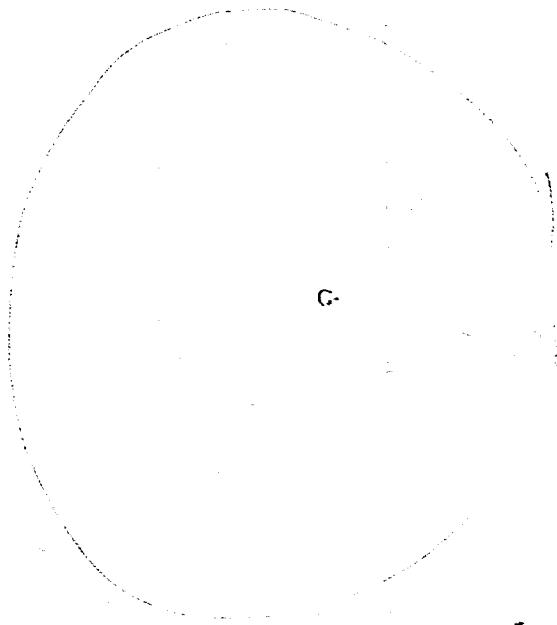


Case No.

934

Application, Transcript,
Small Exhibits, Etc.

195



1
Application of Shell Oil Co.
to purchase oil from leases in S/2 12-21S-
37E, Perry-Minebray Oil Pool.

64-11-11

Shell Oil Company
Box 1957
Hobbs, New Mexico

June 28, 1955

Secretary - Director
Oil Conservation Commission
Santa Fe, New Mexico

Gentlemen:

Shell Oil Company is the owner of 100 per cent of the working interest in oil and gas leases covering the entire South one-half of Section 12, T-21-S, R-37-E, Lea County, New Mexico. We hereby make application to commingle the production from separate leases in the S/2 Section 12, T-21-S, R-37-E, from the Terry Blinebry Oil Pool, a common source of supply, in one central tank battery located at the site of the present tank battery on the Northeast Quarter (NE/4) of the Southwest Quarter (SW/4) of Section 12.

At present Shell Chesher 1, NE/4 SW/4 and Shell Plumlee 1, SE/4 SW/4, both in Section 12, T-21-S, R-37-E, are producing to separate tank batteries each located on its own lease. Shell Coll 1, NW/4 SW/4, Section 12, T-21-S, R-37-E, is a potential Terry Blinebry producer with completion anticipated in the next several days. If possible, we request administrative approval to commingle oil production from the Terry Blinebry common source of supply from Shell Coll 1 with oil production from the same source of supply from Shell Chesher 1.

Very truly yours,

/s/ E. W. Nestor

for W. E. Owen
Division Manager

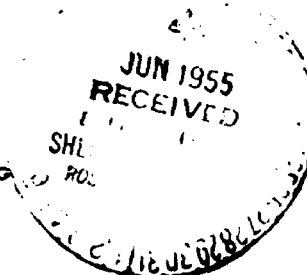


SHELL OIL COMPANY

MIDLAND AREA

MAILING ADDRESS
P. O. BOX 1509
MIDLAND, TEXAS

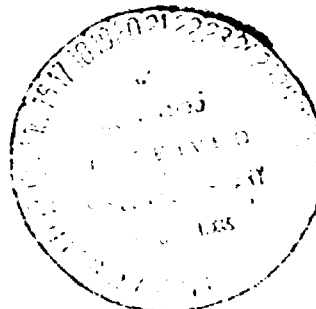
GENERAL OFFICES
PETROLEUM BUILDING
MIDLAND, TEXAS



BEFORE THE
CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
Shell EXHIBIT No. *2*
CASE *934 - (32 letters)*

Subject: Lea County, New Mexico
Terry-Blinbry Field
NM-1294 - Chesher

Mr. Ross L. Malone
Roswell Petroleum Building
Roswell, New Mexico



Dear Mr. Malone:

Shell Oil Company is the owner of 100% of the working interest in oil and gas leases covering, in the aggregate, the entire South One-half (S-1/2) of Section 12, Township 21 South, Range 37 East, Lea County, New Mexico. The several leases cover various tracts and interests therein included in said South One-half (S-1/2) of Section 12.

Our records show that you are a mineral or royalty owner under one or more of the several tracts included in said Half Section of land.

Shell presently has a producing well located on the Northeast Quarter (NE-1/4) of the Southwest Quarter (SW-1/4) of Section 12, and another producing well located on the Southeast Quarter (SE-1/4) of the Southwest Quarter (SW-1/4) of said Section. Both of these wells presently produce from the Terry-Blinbry zone.

We are presently considering the drilling of additional wells on the South-half (S-1/2) of Section 12. These would be Terry-Blinbry tests. The carrying out of such drilling program, and the extent thereof, would, of course, depend upon the results of drilling and well performance.

In order to effect operating savings and thus prolong the economic life of the wells it is our desire to use one central tank battery to handle the Terry-Blinbry production from all of the wells drilled on the South-half (S-1/2) of Section 12. Our plan would be to have the central battery located at the site of the present tank battery on the Northeast Quarter (NE-1/4) of the Southwest Quarter (SW-1/4) of Section 12. All Terry-Blinbry wells on the South-half (S-1/2) of Section 12 would produce into this one battery, where the production of all such wells would be commingled.

In order that production from each well would be correctly determined, we would conduct a monthly test on each well through metering separators and the production in the central tankage would be allocated to each

well on the basis of such tests. This procedure has been used by us elsewhere and has proved to be an accurate method of gauging actual production from each well producing into the central tankage, so that each mineral and royalty owner receives proper payment on the production of the well or wells under which he has an interest.

We would like to have your consent to putting into effect this program of central tankage for Terry-Blinbry production. We would also like to have your agreement that, if production from other formations is developed on the South-half (S-1/2) of Section 12, a similar system of central tankage and gauging may be used to handle such production.

This letter is sent to you in duplicate. If you are in agreement with our plan, it would be appreciated if you would so signify at the space provided, and would return the executed duplicate to us in the enclosed envelope at your earliest convenience.

Very truly yours,

SHELL OIL COMPANY

By R. D. Monkress
R. D. Monkress - Land Agent

I (We) agree to your proposal this 14 day of June, 1955.

(Signature) Ross L. Malone

(Signature) Ross L. Malone

Mineral or royalty owner(s) under the

SW-1/4 SE-1/4, NE-1/4 SW-1/4 & SW-1/4 SW-1/4
of Section 12, T-21-S, R-37-E,
Lea County, New Mexico.



SHELL OIL COMPANY

MIDLAND AREA

MAILING ADDRESS
P. O. BOX 1509
MIDLAND, TEXAS

GENERAL OFFICES
PETROLEUM BUILDING
MIDLAND, TEXAS

March 23, 1955

Subject: Lea County, New Mexico
Terry-Blinbry Field
NM-1300 - Coll

Lillian Minkle Cell, Guardian
of Estates of Max W. Cell II,
James H. Cell, Charles H. Cell
and Jon F. Cell
Box 919
Roswell, New Mexico

Dear Madam:

Shell Oil Company is the owner of 100% of the working interest in oil and gas leases covering, in the aggregate, the entire South One-half (S-1/2) of Section 12, Township 21 South, Range 37 East, Lea County, New Mexico. The several leases cover various tracts and interests therein included in said South One-half (S-1/2) of Section 12.

Our records show that you are a mineral or royalty owner under one or more of the several tracts included in said Half Section of land.

Shell presently has a producing well located on the Northeast Quarter (NE-1/4) of the Southwest Quarter (SW-1/4) of Section 12, and another producing well located on the Southeast Quarter (SE-1/4) of the Southwest Quarter (SW-1/4) of said Section. Both of these wells presently produce from the Terry-Blinbry zone.

We are presently considering the drilling of additional wells on the South-half (S-1/2) of Section 12. These would be Terry-Blinbry tests. The carrying out of such drilling program, and the extent thereof, would, of course, depend upon the results of drilling and well performance.

In order to effect operating savings and thus prolong the economic life of the wells it is our desire to use one central tank battery to handle the Terry-Blinbry production from all of the wells drilled on the South-half (S-1/2) of Section 12. Our plan would be to have the central battery located at the site of the present tank battery on the Northeast Quarter (NE-1/4) of the Southwest Quarter (SW-1/4) of Section 12. All Terry-Blinbry wells on the South-half (S-1/2) of Section 12 would produce into this one battery, where the production of all such wells would be commingled.

In order that production from each well would be correctly determined, we would conduct a monthly test on each well through metering separators and the production in the central tankage would be allocated to each

well on the basis of such tests. This procedure has been used by us elsewhere and has proved to be an accurate method of gauging actual production from each well producing into the central tankage, so that each mineral and royalty owner receives proper payment on the production of the well or wells under which he has an interest.

We would like to have your consent to putting into effect this program of central tankage for Terry-Blinsbry production. We would also like to have your agreement that, if production from other formations is developed on the South-half (S-1/2) of Section 12, a similar system of central tankage and gauging may be used to handle such production.

This letter is sent to you in duplicate. If you are in agreement with our plan, it would be appreciated if you would so signify at the space provided, and would return the executed duplicate to us in the enclosed envelope at your earliest convenience.

Very truly yours,

SHELL OIL COMPANY

By R. D. Moncriess
R. D. Moncriess - Land Agent

I (We) agree to your proposal this 14th day of April, 1955.

(Signature) Lillian Hinkle Coll
Lillian Hinkle Coll, Guardian of Estates
(Signature) of Max W. Coll II, James M. Coll, Charles
H. Coll and Jon P. Coll
Mineral or royalty owner(s) under the

S-1/2

of Section 12, T-21-S, R-37-E,
Lea County, New Mexico.

BEFORE THE
Oil Conservation Commission
SANTA FE, NEW MEXICO
July 14, 1955

IN THE MATTER OF:

CASE NO. 934

TRANSCRIPT OF PROCEEDINGS

ADA DEARNLEY AND ASSOCIATES
COURT REPORTERS
605 SIMMS BUILDING
TELEPHONE 3-6691
ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
July 14, 1955

IN THE MATTER OF:

Application of Shell Oil Company for permission
to commingle oil produced from all of its leases
located in the S/2 Section 12, Township 21
South, Range 37 East, Lea County, New Mexico,
Terry-Blinbry Oil Pool, into a common tank
battery.

Case 934

BEFORE:

Mr. E. S. (Johnny) Walker
Mr. William B. Macey

TRANSCRIPT OF HEARING

MR. MACEY: The next case is 934.

MR. NESTOR: This is Shell's application for permission to
commingle oil produced from its leases in the south half of Section
12, Township 21 South, Range 37 East, Lea County, New Mexico, from
the Terry-Blinbry Oil Pool into a common tank battery. I am E. W.
Nestor, representing Shell. I ask if my qualifications are accepted?

MR. MACEY: Yes, sir.

(Shell's Exhibits Nos. 1 and 2
marked for identification.)

MR. NESTOR: I will introduce what has been marked as Shell's
Exhibit No. 1 in Case 934, which is a lease ownership plat covering a
portion of the Terry-Blinbry Pool, Lea County, New Mexico, immediately
surrounding the subject half-section. I would like the record to
show corrections in the northeast quarter of the southwest quarter
of Section 12. Shell Cheshire 1, shown on the plat as an Abo producer
has had an Abo zone abandoned and is a Terry-Blinbry producer.

In the southeast quarter of the southeast, Shell Plumley 1 is shown as an Abo producer, has had the Abo zone abandoned and is producing from the Terry-Blinebry. I offer this exhibit.

Then I also offer Shell Exhibit 2, which are 32 separate executed releases from all the royalty owners in the south half of Section 12. In order to save time, I might point out that these are photostatic copies of these releases and not the original copies. In order to save time and since they will be a part of the record, I will point out that as the form is executed, the signer gives his consent to putting into effect the central tankage for Terry-Blinebry production in the south half of Section 12, and he subscribes to the plan with the proposal for determining that the production from each well would be by monthly test through metering separators, and that the production in the central tankage would be allocated to each well on the basis of such tests.

Shell represents that by having central tankage on the south half of Section 12, we will effect savings in unnecessary facilities; and that by not having to operate unnecessary facilities, will extend the producing life of the various wells and thus prevent waste.

We feel that in the half-section all the correlative rights of the various royalty owners are protected to the extent that they agree in toto with our plan for allocating the production. We have requested waivers from offset operators, but as yet none have been received, and I don't know whether anyone plans to appear, but we feel that in no way are the rights of offset operators jeopardized by our claim.

This completes our testimony in Case 934.

MR. MACEY: You want to offer the exhibits? Is there

objection to the introduction of the exhibits in evidence? Without objection they will be received. Any questions of the witness? Mr. Mankin.

MR. MANKIN: Mr. Nestor, you are requesting exception to Rule 309A in this particular case.

MR. NESTOR: Yes, sir.

MR. MANKIN: You install separate individual test facilities, flow lines, to take care of the individual wells?

MR. NESTOR: Yes, that is detailed pretty well in these forms which have been executed, and which we didn't read. We could read them into the record.

MR. MANKIN: You are not asking for over eight units?

MR. NESTOR: We are not, there will be eight quarter quarters.

MR. MANKIN: No further exception to 309A is asked for, other than the basic leases?

MR. NESTOR: None is asked for.

MR. MANKIN: Are there four basic leases and 32 royalty owners?

MR. NESTOR: Actually, there are six separate leases with great diversification. By and large, the same people participate in the various quarter sections, and in one three-quarters of a quarter section, the quarter-quarter-sections, and one of them comprises the north half and the southeast quarter of the southeast quarter of Section 12, all the other are 40-acre leases. These people participate to varying degrees in the different 40-acre units. That was the need for obtaining all the separate releases. There are some 32 people involved and all have agreed.

MR. MANKIN: You have been granted temporary permission for this already?

MR. NESTOR: I understand that we can have. We are now in the process of completing or attempting to complete our Kroll 1 which is located in the northwest quarter of the southeast quarter, and we do request temporary permission, pending judgment in this case, to tank in the tank battery located on the Cheshire lease.

MR. MANKIN: You have been granted, however, a temporary order?

MR. NESTOR: I have not seen it.

MR. MACEY: We wrote a letter - -

MR. NESTOR: We have received it, then.

MR. MANKIN: Is this patented land?

MR. NESTOR: Yes.

MR. MANKIN: That is all.

MR. MACEY: Anyone else have a question? You are going to end up with one tank battery in place of six?

MR. NESTOR: That is right. Of course, as you can see, just having the one set of tanks to maintain, at the time of abandonment of the leases, it will enable us to produce the wells that much longer.

MR. MANKIN: All the production will be from the Terry-Blinebry?

MR. NESTOR: Yes. I might have the record show that the executed releases also plan for the same thing in case of other zones here, but none --

MR. MANKIN: (Interrupting) None in this particular case?

MR. NESTOR: None at the present time.

MR. MANKIN: That is all.

MR. MACEY: Anyone else? If nothing further, the witness

may be excused. We will take the case under advisement.

* * * * *

STATE OF NEW MEXICO)
 : ss.
COUNTY OF BERNALILLO)

I, ADA DEARNLEY, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission at Santa Fe, New Mexico, is a true and correct record to the best of my knowledge, skill and ability.

IN WITNESS WHEREOF I have affixed my hand and notarial seal this 27th day of July, 1955.


Notary Public, Court Reporter

My Commission Expires:
June 19, 1959.

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

September 20, 1955

Mr. W. E. Owen
Shell Oil Company
P.O. Box 1957
Hobbs, New Mexico

Dear Sir:

We enclose a copy of Order R-680 issued September 15, 1955,
by the Oil Conservation Commission in Case 934, which was heard
at the July 14th hearing.

Very truly yours,

W. B. Macey
Secretary - Director

WBM:brp
Enclosure

C
O
P
Y

OIL CONSERVATION COMMISSION
P. O. BOX 871
SANTA FE, NEW MEXICO

June 30, 1955

Shell Oil Company
P.O. Box 1957
Hobbs, New Mexico

ATTENTION: Mr. W. E. Owen

Gentlemen:

RE: Case 934

Reference is made to your application in Case 934 for permission to commingle oil produced from wells located on the S/2 of Section 12, Township 21 South, Range 37 East, in the Terry-Blinbry Oil Pool.

In view of the fact that you have obtained consent from all of the interested parties on the acreage involved, you are hereby granted approval to commingle the oil produced from your Coll No. 1 with oil produced from your Chesher No. 1 for a ninety-day period. This authority shall terminate upon the execution of an order in Case 934.

Very truly yours,

W. B. Macey
Secretary - Director

WBM:brp

CC-Shell Pipe Line Co.
Midland, Texas

A. L. Porter
Oil Conservation Commission
P.O. Box 2045
Hobbs, New Mexico

C
O
P
Y

Carroll

Shell Oil Company
Box 1957
Hobbs, New Mexico

June 28, 1955

Secretary - Director
Oil Conservation Commission
Santa Fe, New Mexico

Gentlemen:

Shell Oil Company is the owner of 100 per cent of the working interest in oil and gas leases covering the entire South one-half of Section 12, T-21-S, R-37-E, Lea County, New Mexico. We hereby make application to commingle the production from separate leases in the S/2 Section 12, T-21-S, R-37-E, from the Terry Blinebry Oil Pool, a common source of supply, in one central tank battery located at the site of the present tank battery on the Northeast Quarter (NE/4) of the Southwest Quarter (SW/4) of Section 12.

At present Shell Chesher 1, NE/4 SW/4 and Shell Plumlee 1, SE/4 SW/4, both in Section 12, T-21-S, R-37-E, are producing to separate tank batteries each located on its own lease. Shell Coll 1, NW/4 SW/4, Section 12, T-21-S, R-37-E, is a potential Terry Blinebry producer with completion anticipated in the next several days. If possible, we request administrative approval to commingle oil production from the Terry Blinebry common source of supply from Shell Coll 1 with oil production from the same source of supply from Shell Chesher 1.

Very truly yours,

/s/ E. W. Nestor

for W. E. Owen
Division Manager

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE NO. 879
Order No. R-645

THE APPLICATION OF THE OIL
CONSERVATION COMMISSION UPON
ITS OWN MOTION FOR AN ORDER
REVISING RULE 309 OF THE OIL
CONSERVATION COMMISSION'S RULES
AND REGULATIONS.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. April 20, 1955, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on this 13th. day of June, 1955, the Commission, a quorum being present, having considered the testimony adduced and the exhibits received at said hearing, and being fully advised in the premises,

FINDS:

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

(2) That the following revision of Rule 309 will result in a more efficient and economic administration of the conservation laws of the State of New Mexico.

IT IS THEREFORE ORDERED:

That Section "E", Oil Production Operating Practices, of the New Mexico Oil Conservation Commission's Rules and Regulations be revised in accordance with the following:

RULE 309. CENTRAL TANK BATTERIES

- (a) Oil shall not be transported from a lease until it has been received and measured in tanks located on the lease. At the option of the operator, common tankage may be used to receive the production from as many

as eight units of the same basic lease, provided adequate tankage and other equipment is installed so that the production from each well can be accurately determined at reasonable intervals.

- (b) The Secretary-Director of the Commission shall have authority to grant an exception to Rule 309 (a) and to permit the production of oil from separate state oil and gas leases, all of the acreage therein being contiguous, into a common tank battery without notice and hearing where application has been filed in due form, and
1. The separate state leases are dedicated to a common beneficiary.
 2. The wells are producing from a common source of supply.
 3. No more than eight units will produce into a common tank battery, and adequate facilities will be provided for accurately determining production from each well at reasonable intervals.
 4. All owners of adjoining oil and gas leases have consented in writing to the proposed commingling of oil from separate leases.
 5. Applicant shall have furnished a letter from the State Land Commissioner approving the commingling of oil from the two separate state leases.
 6. In lieu of paragraph 4 of this rule, the applicant may furnish proof of the fact that said offset operators were notified by registered mail of his intent to so commingle production from separate leases. The Secretary-Director of the Commission may approve the application if, after a period of 30 days following the mailing of said notice, no operator has made objection to the commingling of production from separate leases.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION
JOHN F. SIMMS, Chairman
E. S. WALKER, Member
W. B. MACEY, Member and Secretary

S E A L

/ir

Memo

From WWM

7/15/55

Re: Case # 93K

To JWB

OK. to write order approving as
exception to Rule 309(a) without transcript.

① Show approval of all royalty
interests

② Show that only 8 units are approved.

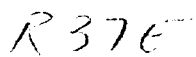
WWM

Case # 934

- ① Exception to Rule 309(a)
- ② Individual flow lines & test facilities?
- ③ Not over 8 units?
- ④ Temporary permission granted
- ⑤ permission of royalty owners?
- ⑥ C.K.

+

Q 386



1550

$$B = A_{1,2} - 1/6$$

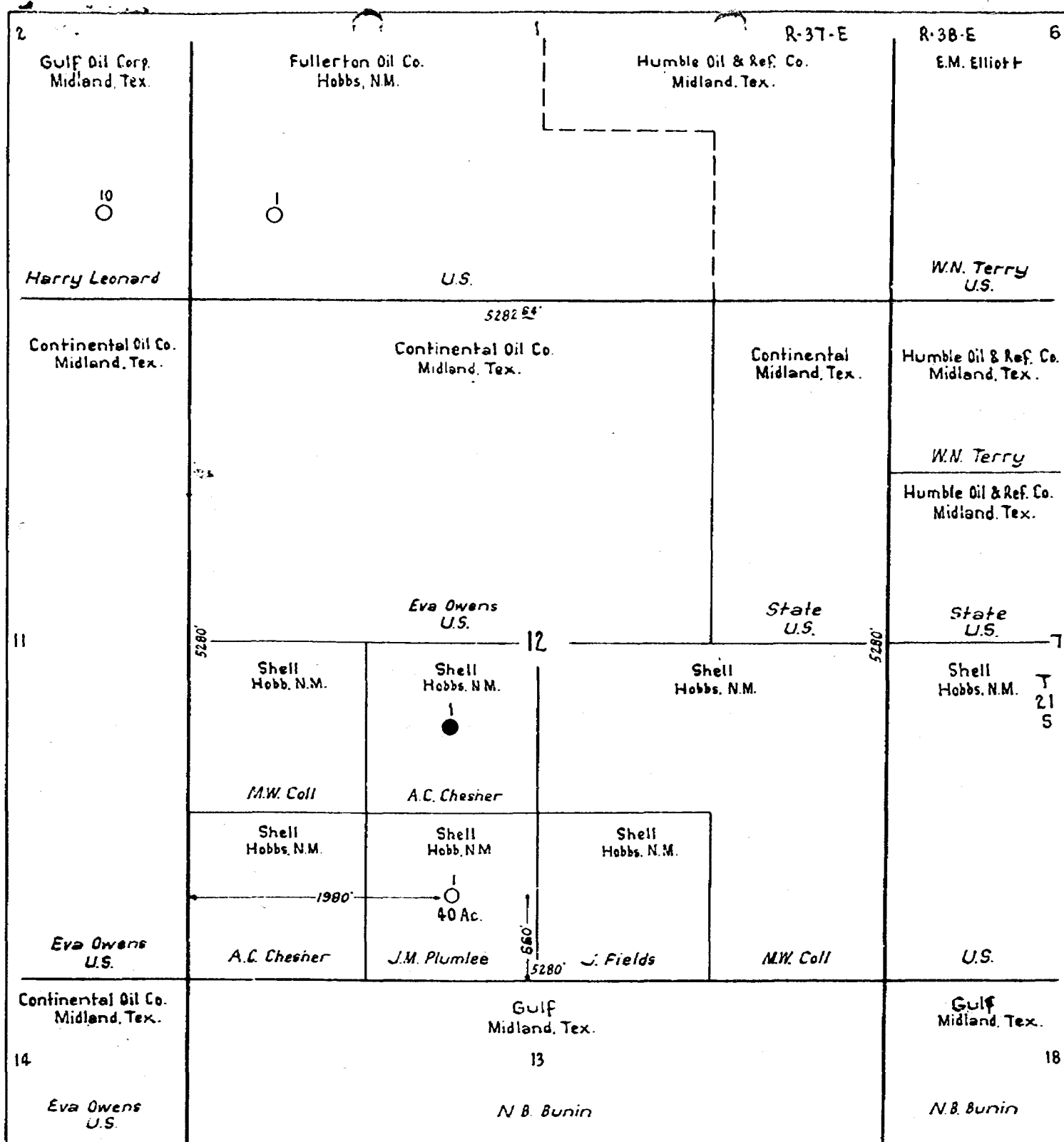
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$\pi = \pi_1 \pi_2 \dots$

$T = 1.0102 \times 10^4$

$$WA = W_{\text{Hofz}} - A_{\text{Hofz}}$$

Case # 934



I, J. D. Savage do hereby certify that the foregoing plat is true and correct.

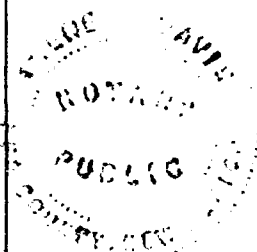
J. D. Savage
Division Exploitation Engineer
Shell Oil Company
Hobbs, New Mexico

Subscribed and sworn to before me this
22nd day of February, 1952

Paul R. Adams
Notary Public
Lea County, Texas

My commission expires *September 16, 1954*

Operator: Shell Oil Co.
Lease: J. M. Plumlee
Field: Undesignated
Description: SE/4 of SW/4
Sec. 12, T-21-S, R-37-E,
Lea Co., New Mexico
Date Plat Drawn: Feb. 22, 1952
Acres Covered By This Plat: 40
Total Acres in Lease: 40
Scale: 1" = 1000'



N

11. J. H.
2. modification suggested.

Provided however, that adequate tankage equipment
be installed so that production from each
well can be determined, this order to become
effective upon the applicant submitting and the
Commission approving its plan for the installation
of such facilities.

- ③ That the S/2 of Sec 12, Township 21 North Range 37 East is composed of six separate leases and that the royalty owners ~~underlying these~~ ~~two~~ of these leases have agreed to the proposed commingling of production from the Terry Blumby Oil Pool.
- 4 That approval of applicants' proposal ~~central bank battery~~ would prevent waste and produce correlative rights.

- ① That the application of Shell Oil Company for permission to commingle the production from all wells heretofore or hereafter drilled and completed in the Terry Blumby Oil Pool and the South Half of Section 12, Township 21 North Range 37 East, be and the same hereby is approved.
- Provided: However etc.

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. 934
Order No. R-680

THE APPLICATION OF SHELL OIL
COMPANY REQUESTING APPROVAL
TO COMMINGLE THE PRODUCTION
OF SEPARATE LEASES INTO ONE
CENTRAL TANK BATTERY IN EXCEPTION
TO RULE 309 (a); SAID LEASES BEING
LOCATED IN THE S/2 OF SECTION 12,
TOWNSHIP 21 SOUTH, RANGE 37 EAST,
WITH WELLS PRODUCING FROM THE
TERRY BLINEBRY OIL POOL, A COMMON
SOURCE OF SUPPLY, INTO A CENTRAL
TANK BATTERY LOCATED ON THE NE/4
SW/4 OF SAID SECTION 12.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on July 14, 1955, at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this 15th day of September, 1955, the Commission, a quorum being present, having considered the record and testimony adduced, and being fully advised in the premises,

FINDS:

(1) That due notice of the time and place of hearing and the purpose thereof having been given as required by law, the Commission has jurisdiction of this case and the subject matter thereof.

(2) That applicant is the owner of one hundred per cent of the working interest in six separate oil and gas leases covering the entire S/2 of Section 12, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) That the S/2 of Section 12, Township 21 South, Range 37 East is composed of six separate leases and that the royalty owners of these leases have agreed to the proposed commingling of production from the Terry Blinebry Oil Pool.

(4) That approval of applicant's proposal would prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the application of Shell Oil Company for permission to commingle the production from all wells heretofore or hereafter drilled and completed in the Terry Blinbry Oil Pool in the South half of Section 12, Township 21 South, Range 37 East, into a common tank battery be and the same hereby is approved.

PROVIDED HOWEVER, That a maximum of eight producing units shall be produced into said common tankage and that adequate tankage and other equipment be installed and maintained so that the production from each well can be accurately determined at reasonable intervals.

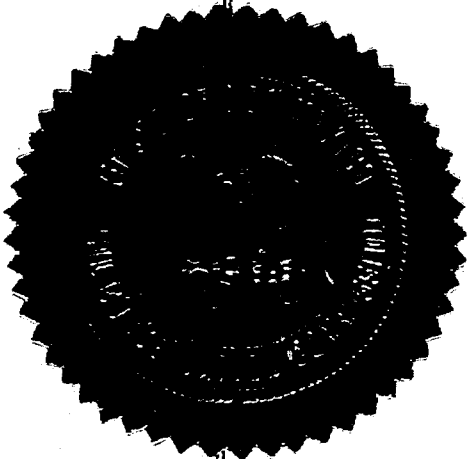
DONE at Santa Fe, New Mexico on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

John F. Simms
JOHN F. SIMMS, Chairman

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

W. B. Macey
W. B. MACEY, Member and Secretary



ir/

case 931

Shell Oil Company
June 28, 1955
Hills, New Mexico

Secretary, Director
Oil Conservation Commission
Santa Fe, New Mexico

June 28, 1955

Gentlemen:

Shell Oil Company is the owner of 100 per cent of the working interest in oil and gas leases covering the entire South one-half of Section 12, T-21-S, R-37-E, Lea County, New Mexico. We hereby make application to commingle the production from separate leases in the S/2, Section 12, T-21-S, R-37-E from the Terry Blinby Oil Pool, a common source of supply, in one central tank battery located at the site of the present tank battery on the Northeast Quarter (NE/4) of the Southwest Quarter (SW/4) of Section 12.

At present Shell Chesher 1, NE/4, SW/4 and Shell Plamlee 1, SE/4, SW/4 both in Section 12, T-21-S, R-37-E are producing to separate Tank Batteries each located on its own lease. Shell Coll 1, NW/4, SW/4, Section 12, T-21-S, R-37-E is a potential Terry Blinby producer with completion anticipated in the next several days. If possible we request administrative approval to commingle oil production from the Terry Blinby common source of supply from Shell Coll 1 with oil production from the same source of supply from Shell Chesher 1.

Very truly yours
W. E. Owen
Division Engineer