



CONTINENTAL OIL COMPANY

P. O. BOX 460
HOBBS, NEW MEXICO
March 26, 1964

1001 NORTH TURNER
TELEPHONE: EX 3-4141

1964 MAR 27 11 58
PRODUCTION DEPARTMENT
HOBBS DISTRICT
A. B. SLAYBAUGH
DISTRICT MANAGER
G. C. JAMIESON
ASSISTANT DISTRICT MANAGER

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

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

Re: Application for Commingling
Baish "A" Lease, Lea County,
New Mexico

Gentlemen:

We forward herewith application in triplicate for authority to commingle oil production from the Baish-Yates, Baish-Wolfcamp, and Maljamar-Abo Pools on the Baish "A" Lease located in Sections 21 and 22, Township 17 South, Range 32 East, Lea County, New Mexico.

The wells shown uncircled on Exhibit No. 1 are Maljamar-Grayburg, San Andres wells which are part of the MCA Unit. Production from these wells are measured and stored in facilities completely separate from those discussed in the attached material and are not commingled with any non-unit production.

In addition to the exhibits discussed in the application, we are also attaching copies of a letter from the Oil and Gas Supervisor of the United States Geological Survey expressing his consent to the installation.

Your further handling and approval will be sincerely appreciated.

Yours very truly,

VTL-MLH
cc: RGP GE JJK

Enc.

CONTINENTAL OIL COMPANY

Hobbs, New Mexico

New Mexico Oil Conservation Commission

Post Office Box 2088
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 commingle the liquid production from the Baish Yates, Baish Wolfcamp, and the Maljamar Abo Pools on its Baish "A" Lease located in Sections 21 and 22, T-17S, R-32E, N.M.P.M., Lea County, New Mexico.

Gentlemen:

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

1. Applicant's Baish "A" Lease consists of the W/2 of the NW/4 of Section 22 and the N/2, the SW/4, and N/2 of the SE/4 of Section 21, Township 17 South, Range 32 East, Lea County, New Mexico, as shown on Exhibit No. 1, a plat of the lease and surrounding area.
2. Ownership of all zones is identical.
3. Production from the Baish Yates Pool will be allocated on the basis of periodic gas-oil ratio tests since there are no top allowable wells in this pool. Production from the Maljamar Abo Pool and the Baish Wolfcamp Pool, should it produce at a top allowable rate, will be measured by a suitable meter with non-reset counter and sampler prior to commingling. A tabulation, Exhibit No. 2, attached hereto, shows the latest well test on each well and the daily average production during the period of June 1, 1963 to January 1, 1964.
4. The anticipated gravity of the commingled production is estimated to be approximately 40° API with a value of \$2.95. The present gravity of the Baish Yates production and the anticipated gravity of the Baish Wolfcamp are both 39° with a value of \$2.92 per barrel. The gravity of the Maljamar crude is 41° with a value of \$2.95 per barrel. Therefore, the actual commercial value of the commingled production for the lease will be approximately \$5.13 higher per day than 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.

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 reservoirs on the Applicant's Baish "A" Lease as described above.

CONTINENTAL OIL COMPANY

By: 

CONTINENTAL OIL COMPANY

BAISH A LEASE

EXHIBIT NO. 2

BAISH YATES POOL

<u>WELL NO.</u>	<u>DAILY AVERAGE FROM 6-1-63 to 1-1-64</u>	<u>DATE</u>	<u>LATEST WELL TEST</u>		<u>MCFGPD</u>
			<u>BOPD</u>	<u>BWPD</u>	
3	5.2	5-15-63	8	-	12.0
5	5.2	5-13-63	10	-	13.2
6	2.8	5-14-63	3	-	8.7
7	1.0	5-20-63	1	-	TSTM
9	8.6	12-22-63	7	2	11.5

MALJAMAR ABO POOL

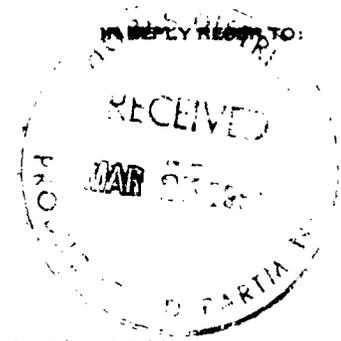
1	Shut-in				
8	116.9	1-27-64	124	-	215.1

Baish A No. 12 presently being completed, is anticipated to be a top allowable producer from the Baish Wolfcamp and Maljamar Abo Pools.



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Drawer 1857
Roswell, New Mexico 88201



March 24, 1964

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

Attention: Mr. V. T. Lyon

Gentlemen:

Your letter of March 20 requests approval to install an automatic custody transfer unit and to commingle oil produced from the Abo, Yates and Wolfcamp zones, located in sections 21 and 22, T. 17 S., R. 32 E., Lea County, New Mexico, on lease Las Cruces 029509(a).

The automatic custody transfer unit and the method of metering and commingling the oil production as described by your schematic diagrams are hereby approved.

Please notify our Hobbs office when the installation is completed so that a field inspection of the system can be made. The master meter proving test notices should be furnished our Hobbs office in sufficient time to permit a Survey engineer to witness the calibration.

Sincerely yours,

Carl E. Traquich
for JOHN A. ANDERSON
Regional Oil and Gas Supervisor