



# CONTINENTAL OIL COMPANY

825 PETROLEUM BUILDING  
ROSWELL, NEW MEXICO

April 21, 1961

WM. A. MEAD  
DIVISION SUPERINTENDENT  
OF PRODUCTION  
NEW MEXICO DIVISION

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

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

Re: CONTINENTAL OIL COMPANY'S  
APPLICATION FOR AN EXCEPTION  
TO RULE 309 (a) OF THE NEW  
MEXICO OIL CONSERVATION  
COMMISSION'S RULES AND REG-  
ULATIONS IN ORDER TO COMMINGLE  
PRODUCTION FROM ITS TAYLOR AND  
MILLER BX LEASES, MALJAMAR  
POOL, LEA COUNTY, NEW MEXICO

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Gentlemen:

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

We respectfully request that this matter be set for  
hearing at the earliest convenient date.

Yours very truly,

WAM-sjk  
cc: RGP HGD CHH JWK

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE  
STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION  
OF CONTINENTAL OIL COMPANY FOR AN  
EXCEPTION TO RULE NO. 309 OF THE  
NEW MEXICO OIL CONSERVATION COM-  
MISSION'S RULES AND REGULATIONS  
IN ORDER TO COMMINGLE PRODUCTION  
FROM ITS TAYLOR AND MILLER BX  
LEASES, MALJAMAR POOL, LEA COUNTY,  
NEW MEXICO

A P P L I C A T I O N

Comes now applicant, Continental Oil Company, and petitions the Commission for an order approving the commingling of production from its Taylor lease, located in the SW/4 of Section 14 and its Miller BX lease, located in the E/2 of Section 14, T-17-S, R-32-E, Maljamar Pool, Lea County, New Mexico, and in support thereof would show:

1. That applicant is owner and operator of (a) the Taylor lease containing the SW/4 of Section 14 and (b) the Miller BX lease containing the E/2 of Section 14, T-17-S, R-32-E, N.M.P.M., Lea County, New Mexico.

2. That the mineral rights under the Taylor lease are owned in fee and the mineral rights under the Miller BX lease are owned by the Federal Government.

3. That oil production has been obtained from the Miller BX lease and will be initiated from the Taylor lease upon completion of the No. 1 well.

4. That said leases are within the boundaries of the Maljamar Cooperative Agreement and are subject to Maljamar Cooperative Agreement orders.

5. That installation of separate tank batteries would require considerable additional difficulty and expense, especially considering the possibility of future unitization.

6. That applicant, realizing that different lessors are involved on each lease, proposes to install adequate

metering facilities to protect the royalty rights of each lessor.

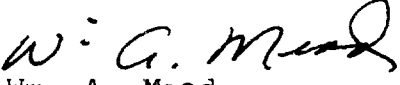
7. That the applicant proposes to sell production from the Taylor lease through the automatic custody transfer installation on the Miller BX lease that has been granted Commission approval by Order No. R-1736, and that accurate metering and test facilities will be installed on each lease so that the production from each individual lease will be accurately measured and reported and the performance of each well will be accurately checked.

8. 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,

CONTINENTAL OIL COMPANY

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