

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO

December 10, 1965

Shell Oil Company
P. O. Box 1509
Midland, Texas 79704

Attention: Mr. J. E. R. Sheeler

Administrative Order PIC-23

Gentlemen:

Reference is made to your application dated November 9, 1965, wherein you request authority to commingle Upper Pennsylvanian and Lower Pennsylvanian production, East Hightower Field, from your HT State, HIA State, and HTB State Leases in Sections 25 and 36, Township 12 South, Range 33 East, and Section 31, Township 12 South, Range 34 East, Lea County, New Mexico, after separately metering the production from each pool and each lease. Temporary authority for said commingling was authorized by our telegram of November 8, 1965.

Pursuant to the authority granted me under the provisions of Rule 303 (b) and Rule 309-B of the Commission Rules and Regulations, you are hereby authorized to commingle the production from the aforesaid pools and leases in the above-described manner. Provided, however, that the installation shall be operated in accordance with the provisions of the Commission Manual for the Installation and Operation of Commingling Facilities, including the requirement for non-reset counters on the meters. You are also requested to notify the Hobbs District Office of the Commission at such time as the installation is complete in order that an inspection may be made of the installation prior to putting it in operation if this has not already been done.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP:DSW:sg

cc: Oil Conservation Commission (with enclosure) - Hobbs
Oil & Gas Engineering Committee - Hobbs

State Land Office - Santa Fe

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OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO

December 20, 1965

C
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Shell Oil Company
P. O. Box 1509
Midland, Texas 79704

Attention: Mr. J. E. R. Sheeler

Amendment
Administrative Order PLC-23

Gentlemen:

Reference is made to Administrative Order PLC-23 dated December 10, 1965, which authorized the commingling of Upper Pennsylvanian and Lower Pennsylvanian production, East Hightower Field, from your HT State, HTA State, and HTB State Leases in Sections 25 and 36, Township 12 South, Range 33 East, and Section 31, Township 12 South, Range 34 East, Lea County, New Mexico, after separately metering the production from each pool and each lease.

It is our understanding that you propose to meter the Lower Pennsylvanian production from the HTB State Lease and also the Upper Pennsylvanian production from the HTA State Lease, and then to determine the Upper Pennsylvanian production from the HT State Lease by means of the subtraction method.

We have confirmed with the Commissioner of Public Lands that the royalty beneficiary of the three leases is common throughout so that the subtraction method will in this case be satisfactory. Administrative Order PLC-23 is therefore hereby amended to permit commingling as outlined above.

Very truly yours,

A. L. PORTER, Jr.
SECRETARY-DIRECTOR

ALP:DSN:sg

cc: Oil Conservation Commission - Hobbs
Oil & Gas Engineering Committee - Hobbs
State Land Office - Santa Fe

DOMESTIC SERVICE	
Check the class of service desired; otherwise this message will be sent as a fast telegram	
TELEGRAM	
DAY LETTER	
NIGHT LETTER	

\$
S
E

WESTERN UNION TELEGRAM

1206 (4-55)

W. P. MARSHALL, PRESIDENT

INTERNATIONAL SERVICE	
Check the class of service desired; otherwise the message will be sent at the full rate	
FULL RATE	
LETTER TELEGRAM	
SHORE-SHIP	

NO. WDS.-CL. OF SVC.	PD. OR COLL.	CASH NO.	CHARGE TO THE ACCOUNT OF	TIME FILED
	COLLECT			

Send the following message, subject to the terms on back hereof, which are hereby agreed to

NOVEMBER 8, 1965

**J. E. R. SHEELER
SHELL OIL COMPANY
MIDLAND, TEXAS**

SHELL HEREBY GRANTED AUTHORITY TO COMINGLE UPPER AND LOWER PENN PRODUCTION FROM HT STATE, HTA STATE, AND HTB STATE LEASES FOR PERIOD OF 30 DAYS PENDING WRITTEN APPLICATION AND APPROVAL. INSTALLATION TO COMPLY WITH SCHEMATIC DIAGRAM SENT TO LAND COMMISSIONER OCTOBER 20. COMINGLING ORDER NUMBER IS PLC-23.

**A. L. PORTER, Jr.
SECRETARY-DIRECTOR
N. M. OIL CONSERVATION COMMISSION**

ALL MESSAGES TAKEN BY THIS COMPANY ARE SUBJECT TO THE FOLLOWING TERMS:

To guard against mistakes or delays, the sender of a message should order it repeated, that is, telegraphed back to the originating office for comparison. For this, one-half the un-repeated message rate is charged in addition. Unless otherwise indicated on its face, this is an un-repeated message and paid for as such, in consideration whereof it is agreed between the sender of the message and the Telegraph Company as follows:

1. The Telegraph Company shall not be liable for mistakes or delays in the transmission or delivery, or for non-delivery, of any message received for transmission at the un-repeated-message rate beyond the sum of five hundred dollars; nor for mistakes or delays in the transmission or delivery, or for non-delivery, of any message received for transmission at the repeated-message rate beyond the sum of five thousand dollars, unless specially valued; nor in any case for delays arising from unavoidable interruption in the working of its lines.

2. In any event the Telegraph Company shall not be liable for damages for mistakes or delays in the transmission or delivery, or for the non-delivery, of any message, whether caused by the negligence of its servants or otherwise, beyond the actual loss, not exceeding in any event the sum of five thousand dollars, at which amount the sender of each message represents that the message is valued, unless a greater value is stated in writing by the sender thereof at the time the message is tendered for transmission, and unless the repeated-message rate is paid or agreed to be paid and an additional charge equal to one-tenth of one per cent of the amount by which such valuation shall exceed five thousand dollars.

3. The Telegraph Company is hereby made the agent of the sender, without liability, to forward this message over the lines of any other company when necessary to reach its destination.

4. The applicable tariff charges on a message destined to any point in the continental United States listed in the Telegraph Company's Directory of Stations cover its delivery within the established city or community limits of the destination point. Beyond such limits and to points not listed in the Telegraph Company's Directory of Stations, the Telegraph Company does not undertake to make delivery but will endeavor to arrange for delivery by any available means as the agent of the sender, with the understanding that the sender authorizes the collection of any additional charge from the addressee and agrees to pay such additional charge if it is not collected from the addressee.

5. No responsibility attaches to the Telegraph Company concerning messages until the same are accepted at one of its transmitting offices; and if a message is sent to such office by one of the Telegraph Company's messengers, he acts for that purpose as the agent of the sender; except that when the Telegraph Company sends a messenger to pick up a message, the messenger in that instance acts as the agent of the Telegraph Company in accepting the message, the Telegraph Company assuming responsibility from the time of such acceptance.

6. The Telegraph Company will not be liable for damages or statutory penalties when the claim is not presented in writing to the Telegraph Company, (a) within ninety days after the message is filed with the Telegraph Company for transmission in the case of a message between points within the United States (except in the case of an intrastate message in Texas) or between a point in the United States on the one hand and a point in Alaska, Canada, Mexico, or St. Pierre-Miquelon Islands on the other hand, or between a point in the United States and a ship at sea or in the air, (b) within 95 days after the cause of action, if any, shall have accrued in the case of an intrastate message in Texas, and (c) within 180 days after the message is filed with the Telegraph Company for transmission in the case of a message between a point in the United States and a foreign or overseas point other than the points specified above in this paragraph; provided, however, that this condition shall not apply to claims for damages or overcharges within the purview of Section 415 of the Communications Act of 1934, as amended.

7. It is agreed that in any action by the Telegraph Company to recover the tolls for any message or messages the prompt and correct transmission and delivery thereof shall be presumed, subject to rebuttal by competent evidence.

8. Special terms governing the transmission of messages according to their classes, as enumerated below, shall apply to messages in each of such respective classes in addition to all the foregoing terms.

9. No employee of the Telegraph Company is authorized to vary the foregoing.

4-54

CLASSES OF SERVICE

DOMESTIC SERVICES

TELEGRAM

The fastest domestic service.

DAY LETTER (DL)

A deferred same-day service, at low rates.

NIGHT LETTER (NL)

Economical overnight service. Accepted up to 2 A. M. for delivery the following morning; at rates lower than the Telegram or Day Letter rates.

INTERNATIONAL SERVICES

FULL RATE (FR)

The fastest overseas service. May be written in code, cipher, or in any language expressed in Roman letters.

LETTER TELEGRAM (LT)

For overnight plain language messages, at half-rate. Minimum charge for 22 words applies.

SHIP RADIOGRAM

For messages to and from ships at sea.

MAIN OFFICE
10 30 AM
5 NOV 4 1965
P 112
S.M. 11/4/65

November 3, 1965

Shell Oil Company
Post Office Box 1509
Midland, Texas

Attention: Mr. J. E. R. Sheeler

Re: State of New Mexico Oil and Gas
Leases OG-5373, K-3921, and K-2949
Your HTA State and HTB State Leases

Gentlemen:

HTF HTA HT

This letter is in reply to your request of October 20, 1965, to commingle production from New Mexico State Leases OG-5373, K-3921, and K-2949. Since it is difficult for us to ascertain which wells or leases are involved in a company named lease, we would be very appreciative if you, in the future, include a description of the acreage involved in your applications to commingle, and the State lease numbers involved.

With respect to your application to commingle production from the above described leases, please be informed that the Commissioner of Public Lands, within the authority granted to him, hereby grants his approval for commingling production between the subject leases as you outlined in your request of October 20, 1965.

This approval is subject to being withdrawn at the discretion of the Commissioner of Public Lands if he deems the operation to be either unprofitable or otherwise against the best interest of the State of New Mexico.

Very truly yours,

GUYTON B. HAYS
Commissioner of Public Lands

By

TED BILBERRY, Director
Oil and Gas Department

GBH/EB/TB/d

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

New Mexico Oil & Gas Accounting Commission
Post Office Box 450, Santa Fe, New Mexico

Oil and Gas Engineering Committee
Post Office Box 127, Hobbs, New Mexico

3



SHELL OIL COMPANY

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

November 9, 1965

RECEIVED
NOV 15 1965

PLC-23
[Handwritten signature]

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

Gentlemen:

We hereby request permission to commingle Upper and Lower Penn production on the HT State, HTA State, and HTB State Leases, East Hightower Field, Lea County, New Mexico. It is proposed to gather production from these leases and zones into a tank battery shown on the attached schematic. The HT State No. 1 is completed in the Upper Penn formation. The HTA State No. 1 is nearing completion as an Upper Penn well. The HTB State No. 1, yet to be drilled, will have a Lower Penn objective.

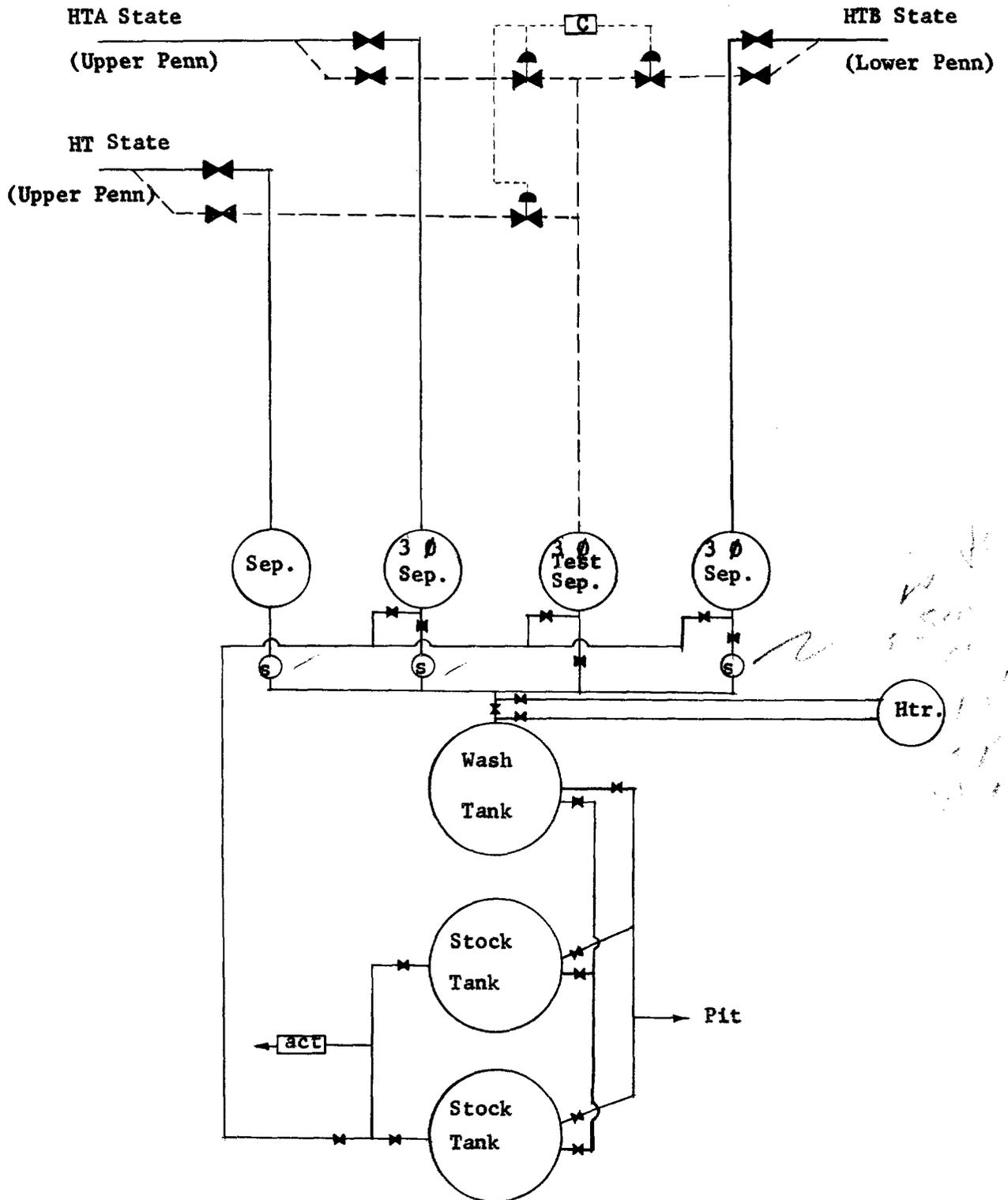
Due to the State Land Commission requiring separate and continuous metering for lease as well as zone commingling, the enclosed schematic should satisfy all N.M.O.C.C. requirements. The oil gravity from both the Upper and Lower Penn should be the same. Therefore, no change in revenue is expected from the proposed commingling.

Yours very truly,
J. E. R. Sheeler
J. E. R. Sheeler
Division Production Manager

Enclosures

204

Commingling Schematic
HT STATE, HTA STATE, HTB STATE LEASES
East Hightower Field



R - 33 - E

Shell

Shell 1/2

25

Amerada
HBP

Shell
"HT"
2-18-74

Pan American

Shell
4-2-69

State HT-1



State

State

T
12
S



Louissena Co. 1/2

State HTA-1

Proposed
Location

Shell
9-17-73

Shell
HTA
2-18-74

Shell
4-20-69

Amerada
HBP

U.S.

State

36

State

LEASE OWNERSHIP MAP
LEA CO., NEW MEXICO
STATE HT & HTA LEASES

State of New Mexico

Commissioner of Public Lands



November 3, 1965

GUYTON B. HAYS
COMMISSIONER

NOV 5 1965

RECEIVED

U.S. MAIL

3573

G. B. HAYS

P. O. BOX 1148
SANTA FE, NEW MEXICO

Shell Oil Company
Post Office Box 1509
Midland, Texas 79704

Attention: Mr. J. E. R. Sheeler

Re: State of New Mexico Oil and Gas
Leases OG-5373, K-3921, and K-2949
Your HTA State and HTB State Leases

Gentlemen:

This letter is in reply to your request of October 20, 1965, to commingle production from New Mexico State Leases OG-5373, K-3921, and K-2949. Since it is difficult for us to ascertain which wells or leases are involved in a company named lease, we would be very appreciative if you, in the future, would include a description of the acreage involved in your applications to commingle, and the State lease numbers involved.

With respect to your application to commingle production from the above described leases, please be informed that the Commissioner of Public Lands, within the authority granted to him, hereby grants his approval for commingling production between the subject leases as you outlined in your request of October 20, 1965.

This approval is subject to being withdrawn at the discretion of the Commissioner of Public Lands if he deems the operation to be either unprofitable or otherwise against the best interest of the State of New Mexico.

Very truly yours,

GUYTON B. HAYS
Commissioner of Public Lands

By *Ted Bilberry*
TED BILBERRY, Director
Oil and Gas Department

GBH/EB/TB/d

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

New Mexico Oil & Gas Accounting Commission
P. O. Box 450, Santa Fe, New Mexico

Oil and Gas Engineering Committee
P. O. Box 127, Hobbs, New Mexico



SHELL OIL COMPANY

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

October 20, 1965

Subject: Commingling of Leases and Zones.
East Hightower Field, Lea County,
New Mexico.

State of New Mexico
Commissioner of Public Lands
P. O. Box 1148
Santa Fe, New Mexico

Attention: Mr. Guyton B. Hays

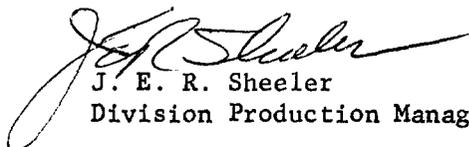
Gentlemen:

We hereby request permission to commingle, by zone and lease, the HT State, HTA State, and HTB State leases in the subject field. Permission to commingle the HT State and HTA State leases has been previously requested for the Upper Penn production zone. This zone was erroneously referred to as the Wolfcamp in the previous application. The HT State No. 1 is completed in the Upper Penn formation. The HTA State No. 1, presently being drilled, has an Upper Penn objective. However, this well may be completed as a Lower Penn producer if warranted. The HTB State No. 1, yet to be drilled, will have a Lower Penn objective.

Due to the State Land Commission requiring separate and continuous metering for lease commingling from a common zone, the enclosed schematic should serve both lease commingling and/or zone commingling. The oil gravity from both the Upper and Lower Penn should be the same; therefore, no change in revenue is expected from commingling by zone or lease. A test separator will be installed as shown when more than one well is completed on any of the three leases. Samplers will be installed behind the three production separators and a meter proving line will be installed to prove the separators by strapping a stock tank.

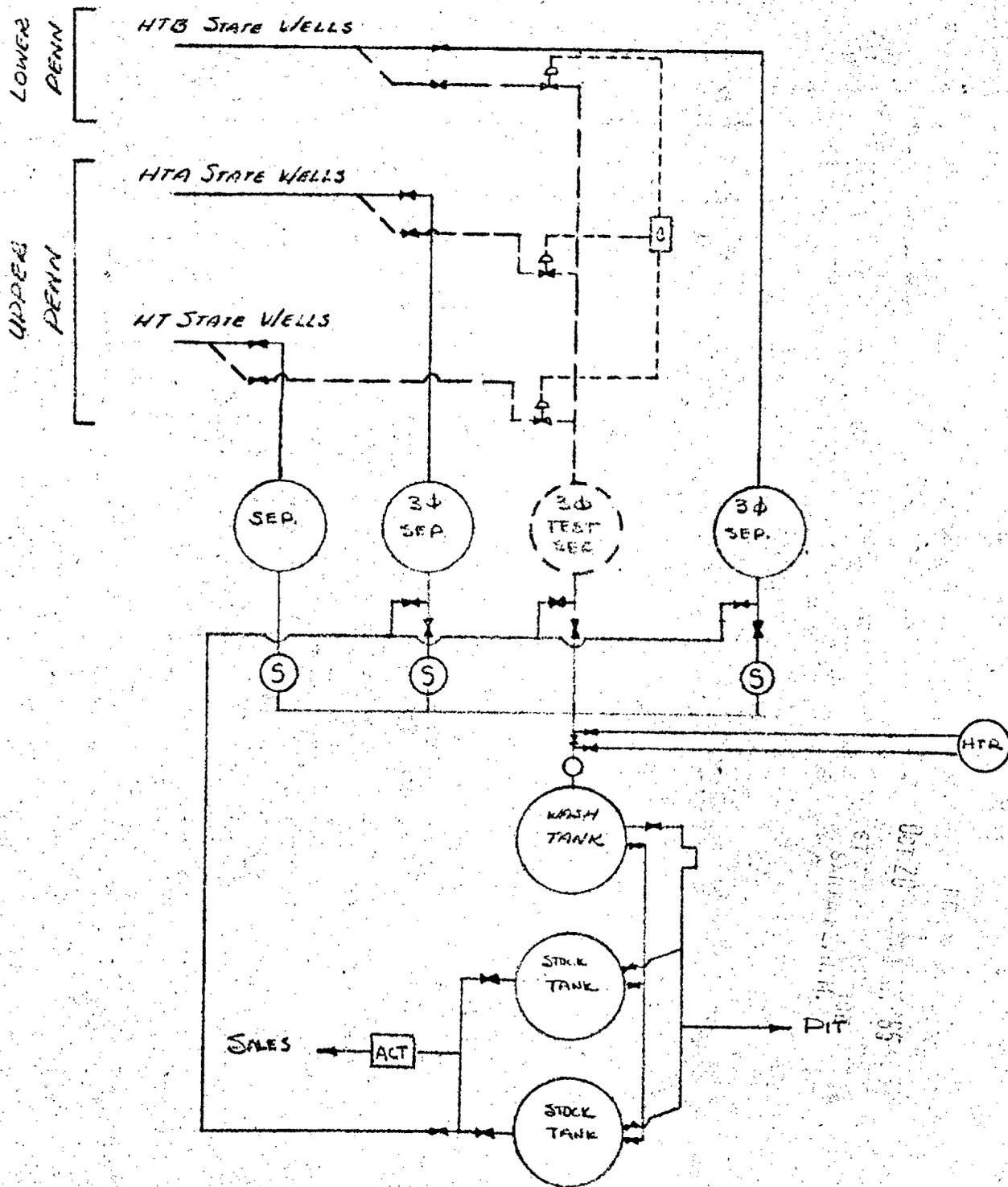
If you need further information, please contact Mr. C. D. Haynes at our Midland office.

Yours very truly,


J. E. R. Sheeler
Division Production Manager

Enclosures

Oct 20 10 50 AM '65
STATE OF NEW MEXICO
SANTA FE, N.M.



SCHEMATIC OF COMMINGLED FACILITIES
 HT STATE, HTA STATE, & HTB STATE
 LEASES
 E. HIGHTOWER FIELD
 LEA COUNTY, N.M.

HTB-100-5373

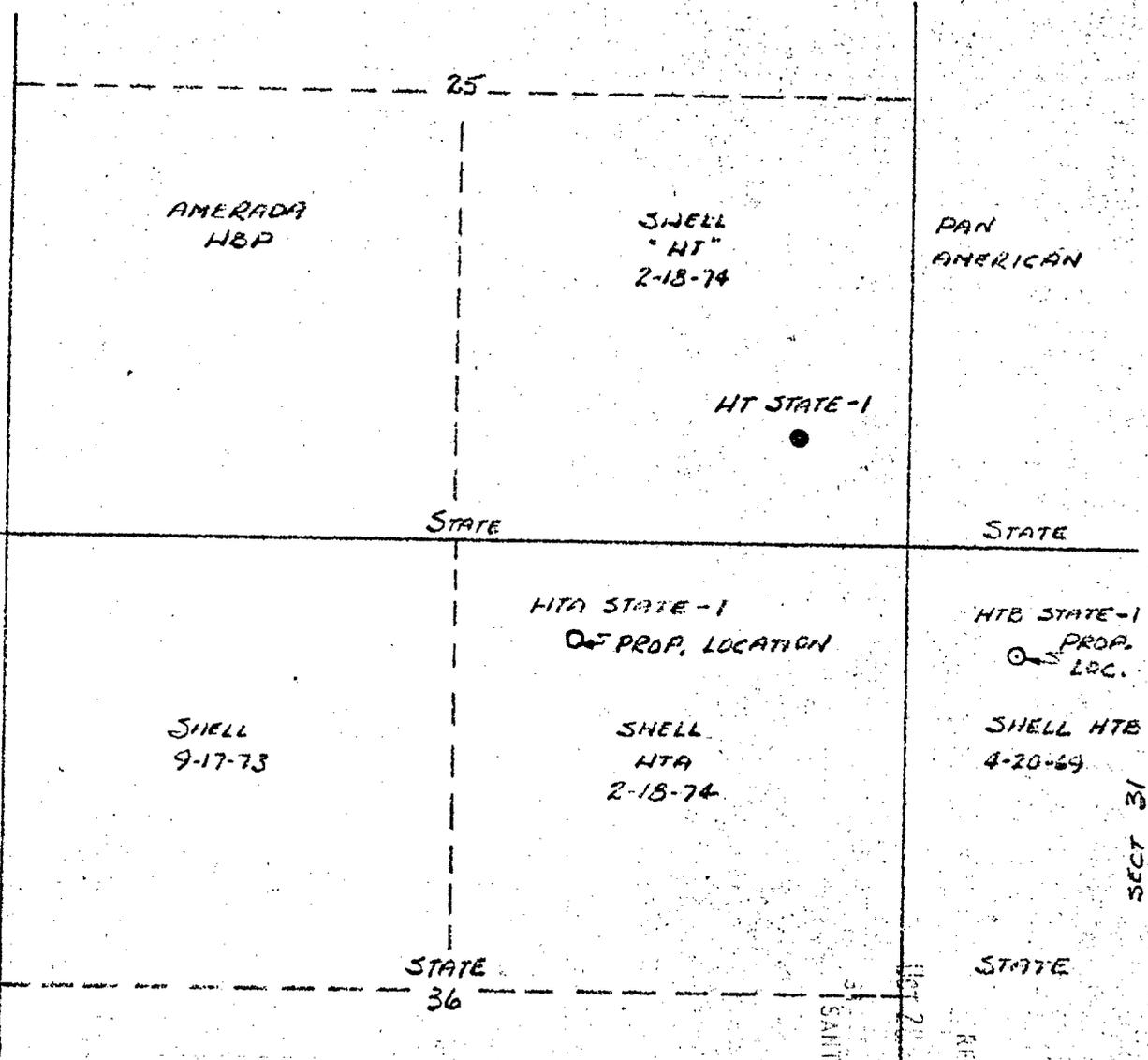
HTA - K-5001

HT - K-2949

R-33-E

R-34-E

SHELL



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12
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STATE

STATE

HTA STATE-1
OF PROP. LOCATION

HTB STATE-1
PROP. LOC.

SHELL
9-17-73

SHELL
HTA
2-18-74

SHELL HTB
4-20-69

SECT 31

STATE
36

STATE

SALITATE, N. M.

MAY 21 1965

LEASE OWNERSHIP MAP
HT STATE, HTA STATE, HTB STATE
LEASES
LEA COUNTY, N. MEXICO