

SHELL OIL COMPANY

PETROLEUM BUILDING
P.O. BOX 1509
MIDLAND, TEXAS 79701

December 6, 1968

Subject: Application for Exception to New Mexico
Oil Conservation Commission Rule 309 (A)

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Gentlemen:

Shell Oil Company hereby makes application for administrative approval to allow commingling of San Andres production from the Brown Federal, Brown Federal A, Hodges Federal, Hodges Federal C leases, Cato Field, Chaves County, New Mexico. Production from the Hodges Federal and Hodges Federal C leases is currently being commingled under Administrative Order CTB-174, and production from the Brown Federal and Brown Federal A leases is currently being commingled under Administrative Order CTB-175. We hereby request amendment to Administrative Order CTB-174 granting permission to commingle all four leases into common storage on the Brown Federal lease and the subsequent cancellation of Administrative Order CTB-175. In accordance with Rule 309 (B) the following attachments, in triplicate, accompany this application:

1. Plat of the leases showing the wells to be commingled.
2. Schematic diagram of the commingling installation.
3. Copies of approvals from all parties owning an interest in the leases and the purchaser of the commingled production.

We plan to continuously meter and sample the production from each set of leases with diverse royalty ownership prior to commingling. The allocation of production between leases of common royalty ownership will continue to be made on the basis of monthly well tests. All production will be from the San Andres zone, consequently, no change in the commercial value of the production is expected to result from commingling.

We trust that in view of the above information this project will meet with your early approval. If further information is required please contact Mr. R. J. Coenen of our mechanical engineering staff.

Yours very truly,

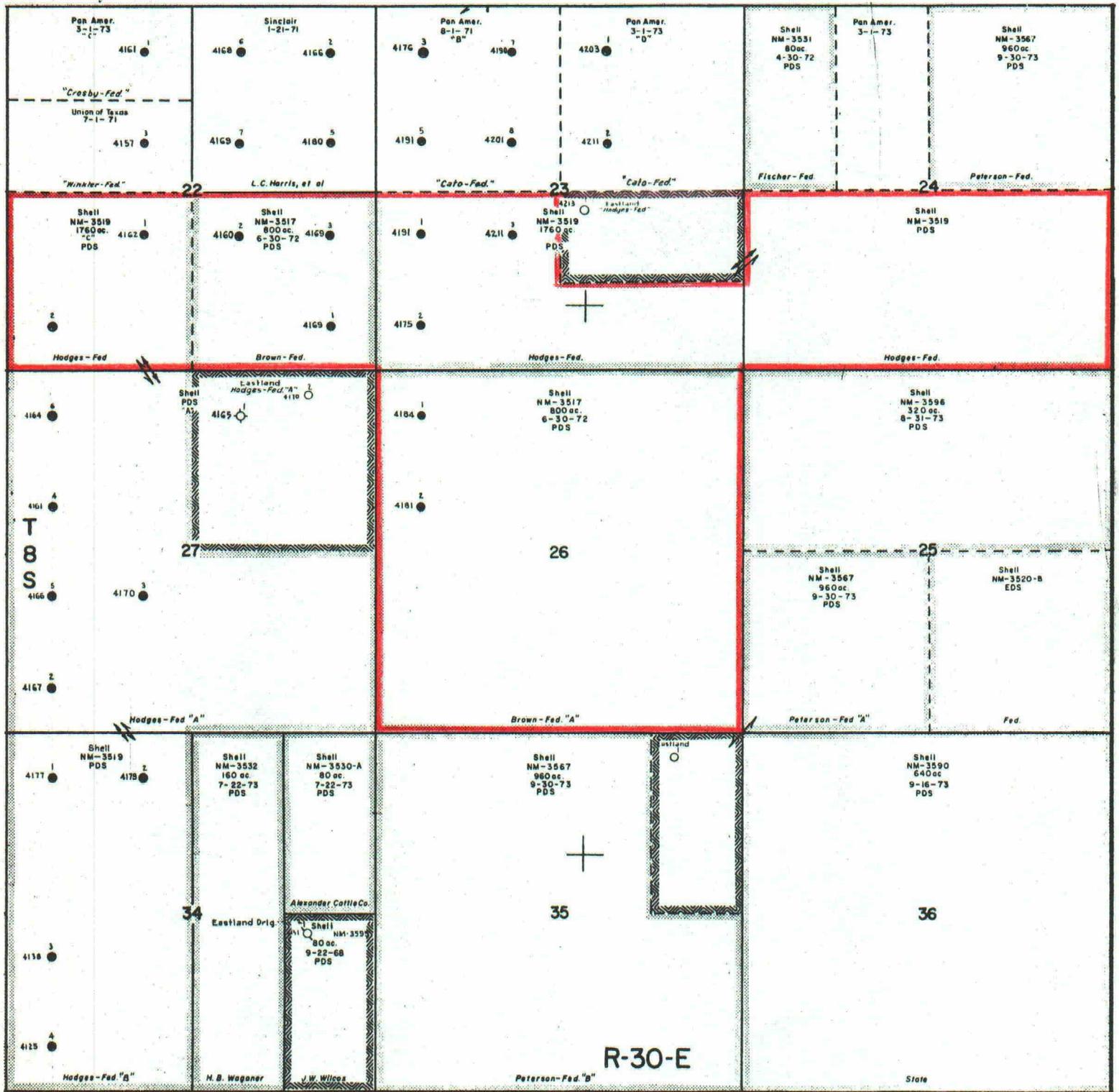
S. M. Paine, Manager
Production Department - West
Midland Division

RJC:BSH

Attachments

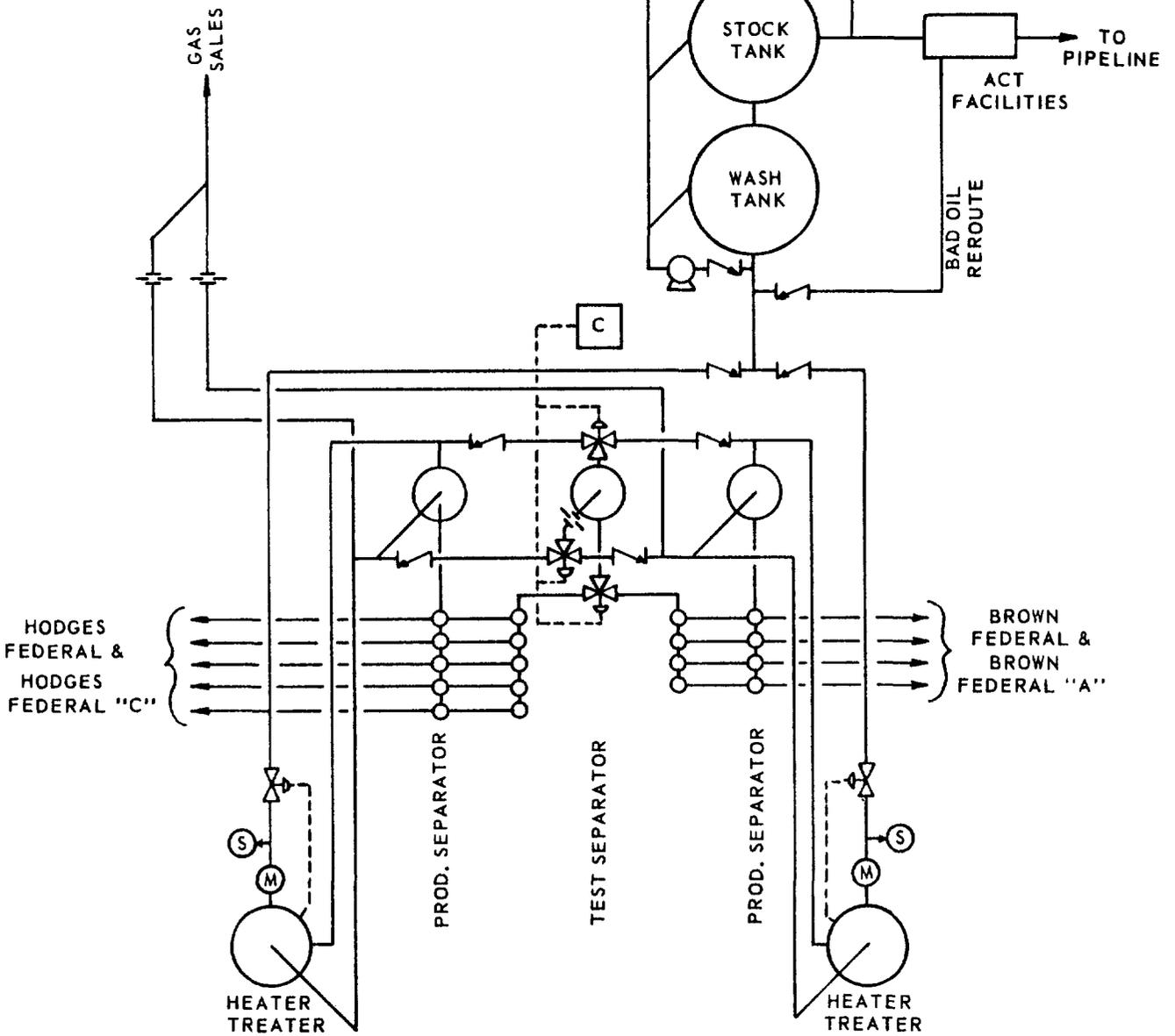
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Amey
11/12/68
ATTN



LEASE SITUATION MAP
 CATO FIELD
 CHAVES COUNTY, NEW MEXICO
 SHELL, HODGE-FED., S/2 SEC. 23, S/2 SEC. 24, T-8-S, R-30-E
 SHELL, HODGE "C", SW/4 SEC. 22, T-8-S, R-30-E
 SHELL, BROWN-FED., SE/4 SEC. 22, T-8-S, R-30-E
 SHELL, BROWN "A", SEC. 26, T-8-S, R-30-E

**BROWN - FEDERAL LEASE
TANK BATTERY**



LEGEND

- P.D. METER
- ORIFICE METER
- SAMPLER
- 2 - WAY PNEUMATIC VALVE
- 3 - WAY PNEUMATIC VALVE
- CHECK VALVE
- PUMP
- CONTROL PANEL PNEUMATIC

SHELL OIL COMPANY	SOUTHWESTERN E & P REGION MIDLAND DIVISION	PRODUCTION WEST
SCHEMATIC OF PROPOSED COMMINGLING INSTALLATION NM - 3517 AND NM - 3519 CATO FIELD CHAVES COUNTY, NEW MEXICO		
BY: H.J. BAKER		DATE: 10-28-68
SCALE: NONE		DWG. NO. 3117



SHELL OIL COMPANY

WESTERN DIVISION
P. O. BOX 1509
MIDLAND, TEXAS 79704

NOV 12 1968

October 29, 1968

Re: Hodges-Federal - S/2, Section 23, S/2 Section 24
Hodges-Federal "C" - SW/4, Section 22
Brown-Federal - SE/4, Section 22
Brown-Federal "A" - Section 26
Cato Field, Chaves County, New Mexico

Mr. Emmett D. White (Blanche White)
P. O. Box 146
Roswell, New Mexico 88201

Gentlemen:

Shell Oil Company proposes to commingle production from the subject leases into common storage. The production from each set of leases shall be separately treated for water removal, metered, and sampled before commingling. The allocation of production as to each lease and the installation and operation of commingling facilities shall be made in accordance with New Mexico Oil Conservation Commission rules and regulations. No change in the commercial value of the production is anticipated as all wells produce from the same pool with similar gravities.

In order to support Shell's application to the New Mexico Oil Conservation Commission for approval to commingle this production, we would appreciate your indicating your approval in the spaces provided below and returning three (3) copies of this letter to:

Shell Oil Company
P. O. Box 1509
Midland, Texas 79701
Attention: Production Manager
Midland Division-West

Yours very truly,

S. M. Paine

S. M. Paine
Production Manager
Midland Division-West

HJB: CW

APPROVED:

By: *Emmett D. White*

Title: _____

Date: 11-11-68



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Drawer 1857
Roswell, New Mexico 88201

November 21, 1968

Shell Oil Company
P. O. Box 1509
Midland, Texas 79701

Attention: Mr. S. M. Paine

Gentlemen:

Your letter of October 31, 1968, requests approval to commingle San Andres oil production from the SW $\frac{1}{4}$ sec. 22, SW $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$ sec. 23, S $\frac{1}{2}$ sec. 24, Federal lease New Mexico 022636, with San Andres oil production from the SE $\frac{1}{4}$ sec. 22, and all sec. 26, T. 8 S., R. 30 E., N.M.E.M., Federal lease New Mexico 0276225.

The method of commingling described by your application is hereby approved. Any addition or change in this system will require approval by this office. Form 9-361, Lessee's Monthly Report of Sales and Royalty, should show all computations used in the calculation of the oil volume for each lease.

You are requested to notify our Roswell District Office when the installation is completed so that a field inspection of the system can be made.

Sincerely yours,

CARL C. TRAYWICK
Acting Oil and Gas Supervisor

TO BE ANSWERED

EX-1131

Mobil Oil Corporation

P.O. BOX 633
MIDLAND, TEXAS 79701

November 8, 1968

Shell Oil Company
P. O. Box 1509
Midland, Texas

Attention: Mr. J. C. Hart

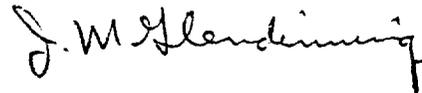
Gentlemen:

RE: Brown-Federal Lease
Brown-Federal "A" Lease
Hodges-Federal Lease
Hodges-Federal "C" Lease
CATO SAN ANDRES FIELD
CHAVES COUNTY, NEW MEXICO

You have advised that you plan to commingle the crude oil production from the subject leases into the tank battery currently serving the Brown-Federal Lease.

Mobil Oil Corporation is agreeable to purchasing the commingled production from the four leases and on a gravity run basis.

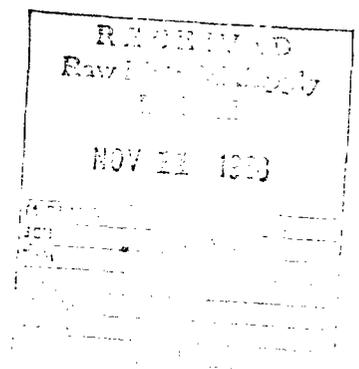
Very truly yours,



J. M. Glendinning, Area Representative
Crude Oil Department

JMG/jh

cc:
Mr. D. C. Kennedy, Dallas
Mr. K. B. Snider, Seminole
Mr. J. R. Wright, Midland





SHELL OIL COMPANY

WESTERN DIVISION
P. O. BOX 1509
MIDLAND, TEXAS 79704

October 29, 1968

Re: Hodges-Federal - S/2, Section 23, S/2 Section 24
Hodges-Federal "C" - SW/4, Section 22
Brown-Federal - SE/4, Section 22
Brown-Federal "A" - Section 26
Cato Field, Chaves County, New Mexico

Mr. L. H. Tyson
401 Wilkinson-Foster Building
Midland, Texas 79701

Gentlemen:

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Midland, Texas 79701
Attention: Production Manager
Midland Division-West

Yours very truly,


S. M. Paine
Production Manager
Midland Division-West

HJB: CW

APPROVED:

By: 

Title: _____

Date: 11-4-1968



SHELL OIL COMPANY

WESTERN DIVISION
P. O. BOX 1509
MIDLAND, TEXAS 79704

NOV 5 1968

October 29, 1968

Re: Hodges-Federal - S/2, Section 23, S/2 Section 24
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Brown-Federal - SE/4, Section 22
Brown-Federal "A" - Section 26
Cato Field, Chaves County, New Mexico

Mr. L. B. Hodges
P. O. Box 489
Roswell, New Mexico 88201

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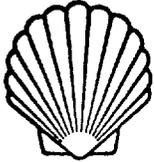
Production Manager
Midland Division-West

HJB: CW

APPROVED:

By: *L. B. Hodges*
Title: _____

Date: Nov-4, 1968



SHELL OIL COMPANY

WESTERN DIVISION
P. O. BOX 1509
MIDLAND, TEXAS 79704

October 29, 1968

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Vaughn Building
Midland, Texas 79701

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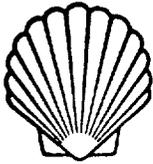
HJB: CW

APPROVED:

By: *B. D. Baker*

Title: *Executive*

Date: *11/5/68*



SHELL OIL COMPANY

WESTERN DIVISION
P. O. BOX 1509
MIDLAND, TEXAS 79704

October 29, 1968

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The Blanco Company
P. O. Box 1150
Roswell, New Mexico 88201

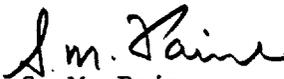
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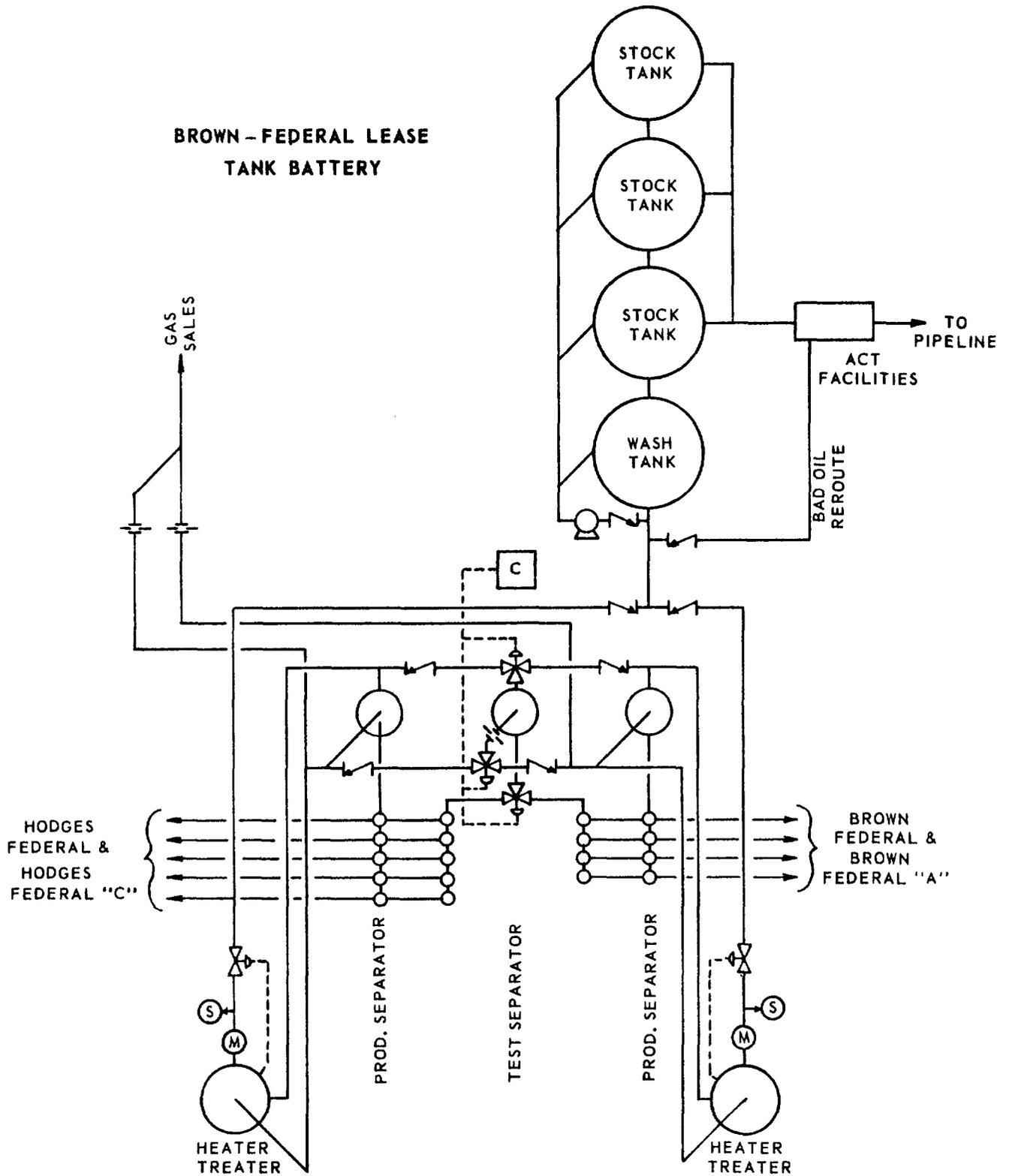

S. M. Paine
Production Manager
Midland Division-West

HJB: CW

APPROVED:

By: THE BLANCO CO.
Title: By EDWALK Pres.
Date: 11-11-68

**BROWN - FEDERAL LEASE
TANK BATTERY**



LEGEND

-  P.D. METER
-  ORIFICE METER
-  SAMPLER
-  2-WAY PNEUMATIC VALVE
-  3-WAY PNEUMATIC VALVE
-  CHECK VALVE
-  PUMP
-  CONTROL PANEL PNEUMATIC

SHELL OIL COMPANY	SOUTHWESTERN E & P REGION MIDLAND DIVISION	PRODUCTION WEST
<p>SCHEMATIC OF PROPOSED COMMINGLING INSTALLATION NM - 3517 AND NM - 3519 CATO FIELD CHAVES COUNTY, NEW MEXICO</p>		
BY: H.J. BAKER		DATE: 10-28-68
SCALE: NONE		DWG. NO. 3117



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DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Drawer 1857
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November 21, 1968

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MIDLAND, TEXAS 79704

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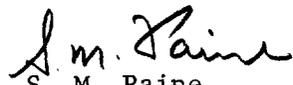
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Midland, Texas 79701
Attention: Production Manager
Midland Division-West

Yours very truly,


S. M. Paine
Production Manager
Midland Division-West

HJB: CW

APPROVED:

By: 

Title: _____

Date: 11-11-68



SHELL OIL COMPANY

WESTERN DIVISION
P. O. BOX 1509
MIDLAND, TEXAS 79704

October 29, 1968

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P. O. Box 1150
Roswell, New Mexico 88201

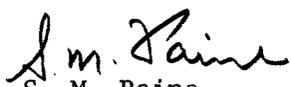
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Midland Division-West

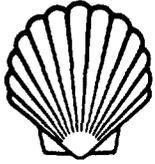
HJB: CW

APPROVED:

By: THE BLANCO CO.

Title: By State Pres.

Date: 11-11-68



SHELL OIL COMPANY

WESTERN DIVISION
P. O. BOX 1509
MIDLAND, TEXAS 79704

October 29, 1968

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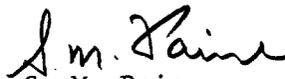
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Midland, Texas 79701
Attention: Production Manager
Midland Division-West

Yours very truly,


S. M. Paine

Production Manager
Midland Division-West

HJB:GW

APPROVED:

By: 

Title: _____

Date: 11-11-68



SHELL OIL COMPANY

WESTERN DIVISION
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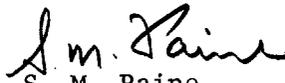
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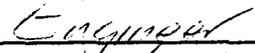
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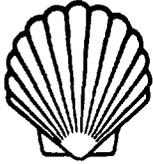
HJB:CW

APPROVED:

By:  _____

Title:  _____

Date:  _____



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Mr. L. H. Tyson
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Midland, Texas 79701

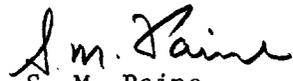
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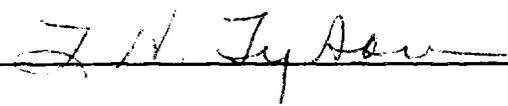
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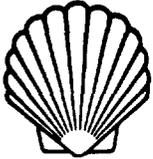
HJB: CW

APPROVED:

By: 

Title: _____

Date: 11-4-1968



SHELL OIL COMPANY

WESTERN DIVISION
P. O. BOX 1509
MIDLAND, TEXAS 79704

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Mr. L. B. Hodges
P. O. Box 489
Roswell, New Mexico 88201

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S. M. Paine
S. M. Paine

Production Manager
Midland Division-West

HJB: CW

APPROVED:

By: *L. B. Hodges*

Title: _____

Date: *Nov. 4, 1968*

Mobil Oil Corporation

P.O. BOX 633
MIDLAND, TEXAS 79701

November 8, 1968

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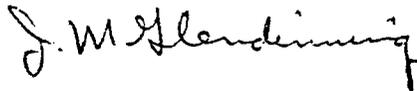
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Crude Oil Department

JMG/jh

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Mr. D. C. Kennedy, Dallas
Mr. K. B. Snider, Seminole
Mr. J. R. Wright, Midland

