



CONTINENTAL OIL COMPANY

P. O. BOX 1377
ROSWELL, NEW MEXICO

October 24, 1962

PRODUCTION DEPARTMENT
NEW MEXICO DIVISION

WM. A. MEAD
DIVISION SUPERINTENDENT

A. B. SLAYBAUGH
ASSISTANT DIVISION SUPERINTENDENT

825 PETROLEUM BUILDING
TELEPHONE: MAIN 2-4202

New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Attention: Mr. A. L. Porter, Jr.

Gentlemen:

Re: Application for Permission to Com-
mingle - State 10 Lease

we forward herewith application for exception to rule 303(a)
in order to commingle produced liquids on the State 10 lease located
in Section 10, Township 21 South, Range 37 East, Lea County, New Mexico.

Your favorable consideration of this matter will be sincerely
appreciated.

Yours very truly,

Wm. A. Mead
Division Superintendent

VTL-sg
cc: RGP
HGD
JWK
JRP

Roswell, New Mexico

~~AUGUST 29, 1962~~

October 25, 1962

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

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

Re: Application of Continental Oil Company for exception to Rule 303(A) in order to commingle the oil production from the Drinkard, Blinebry, Tubb and Wantz Abo Oil Pools and the distillate production from the Blinebry Gas Pool on its State 10 lease located in Section 10, T21S, R37E, N.M.P.M., Lea County, New Mexico

Gentlemen:

Continental Oil Company requests an exception to Rule 303(A) for permission to commingle liquids produced from the captioned lease and in support thereof submits the following information:

1. Applicant's State 10 lease consists of W/2 NW/4 of Section 10, T21S, R37E, Lea County, New Mexico. A plat, Exhibit No. 1, attached hereto, shows the lease, the wells thereon and the battery site..
2. The mineral rights under the above described lease are held by the State of New Mexico.
3. Producing capacity above the allowable is available only from wells in the Tubb, Blinebry and Wantz Abo Oil Pools. Production from these pools and distillate production from the Blinebry Gas Pool will be measured by zones individually, by suitable meters with non-reset counter and sampler (if needed) prior to commingling. Production from the Drinkard Oil Pool will be allocated on the basis of periodic gas-oil ratio tests. A tabulation, Exhibit No. 2 attached hereto, shows the latest test on each well and the average daily production by pools during the period April 1 to June 1, 1962.
4. The anticipated gravity of the commingled production has been calculated to be approximately 41° API with a value of

\$2.95 per barrel. The gravity and volume of present production by pools is shown on Exhibit No. 2. The actual commercial value of the commingled production for this lease will be approximately \$2.10 per day more than it is at the present time.

5. One test facility (separator, meter and sampler) will be utilized for all wells on the lease and will provide accurate measurement of the performance of each individual well. A schematic diagram, Exhibit No. 3 attached hereto, shows the proposed installation. As shown, the facility conforms to the requirements of the manual for the installation and operation of commingling facilities dated September 13, 1961.

6. 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 an exception to Rule 303(A) be granted permitting the commingling of production from the several reservoirs on Applicant's State 10 lease as described above.

CONTINENTAL OIL COMPANY

By:

W. A. Mead
Wm. A. Mead

Division Superintendent

VTL-sg

cc: N.M.O.C.C., Santa Fe - 3

RGP

HGD

JWK

CES

FEB

SW

JRP

File



R-37-E

CONTINENTAL OIL COMPANY PRODUCTION DEPARTMENT EUNICE, NEW MEXICO

LOCATION MAP

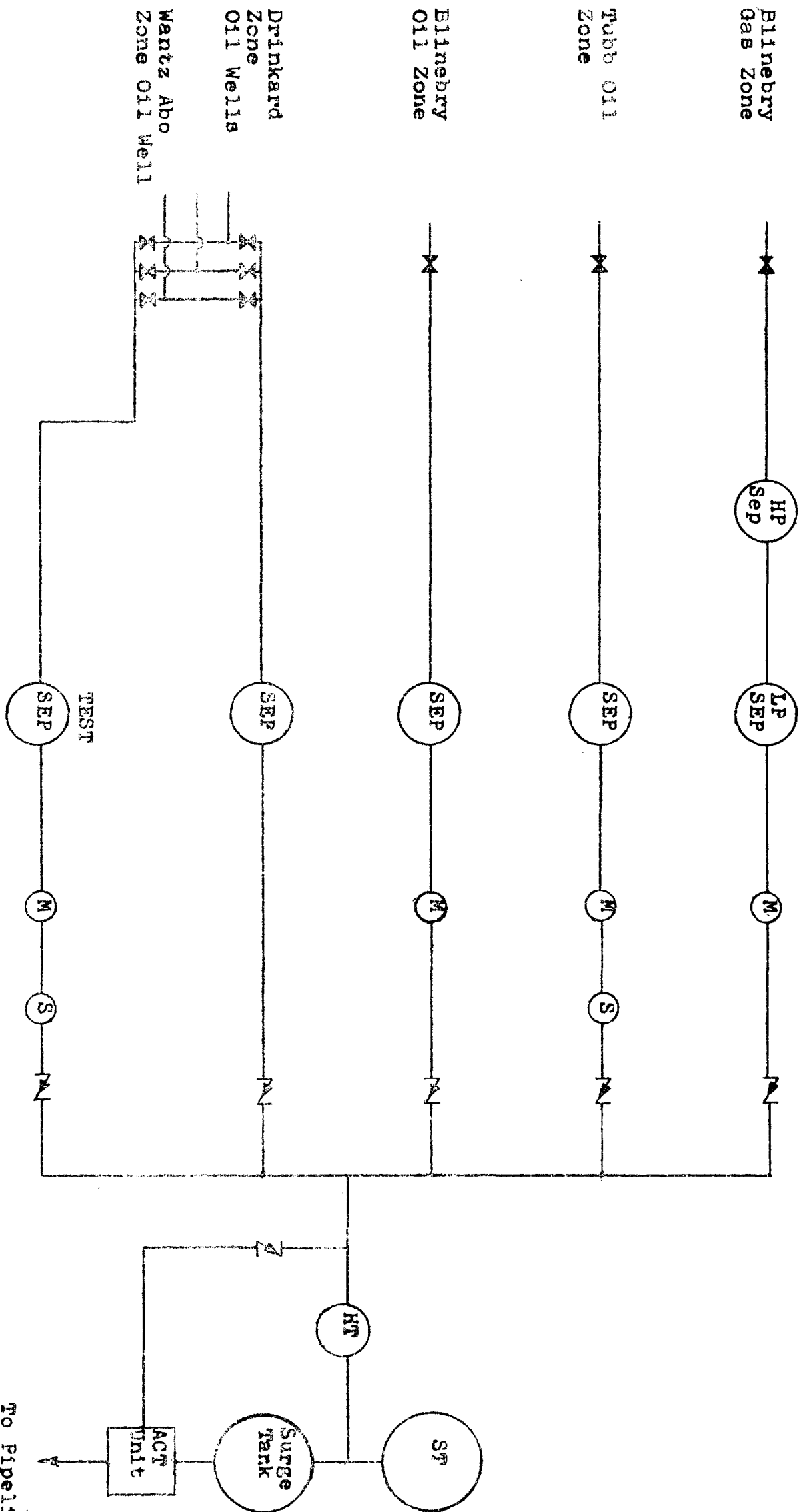
State 10 - Hawk B-10 Leases

Date: 10-2-61

Scale 1" = 2,000'

Drawn By: R.P.G.

CONTINENTAL OIL COMPANY
State 10 Lease



STATE 10 LEASE

Well No.	Pool	Latest Test (Daily Rates)				4-1-62 to 6-1-62 Daily Avg. Oil Prod.	Oil Grav.	Value
		Date	Oil	Water	Gas			
2	Blinsbry Oil	3-23-62	132	0	900	21.4	43.0	\$2.95
1	Blinsbry Gas							
2	Drinkard	6-13-62	22	1.25	49.8	6.4	36.4	2.83
3	Drinkard	6-15-62	4	64	13.1	5.3	36.4	2.83
3	Tubb	6-10-62	57	2	700	21.9	39.1	2.92
1	Wentz Abo	6-29-62	64	0	83.9	43.1	42.9	2.95

Daily Volume

Blinsbry	23	0	272		46.0	\$2.91
Drinkard	11.7	42	221.7		36.4	2.83
Tubb	21.9	2	225		39.1	2.92
Wentz Abo	43.1	0	151		42.9	2.95

*Recent completion. Presently shut in awaiting market outlet.
No production to date.

State of New Mexico



Commissioner of Public Lands



E. S. JOHNNY WALKER
COMMISSIONER

July 24, 1962

RECEIVED
NEW MEXICO DIVISION
JUL 26 1962

Please Note	V	Stamp
Div. Supt.		
Div. Adm. Coord.		
Div. Eng. & Const.		
Div. Gas & Oil		

P. O. BOX 781
SANTA FE, NEW MEXICO

Continental Oil Company
P. O. Box 1377
Roswell, New Mexico

Attn: A. B. Slaybaugh.

Gentlemen:

We have your application for consent to the installation of the ACT unit and the commingling of the liquids produced from the various formations on your State 10 Lease, State Lease No. B11349, covering acreage in Section 10, Township 21S, Range 37E.

We have no objection to your proposed operation provided the State's royalty will not be less from the commingled product than it would be otherwise. It is our understanding that all production is from the ~~W&W~~ of Section 10, Township 21S, Range 37E, which belongs to Common Schools; therefore, there would be no royalty ownership problem.

Very truly yours,

E. S. JOHNNY WALKER
COMMISSIONER OF PUBLIC LANDS

Ted Bilberry

By:
TED BILBERRY, Supervisor
Oil and Gas Department

EW/TB/pb