



SHELL OIL COMPANY

WESTERN DIVISION
P. O. BOX 1509
MIDLAND, TEXAS 79701

October 13, 1967

Subject: Application for Exception
to Rule 309-B

New Mexico Oil Conservation Commission
Post Office Box 2088
Santa Fe, New Mexico 87501

OCT 17 1967

Gentlemen:

Shell Oil Company hereby makes application for administrative approval to commingle before marketing production from the Hodges-Federal (S/2, Section 23 and S/2, Section 24, T-8-S, R-30-E) and the Hodges-Federal "C" (SW/4, Section 22, T-8-S, R-30-E) leases, Cato Field, Chaves County, New Mexico.

We propose to commingle without separately metering the production from each lease, as both leases are filed under State No. NM-3519 and royalty interests are common throughout. Allocation of production from each well and each lease will be based on monthly well tests.

All wells produce from the same zone with similar gravities; therefore, no change in the commercial value of the production is anticipated.

Attached for your consideration are a lease plat, schematic diagram of the proposed installation, and letters from all parties owning an interest in the leases and the purchaser of the production consenting to the proposed commingling. If additional information is required, please contact this office.

Yours very truly,


J. E. R. Sheeler
Division Production Manager

RJC:ERW

Attachments

SHELL OIL COMPANY

WESTERN DIVISION
P. O. BOX 100
SILVER PLATE, TEXAS



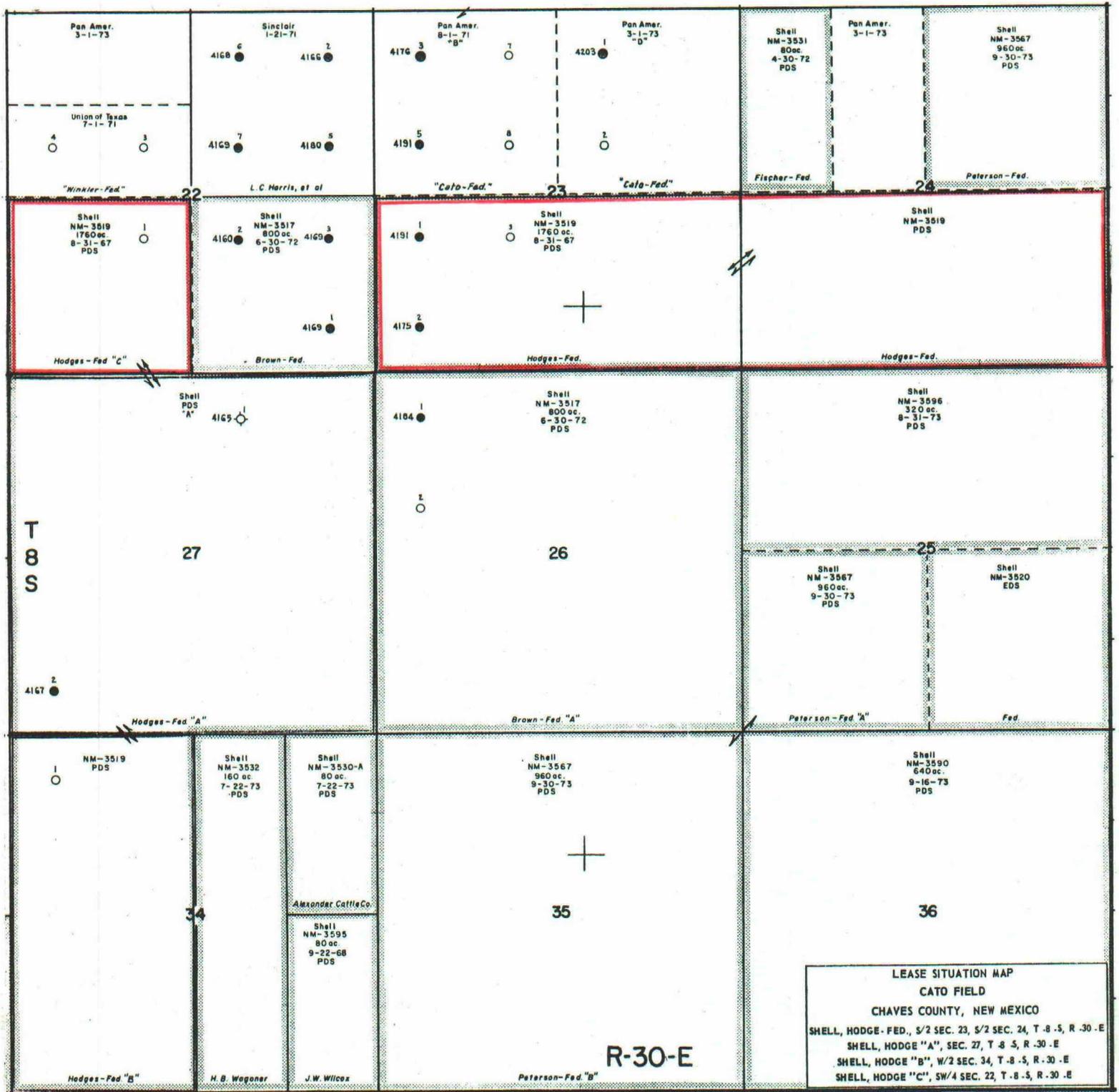
Dear Sirs:

Reference is made to your letter of the 10th instant regarding the above captioned matter.

The enclosed herewith is a copy of the report of the committee on the subject of the above captioned matter.

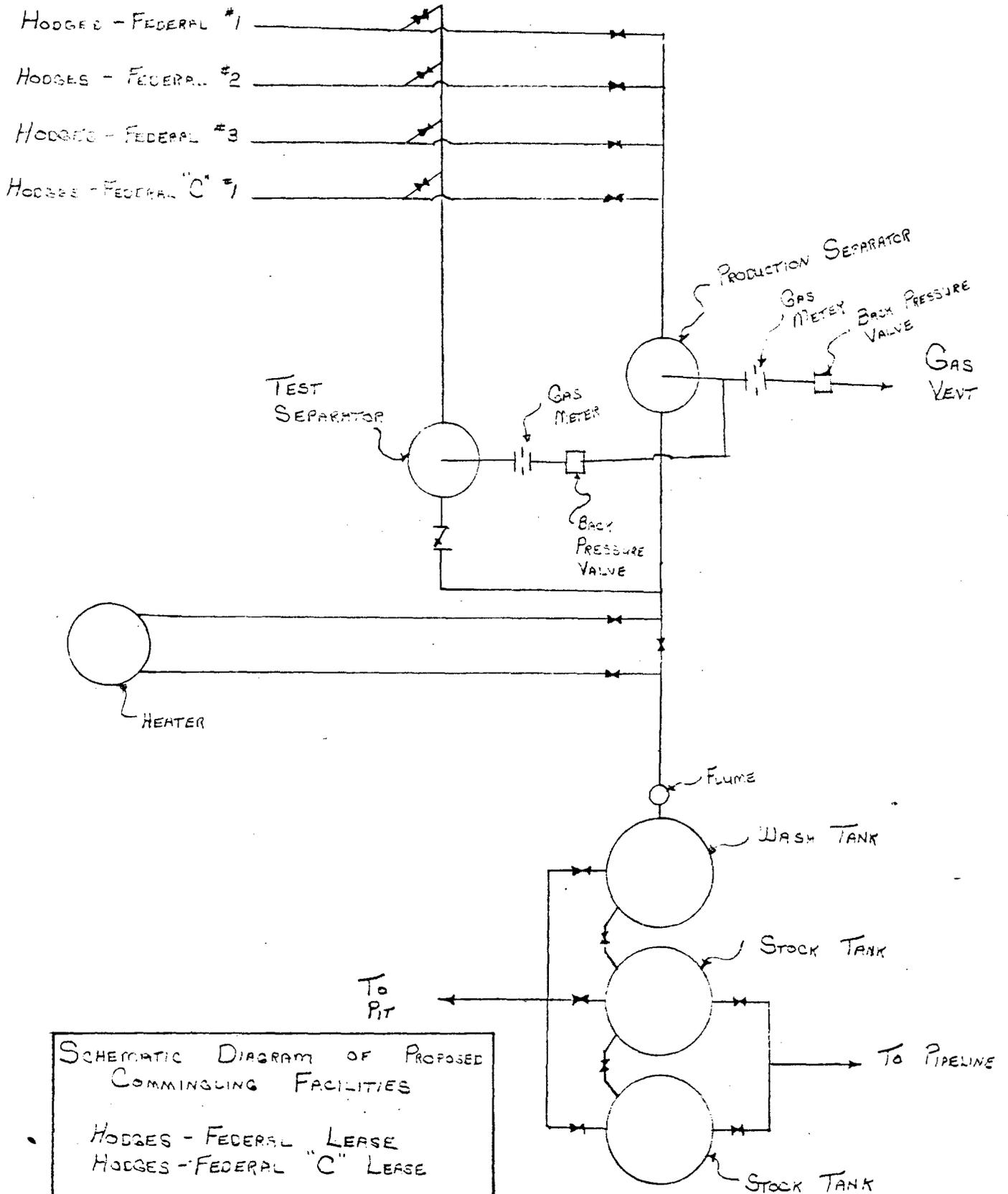
The committee has concluded that the above captioned matter should be handled in the manner suggested in the report.

Very truly yours,
[Signature]



R-30-E

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 "A", SEC. 27, T-8-S, R-30-E
 SHELL, HODGE "B", W/2 SEC. 34, T-8-S, R-30-E
 SHELL, HODGE "C", SW/4 SEC. 22, T-8-S, R-30-E



SCHEMATIC DIAGRAM OF PROPOSED
 COMMINGLING FACILITIES

HODGES - FEDERAL LEASE
 HODGES - FEDERAL "C" LEASE

CATS FIELD

CHAVES COUNTY, NEW MEXICO



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Drawer 1857
Roswell, New Mexico 88201

September 13, 1967

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

Attention: Mr. J. E. R. Sheeler

Gentlemen:

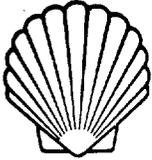
Your application of August 30, 1967, to the Bureau of Land Management, Santa Fe, New Mexico requesting approval to commingle production on Federal leasehold New Mexico 022636 has been referred to this office.

Your application advises that Shell has designated various portions of lease New Mexico 022636 as the Hodge-Federal, Hodge-Federal A, B, and C and you are requesting approval to commingle San Andres production from these portions of the leasehold. Although Shell has given the lease separate designations, it still remains one Federal lease and approval to commingle production from a single formation on one Federal leasehold is not required.

This office has no objection to commingling San Andres production from the portions of leasehold New Mexico 022636 Shell has designated as the Hodge-Federal and Hodge-Federal A, B, and C.

Sincerely yours,

BILLY J. SHOGER
Acting Oil and Gas Supervisor



SHELL OIL COMPANY

WESTERN DIVISION
P. O. BOX 1509
MIDLAND, TEXAS 79701

August 30, 1967

Re: Hodge-Federal Lease, S 1/2
Section 23 and S 1/2 Section 24
Hodge-Federal "A" Lease, Section 27
Hodge-Federal "B" Lease W 1/2 Section 24
Hodge-Federal "C" Lease SW 1/4 Section 22
T-8-S, R-30-E
Chaves County, New Mexico

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

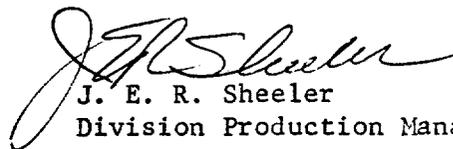
Gentlemen:

Shell Oil Company proposes to commingle production from the subject leases into a common tank battery. All of the leases are filed under State No. N.M. 3519 and U.S.G.S. Serial No. N.M. 022636 with common royalty interests throughout. The leases have been given separate designations within Shell Oil Company for convenience in well nomenclature.

All wells produce from the same pool with similar gravities; therefore, no change in the commercial value of the production is anticipated.

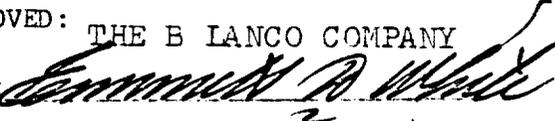
In order to support Shell's application to the New Mexico Oil Conservation Commission for approval to commingle this production, we would appreciate your indicating your approval in the space provided below and returning two copies to this office.

Yours very truly,


J. E. R. Sheeler
Division Production Manager

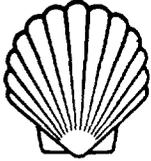
RJC:CW

APPROVED: THE BLANCO COMPANY

By: 

Title: President

Date: 9-1-67



SHELL OIL COMPANY

WESTERN DIVISION
P. O. BOX 1509
MIDLAND, TEXAS 79701

August 30, 1967

Production	Services
418 RCG	168 MWC
419 KWT	111 DRL
419 JRC	111 ECH
419 JRC	117 PSB
408 JRC	12 HWJ
408 JRC	111 HJH
408 JRC	111 AJO
408 JRC	111 LIT
408 JRC	111 BTB
408 JRC	111 KAC
408 JRC	111 MAW
408 JRC	111 WWS
420 JRC	111 DCG
400 JRC	111 ORS
411	111 SOT
	File 10

Re: Hodge^s-Federal Lease, S 1/2
Section 23 and S 1/2 Section 24
Hodge^s-Federal "A" Lease, Section 27
Hodge^s-Federal "B" Lease W 1/2 Section 34
Hodge^s-Federal "C" Lease SW 1/4 Section 22
T-8-S, R-30-E
Chaves County, New Mexico

Mr. L. B. Hodges^s
P. O. Box ~~671~~ 489
Roswell, New Mexico 88201

Dear Mr. Hodges^s:

Shell Oil Company proposes to commingle production from the subject leases into a common tank battery. All of the leases are filed under State No. N.M. 3519 and U.S.G.S Serial No. N.M. 022636 with common royalty interests throughout. The leases have been given separate designations within Shell Oil Company for convenience in well nomenclature.

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Yours very truly,

J. E. R. Sheeler
Division Production Manager

RJC:CW

APPROVED:

By:

Title: _____

Date: 9-1-67

L. B. Hodges
P. O. Box 489
Roswell, N. M. 88201

SCURLOCK OIL COMPANY
HOUSTON CLUB BUILDING
HOUSTON, TEXAS

Mu 3-1092

October 5, 1967

RECEIVED	
Raw Material Supply	
JOURNAL	
OCT 6 1967	
SEARCHED	INDEXED
SERIALIZED	FILED
JCH	TCM
TEA	CPA
CC	BB
Call-up	
Discuss	
File	

Address reply to:
414 Mid America Bldg.
Midland, Texas 79701

Shell Oil Company
Houston-Midland Raw Material Supply
Box 1509
Midland, Texas

Reference: Hodges Fed. and Hodges Fed. "C" Leases
Cato (San Andres) Field, Chaves Co., N.M.

Gentlemen:

We understand that you plan to propose to commingle production from the two referenced leases into common tankage. Scurlock Oil Company is the purchaser of production from these leases and wish to advise you that we have no objections to purchasing oil from the commingled storage. If we can assist you in any way, please let us know.

Very truly yours,

SCURLOCK OIL COMPANY


V.G. Brown

VGB/ki

cc/Houston