

CONTINENTAL OIL COMPANY

Santa Fe, New Mexico

DEC 15 1963

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

Attention: Mr. A. L. Porter, Jr., Secretary/Manager

Re: Application of Continental Oil Company for exception to Rule 303 (A) in order to commingle the oil produced from the Drinkard and Blinebry Oil Pools on the Lockhart A-27 Lease, located in Section 27, T21S, R37E, Lea County, New Mexico

Gentlemen:

Continental Oil Company requests an exception to Rule 303 (A) for permission to commingle production from its Lockhart A-27 Lease and in support thereof submit the following data:

1. Applicant's Lockhart A-27 Lease consists of N/2 of Section 27, T21S, R37E, Lea County, New Mexico. Attached Exhibit No. 1, attached hereto, shows the lease, well locations and the battery site.
2. Mineral rights under the Lockhart A-27 Lease are held by the Federal Government.
3. Production from both the Blinebry and Drinkard 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 during the period from June 1, 1963, to September 1, 1963. Should any of these wells be restored to a level of production where metering would be required by NMCCC commingling regulations, the production from one pool will be measured by a suitable meter with non-reset counter and sampler prior to commingling, and the other by the subtraction method. Should any additional recompletions in the Blinebry Oil Pool be top allowable producers, the Blinebry production will be measured by a suitable meter with a non-reset counter and sampler prior to commingling.
4. The anticipated gravity of the commingled production is estimated to be approximately 38.6° API with a value of \$2.89 per barrel. The gravity of present Drinkard production is 38.3° to 38.7° API. The gravity of present Blinebry production is 38.6° to 38.9° API. Therefore, the actual commercial value of the commingled production for the lease will be approximately the same per barrel as 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. Separate facilities will be maintained for storage and disposal of oil from the Paddock and condensate from the Tubb and Blinebry gas wells.

6. Commingling of production will result in the prevention of waste and will not impair correlative rights.

New Mexico Oil Conservation Commission
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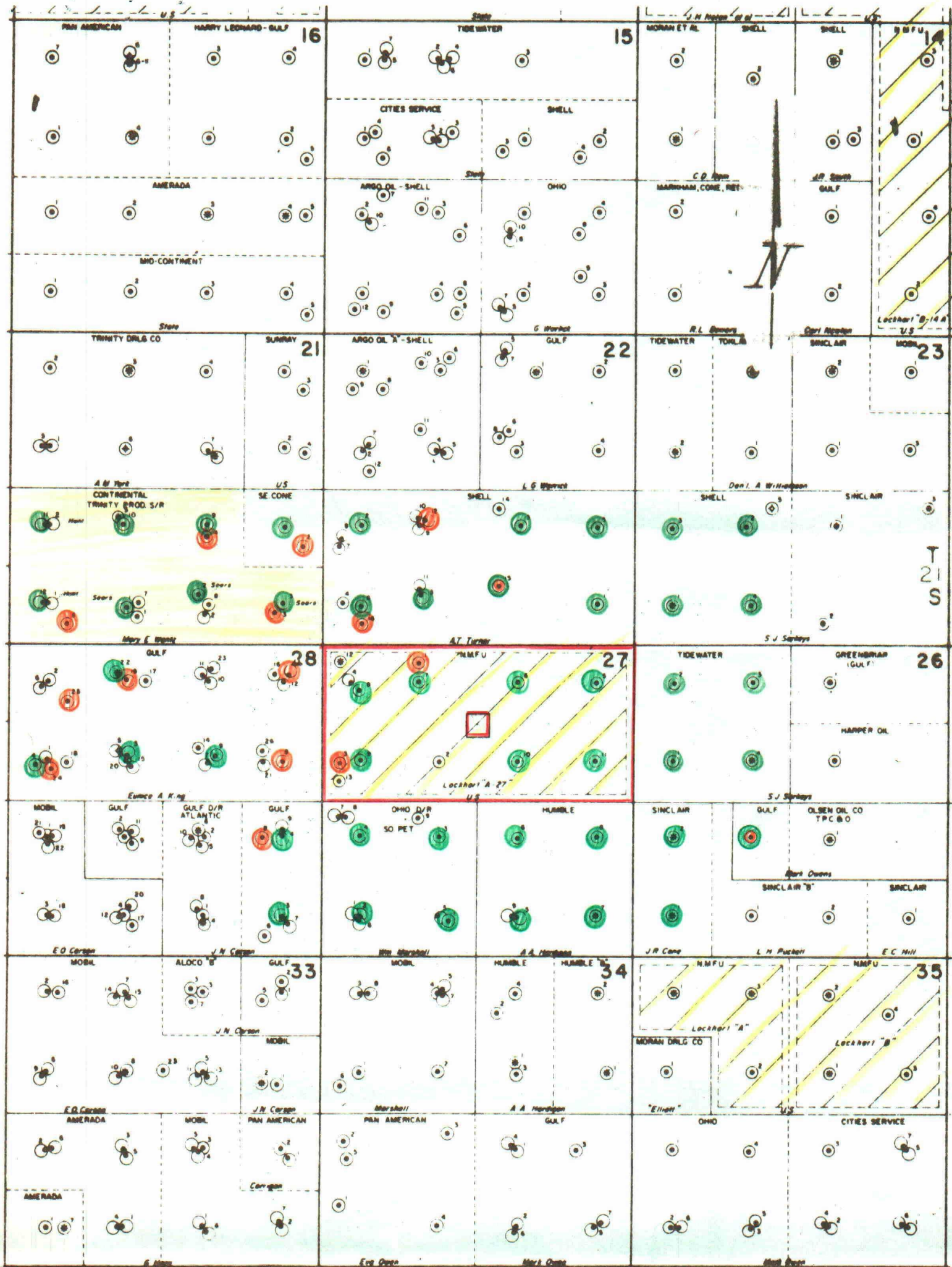
In view of the facts stated above, it is respectfully requested that an exception to Rule 303(A) be granted permitting the commingling of production from the reservoirs on the Applicant's Lockhart A-27 Lease as described above.

CONTINENTAL OIL COMPANY

By

A. B. Slaybaugh
A. B. SLAYBAUGH
Division Superintendent
of Production
New Mexico Division

cc: NMOCC-Santa Fe-3
RGP
GW
JWK
JRP
File



R-37-E

- Lockhart A-27 Lease
- Tank Battery
- Elinebry Oil Wells
- Drinkard Oil Wells

CONTINENTAL OIL COMPANY	
Production Dept.	Eunice, New Mexico
LOCATION MAP	
Lockhart A-27 Lease	
Date: 10-22-63	Scale: 1" = 2,000'
EXHIBIT 1	

CONTINENTAL OIL COMPANY

Lockhart A-27 Lease

Exhibit No. 2

RECEIVED
OCT 12 1963

Drinkard Pool

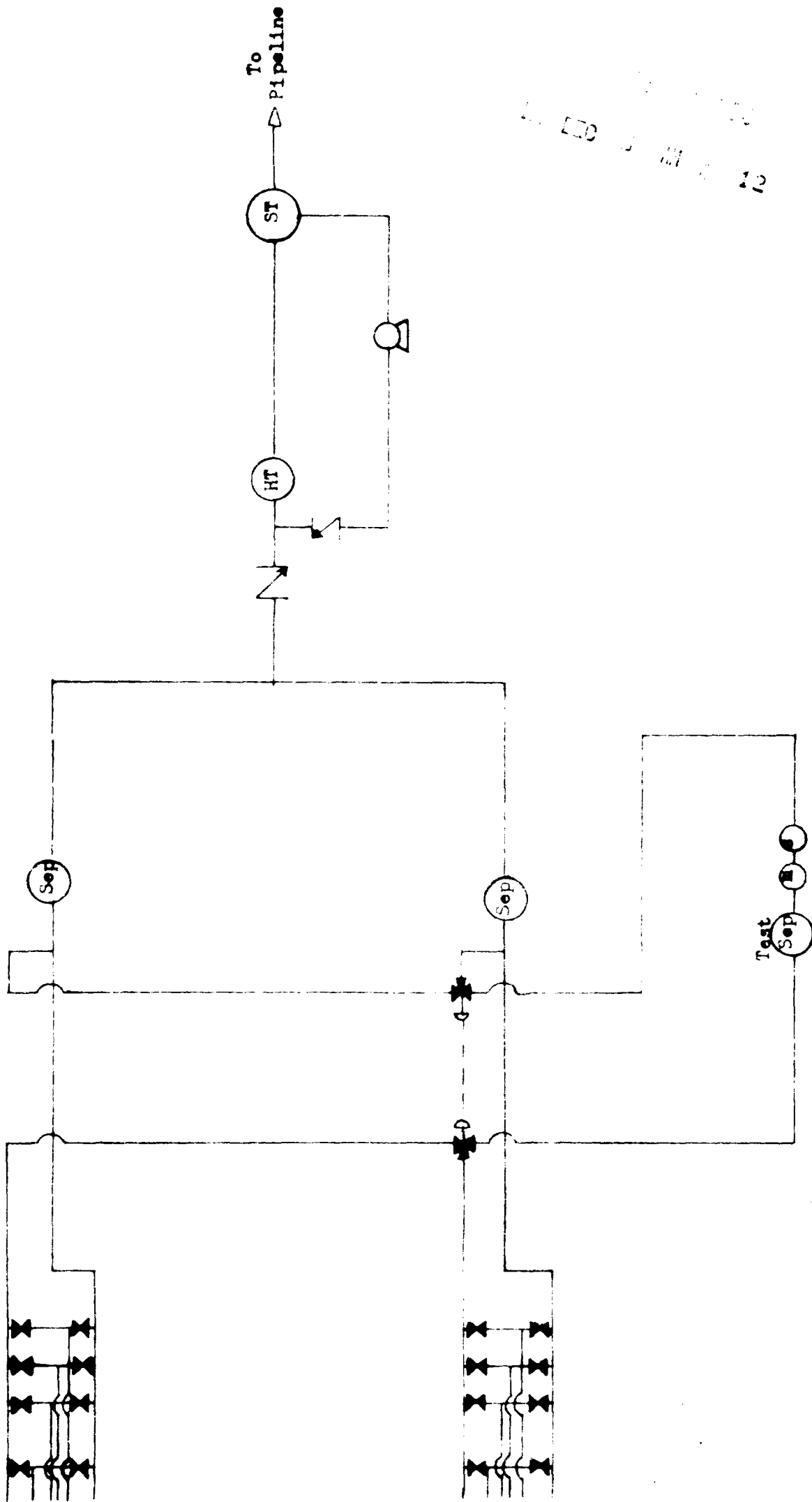
<u>Well No.</u>	<u>Daily Average from 6-1-63 to 9-1-63</u>	<u>Date</u>	<u>Latest Well Test</u>		
			<u>BOFP</u>	<u>BWPD</u>	<u>MCFGPD</u>
5	2.8	7-7-63	0	0	32
6	4.5	9-7-63	0	0	117
7	6.5	9-5-63	0	0	40
8	2.7	7-7-63	2	0	-
9	4.5	9-13-63	0	2	279
10	11.2	9-14-63	0	0	136
11	2.7	3-23-63	0	2	53

Blinsbry Pool

3	0	Shut-In			
1	Recent Completion	9-28-63	10	7	117

CONTINENTAL OIL COMPANY

LOCKHART A-27 LEASE



LOCKHART A-27 LEASE



IN REPLY REFER TO

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

P. O. Box 1157
Hobbs, New Mexico 88240

November 29, 1963

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

Attention: Mr. V. P. Lyon

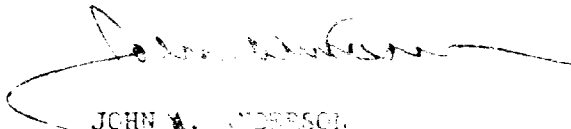
Gentlemen:

Your letter of November 21 requests approval to commingle the Blinbry and Drinkard oil production from certain wells in the N¹ sec. 27, T. 21 S., R. 37 E., Lea County, New Mexico, lease Las Cruces 032096(a).

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,

ILLEGIBLE


JOHN A. ANDERSON
Regional Oil & Gas Supervisor