

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 2312
Order No. R-2016

APPLICATION OF CONTINENTAL OIL
COMPANY FOR AN EXCEPTION TO
COMMISSION RULE 309 (a) TO ALLOW
THE COMMINGLING OF OIL PRODUCED
FROM TWO SEPARATE LEASES AFTER
SEPARATE MEASUREMENT, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on June 28, 1961, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 7th day of July, 1961, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Continental Oil Company, is the owner and operator of the William Mitchell "A" Lease comprising the N/2 of Section 19 and the N/2 of Section 20, and of the William Mitchell "B" Lease comprising the W/2 and the W/2 E/2 of Section 17, the E/2 and the E/2 W/2 of Section 18, the S/2 of Section 19 and the S/2 of Section 20, all in Township 17 South, Range 32 East, NMPM, Lea County, New Mexico.

(3) That the applicant seeks permission to commingle the Maljamar-Paddock Pool production from its William Mitchell "A" and William Mitchell "B" Leases after separately metering the production from each lease.

(4) That the applicant, prior to commingling, should be required to separately meter each lease with meters equipped with non-reset totalizers and with samplers.

(5) That the commingling of oil from the above-described leases will neither cause waste nor violate correlative rights.

(6) That inasmuch as an industry committee has been appointed to study all phases of commingling and to recommend minimum standards to prevent abuses thereof, it may be that this installation, at a later date, will have to be altered to conform to such standards as the Commission may prescribe.

(7) That permission was granted to applicant by Commission Order No. R-963 to commingle production from the Maljamar-Paddock Pool with production from the Maljamar (Grayburg-San Andres) Pool on said William Mitchell "B" Lease, which order should be superseded.

IT IS THEREFORE ORDERED:

That the applicant, Continental Oil Company, is hereby authorized to commingle the Maljamar-Paddock Pool production from its William Mitchell "A" Lease, comprising the N/2 of Section 19 and the N/2 of Section 20 with the Maljamar-Paddock Pool production from its William Mitchell "B" Lease, comprising the W/2 and the W/2 E/2 of Section 17, the E/2 and the E/2 W/2 of Section 18, the S/2 of Section 19 and the S/2 of Section 20, all in Township 17 South, Range 32 East, NMPM, Lea County, New Mexico.

PROVIDED HOWEVER, That prior to commingling the production from each lease shall be separately metered with meters equipped with non-reset totalizers and with samplers.

PROVIDED FURTHER, That the provisions of this order supersede the authority to commingle previously granted the applicant by Commission Order No. R-963.

PROVIDED FURTHER, That it may be that this installation, at a later date, will have to be altered to conform to such standards as the Commission may prescribe.

IT IS FURTHER ORDERED:

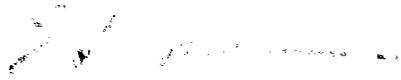
That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

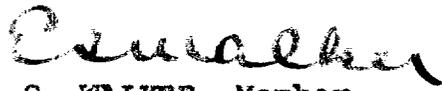
-3-

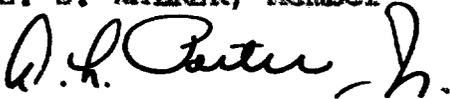
CASE No. 2312
Order No. R-2016

DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


EDWIN L. MECHEM, Chairman


E. S. WALKER, Member


A. L. PORTER, Jr., Member & Secretary



esr/