

MAIN OFFICE 000

CONTINENTAL OIL COMPANY
1963 MAY 13 AM 11:28 P. O. BOX 1377
ROSWELL, NEW MEXICO

May 10, 1963

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

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

Gentlemen:

Re: Applications for Commingling
Baish B, Miller B-BX.

We forward herewith applications for captioned projects. These projects are occasioned by approval of the MCA Unit, May 1, 1963. Since we can not produce unit and non-unit liquids into the same battery, we must commingle as proposed or build additional tank batteries.

Your further handling and approval will be sincerely appreciated.

Yours very truly,
AS Slaybaugh

VTL-pr
Enc.

cc: RGP - 5
GW
JWK
VGM

CONTINENTAL OIL COMPANY
P. O. BOX 1377
ROSWELL, NEW MEXICO

1963 MAY 13 AM 9 21 May 10, 1963

PC-143

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

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

Gentlemen:

Re: Application of Continental Oil Company for exception to Rule 303(a) in order to commingle the Oil Production from the Maljamar (Grayburg-San Andres) and Baish-Wolfcamp Oil Pools on its Baish B Lease, Located in Section 22, T17S, R32E, Lea County, New Mexico.

Continental Oil Company requests an exception to rule 303(a) for permission to commingle liquids produced from the captioned lease and in support thereof submits the following information.

1. Applicant's Baish B Lease consists of portions of Sections 21 and 22, T17S, R32E, Lea County, New Mexico. However, since the effective date of the Maljamar Cooperative Area Unit on May 1, 1963, the portion of the Baish B Lease outside the participating area of said unit is reduced to N/2 NE/4 and NE/4 NW/4 of said Section 22. A plat, Exhibit No. 1, attached hereto, shows the lease, the wells thereon and the battery site.
2. The mineral rights under the Baish B Lease are held by the Federal Government.
3. Exhibit No. 2, attached hereto, is a schematic diagram showing the proposed installation. As shown, the Maljamar (Grayburg-San Andres) production will be metered prior to commingling. Tests will be conducted by producing the wells individually. The Wolfcamp production will be measured by the subtraction method.
4. Exhibit No. 3, attached hereto, is a tabulation of data on the production proposed to be commingled. As shown, the anticipated commingled production is estimated to have an API gravity of 37.8° and a value of \$2.86 per barrel. The actual commercial value of the commingled production for the lease, theoretically, will be approximately \$1.26 per day less than the separate streams. It is believed, however, that the reduced weathering through commingling will offset this to a large degree.

5. The facility is believed to conform to the requirements of the "Manual for the Installation and Operation of Commingling Facilities" dated September 13, 1961.

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

7. Copy of a letter from the Regional Oil and Gas Supervisor of the United States Geological Survey consenting to the commingling is attached.

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 two reservoirs on applicant's Baish B Lease as described above.

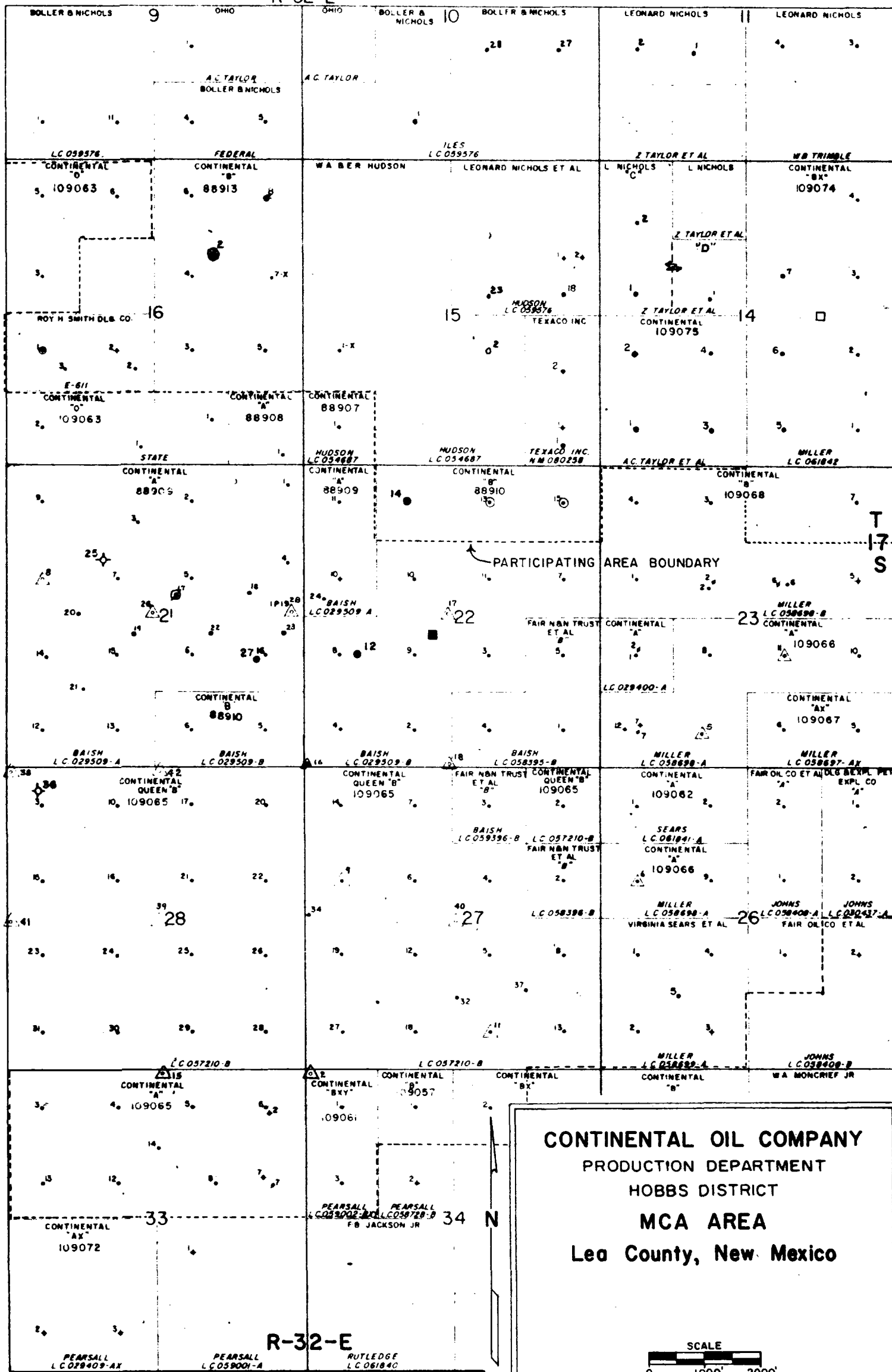
CONTINENTAL OIL COMPANY

By A. B. Slaybaugh
A. B. Slaybaugh
Asst. Division Superintendent

VTL-pr
Enc.

cc: NMOCC - Santa Fe (3)
RGP
GW
CES
NGP
SW
TWS
VGM
File

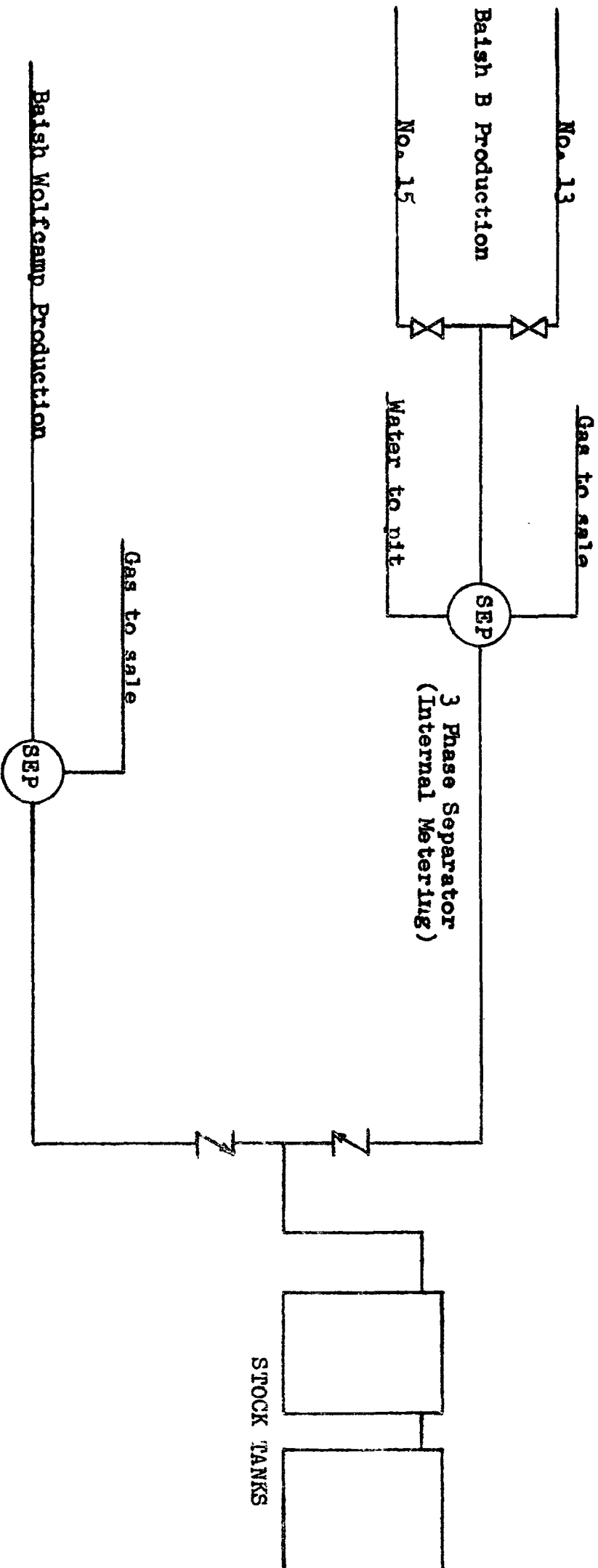
R-32-E



CONTINENTAL OIL COMPANY
 PRODUCTION DEPARTMENT
 HOBBS DISTRICT
 MCA AREA
 Lea County, New Mexico



SCHEMATIC DIAGRAM
PROPOSED COMINGLING BAISH "B"
NOS. 13 AND 15 AND BAISH WOLF CAMP



NOTE: Sampler will be utilized at such time as BS and W content of oil outlet stream from metering separator exceeds 2%.

PRODUCING CHARACTERISTICS

<u>Well</u>	<u>Date</u>	<u>Oil</u>	<u>Water</u>	<u>Gas</u>	<u>GOR</u>	<u>Daily Average Prod. 2-1-63 to 3-31-63</u>	<u>Crude Gravity</u>	<u>Val Per</u>
<u>Maljamar (G-SA)</u>								
Baish B No. 13	2-23-63	11	0	5.9	536	11		
Baish B No. 15	2-24-63	2	0	2	1,000	3		
Total						14	35°	\$2
<u>Baish (Wolfcamp)</u>								
Baish B No. 14	4-4-63	46	0	TSTM	TSTM	35	39°	\$2
Average						49	37.8°	\$2



IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Drawer 1857
Roswell, New Mexico

May 8, 1963

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


Attention: Mr. Wm. A. Mead

Gentlemen:

Your application of May 6 requests our approval to commingle the Grayburg-San Andres oil production from wells Nos. 13 and 15 located in the N $\frac{1}{2}$ NE $\frac{1}{4}$ sec. 22, T. 17 S., R. 32 E., N.M.P.M., lease Las Cruces 029509-B, with Wolfcamp production from wells located on the same lease.

The method of measuring the oil prior to commingling described by your application is hereby approved. You are requested to notify our Artesia office when installation is completed so that a field inspection of the system can be made.

Sincerely yours,


JOHN A. ANDERSON
Regional Oil and Gas Supervisor