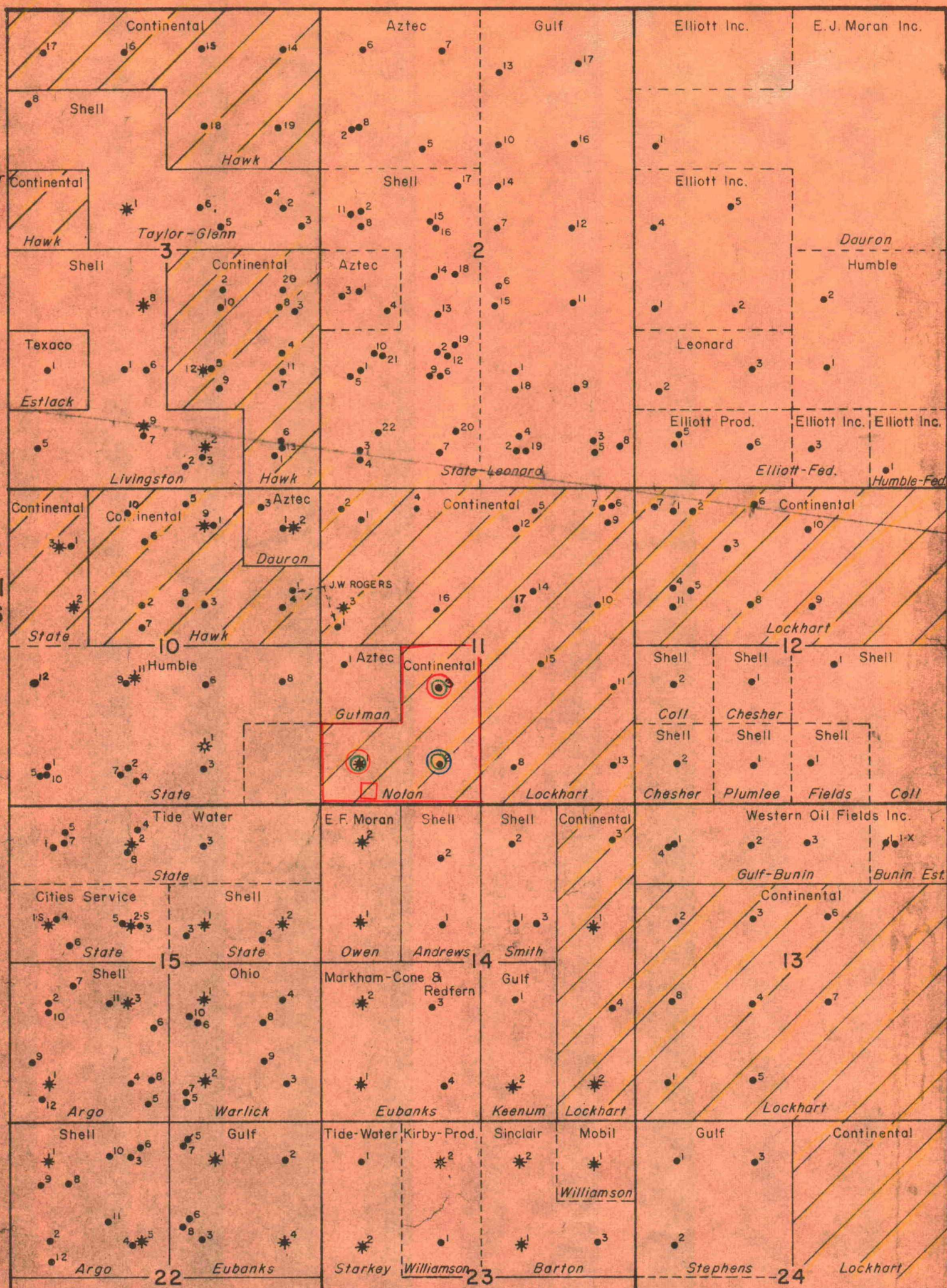


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R-37-E

— Lease Line

□ Tank Battery

- Drinkard Oil Pool
- Tubb Oil Pool
- Blinbry Gas Pool
- Wantz Abo Oil Pool

Contl
Exhibit No. 1
As. 2728

CONTINENTAL OIL COMPANY

PRODUCTION DEPARTMENT

EUNICE, NEW MEXICO

LOCATION PLAT

Nolan - Lockhart B-11 Leases

DATE 2-5-62

SCALE 1" = 2000'

DRAWN BY: R.P.G.

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 2728
Order No. R-2432

APPLICATION OF CONTINENTAL OIL
COMPANY FOR COMMINGLING AUTHORITY,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on January 3, 1963, at Santa Fe, New Mexico, before Daniel S. Nutter, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 27th day of February, 1963, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Nutter, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Continental Oil Company, is the co-owner and the operator of the J. H. Nolan Lease comprising the NE/4 SW/4 and S/2 SW/4 of Section 11, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico, and the J. H. Nolan Gas Unit comprising the SW/4 of said Section 11.

(3) That the applicant is the operator of three Drinkard oil wells, one Tubb oil well, and one Wantz-Abo oil well, all of marginal nature, on the aforesaid J. H. Nolan Lease, and seeks authority to commingle the production from all of said wells, allocating the production to each on the basis of periodic well tests.

(4) That the applicant is the operator of one Blinebry gas well on the aforesaid J. H. Nolan Gas Unit, which well produces approximately four barrels of distillate per day.

-2-

CASE No. 2728
Order No. R-2432

That the applicant seeks authority to commingle this distillate production with the commingled oil production from the above-described oil wells after separately metering said distillate production.

(5) That approval of the subject application will neither cause waste nor impair correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Continental Oil Company, is hereby authorized to commingle the Drinkard, Tubb and Abo oil production from all wells on its J. H. Nolan Lease comprising the NE/4 SW/4 and S/2 SW/4 of Section 11, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico, and to commingle said commingled production with the Blinebry gas liquids produced from its J. H. Nolan Gas Unit comprising the SW/4 of said Section 11.

(2) That the applicant shall separately meter the said Blinebry gas liquids prior to commingling the same with the aforesaid commingled oil production and shall determine the total volumes of said oil production by means of the subtraction method as outlined in the Commission's "Manual for the Installation and Operation of Commingling Facilities." Further, that the portion of the commingled oil production to be allocated to each well and to each pool shall be determined on the basis of quarterly well tests.

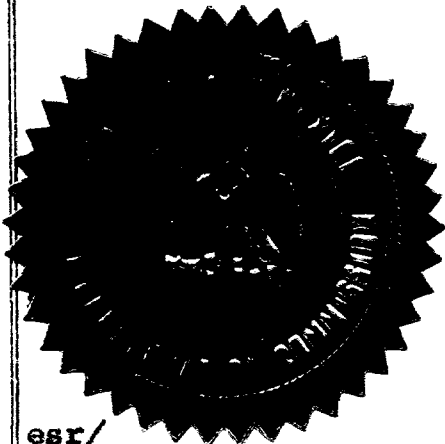
(3) That the installation and operation of the facility herein authorized shall at all times be in accordance with the aforesaid commingling manual.

IT IS FURTHER ORDERED:

(1) That the applicant shall notify the Commission at any time any well producing into the commingling facility herein authorized becomes capable of producing top unit allowable for the pool in which it is completed.

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Jack M. Campbell
JACK M. CAMPBELL, Chairman

E. S. Walker
E. S. WALKER, Member

A. L. Porter, Jr.
A. L. PORTER, Jr., Member & Secretary

esr/