



L. P. Thompson
Division Manager
Production Department
Hobbs Division

Western Hemisphere Petroleum Division
Continental Oil Company
P.O. Box 460
1001 North Turner
Hobbs, New Mexico 88240
(505) 393-4141

November 30, 1973

New Mexico Oil Conservation Commission
P. O. Box 2086
Santa Fe, New Mexico 87501



Gentlemen:

Application For Lease Commingling - North Hason Pool, Lea County, New Mexico

Enclosed in triplicate is our application for authority to commingle production from the North Hason Pool on our Russell Federal 19, Thompson Federal 18 and Thompson Federal 19 leases. We also enclose letter of approval from USGS.

Your approval of this application will be sincerely appreciated.

Yours very truly,

reh
CC:
NHGCC - Hobbs
Overriding Owners
RLA: WER: JWK



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November 5, 1973

New Mexico Oil Conservation Commission(3)
P. O. Box 2088
Santa Fe, New Mexico 87501

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

Gentlemen:

Application for Excession to Rule 309-A for Lease Commingling, North
Mason Pool, Lea County, New Mexico

Continental Oil Company hereby respectfully requests exception to Rule 309-A under the provision of Rule 309-B of the Commission Rules and Regulations to permit the commingling of production from its Russell Federal 19, Thompson Federal 18 and Thompson Federal 19 leases. All production from these leases is from the North Mason Delaware Pool in Lea County, New Mexico.

The attached plat, Exhibit I, shows the three leases, the wells thereon and the proposed method of producing them into a common battery to be located on Thompson Federal 19 Lease.

The attached schematic diagram, Exhibit II, shows schematically the manner in which the production will be handled. As shown, production from each lease will be separately metered prior to commingling. A test system utilizing interlocking valves will provide the means of testing each well at least once monthly, in such a manner that test production will be returned to the appropriate lease system for measurement together with the remainder of the lease production stream. It is proposed to utilize metering heater treaters for lease measurement. Although temperature compensated meters will not be employed the fact that the metering chamber is an integral part of the vessel should insure that the temperature of the oil is consistant, thereby eliminating the need to apply temperature correction factors at the meter.

The attached tabulation, Exhibit III, shows the most recent test for each of the wells by lease. The Exhibit also shows the daily average lease production for each of the three leases during September, 1973.

Exhibit IV is a description of the ownership of the three leases. Continental owns 100% of the working interest in each lease and the federal government owns 100% of the royalty under each lease. Over-riding royalty ownership is identical under Thompson Federal 18 and Thompson Federal 19 leases. Russell Federal 19 Lease has the same amount but different ownership of over-riding royalty.

New Mexico Oil Conservation Commission

Page 2

November 5, 1973

It is respectfully requested that Administrative approval be given to commingle the three leases as proposed herein. A copy of this application is being furnished to each of the owners of over-riding royalty.

Yours very truly,

A handwritten signature in cursive script, appearing to read "J. Thompson".

reh

CC:

USGS- HCLbs (2)

RLA: GAD: JWK



United States Department of the Interior

GEOLOGICAL SURVEY

P. O. Box 1157
Hobbs, New Mexico 88240

November 30, 1973

RECEIVED	
HOBBS DIVISION	
NOV 30 '73	
Make Notation in file	
Div. Manager	
Prod. Sect.	
Div. Engr.	
Div. Off. Mgr.	
Cons'v. Coord.	
A. S. Supv.	

Continental Oil Company
Box 460
Hobbs, New Mexico

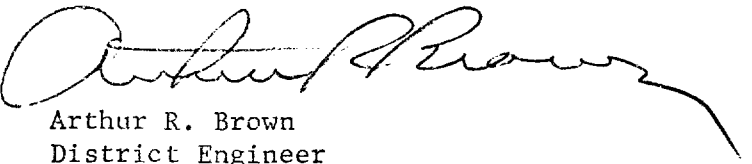
Gentlemen:

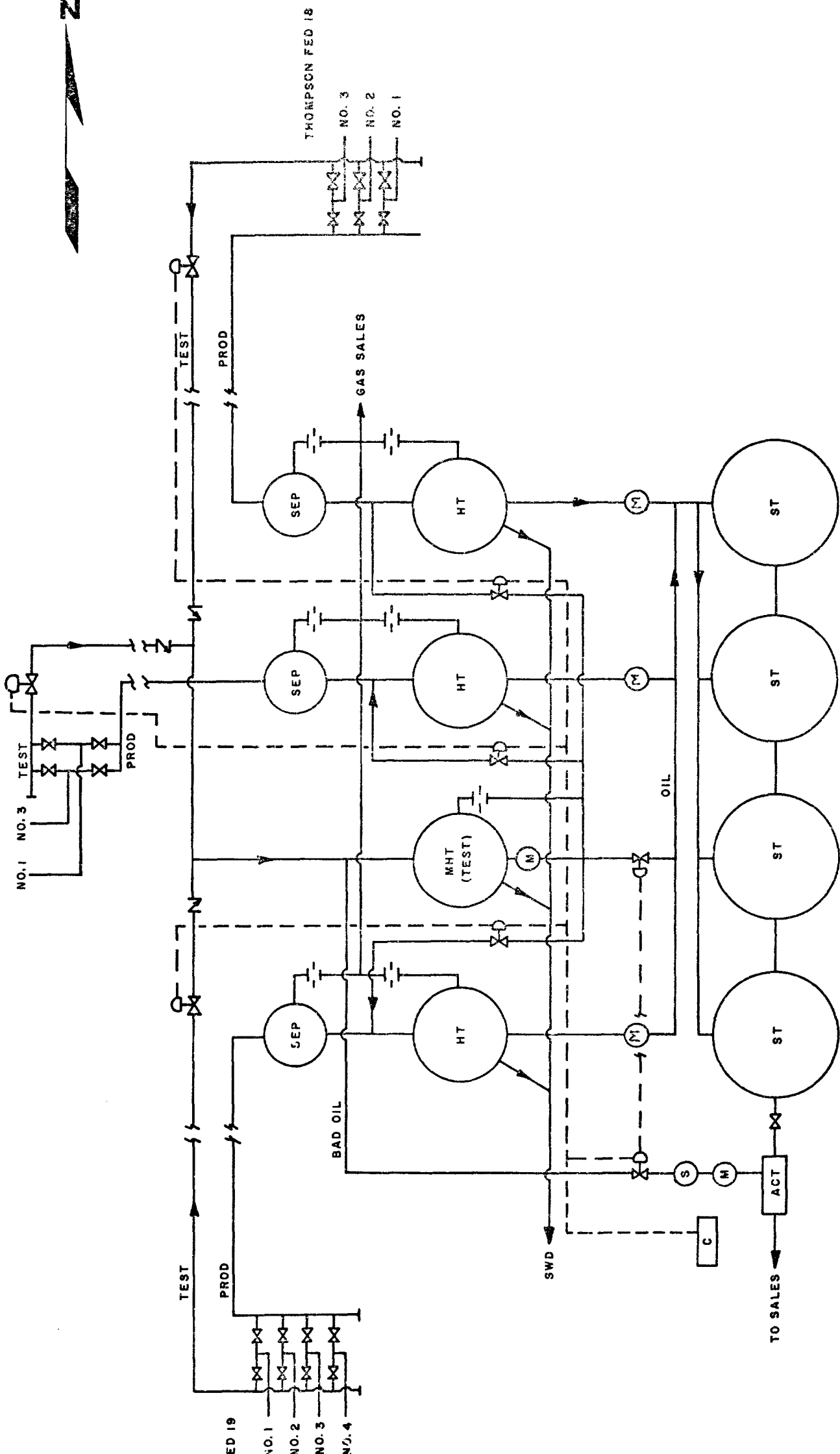
Your letter of November 12 requests approval to commingle Delaware Sand production from your Russell Federal 19, Thompson Federal 18, and Thompson Federal 19 leases in secs. 18 and 19, T. 26 S., R. 32 E., Lea County, New Mexico, leases Las Cruces 068281-A, 062749-C, and 062749-B.

The system for commingling described in the diagram attached to your letter is hereby approved, subject to like approval by the New Mexico Oil Conservation Commission. Your Lessee's Monthly Report of Sales and Royalty, Form 9-361, should show all computations used in allocating production to each lease.

Please notify our Hobbs office when the installation is completed so that a field inspection of the system can be made.

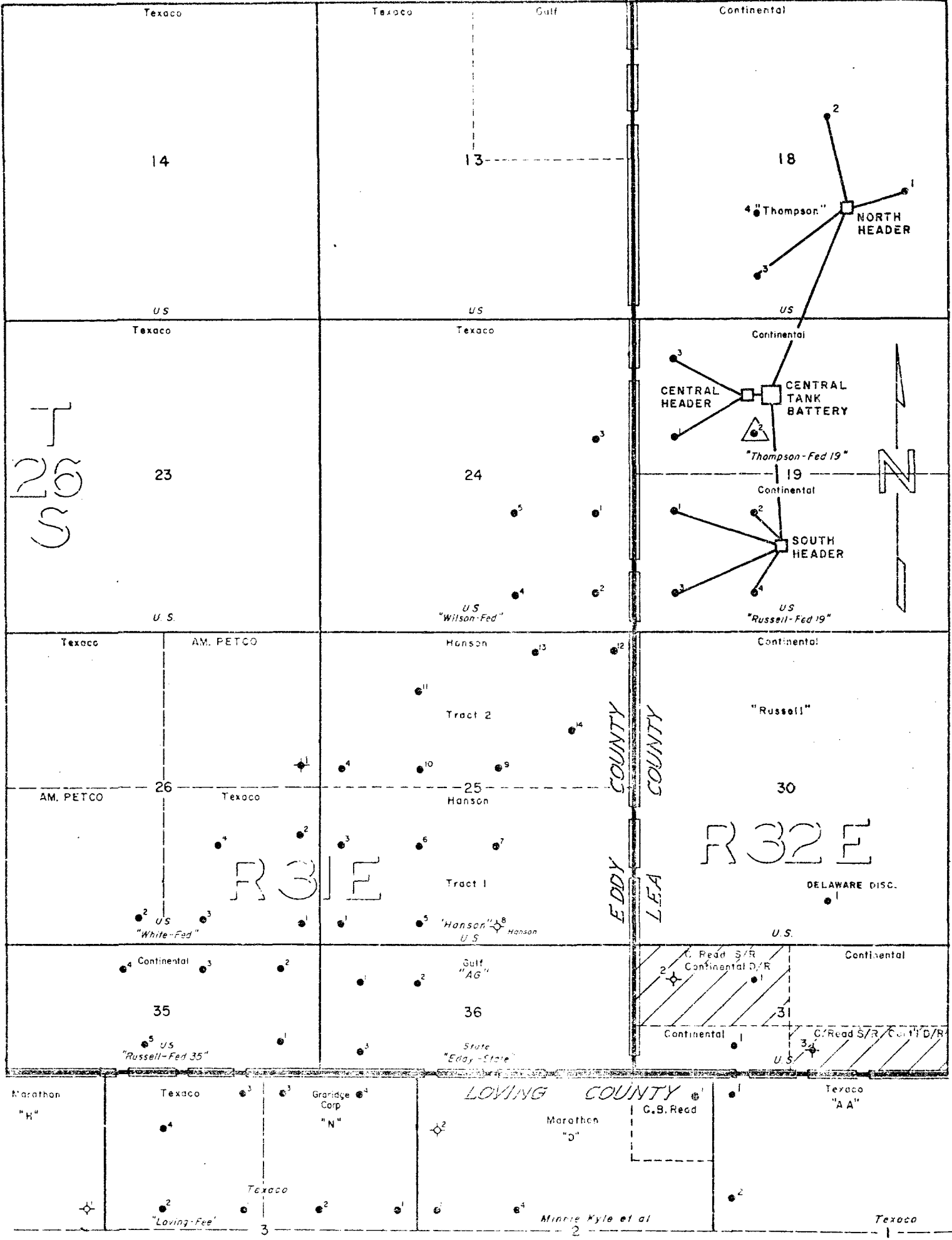
Sincerely yours,


Arthur R. Brown
District Engineer



PROPOSED NORTH MASON DELAWARE

CONSOLIDATED TANK BATTERY



ALL FLOWLINES LAID ON SURFACE, EXCEPT AT ROAD CROSSINGS.

CONTINENTAL OIL COMPANY

PRODUCTION DEPARTMENT—HOBBS DISTRICT

NORTH MASON DELAWARE POOL

EDDY & LEA COUNTIES, NEW MEXICO

PROPOSED NORTH MASON DELAWARE

CONSOLIDATED TANK BATTERY

SCALE

0 500 1000

2-4-73

2713

Most Recent 24 Hour Test

<u>Lease</u>	<u>Well</u>	<u>Date</u>	<u>Oil-Bbls</u>	<u>Water Bbls</u>	<u>Gas-MCF</u>
Russell Federal 19	#1	9-15-73	7	31	10
	2	9-19-73	8	25	18
	3	10-1-73	74	17	34
	4	9-18-73	11	33	10
Thompson Federal 18	#1	9-13-73	14	18	14
	2	9-12-73	10	33	12
	3	9-11-73	11	22	14
	4	9-9-73	43	47	12
Thompson Federal 19	#1	9-12-73	15	60	10
	3	9-13-73	11	27	10

September 1973 Production - Daily Avg

Russell Federal 19	59.8	54.1	61.1
Thompson Federal 18	45.0	90.8	14.3
Thompson Federal 19	24.8	83.0	7.5

Ownership of Lease

Russell Federal 19

LC-068281A

Working Interest
Royalty Interest
Overriding Royalty

Continental Oil Company - 100%
USA - 100%
Ernest Hanson 2.7%
Buck Russell 0.3%

Thompson Federal 18

LC-062749A

Working Interest
Royalty Interest
Overriding Roaylty

Continental Oil Company - 100%
USA - 100%
Nancy Thompson 1.0%
P. S. Hagood 2.0%

Thompson Federal 19

LC-062749B

Working Interest
Royalty Interest
Overriding Roaylty

Continental Oil Company - 100%
USA - 100%
Nancy Thompson 1.0%
P. S. Hagood 2.0%