



SHELL OIL COMPANY

P. O. Box 1858
Roswell, New Mexico 88202

CTB-80

April 23, 1962

Subject: Commingling of Abo Production
From the State "V" and State "W"
Leases, Lea County, New Mexico

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

Dear Sir:

We hereby make application for an exception to Rule 309(a) of the New Mexico Oil Conservation Commission's Rules and Regulations to commingle the production from two separate leases into a common tank battery. We intend to commingle Vacuum Abo production from our State "V" Lease, located in Section 27, T-17-S, R-35-E, and State "W" Lease, located in Section 26, T-17-S, R-35-E, on the basis of monthly well tests.

All production is from the same common source (Abo Pool) and the royalty interests are common for both leases. In fulfillment of Rule 309(b) the following attachments are included: (1) plats of the leases, and (2) diagrammatic sketch of the central tank facilities. The State of New Mexico is the sole royalty owner for both leases and the beneficiaries are also common. A copy of this application has been sent to the Commissioner of Public Lands for the State of New Mexico by certified mail.

We are completing our first Abo well on the State "V" Lease and are drilling the first Abo well on the State "W" Lease. We anticipate two Abo wells on each 80-acre lease. The central battery illustrated in the attachments will be equipped with ACT pending approval of the pipe line and your District Office.

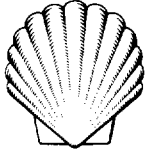
In view of the above information we request your approval for commingling of all future Abo production from these two leases.

Very truly yours,

For R. L. Rankin
Division Production Manager

Attachments

cc: Commissioner of Public Lands
P. O. Box 791
Santa Fe, New Mexico



SHELL OIL COMPANY

P. O. Box 1858
Roswell, New Mexico

May 2, 1962

Subject: Commingling of Abo Production
From the State V and State W
Leases, Lea County, New Mexico

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

Dear Sir:

With reference to our application for commingling of Vacuum Abo production from the State V and the State W Leases, Lea County, New Mexico, the attached letter indicates that the crude oil purchaser - Texaco Inc. - consents to purchase the commingled production.

Should any additional information be desired pertaining to this application, please contact this office.

Yours very truly,

R. L. Rankin
Division Production Manager

Attachments

OFFICE OF THE
COMMISSIONER OF PUBLIC LANDS
SANTA FE, NEW MEXICO

*File
commingling
response*

April 30, 1962

Mr. R. L. Rankin
Division Production Manager
SHELL OIL COMPANY
P. O. Box 1858
Roswell, New Mexico

Dear Sir:

We have your letter of April 23, wherein you request permission to commingle Vacuum Abo production from your State "V" Lease, located in Section 27, T-17-S, R-35-E, and State "W" Lease, located in Section 26, T-17-S, R-35-E.

We have no objection to your proposed operation provided the commingling will not lessen the price to be received for the oil, or will not cause the State of New Mexico to receive less royalties. All this acreage belongs to the Common Schools; therefore, we have no ownership problem. We would, however, appreciate receiving copies of your completion reports on these wells.

Yours very truly,

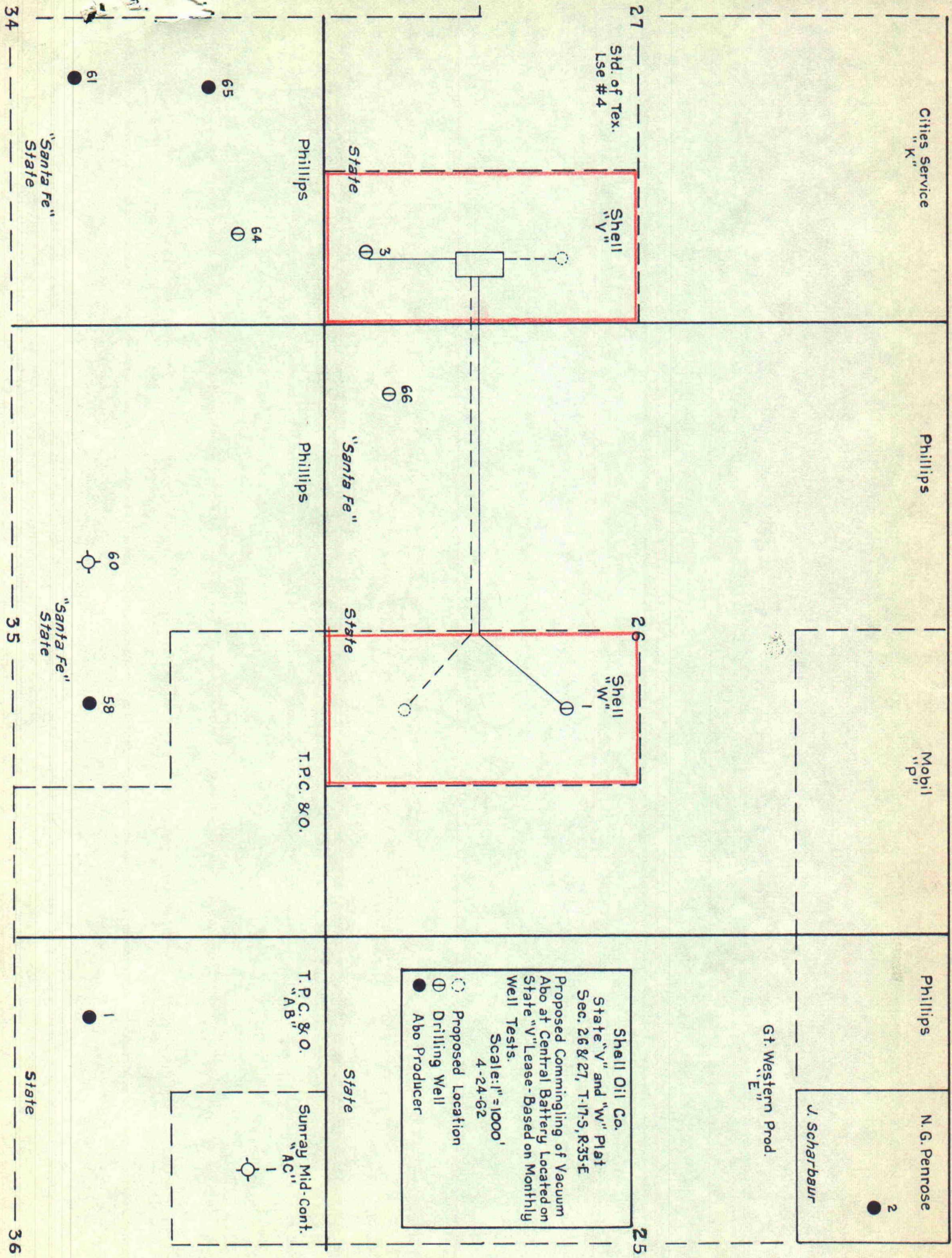
E. S. JOHNNY WALKER
COMMISSIONER OF PUBLIC LANDS

By:
TED BILBERRY, Supervisor
Oil and Gas Department

EW/TB/pb

cc: State Oil Conservation Commission
Santa Fe, New Mexico

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SHELL OIL COMPANY

PETROLEUM BUILDING

P. O. BOX 1509

MIDLAND TEXAS

April 25, 1962

**Subject: Shell Oil Company
State "V" and State "W" Leases
Vacuum Abo Pool
Lea County, New Mexico**

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

Attention Mr. J. A. Mills

ILLEGIBLE

Gentlemen:

Shell Oil Company has completed its State "V" No. 3 well on an 80 acre lease, being the E/2 of SE/4 Section 27, and drilling State "W" No. 1 well on an 80 acre lease, being the W/2 of SE/4 Section 26, both in T-17E, R-35E, Lea County, New Mexico. Shell proposes to commingle the allowable production from the Abo zones from all wells on these two leases in a central tank battery equipped with ACT to be located on the State "V" Lease.

This will confirm our recent conversation wherein you agreed to purchase this commingled production and would request your carrier to connect and run for your account. In order to support Shell's application to the New Mexico Oil Conservation Commission for approval to commingle this production as provided in Rule 109-B-1 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 hereto to us.

Yours very truly,

**C. A. Nyhof
Crude Oil Department - Midland**

LBB:JC

Agreed to and accepted this
26 day of April 1962.

Teneco Inc.

By J. A. Mills

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SHELL OIL COMPANY

PETROLEUM BUILDING

P. O. BOX 1509

MIDLAND, TEXAS

April 25, 1962

[illegible]

**Subject: Shell Oil Company
State "V" and State "W" Leases
Vacuum Ace Pool
Lea County, New Mexico**

Tenneco Inc.
P. O. Box 3109
Midland, Texas

Attention Mr. J. A. Mills

Gentlemen:

ILLEGIBLE

Shell Oil Company has completed its State "V" No. 3 well on an 80 acre lease, being the E/2 of SE/4 Section 27, and drilling State "W" No. 1 well on an 80 acre lease, being the W/2 of SE/4 Section 26, both in T-17N, R-35E, Lea County, New Mexico. Shell proposes to commingle the allowable production from the Abo zones from all wells on these two leases in a central tank battery equipped with ACT to be located on the State "V" Lease.

This will confirm our recent conversation wherein you agreed to purchase this commingled production and would request your carrier to connect and run for your account. In order to support Shell's application to the New Mexico Oil Conservation Commission for approval to commingle this production as provided in Rule 109-B-1 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:JC

C. A. Nyholm

Crude Oil Department - Midland

Agreed to and accepted this

26 day of April 1962.

Tenneco Inc.

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SHELL OIL COMPANY

PETROLEUM BUILDING

P. O. BOX 1509

MIDLAND, TEXAS

April 25, 1962

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**Subject: Shell Oil Company
State "V" and State "W" Leases
Vacuum Abe Pool
Lea County, New Mexico**

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

Attention Mr. J. A. Mills

ILLEGIBLE

Gentlemen:

Shell Oil Company has completed its State "V" No. 3 well on an 80 acre lease, being the E/2 of SE/4 Section 27, and drilling State "W" No. 1 well on an 80 acre lease, being the W/2 of SE/4 Section 26, both in T-17N, R-35E, Lea County, New Mexico. Shell proposes to commingle the allowable production from the Abe zones from all wells on these two leases in a central tank battery equipped with ACT to be located on the State "V" Lease.

This will confirm our recent conversation wherein you agreed to purchase this commingled production and would request your carrier to connect and run for your account. In order to support Shell's application to the New Mexico Oil Conservation Commission for approval to commingle this production 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 hereto to us.

Yours very truly,

C. A. Nyhof

Crude Oil Department - Midland

LBB:JC

Agreed to and accepted this
26 day of April 1962.

Texaco Inc.

By J. Mills

LARGE FORMAT
EXHIBIT HAS
BEEN REMOVED
AND IS LOCATED
IN THE NEXT FILE