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Date October 21, 1957

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

Gentlemen:

We have been informed by Shell Oil Company that they are making an application, as provided in Order R-645, for administrative approval for commingling in a common tank battery the oil production from their State PA and State PB leases in the Pearl Queen Field, Lea County, New Mexico.

You are respectfully advised that we hereby waive notice and hearing under Rule 309 (b), as revised by Order R-645, as to said application for approval of the common tankage for the above leases.

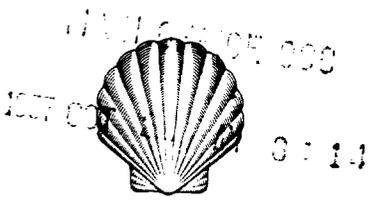
Very truly yours,

Company Cabot Carbon Company

Name Percy C. Quinn

Position District Production Supt.

Rule 309



SHELL OIL COMPANY

P. O. Box 1957
Hobbs, New Mexico

11-70

October 17, 1957

Subject: Centralized tankage, State "PA"
and State "PB" Leases, Pearl
Queen Field, Lea County, New
Mexico

Mr. A. L. Porter, Jr.
New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

PA 2 1/2 1/2
11-70

Dear Sir:

This letter is a request for temporary authority to use centralized tankage on our State "PA" and State "PB" Leases in the Pearl Queen Field.

We are currently developing acreage in the Pearl Queen Field including the two 80-acre State Leases: State "PA", (Shell NM 1558; New Mexico State E-5838), and State "PB", (Shell NM 1559; New Mexico State E-5839). Both of these leases are located in T-19-S, R-35-E, Section 27. One well has been completed on the State "PA" Lease, and one well now being drilled on the State "PB" Lease will be completed in about one more week.

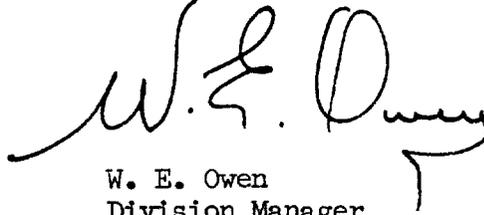
We propose to use the tank battery located on the State "PA" Lease for production from both the State "PA" and State "PB" Leases. This existing battery is shown on the attached plat. The use of common tankage for these two leases would eliminate the cost (about \$7,000) of building a second tank battery on the State "PB" Lease.

All of the requirements for an exception to Rule 309 (a) have been met with the exception of requirement No. 4. The wells will be producing from a common source of supply, that being the Queen Formation. Permission has been obtained from the Office of the Commissioner of Public Lands to commingle production from several State Leases, including the two subject leases. Also, only four wells will be producing into the tank battery with full development of both leases, and adequate facilities will be provided for accurately determining production from each well at reasonable intervals. We are now in the process of notifying Cabot Carbon Company, the only offset operator to either of the subject leases, of our intent to use common tankage.

It will be impossible, however to obtain a waiver from Cabot Carbon Company and approval from the New Mexico Oil Conservation Commission in time for the completion of State "PB" No. 1. It is, therefore, requested that we be granted temporary authority to produce State "PB" No. 1 into the tank battery located on the State "PA" Lease until such time as permanent approval can be issued.

A reply on this matter at your earliest convenience will be appreciated.

Very truly yours,

A handwritten signature in cursive script, appearing to read "W. E. Owen". The signature is written in dark ink and is positioned above the typed name and title.

W. E. Owen
Division Manager

STATE LAND OFFICE

Santa Fe, New Mexico



MURRAY E. MORGAN
COMMISSIONER OF PUBLIC LANDS

September 18, 1957

RECEIVED		
SEP 20 1957		
HOBBS, N. MEX.		
<i>WEG</i>		
<i>DKI</i>		
<i>AE</i>		
Reply	Discard	File

Shell Oil Company
Box 1957
Hobbs, New Mexico

Gentlemen:

Permission is hereby granted to commingle production from State leases on the following described acreage:

Twenty-one wells on four Shell State Leases, seven on the 280-acre Shell Lease NM-1559 in Sections 27, 34 and 35 (New Mexico State E-5839, eight on the 320-acre Shell Lease NM-1558 in Sections 27, 34 and 35 (New Mexico State E-5838, four on the 160-acre portion of Shell Lease NM-1560 in Section 34 (New Mexico State E-5840) and two on the 80-acre Shell Lease NM-1790 in Section 34 (New Mexico State OG-533).

All this acreage is committed to one beneficiary institution that being Penitentiary.

When reporting production on the Production and Royalty Statement Form SLO-111-A please use all leases involved so that they may be properly credited.

Very truly yours,

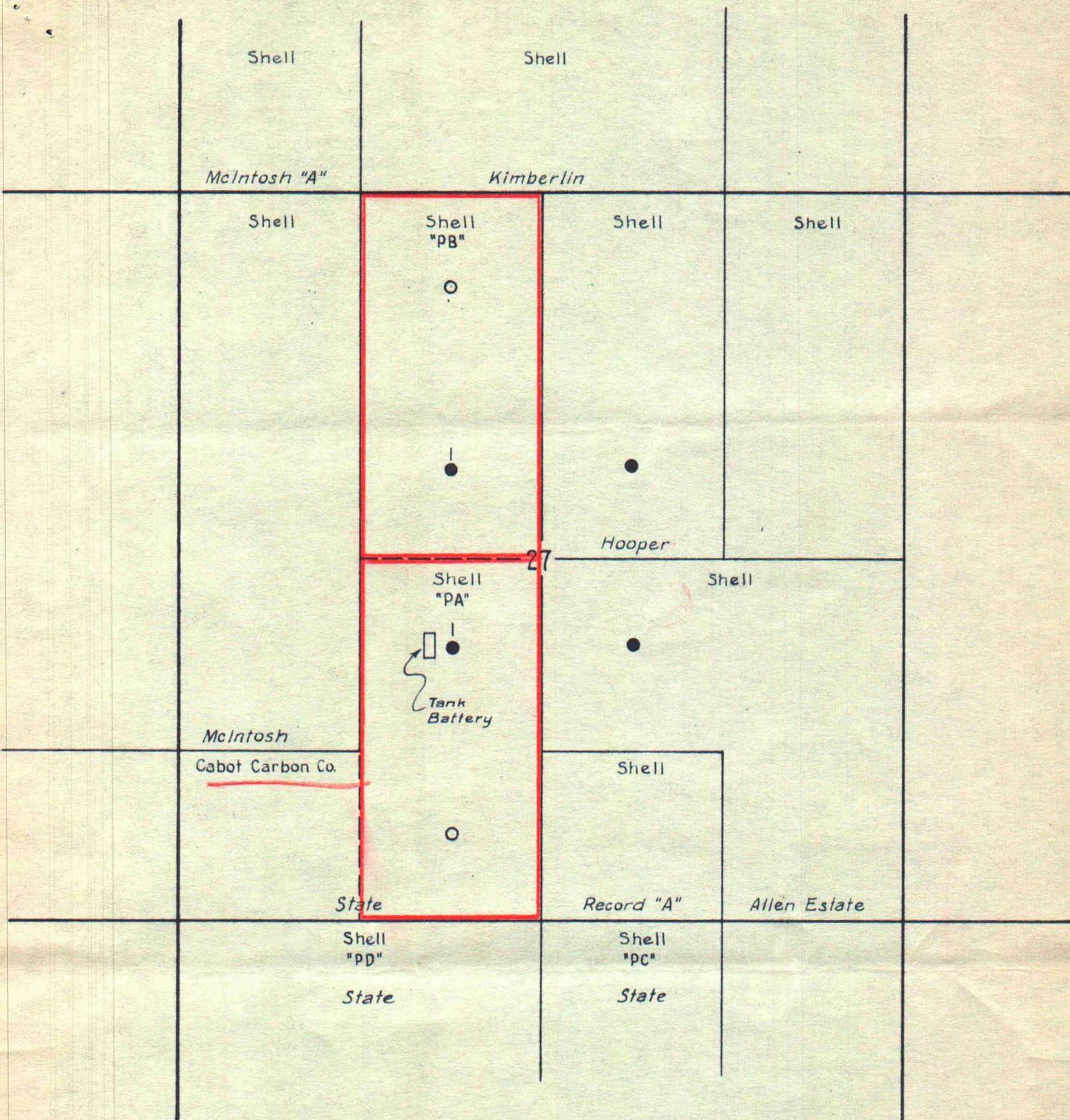
MURRAY E. MORGAN
Commissioner of Public Lands
By:

Mrs. Lizzie Creek
Mrs. Lizzie Creek, Supervisor
Royalty Division

Pearl

LS:mb

cc: Oil Conservation Committee



Shell Oil Company
 Hobbs Production Division
CENTRAL TANK BATTERY LOCATION
 State "PA" & State "PB" Leases, Pearl Area
 Sec. 27, T-19-S, R-35-E, Lea Co, New Mexico
 Data: G.F.Y. Date: 10-17-57 Scale: 1" = 1000'