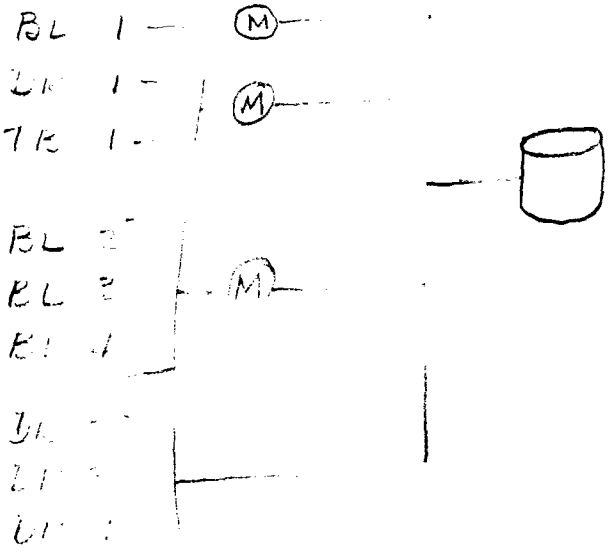
cc: Oil Conservation Commission (with enclosure) - Hobbs
United States Geological Survey - Roswell
Oil & Gas Accounting - Santa Fe

OIL CONSERVATION COMMISSION
P. O. BOX 871
SANTA FE NEW MEXICO

Memo

From
D. S. NUTTER
CHIEF ENGINEER

To



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CONTINENTAL OIL COMPANY

P. O. BOX 460
HOBBS, NEW MEXICO

PRODUCTION DEPARTMENT
HOBBS DISTRICT
A. B. SLAYBAUGH
DISTRICT MANAGER
G. C. JAMIESON
ASSISTANT DISTRICT MANAGER

1001 NORTH TURNER
TELEPHONE: EX 3-4141

March 26, 1964

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

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

Re: Application for Amendment
of Administrative Order
No. PC-173

Gentlemen:

Continental Oil Company hereby requests that Administrative Order No. PC-173 dated December 13, 1963, be amended to permit the commingling of Tubb and Blinebry gas well liquids with the crude oil produced on the lease. In its present form the order permits commingling of Blinebry and Drinkard oil.

Exhibit No. 1 is a map showing the lease, the wells and the formations from which they produce. We are presently in the process of dually completing Well No. 4 for Drinkard and Blinebry oil. It is anticipated that Well No. 2 will be converted from a Blinebry gas-Drinkard dual to a Blinebry oil-Drinkard dual during the current calendar year.

Exhibit No. 2 is a data sheet showing the latest test information on each well and an account of the estimated value of the liquids before

and after commingling.

Exhibit No. 3 is a schematic diagram of the proposed installation. The SW/4 NE/4 is subject to a different royalty rate than is the remainder of the lease and it is necessary to meter production from this portion of the lease to satisfy the U.S.G.S. Individual well production will be determined by periodic well tests. We believe the installation conforms with the "Manual for the INstallation and Operation of Commingling Facilities" dated September 13, 1961.

Exhibit No. 4 is a copy of the letter received from the Oil and Gas Supervisor expressing his consent to the commingling.

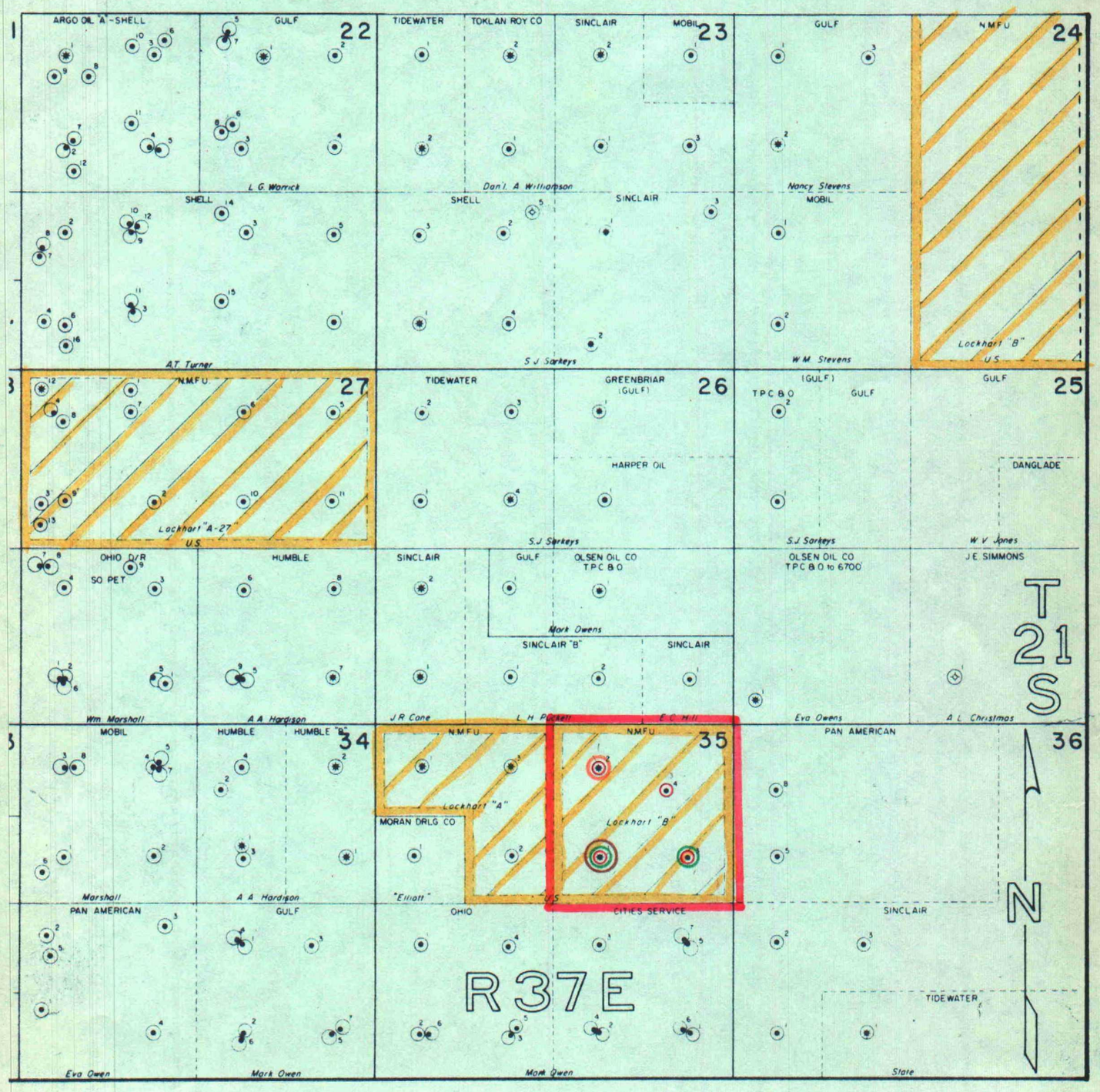
In view of the above, it is respectfully requested that Administrative Order No. PC-173 be amended so as to permit the commingling of Tubb and Blinebry gas well liquids with the Drinkard and Blinebry oil produced on our Lockhart B-35 Lease.

Yours very truly,

VTL-MLH

cc: RGP GW JWK

Enc.



○ DRINKARD OIL WELL

○ BLINEBRY OIL WELL

○ BLINEBRY GAS WELL

○ TUBB GAS WELL

CONTINENTAL OIL COMPANY
PRODUCTION DEPARTMENT
HOBBS DISTRICT
LOCKHART B-35 LEASE
LEA COUNTY, NEW MEXICO

Scale: 1" = 2000'

LOCKHART B-35 LEASE

Drinkard Oil Pool

Well No.	Daily Average From 11-1-63 To 2-1-64	Latest Well Test Date	BOPD	BWPD	MCFGPD
1	5.32 BOPD	1-12-64	8	0	145
2	7.76 BOPD	1-28-64	2	0	22
3	10.62 BOPD	1-4-64	13	3	337
4	14.18 BOPD	12-8-63	16	0	312

Blinebry Oil Pool

	Daily Average From 11-1-63 To 2-1-64	Latest Well Test Date	BOPD	BWPD	MCFGPD
1*	52 BOPD (allowable)	2-27-64	65	0	234
2, 3, & 4	Est. allowable 52 BOPD				

*Completed 1-9-64.

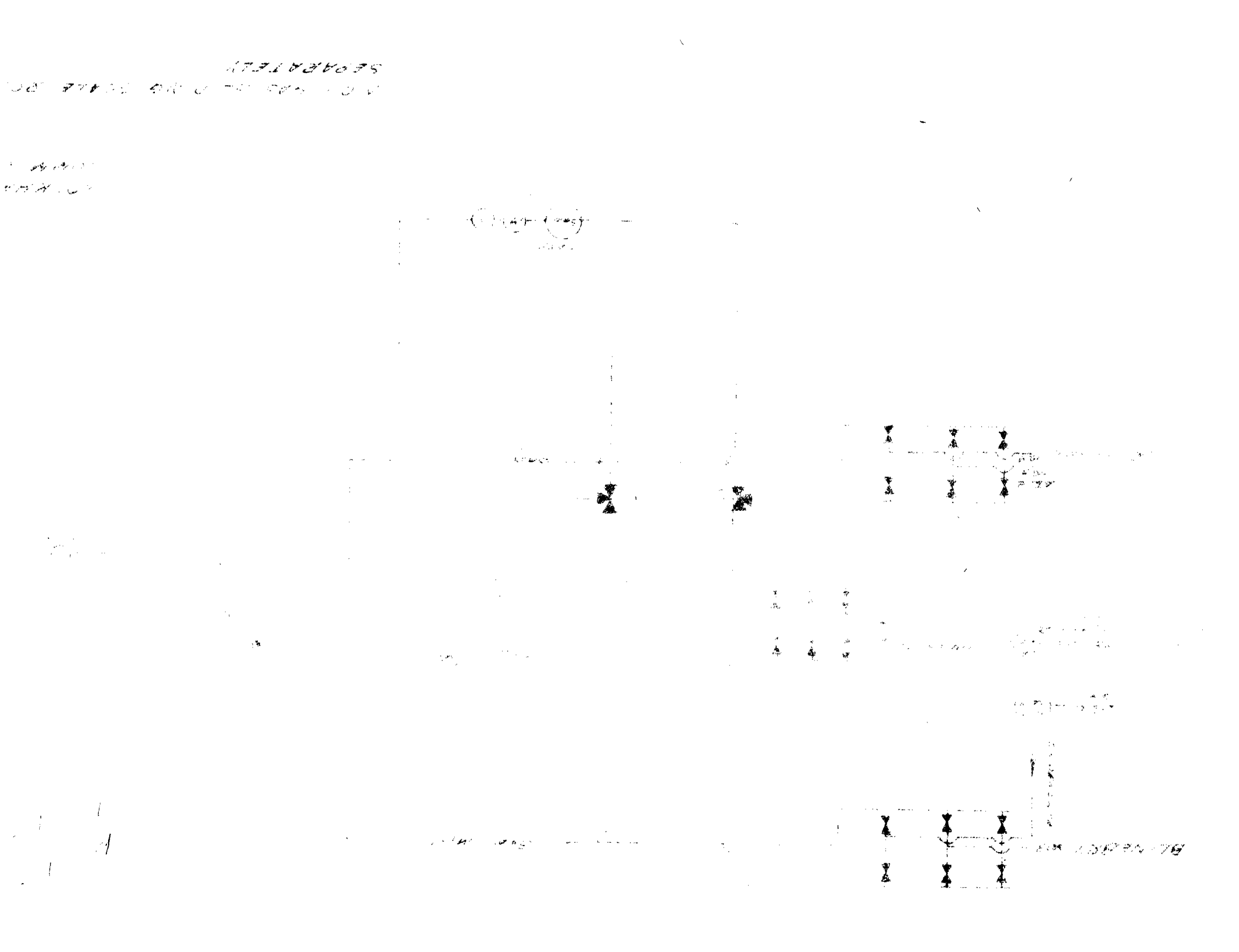
Blinebry Condensate

	Daily Average From 11-1-63 To 2-1-64	Latest Well Test Date	BCPD	BWPD	MCFGPD
2	9.94 BCPD	9-23-63	6	0	3,258

Tubb Condensate

	Daily Average From 11-1-63 To 2-1-64	Latest Well Test Date	BCPD	BWPD	MCFGPD
1	4.24 BCPD	9-5-63	23	0	1,130

Blinebry-Drinkard Oil		(Gravity - 41° API)
90 BOPD x $2.96	=	$265.40
Blinebry Condensate		(Gravity - 50.3° API)
10 BCPD x $2.82	=	$28.20
Tubb Condensate		(Gravity - 56.6° API)
4 BCPD x $2.70	=	$10.80
		$305.40/Day
Commingled		(Gravity - 42.7° API)
104 x $2.96	=	$307.84/Day



IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Drawer 1857
Roswell, New Mexico 88201

March 23, 1964

Continental Oil Company
P. O. Box 460
Hobbs, New Mexico

Attention: Mr. A. B. Slaybaugh

Gentlemen:

Your letter of March 16 requests approval to commingle condensate production from the Blinebry and Tubb Gas Pools with the presently commingled Blinebry and Drinkard Oil Pools, located in the NE¼ sec. 35, T. 21 S., R. 37 E., Lea County, New Mexico, lease Las Cruces 032096(b).

The method of commingling as described by the diagram attached to your letter is hereby approved. You are requested to notify our Hobbs office when the installation is completed so that a field inspection of the system can be made.

Sincerely yours,

Carl C. Traywick
for JOHN A. ANDERSON
Regional Oil and Gas Supervisor

MAIN OFFICE OCC

1964 MAR 2 AM 8:15

Hobbs, New Mexico
February 28, 1964

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

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

Re: Application of Continental Oil Company for exception to Rule 303 (a) in order to commingle crude oil production from the Drinkard, Tubb, and Blinebry Oil Pools on its J. H. Nolan Lease located in Section 11, T-21-S, R-37-E, Lea County, New Mexico

Gentlemen:

Continental Oil Company respectfully requests an exception to Rule 303 (a) to permit the commingling of crude oil production from the captioned pools on its J. H. Nolan Lease, and in support thereof submits the following:

1. Applicant's J. H. Nolan Lease consists of NE/4 SW/4 and S/2 SW/4 of Section 11, Township 21 South, Range 37 East, as shown on the plat, marked Exhibit No. 1, attached hereto.

2. Applicant presently has one Blinebry, one Tubb, and two Drinkard oil wells on the lease. Top allowable production is found on Drinkard and Tubb only. Exhibit No. 2, attached hereto, is a tabulation of the latest test on each well.

3. Applicant proposes to meter separately production from the Blinebry and Drinkard Pools as shown on the schematic diagram, Exhibit No. 3, attached hereto. A test system will provide a means of determining individual well production by periodic tests. The Tubb production will be determined by the subtraction method.

4. Ownership of all zones is common on this fee acreage.

5. The gravity of the three crudes is almost identical and no change in value as a result of commingling is anticipated.

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

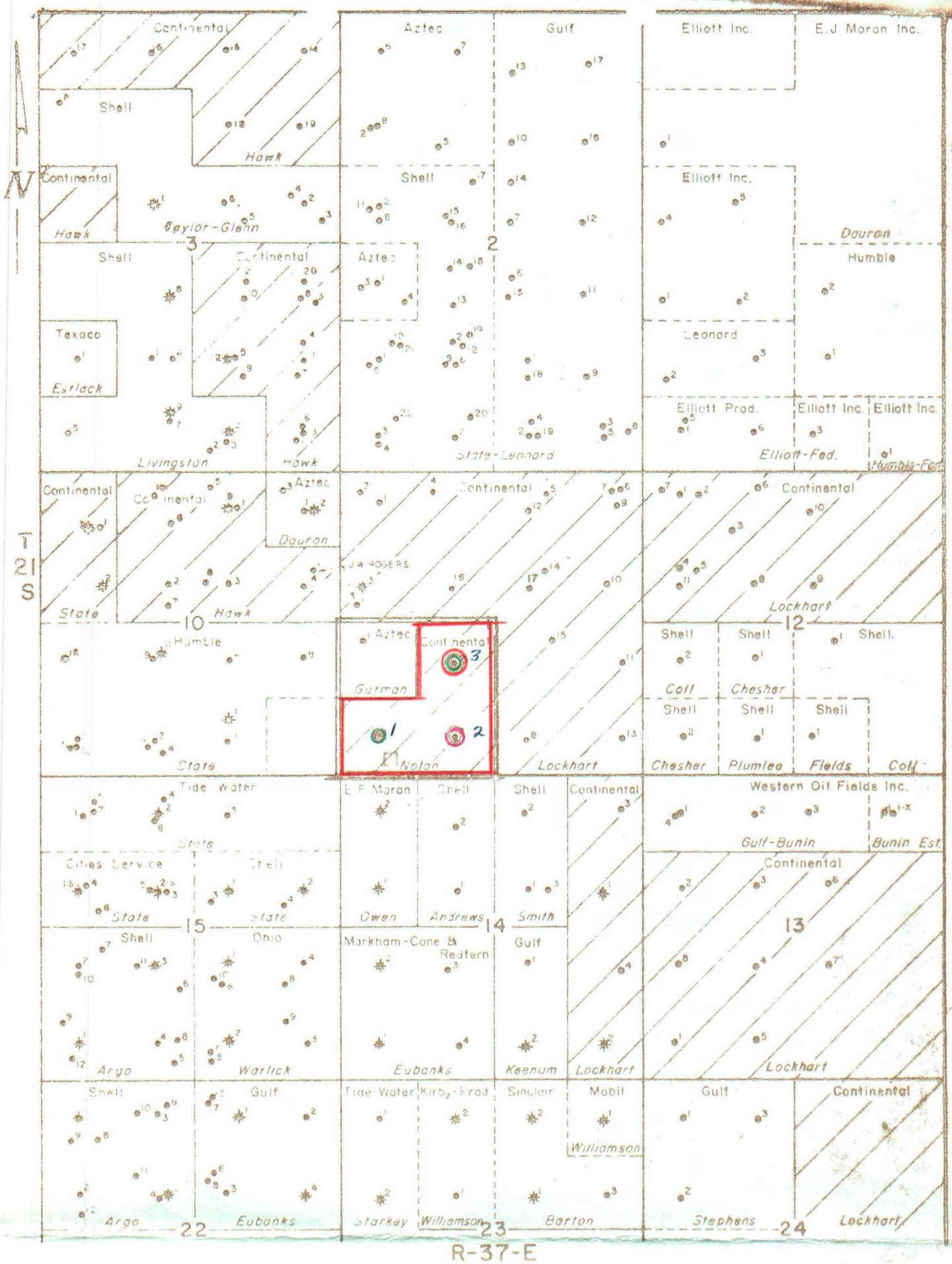
that an exception to Rule 303 (a) be granted permitting the commingling of production from the several reservoirs on Applicant's J. H. Nolan Lease as described above.

A. B. Slaybaugh

A. B. SLAYBAUGH
District Manager of
Production
New Mexico District

VTL-MLH

Enc.



Nolan Unit Boundary

Lease Line

Tank Battery

Drinkard Oil Pool

Tubb Oil Pool

Blinebry Oil Pool

Ottawa Abo Oil Pool

Exhibit No. 1

CONTINENTAL OIL COMPANY

PRODUCTION DEPARTMENT EUNICE, NEW MEXICO

LOCATION PLAT

Nolan - Lockhart B-11 Lease

DATE 2-5

Latest Well Test

Drinkard	Date	Oil	Gas	[illegible]	[illegible]
#1	1-2-64	29[illegible]	[illegible]	[illegible]	1[illegible]
#3	2-24-64	218	7[illegible]	1[illegible]	Recent recompletion
Tubb					
#2	10-6-63	5	[illegible]	[illegible]	5[illegible]
Blinebry					
#3	Recovering load after [illegible]				Recent recompletion

CONTINENTAL OIL COMPANY

J. H. NOLAN LEASE