

OIL CONSERVATION COMMISSION

**P. O. BOX 2088
SANTA FE, NEW MEXICO 87501**

April 11, 1969

**Continental Oil Company
P. O. Box 460
Hobbs, New Mexico 88240**

Attention: Mr. L. P. Thompson

Administrative Order CTB-199

Gentlemen:

Reference is made to your recent application for administrative approval of an exception to Rule 309-A of the Commission Rules and Regulations to permit the commingling of Scarborough Yates Seven Rivers production from your Eaves "A" Lease which comprises the NW/4 NW/4, S/2 NW/4, and S/2 of Section 19 and the N/2 N/2 of Section 30, Township 26 South, Range 37 East, and your Eaves "B" Lease which comprises the NE/4 NW/4 and NE/4 of Section 19 and the S/2 N/2 and S/2 of Section 30 and Lots 1, 2, and 3 and the NE/4 NW/4 and NW/4 NE/4 of Section 31, all in Township 26 South, Range 37 East, Lea County, New Mexico, after continuously metering the production from each lease. It is our understanding that you have elected to pay the higher royalty rate required by the U.S.G.S. in lieu of separate measurement of certain of the production from the Eaves "B" Lease.

Under the authority granted me pursuant to Rule 309-B, Continental Oil Company is hereby authorized to commingle the above-described production as proposed, subject to 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 temperature-compensated meters. Please notify the Hobbs District Office of the Commission at such time as this installation is complete in order that an inspection may be made thereof.

Very truly yours,

**A. L. PORTER, Jr.
Secretary-Director**

ALP/DSN/esr

**cc: Oil Conservation Commission (with enclosure) - Hobbs
Oil & Gas Engineering Committee - Hobbs
United States Geological Survey - Roswell**

10878 ODIXEM WEM DE AYMA