



CONTINENTAL OIL COMPANY

P. O. Box 460

HOBBS, NEW MEXICO 88240

PRODUCTION DEPARTMENT
HOBBS DIVISION

L. P. THOMPSON
Division Manager

G. C. JAMIESON
Assistant Division Manager

1001 NORTH TURNER
TELEPHONE 393-4141

May 14, 1969

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

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

Re: Application for Authority to
Commingle Production from Hobbs
Grayburg San Andres and Hobbs
Blinbry Production on State A-29 Lease
Lea County, New Mexico

Gentlemen:

Forwarded herewith is our application for administrative approval to commingle Blinbry and Grayburg-San Andres production on our State A-29 Lease, Lea County, New Mexico. Also forwarded herewith is a copy of a letter from the office of the Commissioner of Public Lands approving the proposed commingling. We should like to point out, however, that the wells involved here contrary to paragraph 3 of the letter are not marginal, but are top allowable. It is presumed that the statement has no bearing as to the merits of the commingling, but rather involves insuring that the lease is held in good standing by production. In order that nobody will be misled, we are furnishing a carbon copy of this letter to the Commissioner of Public Lands.

Your further handling and approval of this application will be sincerely appreciated.

Yours very truly,

VTL-JS
cc: Commissioner of Public Lands

New Mexico Oil Conservation Commission
Hobbs

RLA JJB JWK

Attach

| | |
|-----------------|-----|
| RECEIVED | |
| HOBBBS DIVISION | |
| MAY 8 '69 | |
| Mr. Hays | |
| Asst. Dir. Mgr. | |
| Mr. Engr. | 408 |
| Mr. Oil Mgr. | |
| Cons'v. Comm. | |
| | |
| | |
| | |
| | |
| | |

GUYTON B. HAYS
COMMISSIONER

State of New Mexico



Commissioner of Public Lands



May 7, 1969

P. O. BOX 1148
SANTA FE, NEW MEXICO

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

Re: Proposed Pool Commingling
State A-29 Lease, Lea County,
New Mexico, State Lease
B-2657

ATTENTION: Mr. G. C. Jamieson

Gentlemen:

The above request is hereby approved by the Commissioner of Public Lands with the understanding that the Commissioner may withdraw his approval at any time the operation does not seem profitable to the State of New Mexico.

This action is also subject to approval by the Oil Conservation Commission.

Since these are marginal wells we will expect periodic reports on each one.

Please remit a Ten (\$10.00) Dollar filing fee at your earliest convenience.

Very truly yours,

Ted Bilberry, Director
Oil and Gas Department

TB/ML/s

cc: Oil Conservation Commission

Oil and Gas Accounting Commission

C O N T I N E N T A L O I L C O M P A N Y

P. O. Box 460
Hobbs, New Mexico
May 14, 1969

New Mexico Oil Conservation Commission (3)
P. O. Box 2088
Santa Fe, New Mexico

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

Re: Application of Continental Oil
Company for Administrative Approval
as Provided by Rule 303(b) to Com-
mingle Hobbs Blinebry Oil Production
with the Hobbs Grayburg-San Andres
Production from its State A-29 Lease,
Located in Section 29, T-18S, R-38E,
Lea County, New Mexico

Gentlemen:

Continental Oil Company requests administrative approval as provided by Rule 303(b), to commingle Hobbs Blinebry oil production with the Hobbs Grayburg-San Andres oil produced from its State A-29 lease located in Section 29, T-18S, R-38E, Lea County, New Mexico, and in support thereof submits the following data.

1. Applicant is the owner of the State A-29 lease which consists of E/2 SW/4 and NW/4 SE/4 Section 29-T18S, R-38E, Lea County, New Mexico. A plat, Exhibit No. 1, attached hereto, shows the lease, the wells thereon, and the location of the proposed commingling facility.
2. Mineral rights under the lease are held by the State of New Mexico, and all interests are common.
3. Production from the Blinebry Pool will be metered prior to commingling. The commingled lease production will be metered so that the Hobbs Grayburg-San Andres production will be determined by the subtraction method. A tabulation marked Exhibit No.

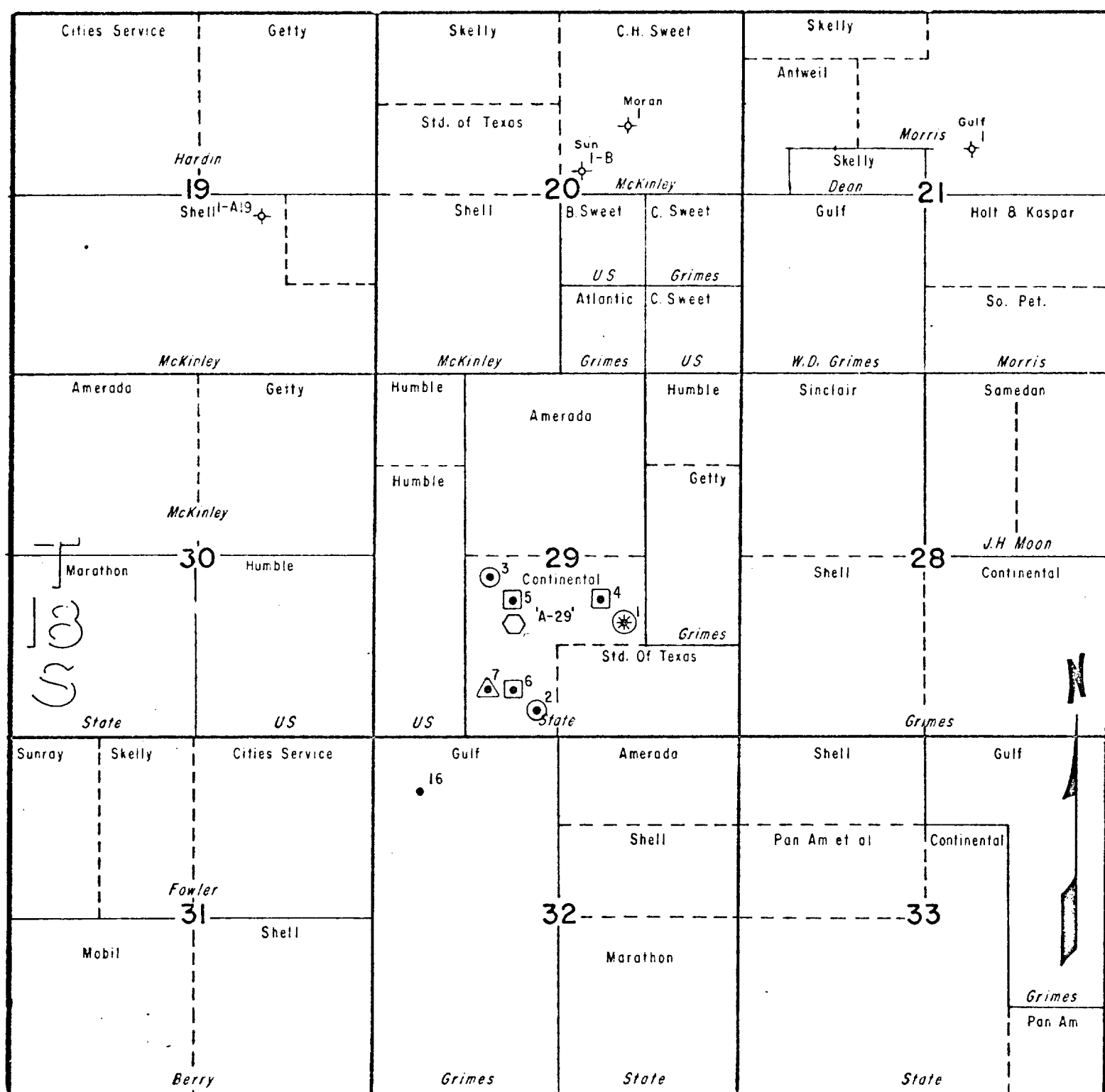
2 shows the most recent production and value for each zone. The indicated loss in revenue will be offset by a reduction of shrinkage due to weathering which would result from separate storage.

4. One test facility (separator, meter and sampler) will be used for testing all wells in the system approved by Order No. R-1400 as modified hereby. A schematic diagram, Exhibit No. 3, attached hereto, shows the proposed installation. The facility conforms to the requirements of the "Manual for the Installation and Operation of Commingling Facilities" dated September 13, 1961.
5. 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 Administrative approval be granted under Rule 303(b) for the commingling of Hobbs Blinebry oil production with the Hobbs Grayburg-San Andres as described above.

CONTINENTAL OIL COMPANY





LEGEND

- Hobbs Grayburg San Andres
- Bowers TSD
- ▲ Hobbs Blinebry
- Tank Battery

R38E

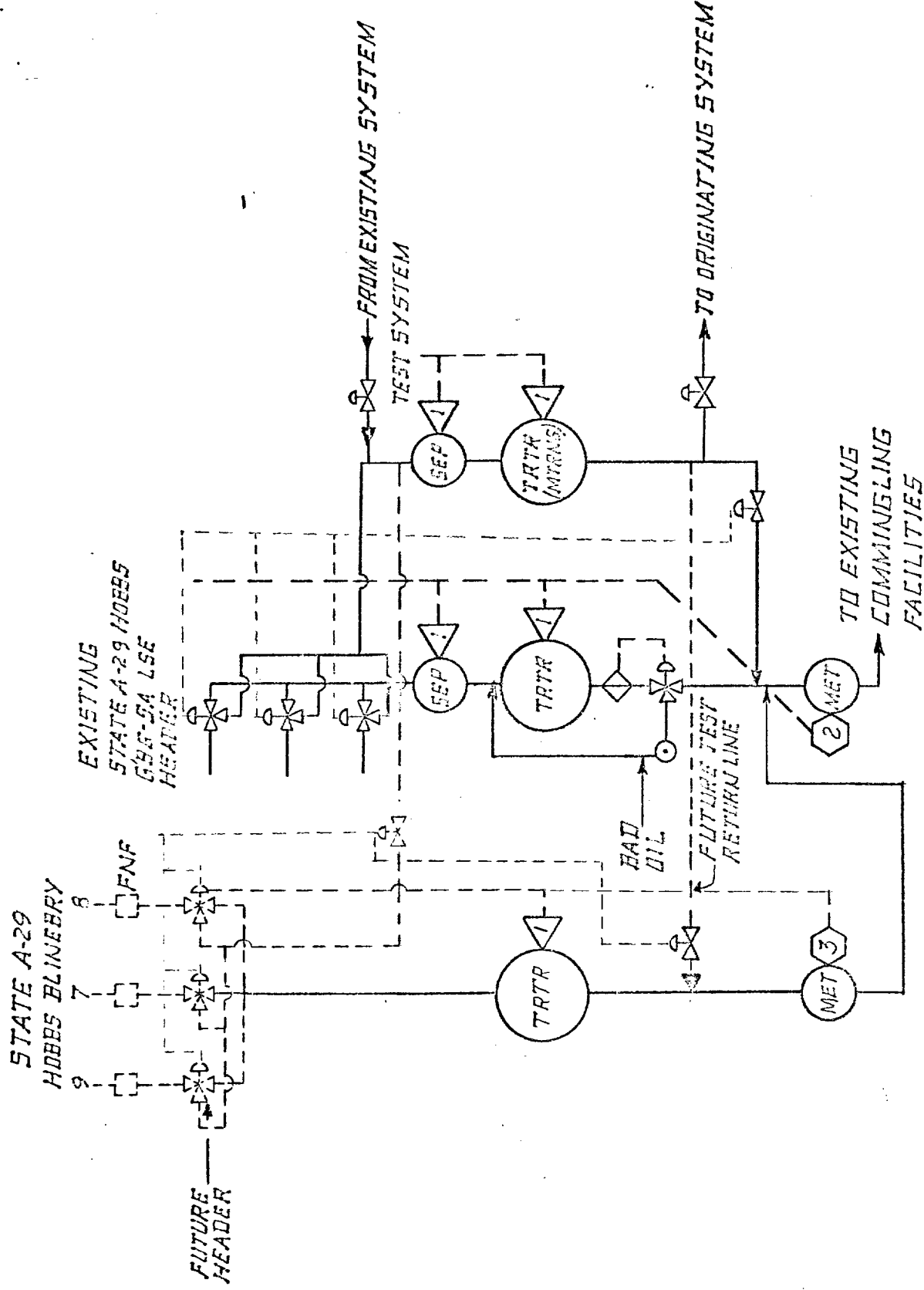
CONTINENTAL OIL COMPANY
PRODUCTION DEPARTMENT
HOBBS DIVISION

LEASE PLAT
COMMINGLE APPLICATION
HOBBS GRAYBURG-SAN ANDRES POOL
HOBBS BLINEBRY POOL

STATE A-29 LEASE

Hobbs Grayburg SA and Hobbs Blinebry Pools

| <u>Pool</u> | <u>No. Wells</u> | <u>Feb. Daily Prod.</u> | <u>Gravity °API</u> | <u>Value \$/Bbl.</u> | <u>Total Value \$/Day</u> |
|-------------------|----------------------|---------------------------------|-------------------------|--------------------------|-----------------------------------|
| Hobbs G-SA | 3 | 174 | 35.1 | 2.90 | \$504.60 |
| Hobbs Blinebry | 1 | 78 | 36.7 | 2.92 | 227.76 |
| | | | | | <u>\$732.36</u> |
| Total | | | | | |
| Commingled | | 252 | 35.6 | 2.90 | \$730.80 |
| Decrease in Value | | | | | \$ 1.56 |



LEGEND

- ▽ LEVEL CONTROL DEVICE
 - 1. HIGH LEVEL SHUT-IN
 - 2. HIGH LEVEL WARNING
 - 3. ACT RUN LEVEL
 - 4. ACT STOP RUN LEVEL
- ◇ ALLOWABLE SHUT DOWN COUNTER
 - 1. ACT METER COUNTER
 - 2. LEASE METER COUNTER
 - 3. POOL METER COUNTER
- ◇ BS&W PROBE POINT

CONTINENTAL OIL COMPANY
 PRODUCTION DEPARTMENT
 HOBBS DIVISION
 SCHEMATIC DIAGRAM
 COMINGLE STATE A-29 LEASE
 HOBBS GRAYBURG SAN ANDRES
 AND
 HOBBS BLINERY POOLS