



CONTINENTAL OIL COMPANY

P. O. Box 460
Hobbs, New Mexico 88240
January 13, 1971

Case 4508

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico

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

Gentlemen:

Subject: Amendment to Order No. R-2016 - Lease Commingling -
Mitchell "A" and "B" Leases, Lea County, New Mexico

Order No. R-2016 authorized the commingling of Maljamar Paddock production from our Mitchell "A" and Mitchell "B" leases after separate metering. The metering equipment has deteriorated to the extent that it is no longer reliable and we have shut-in production on the Mitchell "A" lease. The Mitchell "A" lease now has only one Paddock well, well No. 1, which when shut-in had an allowable of 8 barrels of oil per day. Mitchell "B" production during November was as follows:

No. 10	471
No. 11	824
No. 15	565
TOTAL LEASE	1860

During November the lease produced a total of 1869 barrels, the breakdown by wells is not yet available.

The producing capacity of the Mitchell "A" lease is insufficient to justify installation of new metering equipment of desired accuracy. In addition, we now have under study a sophisticated metering system to serve a number of tank batteries in this area. This system would be compatible with our computer-operated monitoring system.

Since the only alternative to shutting-in the Mitchell "A" lease is to commingle production with the Mitchell "B" lease and allocate on the basis of monthly well tests, we have requested and received approval from the United States Geological Survey to so commingle. The attached letter grants this approval subject to approval by the Commission.

NMOCC

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By copy of this letter we are notifying the overriding royalty owners under the Mitchell "A" lease of our intent to commingle production without metering and to allocate production on the basis of monthly well tests. Our experience indicates that such allocation will be more accurate than would be the measurement by the meters which are no longer capable of reliable operation.

If administrative approval of this request can be given, we should appreciate such approval. If a hearing is necessary, we should appreciate your docketing this application for hearing as a companion case to the next application which is set for hearing before the Commission's Examiner.

Yours very truly,



G. C. Jamieson
Assistant Division Manager

VTL-RW

CC: RLA, JJB, JWK

Overriding Royalty Owners
(Address List Attached)

OVERRIDING ROYALTY OWNERS
MITCHELL "A"

Bankers Trust Company
Ancillary Exe. Est
Janet M. Jacobsen Decd.
P. O. Box 3561
Church Street Station
New York, New York 10008

Richard A. Ogden
Exe. of the Estate of
Margaret M. Ogden Deceased
Fairfield County Trust Co.
946 Post Road
Darien, Connecticut 06820

Henry W. Beardsley
C/O Intl. Hotels Corp.
Pan American Building
New York City, New York 10017

Virginia Simon
106 Osborn
Artesia, New Mexico 88210

El Paso National Bank and Trust
Baish Trust Est.
El Paso, Texas 77901

United States Geological Survey
Las Cruces - 029405A
P. O. Box 1857
Roswell New Mexico

First National Bank Lake George
For Deposit to Account of
Malcolm T. Mitchell
Lake George, New York 12845

United States Geological Survey
Las Cruces
P. O. Box 1857
Roswell, New Mexico

Elizabeth B. King
Morgan Guaranty Trust Co., New York
Custody Collection Section
A/C Elizabeth B. King
23 Wall Street
New York, New York 10015

Mutual Life Insurance Company
Account of B.H.R. Corp.
Attention Mr. M. C. Ball
Mail Drop 2 6
1740 Broadway
New York, New York 10019

Northwestern Mutual Life Insurance Co
Account B.H.R. Corpatt
Securities Department
720 East Wisconsin Avenue
Milwaukee, Wisconsin 53202



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE
87501

**GOVERNOR
BRUCE KING
CHAIRMAN**

**LAND COMMISSIONER
ALEX J. ARMJO
MEMBER**

**STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR**

March 8, 1972

Mr. Jason Kellahin
Kellahin & Fox
Attorneys at Law
Post Office Box 1769
Santa Fe, New Mexico

Re: Case No. 4508
Order No. R-4117-A
Applicant:
Continental Oil Company

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Very truly yours,

A. L. Porter, Jr.

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC x

Artesia OCC

Aztec OCC

Other _____