

Case 1386



SHELL OIL COMPANY

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P. O. Box 845
Roswell, N. M.

February 3, 1958

Subject: Application by Shell Oil Company for
Exception to Rule 309 of the Rules
and Regulations of the New Mexico Oil
Conservation Commission

New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Attention: Mr. A. L. Porter, Jr.

Gentlemen:

By this letter of application Shell Oil Company requests approval of an exception to Section (a) of Rule 309 of the Rules and Regulations of the New Mexico Oil Conservation Commission to permit oil to be transported from a lease for measurement and storage.

It is Shell's desire to install a system employing consolidated storage facilities for two contiguous leases in the Monument Field. These leases and their location are described as follows:

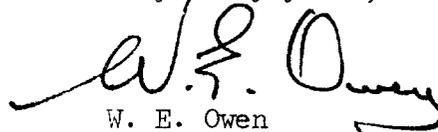
1. Cooper "A" lease consisting of 40 acres in the NW/4 NE/4 of Section 4, T-20-S, R-37-E.
2. Cooper "B" lease consisting of 120 acres in the N/2 NW/4 and SW/4 NW/4 of Section 4, T-20-S, R-37-E.

Shell desires to use the present tank battery on the Cooper "B" lease to handle the production from both the Cooper "A" and "B" leases. Since the royalty ownership of both leases are the same, it is proposed that production be allocated to the leases on the basis of monthly well tests.

By copy of this letter, all operators owning offsetting interests in this area, are being notified by certified mail of this application.

Wherefore, Shell Oil Company requests that the foregoing application for an exception to Rule 309 be heard at the February 26th Examiners hearing of the New Mexico Oil Conservation Commission in Santa Fe, New Mexico.

Very truly yours,


W. E. Owen
Division Manager