

BEFORE THE OIL CONSERVATION COMMISSION
OF THE
STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF CONTINENTAL
OIL COMPANY FOR EXCEPTION TO RULES 303(A) AND
309(A) IN ORDER TO COMMINGLE THE OIL PRODUCED
FROM THE DRINKARD, TUBB AND WANTZ ABO OIL POOLS
ON ITS J. H. NOLAN LEASE WITH THE DISTILLATE
PRODUCED FROM THE BLINEBRY GAS POOL ON ITS
J. H. NOLAN UNIT, LOCATED IN SECTION 11,
T21S, R37E, NMPM, LEA COUNTY, NEW MEXICO

Case 2728

A P P L I C A T I O N

Comes now Applicant, Continental Oil Company, and respectfully requests exception to Rules 303(A) and 309(A) in order to commingle the liquids produced from the Drinkard, Tubb and Wantz Abo Oil Pools on its J. H. Nolan Lease with the liquids produced from the Blinebry Gas Pool on its J. H. Nolan Unit, both located in Section 11, T21S, R37E, NMPM, Lea County, New Mexico; and in support thereof would show:

1. That Applicant is the operator and co-owner of the J. H. Nolan Lease comprised of the NE/4 SW/4 and S/2 SW/4 of Section 11, T21S, R37E, Lea County, New Mexico and the J. H. Nolan Unit comprised of SW/4 of said Section 11.

2. That Applicant has two wells producing from the Drinkard Oil Pool on the J. H. Nolan Lease at a rate below top allowable.

3. That Applicant has one well producing from the Tubb Oil Pool on the J. H. Nolan Lease at a rate below top allowable.

4. That Applicant has one well producing from the Wantz Abo Oil Pool at a rate below top allowable.

5. That Applicant produces one Blinebry Gas well on the J. H. Nolan Unit at varying rates which also produces distillate with the gas.

6. That Applicant proposes to commingle the production from the above mentioned wells in a common tank battery and to meter

the distillate production from the J. H. Nolan Unit and the oil production from formations containing top allowable wells (if there be any) on the J. H. Nolan Lease prior to such commingling.

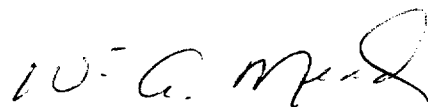
7. The commingling of the said liquids will result in greater efficiency and less waste due to the loss of hydrocarbons by weathering. Applicant proposes to install accurate test facilities so that production from each individual well can be accurately determined for allocation purposes.

8. That the proposed procedure is in the interest of conservation and the prevention of waste.

Wherefore, Applicant respectfully prays that this application be set for hearing before the Commission's duly appointed examiner and that upon hearing, an order be entered granting Applicant permission to commingle the oil produced from the several formations on the J. H. Nolan lease and the distillate produced from the J. H. Nolan Unit as described herein above.

Respectfully submitted,

CONTINENTAL OIL COMPANY



WM. A. MEAD
Division Superintendent
of Production
New Mexico Division

VTL-zw

