



CONTINENTAL OIL COMPANY

P. O. BOX 1377
ROSWELL, NEW MEXICO

PRODUCTION DEPARTMENT
NEW MEXICO DIVISION
A. B. SLAYBAUGH
DIVISION SUPERINTENDENT
V. C. EISSLER
ASSISTANT DIVISION SUPERINTENDENT

November 18, 1963

825 PETROLEUM BUILDING
TELEPHONE: MAIN 2-4202

Handwritten: 175

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

Attention: Mr. Daniel S. Nutter, Chief Engineer

Gentlemen:

Re: APPLICATION FOR PERMISSION
TO COMMINGLE - BAISH "B"
LEASE

Please refer to our application dated October 18, 1963, for permission to commingle on our Baish "B" Lease, and your letter dated November 13, 1963. Our application requested permission to commingle the production from our Baish "B" Wells Nos. 1, 3, 4 and 5. As shown, Well No. 5 produces from the Maljamar Devonian Pool, Well No. 1 produces from the Maljamar Abo and Baish Wolfcamp Pools, and Wells Nos. 3 and 4 produce from the Maljamar Grayburg-San Andres Pool.

A portion of the Baish "B" Lease is within the MCA Unit boundary. However, that portion described as N/2 NE/4 and NE/4 NW/4 Section 22 is not included within the unit boundary. Well No. 5, located in the NW/4 SW/4 Section 22, is within the geographic boundaries of the MCA Unit but is producing from the Devonian formation. The MCA Unit is limited vertically to the Grayburg-San Andres formations. Therefore, none of the wells for which we have requested permission to commingle are unitized. The various crudes which are proposed to be commingled in our application are on Baish "B" leases and the royalty and working interest ownership is common.

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If it would clarify the situation further, we suggest that the order authorize the commingling of Maljamar-Devonian, Maljamar-Abo, and Baish-Wolfcamp oil produced on the Baish "B" Lease with Maljamar (Grayburg-San Andres) oil produced on that portion of the lease lying outside the boundary of the MCA participating area.

We regret that we failed to make this situation clear in our application. If additional information is required, please so advise.

Yours very truly,

A handwritten signature in cursive script, appearing to read "A. B. Slaybaugh".

VTL-pr