

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

August 18, 1970

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

Attention: Mr. L. P. Thompson

AMENDMENT
Administrative Order CTB-187

Gentlemen:

Reference is made to your letter dated August 4, 1970, wherein you request the amendment of Administrative Order CTB-187 which authorizes the commingling of Justis-Blinebry production from your Jack 26 Lease and your Jack 27 Lease, Lea County, New Mexico, after separately metering the production from the Jack 27 Lease and determining the Jack 26 production by means of the subtraction method, provided that the production from the Jack 26 Well No. 1 is also separately metered in order to satisfy a United States Geological Survey requirement because of a difference in the royalty rate payable to that well. It is our understanding that you now propose to eliminate the meter on this particular well and pay the higher royalty rate which applies to the remainder of the lease, and that the United States Geological Survey is agreeable to this proposal.

Administrative Order CTB-187 is hereby amended to delete the metering requirement for the Jack 26 B No. 1.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/DSN/esr

cc: Oil Conservation Commission (with enclosure) - Hobbs
Oil & Gas Engineering Committee - Hobbs
United States Geological Survey - Roswell

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

January 19, 1970

Mr. J. H. ...
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Administrative Order 018-187

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... to your letter dated August 4, 1969, regarding the Amendment of Administrative Order 018-187, which provides for the payment of royalty to the United States Geological Survey for the use of the data from the Jack 10 lease and your Jack 10 lease. The Survey, in its reply, stated separately regarding the production from the Jack 10 lease and determining the Jack 10 production by use of the production method, provided that the production from the Jack 10 lease is also separately included in order to satisfy a United States Geological Survey determination of a difference in the royalty rate payable to the Survey. It is our understanding that you now propose to eliminate the water on this particular well and pay the royalty rate which applies to the remainder of the lease, and that the United States Geological Survey is prepared to accept this proposal.

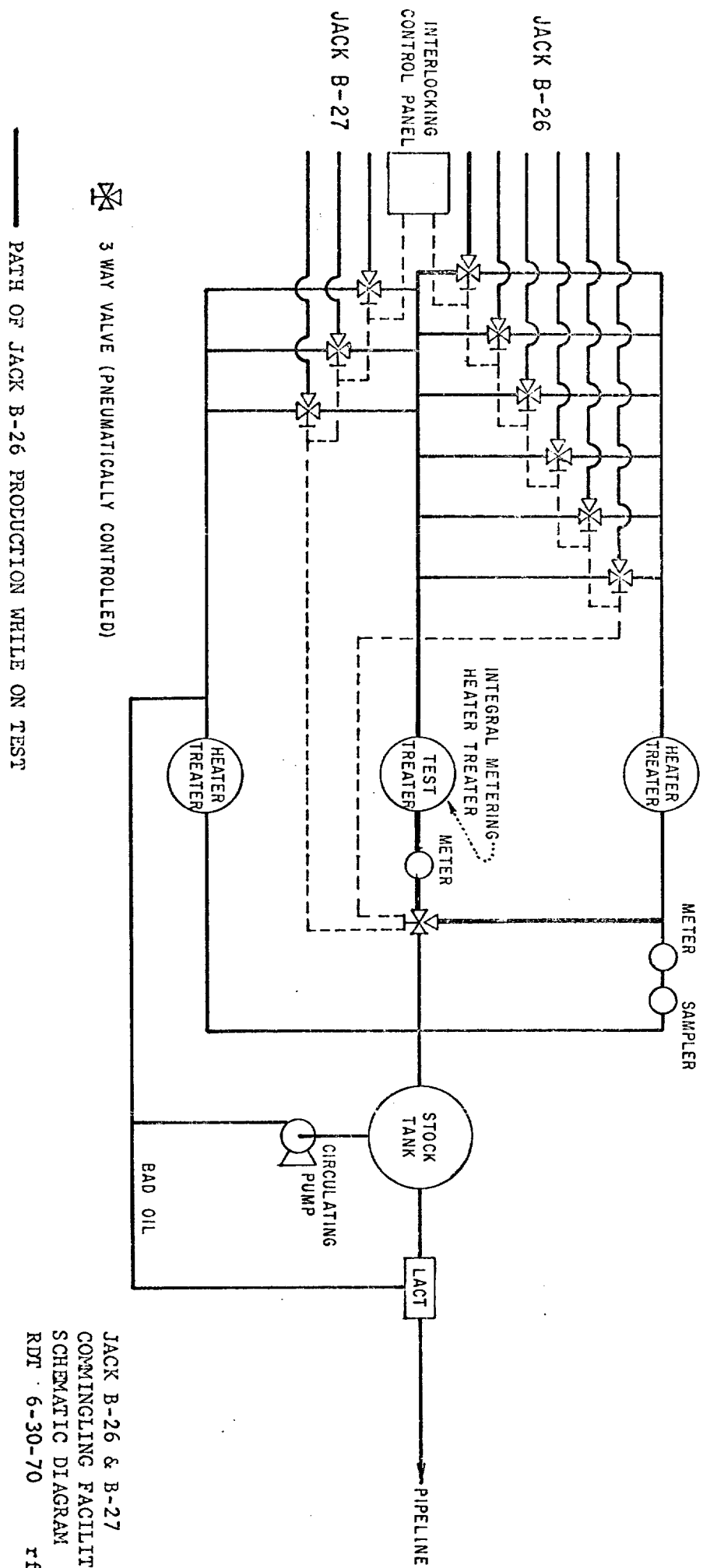
Administrative Order 018-187 is hereby amended to delete the provision for the Jack 10 lease.

Very truly yours,

W. H. ...
Secretary-Treasurer

...

cc: Oil Conservation Commission (with enclosure) - Hobbs
Oil & Gas Engineering Committee - Thomas
United States Geological Survey - Roswell



JACK B-26 & B-27
 CONMINGLING FACILITY
 SCHEMATIC DIAGRAM
 RDT 6-30-70 rfi



United States Department of the Interior

GEOLOGICAL SURVEY

Drawer 1857
Roswell, New Mexico 88201

RECEIVED	
HOBBES DIVISION	
JUL 16 1970	
Div. Manager	<i>[Signature]</i>
Asst. Div. Mgr.	<i>[Signature]</i>
July 13, 1970	<i>[Signature]</i>
Div. Off. Sec.	<i>[Signature]</i>
Cons. v. Coord.	<i>[Signature]</i>
<i>HAT</i>	<i>[Signature]</i>
<i>BEG</i>	<i>[Signature]</i>

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

Attention: Mr. G. C. Jamieson

Gentlemen:

Your letter of June 30 requests approval to modify the Blinebry commingling system approved by our letter of September 26, 1968, for lease New Mexico 0321613, by discontinuing separate metering of Blinebry production from well No. 1 Jack B-26 in the NE $\frac{1}{4}$ sec. 26, T. 24 S., R. 37 E., Lea County, New Mexico.

The E $\frac{1}{2}$ NW $\frac{1}{4}$ sec. 26 is entitled to a 1/8 percent royalty rate while the royalty from the remainder of the lease in sec. 26 is Schedule D rate. In order for the royalty from such 80 acre portion to be calculated on a 1/8 rate, the production from such tract must be metered and reported separately. In the absence of separate measurement of production from your well No. 1 Jack B-26, royalty for all Blinebry production from the lease in sec. 26 must be calculated on Schedule D rates. Your letter of June 30 elects to pay the higher royalty rate on the production from the B-26 well in lieu of separate measurement of the production from such well.

Your proposal to discontinue separate metering of production from well No. 1 Jack B-26 is satisfactory to this office and is hereby approved. Your Lessees Monthly Report of Sales and Royalty, Form 9-361, should continue to show all computations used in allocating production to leases Las Cruces 032326(b) and New Mexico 0321613.

Sincerely yours,

Carl C. Traywick

CARL C. TRAYWICK
Acting Oil and Gas Supervisor

CONTINENTAL OIL COMPANY

P. O. Box 460

HOBBS, NEW MEXICO 88240

1001 NORTH TURNER
TELEPHONE 393-4141

PRODUCTION DEPARTMENT
HOBBS DIVISION

L. P. THOMPSON
Division Manager

G. C. JAMIESON
Assistant Division Manager

August 4, 1970

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

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

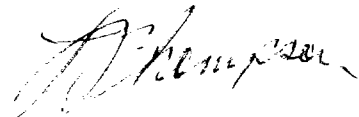
Gentlemen:

Subject: Amendment to Administrative Order CTB-187

Administrative Order CTB-187 dated October 29, 1968, authorized commingling of the Justis-Blinebry production from the Jack B-26 and Jack B-27 leases. The order provided for separate measurement of production from Jack B-26 well No. 1 because of a difference in royalty rate. Continental Oil Company now desires to eliminate the meter for this individual well and in lieu thereof pay the higher royalty rate which applies to the remainder of the lease. The attached schematic diagram shows the manner in which the system will be operated under this proposal.

Attached hereto is a copy of a letter from the USGS approving the modification of the commingling system. It is respectfully requested that Administrative Order No. CTB-187 be amended so as to eliminate the requirement for separate metering of production from Jack B-26 No. 1.

Yours very truly,



LPT-SW

CC: NMOCC-Hobbs, R. L. Adams, J. J. Bowden, J. W. Kellahin

CONTINENTAL OIL COMPANY

NEW YORK, N. Y.

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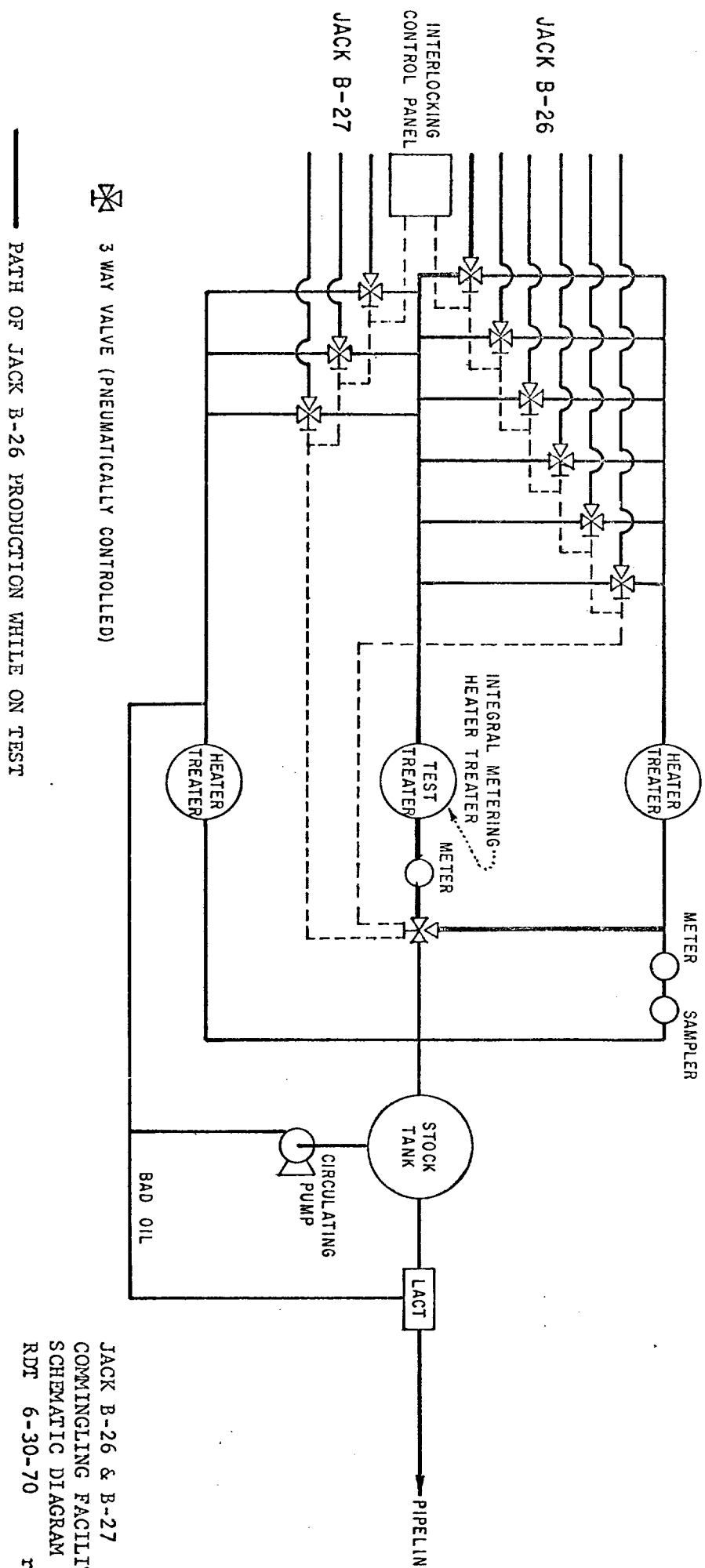
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JACK B-26 & B-27
COMMINGLING FACILITY
SCHEMATIC DIAGRAM
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United States Department of the Interior

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Sincerely yours,

CARL C. TRAYWICK
Acting Oil and Gas Supervisor

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