



CONTINENTAL OIL COMPANY

FAIR BUILDING
FORT WORTH 2, TEXAS

R. T. HANSON
ASSISTANT REGIONAL MANAGER OF PRODUCTION
SOUTHWESTERN REGION

May 16, 1957

Mr. A. L. Porter, Jr., Secretary-Director
New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Re: Application of Continental Oil Company for
authority to produce oil from the following
State leases into Common Storage: State U-5,
State P-5, State T-8, and State U-8, T-17S,
R-29E, Eddy Co., N.M., in the Cave Pool

Dear Mr. Porter:

Attached, in quadruplicate, is an application to the New Mexico Oil Conservation Commission to produce certain leases in Eddy County into a common tank battery. Plats showing the leases involved and the acreage from which it is desired to produce into the common battery are also attached.

Continental Oil Company respectfully requests exception to Rule 309(a), under the provision of Rule 309(b) of the Commission rules and regulations, and requests administrative approval to produce from the captioned leases into common storage.

Yours very truly,

R. T. Hanson

RTH-HE
Encs

Exc to Rule 309

Issue 5/20/57

all right

per Rule 309

(4)
(5)

IN THE MATTER OF THE APPLICATION OF
CONTINENTAL OIL COMPANY FOR AN
EXCEPTION TO RULE 309(a) OF THE
RULES AND REGULATIONS OF THE
NEW MEXICO OIL CONSERVATION
COMMISSION AUTHORIZING THE PRO-
DUCTION INTO A COMMON TANK BATTERY
OF ALL WELLS IN THE CAVE POOL ON
ITS STATE U-5 AND STATE P-5 LEASES
IN SECTION 5, AND ITS STATE T-8
AND STATE U-8 LEASES IN SECTION 8,
ALL IN T-17-S, R-29-E, N.M.P.M.,
EDDY COUNTY, NEW MEXICO

BEFORE THE
OIL CONSERVATION
COMMISSION
OF THE
STATE OF
NEW MEXICO

APPLICATION

Comes now CONTINENTAL OIL COMPANY, a Delaware corpora-
tion, hereinafter referred to as "Applicant" and requests
administrative approval under the provisions of Rule 309(b)
to produce from the captioned leases into common storage,
and in support thereof would show the following:

1.

That Applicant is the operator of wells producing
from the Grayburg pay in the Cave Pool located on its State
U-5, State P-5, State T-8, and State U-8 leases, comprising
the SE/4 NE/4, the N/2, and the SW/4 SE/4 of Section 5, and
the NE/4 of Section 8, T-17-S, R-29-E, N.M.P.M., Eddy County,
New Mexico.

2.

That the separate state leases covering said lands
are dedicated to a common beneficiary, to-wit, common schools,
as indicated in letter dated November 26, 1956, from Mr. E.S.
Walker, Commissioner of Public Lands, to Applicant.

3.

That said wells are producing from a common source
of supply.

4.

That no more than eight wells or units will be
produced into the common tank battery and adequate facilities
will be provided for accurately determining production from
each well at reasonable intervals.

5.

That all owners of adjoining oil and gas leases have consented in writing to the proposed commingling of oil from separate leases, as indicated by the attached photostatic copies of letters evidencing such consent from the following:

Gulf Oil Corporation ✓
P.O. Drawer 1290
Fort Worth 1, Texas

Durham Drilling Company ✓
Box 204
Midland, Texas

John M. Kelly ✓
Box 5671
Roswell, New Mexico

Kincaid and Watson Drilling Company ✓
Box 536
Artesia, New Mexico

L.B. Hodges ✓
Box 671
Roswell, New Mexico

Sinclair Oil and Gas Company ✓
Box 1470
Hobbs, New Mexico

Humble Oil and Refining Company ✓
Box 1600
Midland, Texas

x Steady

being all of such owners.

6.

That the State Land Commissioner has approved the commingling of oil produced from the subject leases, as evidenced by the attached photostatic copy of letter from Mr. E.S. Walker, Commissioner of Public Lands, State of New Mexico, to Continental Oil Company, dated November 26, 1956.

7.

That there is attached hereto a plat showing in red outline the boundary lines of the acreage proposed for commingling of oil.

8.

That the production of said wells into a common tank battery will result neither in waste nor the impairment of correlative rights.

WHEREFORE, Applicant prays that the Secretary-Director of the Commission grant an exception to Rule 309(a) pursuant to authority vested in said Secretary-Director for such purpose under the provisions of Rule 309(b) authorizing Applicant to produce into a common tank battery all wells now producing, and any additional well or wells which may be drilled and produced, under the terms of the subject leases from the Grayburg pay in the Cave Pool.

Respectfully submitted,

CONTINENTAL OIL COMPANY

BY R. S. Hansen

Its Assistant Regional Manager
Production Department
Southwestern Region

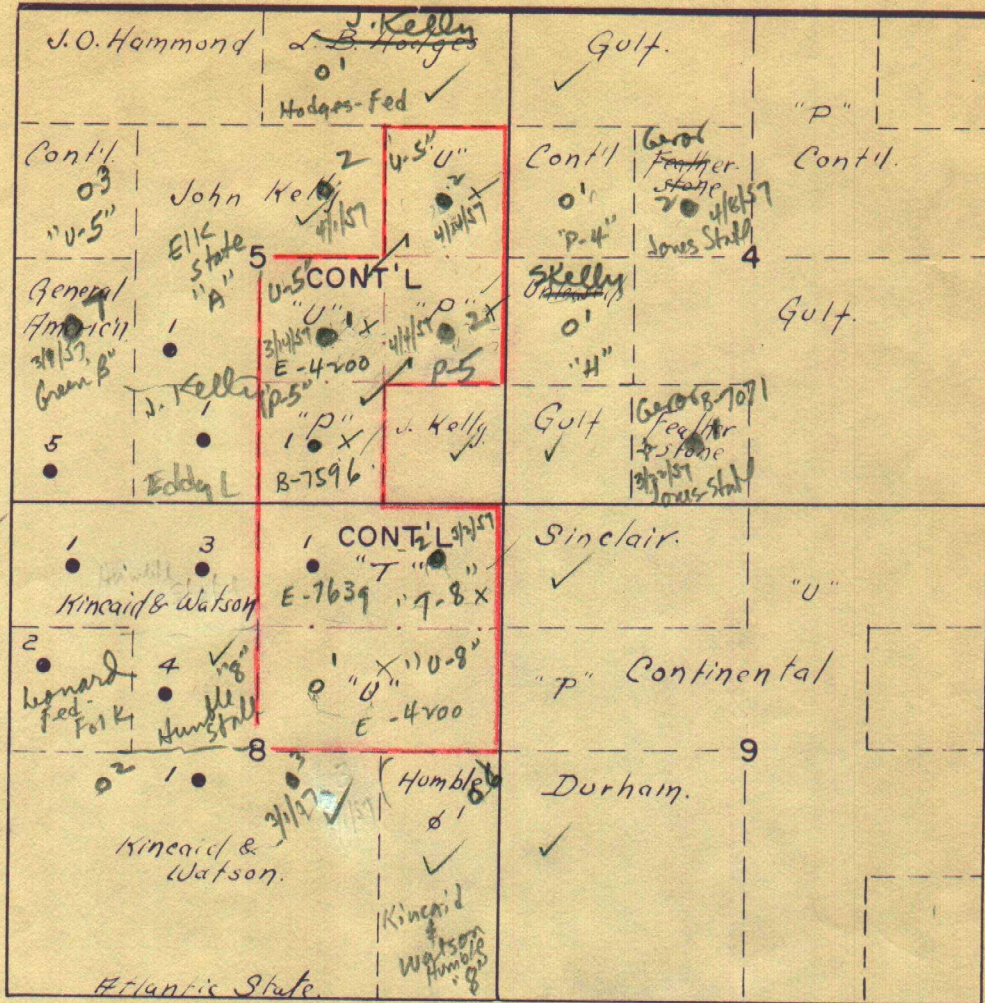
RECEIVED

New Mexico Division

MAR 18 1957

RLA JAM VTL
DLN LBH LP

R-29-E



T
17
S

SCALE: 1"=2000'
All State Land

CONTINENTAL OIL COMPANY

— Area Proposed for Commingling of Oil.



PETROLEUM AND ITS PRODUCTS

GULF OIL CORPORATION

P. O. DRAWER 1290 · FORT WORTH 1, TEXAS

FORT WORTH
PRODUCTION DIVISION

March 13, 1957

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

Gentlemen:

This is to advise that Gulf Oil Corporation has been given due notice that Continental Oil Company is making application for permission to commingle in a common tank battery the oil produced from the Grayburg Pay, Cave Pool, underlying your leases comprising the SE/4 of the NE/4, the N/2 and the SW/4 of the SE/4 of Section 5, and the NE/4 of Section 8, T-17-S, R-29-E, Eddy County, New Mexico. We hereby waive notice of hearing and advise that we have no objection to the approval of this commingling of the oil produced from the above-mentioned leases into a common tank battery.

Executed this 13th day of March, 1957.

Yours very truly,

GULF OIL CORPORATION

By:

BE Thompson
Attorney-in-Fact *Wm*



CONTINENTAL OIL COMPANY

Hobbs, New Mexico
March 4, 1957

Durham Drilling Company
Box 204
Midland, Texas

Gentlemen:

We are presently developing acreage in Sections 5 and 8, Township 17 South, Range 29 East, Eddy County, New Mexico, which consists of a number of small tracts with separate lease designations. In order to reduce producing equipment installation cost to a minimum, we plan to produce oil from the Grayburg Pay, Cave Pool, at a depth of approximately 2400' on the following acreage into a common tank battery.

SE/4 of NE/4, Section 5
N/2 and SW/4 of SE/4, Section 5
NE/4, Section 8

Above acreage has one common beneficiary and commingling of oil from this acreage has been approved by the State Land Office.

In order to comply with New Mexico Oil Conservation Commission Rule 309 it is necessary that we obtain your approval, as an adjoining owner, to commingle oil from separate leases from above acreage, as set forth on attached ownership plat.

For your convenience and to expedite this matter, we are providing a space below for your approval of this proposal. We will appreciate

Durham Drilling Company

Page 2

your prompt handling of this matter in order that we may continue our present development program without loss of production.

If above proposal meets your approval, please sign and return the attached copy of this letter.

Your signature in space provided below will be considered as your approval to above plan.

Yours very truly,



N. A. RICKMAN
District Superintendent
Hobbs Dist., New Mexico Div.
Production Department

NAR-BG

Enc.

APPROVED:

DURHAM DRILLING COMPANY

By: 

Title: President

Date: March 6, 1967



CONTINENTAL OIL COMPANY

Hobbs, New Mexico
March 4, 1957

Mr. John M. Kelly
Box 5671
Roswell, New Mexico

Dear Mr. Kelly

We are presently developing acreage in Sections 5 and 8, Township 17 South, Range 29 East, Eddy County, New Mexico, which consists of a number of small tracts with separate lease designations. In order to reduce producing equipment installation cost to a minimum, we plan to produce oil from the Grayburg Pay, Cave Pool, at a depth of approximately 2400' on the following acreage into a common tank battery.

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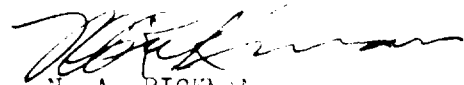
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N. A. RICKMAN
District Superintendent
Hobbs Dist., New Mexico Div.
Production Department

NAR-BG
Enc.

APPROVED:

JOHN M. KELLY

By: 

Title: _____

Date: 3/7/57

CONTINENTAL OIL COMPANY

Hobbs, New Mexico
March 4, 1957

Kincaid and Watson Drilling Company
Box 536
Artesia, New Mexico

Gentlemen:

We are presently developing acreage in Sections 5 and 8, Township 17 South, Range 29 East, Eddy County, New Mexico, which consists of a number of small tracts with separate lease designations. In order to reduce producing equipment installation cost to a minimum, we plan to produce oil from the Grayburg Pay, Cave Pool, at a depth of approximately 2400' on the following acreage into a common tank battery.

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CONTINENTAL OIL COMPANY

Hobbs, New Mexico
March 1, 1957

Mr. L. B. Hodges
Box 671
Roswell, New Mexico

Dear Mr. Hodges:

We are presently developing acreage in Sections 5 and 8, Township 17 South, Range 29 East, Eddy County, New Mexico, which consists of a number of small tracts with separate lease designations. In order to reduce producing equipment installation cost to a minimum, we plan to produce oil from the Grayburg Pay, Cave Pool, at a depth of approximately 2400' on the following acreage into a common tank battery.

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Mr. L. B. Hodges
Box 671
Roswell, New Mexico

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Yours very truly,



N. A. HICKMAN
District Superintendent
Hobbs Dist., New Mexico Div.
Production Department

NAR-BG
Enc.

APPROVED:

L. B. HODGES

By: 

Title: _____

Date: 3, 7/57

CONTINENTAL OIL COMPANY

Hobbs, New Mexico
March 4, 1957

Sinclair Oil and Gas Company
Box 1470
Hobbs, New Mexico

Gentlemen:

We are presently developing acreage in Sections 5 and 8, Township 17 South, Range 29 East, Eddy County, New Mexico, which consists of a number of small tracts with separate lease designations. In order to reduce producing equipment installation cost to a minimum, we plan to produce oil from the Grayburg Pay, Cave Pool, at a depth of approximately 2400' on the following acreage into a common tank battery.

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Sinclair Oil and Gas Company

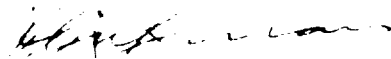
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Yours very truly,


M. H. JOHNSON
District Superintendent
Bolsa 14, Mexico City
Production Department

MR-BJ
Enc.

APPROVED:

SINCLAIR OIL AND GAS COMPANY

By: 

Title: _____

Date: MAR 11 1957

OK 11/11/57

STATE LAND OFFICE

Santa Fe, New Mexico

E. S. WALKER
COMMISSIONER OF PUBLIC LANDS



Oil and Gas Division

November 26, 1956

Continental Oil Company
Box 427
Hobbs, New Mexico

Attention: Mr. N. A. Rickman

Gentlemen:

In reply to your letter of November 19, this Office has no objection to commingling of the oil or gas which may be produced from state lands in Sections 5, 8, 19 and 20 in T 17 S, R 29 E, provided permission is granted by the Oil Conservation Commission.

All of the acreage in the above-numbered sections belongs to Common Schools.

Yours very truly,

A handwritten signature in cursive script that reads "E. S. Walker".

E. S. WALKER
Commissioner of Public Lands

Bilberry:mw

CONTINENTAL OIL COMPANY

Hobbs, New Mexico
November 19, 1956

State Land Office
State of New Mexico
Santa Fe, New Mexico

Attention: Mr. E. S. Walker
Commissioner of Public Lands

Gentlemen:

Continental Oil Company is the owner of state oil and gas leases
on the following lands in Eddy County, New Mexico:

Section 5, T-17-S, R-29-E

SW/4 of NW/4
SE/4 of NE/4
NE/4 of SE/4
SW/4 of SE/4, total 160 acres.

Section 8, T-17-S, R-29-E

N/2 of NE/4
S/2 of NE/4, total 160 acres.

Section 19, T-17-S, R-29-E

SE/4, total 160 acres.

Section 20, T-17-S, R-29-E

NE/4
NE/4 of NW/4
SW/4 of SE/4, total 240 acres.

If and when the above lands are developed for oil or gas production, please advise from what tracts the production may be commingled and from what tracts the production must be separated.

Thanking you, I am

Yours truly,

N. A. RICKMAN
District Superintendent
Hobbs Dist., New Mexico Div.
Production Department

NAR-AP
CC: RLA



CONTINENTAL OIL COMPANY

Hobbs, New Mexico
March 4, 1957

Humble Oil and Refining Company
Box 1600
Midland, Texas

Gentlemen:

We are presently developing acreage in Sections 5 and 8, Township 17 South, Range 29 East, Eddy County, New Mexico, which consists of a number of small tracts with separate lease designations. In order to reduce producing equipment installation cost to a minimum, we plan to produce oil from the Grayburg Pay, Cave Pool, at a depth of approximately 2400' on the following acreage into a common tank battery.

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Humble Oil and Refining Company
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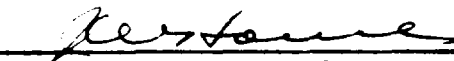

Yours very truly,


N. A. RICKMAN
District Superintendent
Hobbs Dist., New Mexico Div.
Production Department

NAR-BG
Enc.

APPROVED:

HUMBLE OIL AND REFINING COMPANY

By: 
Title: 
Date: 3-6-57