



SHELL OIL COMPANY

PETROLEUM BUILDING

P. O. BOX 1509

MIDLAND, TEXAS

June 4, 1962

**Subject: Shell Oil Company
State "JM" and "JP" Leases
Justis, North Field
Section 2, T-25S, R-37E
Lea County, New Mexico**

**Texaco Inc.
P. O. Box 3109
Midland, Texas**

Attention Mr. J. A. Mills

Gentlemen:

Texaco is presently purchasing the Devonian and Fusselman production from Well No. 1 on the Shell State "JM" Lease, Justis, North Field, Section 2, T-25S, R-37E, Lea County, New Mexico. Texas-New Mexico Pipe Line Company gathers this crude for your account.

By Administrative Order PC-37 and CTB-70, the New Mexico Oil Conservation Commission authorized the commingling of production from the Devonian and Fusselman zones on subject leases.

Shell Oil Company is presently drilling its State "JM" No. 2 on the 40 acre lease, being the NW/4 of NE/4 Section 2, and will soon drill the State "JP" No. 1 well on a 40 acre lease, being the NE/4 of NW/4 of said Section 2.

Shell proposes to commingle the allowable production from the Blinbry, Drinkard, Devonian and Fusselman zones from all wells on these two leases in the central tank battery now connected by Texas-New Mexico Pipe Line.

In order to support Shell's application to the New Mexico Oil Conservation Commission for approval to commingle this production,

Texaco Inc.

2

as provided in Rule 309-B-3 of the amended Rules and Regulations, we would appreciate your indicating in the space provided below your consent to purchase the commingled production and return the duplicate copy hereof to us.

Yours very truly,



LBB:JG

C. A. Nyhof
Crude Oil Department - Midland

Agreed to and accepted this
6 day of JUNE 1962

Texaco Inc.

By J. Mills

Texaco is agreeable to the commingling of the 4 zones mentioned above, provided all are intermediate sweet type crude.