



Case 2312

# CONTINENTAL OIL COMPANY

825 Petroleum Building  
Roswell, New Mexico

June 5, 1961

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

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

Gentlemen:

Re: CONTINENTAL OIL COMPANY'S  
APPLICATION FOR AN EXCEPTION  
TO RULE NO. 309 IN ORDER TO  
COMMINGLE PRODUCTION AFTER  
SEPARATE MEASUREMENT FROM  
ITS WILLIAM MITCHELL A AND  
WILLIAM MITCHELL B LEASES,  
MALJAMAR PADDOCK POOL  
LOCATED IN SECTIONS 17, 18,  
19 and 20, T17S, R32E, NMPM,  
LEA COUNTY, NEW MEXICO

We are attaching three copies of Continental Oil Company's application as described above.

Continental Oil Company is requesting that this application be set for hearing in preference to being handled administratively, due to the exceedingly large number of royalty and overriding royalty owners involved and the length of time which would be required in contacting each interest owner in obtaining the necessary consent to commingle production to conform with Statewide Rule 309(b) (5).

Since Continental Oil Company is interested in installing these commingling facilities as soon as possible, we respectfully request that this application be set for hearing at the earliest convenient date.

Yours very truly,

*J. A. Queen*  
J. A. QUEEN  
Alternate for  
Division Superintendent

*15-61*  
*[Handwritten initials]*

JAQ-LD  
Attachment  
cc: RGP HGD JWK CHH

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BEFORE THE OIL CONSERVATION COMMISSION  
OF THE  
STATE OF NEW MEXICO

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*Case 2312*

IN THE MATTER OF THE APPLICATION  
OF CONTINENTAL OIL COMPANY FOR AN  
EXCEPTION TO RULE NO. 309 OF THE NEW  
MEXICO OIL CONSERVATION COMMISSION'S  
RULES AND REGULATIONS IN ORDER TO  
COMMINGLE THE PRODUCTION AFTER  
SEPARATE MEASUREMENT FROM ITS WM.  
MITCHELL "A" AND WM. MITCHELL "B"  
LEASES, MALJAMAR PADDOCK POOL,  
LOCATED IN SECTIONS 17, 18, 19, &  
20, T-17-S, R-32-E, NMPM, LEA  
COUNTY, NEW MEXICO

A P P L I C A T I O N

Comes now applicant, Continental Oil Company, and respectfully requests an exception to statewide Rule No. 309 for permission to commingle production from its Wm. Mitchell "A", and Wm. Mitchell "B" leases, Maljamar Paddock Pool, located in Sections 17, 18, 19, and 20, T-17-S, R-32-E, NMPM, Lea County, New Mexico, and in support thereof would show:

1. That the applicant is the owner of (a) the Wm. Mitchell "A" lease consisting of the N/2 Section 19, and the N/2 Section 20, T-17-S, R-32-E; (b) the Wm. Mitchell "B" lease consisting of the W/2, W/2 E/2 Section 17, the E/2, E/2 W/2 Section 18, the S/2 Section 19, and the S/2 Section 20, T-17-S, R-32-E, NMPM, Lea County, New Mexico.

2. That by Order No. R-963 the Commission granted the applicant permission to commingle the oil production from the Wm. Mitchell "B" lease, Maljamar Paddock, with oil production from the Wm. Mitchell "B" lease, Maljamar Grayburg-San Andres, which would be discontinued upon approval and completion of this proposed installation.

3. That oil production has been obtained on the Wm. Mitchell "B" lease from the Maljamar Paddock Pool, and that the Maljamar Paddock was proved productive on the Wm. Mitchell "A" lease in the recently completed wells, Nos. 20 and 21.

4. That due to the necessity of separating Maljamar Paddock production from Maljamar Grayburg-San Andres production, and due to the locations of the three Wm. Mitchell "B" Maljamar Paddock wells, two separate tank batteries would have to be constructed at considerable additional difficulty and expense.

X  
5. That the applicant, realizing that different lessors are involved in each lease, proposes to install adequate metering facilities to protect the royalty rights of each individual lessor.

6. That the applicant proposes to handle the Wm. Mitchell "B" lease, Maljamar Paddock, production through the automatic custody transfer installation on the Wm. Mitchell "A" lease that has been granted Commission approval by Order No. R-1811; and that accurate metering facilities will be installed for each lease so that production from each individual lease will be accurately metered and reported, and that the performance of each well will be accurately checked.

7. That the proposed installation in exception to Rule 309 is in the interest of conservation and the prevention of waste.

Wherefore, applicant prays that this matter be set for hearing before the Commission's duly qualified examiner and that upon hearing, an order be entered granting applicant permission to commingle the oil produced from the two leases described hereinabove.

Respectfully submitted,

*W. G. Mead*

Wm. A. Mead  
Division Superintendent  
of Production  
New Mexico Division