

CASE 2113: Application of SHELL for
amendment of ORDER NO. R-1101-A to
include its LINAM LEASE.

Case No.

2113

Application, Transcript,
Small Exhibits, Etc.

DRAFT

RSM/esr
November 3

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 2113
Order No. R-1815

APPLICATION OF SHELL OIL COMPANY
FOR AN AMENDMENT OF ORDER R-1101-A
TO INCLUDE AN ADDITIONAL LEASE
UNDER THE TERMS OF SAID ORDER.

in the Pearl Green Pool, Lea County, New Mexico,

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on
November 2, 1960, at Santa Fe, New Mexico, before Elvis A. Utz,
Examiner duly appointed by the Oil Conservation Commission of New
Mexico, hereinafter referred to as the "Commission," in accordance
with Rule 1214 of the Commission Rules and Regulations.

NOW, on this _____ day of November, 1960, the Commission,
a quorum being present, having considered the application, ~~the~~
~~and the recommendations of the Examiner, Elvis A. Utz~~
Utz, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by
law, the Commission has jurisdiction of this cause and the subject
matter thereof.

(2) That the applicant, Shell Oil Company, has requested
that Case No. 2113 be dismissed.

IT IS THEREFORE ORDERED:

That Case No. 2113 be and the same is hereby dismissed.

DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

OIL CONSERVATION COMMISSION
P. O. BOX 871
SANTA FE, NEW MEXICO

*Ida -
hold this -
I think it will
be docketed for
hearing*

October 6, 1960

C
O
P
Y

Shell Oil Company
P. O. Box 845
Roswell, New Mexico

Attention: Mr. R. L. Rankin

Gentlemen:

Reference is made to your letter of October 4, 1960, wherein you have requested administrative approval to amend Order No. R-1101-A to include your Linam lease in the existing automatic custody facilities which you operate in the Pearl-Queen Pool, Lea County, New Mexico.

We regret to inform you that under existing rules it will be impossible to amend Order No. R-1101-A without notice and hearing.

Please advise us if you wish us to consider the subject letter as a request for hearing. If so the case will be docketed for hearing on the first available docket, probably early in November.

Very truly yours,

DANIEL S. NUTTER
Chief Engineer

DSN/og

*Docketed
Mailed
10-19-60
[Signature]*

*Copy 2/13
Shall cancel and
requested that we
docket this
application
Nov. 1960. Set
will
file
formal
application*



MAIN OFFICE SHELL OIL COMPANY

1960 OCT 15 AM 10 13

P. O. Box 845
Roswell, New Mexico

October 4, 1960

Subject: Administrative Approval to
Amend Order No. R-1101-A

AIR MAIL - SPECIAL DELIVERY

New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Attention Mr. A. L. Porter, Jr.

Gentlemen:

We request Administrative approval to amend Order No. R-1101-A, which permitted commingling of production from certain Shell leases in the Pearl Queen Field, to include Shell's Linam Lease. This recently acquired lease consists of 80 acres in the NW/4 of the NE/4 and NE/4 of the NW/4, Section 3, T-20-S, R-35-E. We are currently drilling a well and anticipate two Queen completions on this lease.

A remote facility, equipped identical to our existing facilities in the Pearl Field, is proposed for the Linam Lease. The major components will be a free water knock-out, a separator, metering equipment, surge tank, and a pump to automatically transfer the oil and water to the central battery for subsurface salt water disposal, treating and automatic custody transfer. Production from this lease will be continuously metered through a P. D. meter and an automatic sampler will be installed to determine the BS&W content. Enclosed is a plat showing Shell's leases in the Pearl Field and a drawing of the proposed equipment.

Since the proposed metering installation is identical to that being employed for measuring production on 15 Shell leases in the Pearl Field and since there have been two formal hearings covering this system, we are requesting Administrative approval for the addition of this two-well lease to the Shell leases already listed in the subject order. In addition, early approval will eliminate the necessity of building a temporary storage battery for this lease. Commingling this production into our existing facilities will reduce weathering losses from long storage periods, as the oil will have to be hauled from this location. The proposed system will also reduce operating and maintenance costs which will result in an increase in the recoverable reserves.

Case 9113

Dan -
Call these people &
advise that we have no
procedure for admin.
approval of such
a request.

N.M.O.C.C.

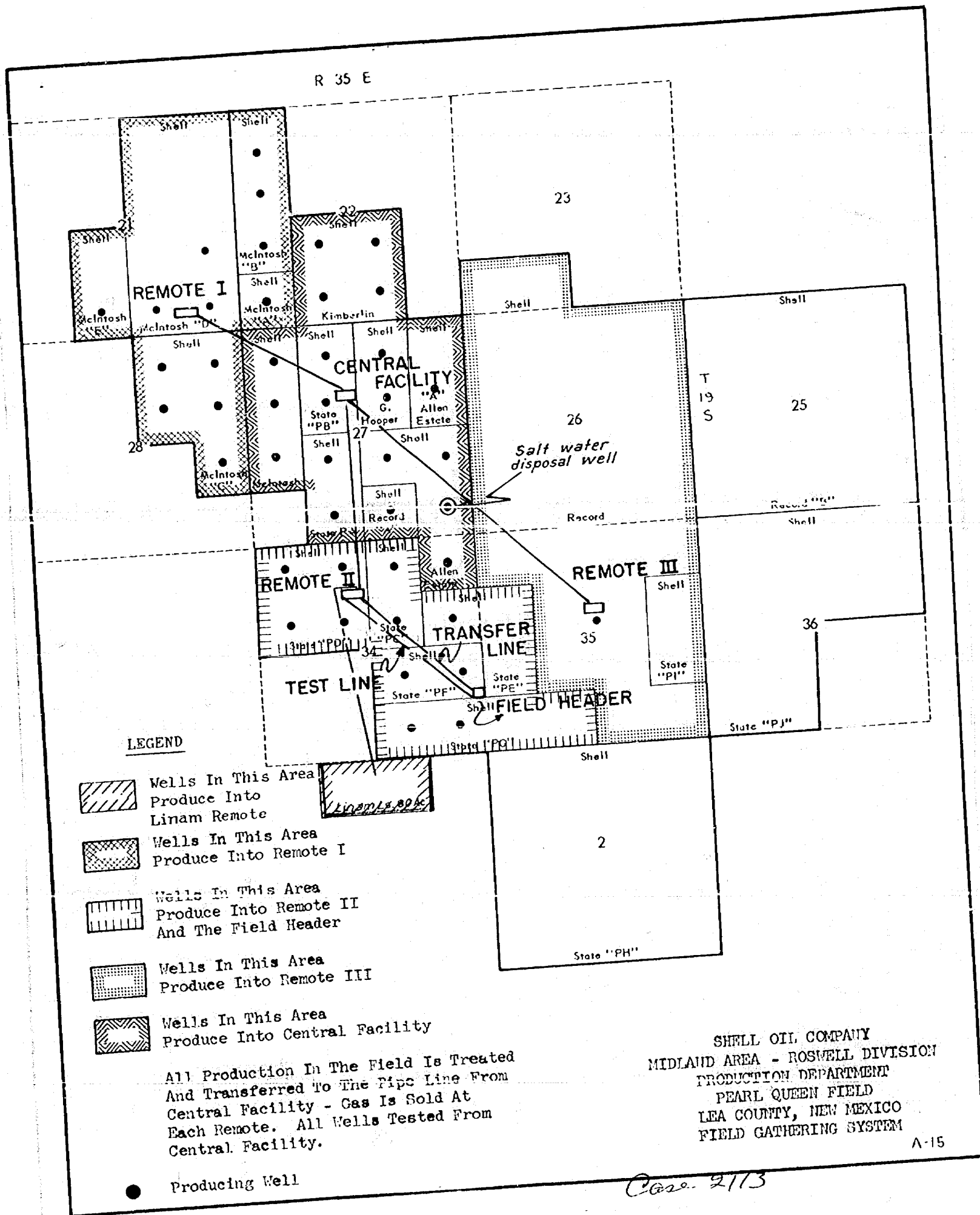
2

All offset operators and the royalty owner have been notified
of this application by Certified Mail.

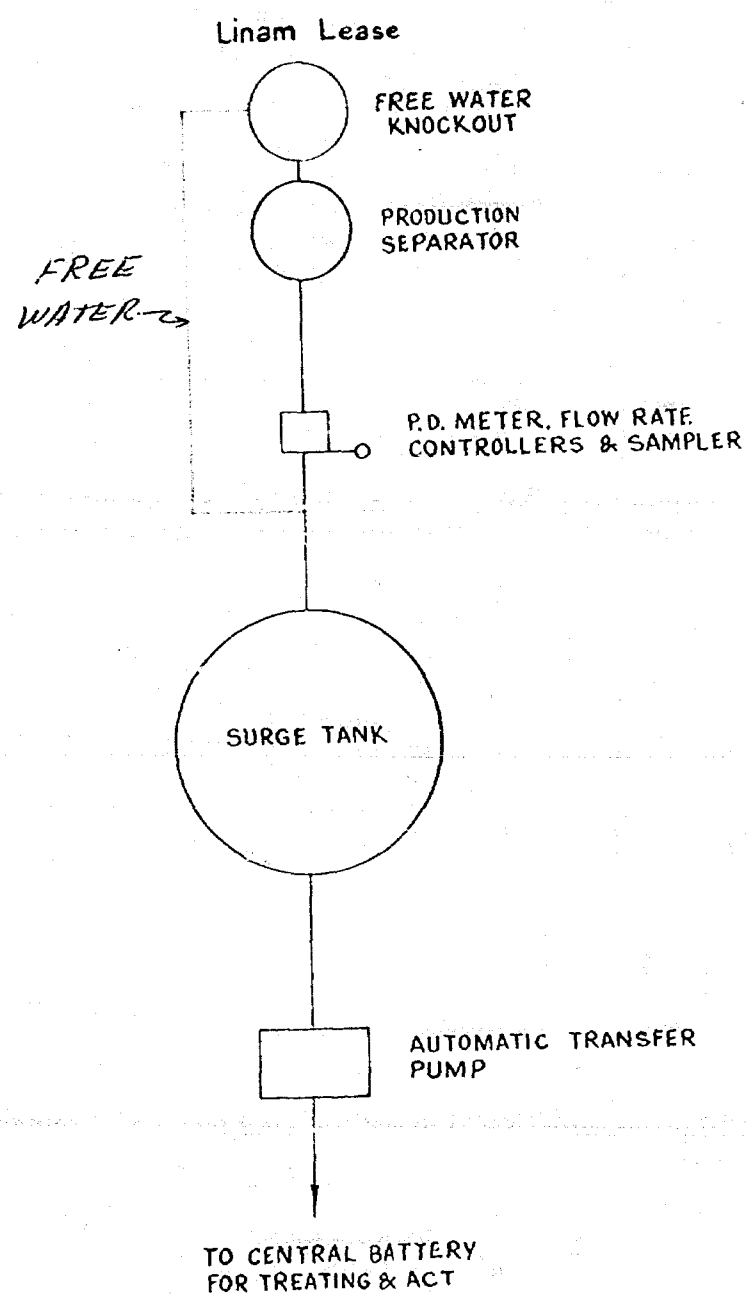
Yours very truly,

A handwritten signature in cursive script, appearing to read "R. L. Rankin".

R. L. Rankin
Division Production Manager



PROPOSED REMOTE FACILITY LEASE CONNECTED TO REMOTE FACILITY III



LINAM REMOTE
SHELL OIL CO.
PEARL QUEEN FIELD
Data: R.L.S. Drawn by: J.F.J.
A-13

J. O. SETH
A. K. MONTGOMERY
OLIVER SETH
WM. FEDERICI
FRANK ANDREWS
FRED C. HANNAHS
GEORGE A. GRAHAM, JR.

1960 OCT 27

SETH, MONTGOMERY, FEDERICI & ANDREWS
ATTORNEYS AND COUNSELORS AT LAW
301 DON GASPAR AVENUE
SANTA FE, NEW MEXICO

October 26, 1960

MAIL OFFICE CCC
1960 OCT 27
POST OFFICE BOX 828
TELEPHONE YU 3-7315

Oil Conservation Commission
State of New Mexico
Capitol Building
Santa Fe, New Mexico

Re: Case No. 2113

Gentlemen:

This letter is written with reference to the application of Shell Oil Company to commingle production from the Linam Lease with other production in the Pearl Queen Pool. Shell Oil Company does not wish to proceed with this application at the present time and this letter constitutes a dismissal of the Application of Shell Oil Company in the above entitled case No. 2113.

Very truly yours,



OS:mc

SECRET: EXAMINER HEARING, WEDNESDAY, NOVEMBER 2, 1960

Oil Conservation Commission - 9 a.m., Library Hall, State Capitol, Santa Fe, New Mexico

The following cases will be heard before Elvis A. Utz, Examiner, or Oliver E. Payne, Attorney, as alternate examiner:

CASE 2111: Application of Gulf Oil Corporation for a waterflood project. Applicant, in the above-styled cause, seeks permission to institute a waterflood project in the Lunom and South Eunice Pools by the injection of water into the Queen formation through six wells located in Sections 27 and 34, Township 21 South, Range 36 East, Lea County, New Mexico.

CASE 2112: Application of Potash Company of America for an extension of the Potash-oil area as set forth in Order No. R-111-A. Applicant, in the above-styled cause, seeks an extension of the potash-oil area to include the following acreage:

Section 14: S/2 NW/4, SW/4, W/2 SE/4, NE/4 SE/4, SW/4 NE/4

Section 15: E/2 SE/4

Section 22: NE/4 NE/4

Section 23: NW/4

all in Township 20 South, Range 29 East, Eddy County, New Mexico.

CASE 2113: Application of Shell Oil Company for an amendment of Order No. R-1101-A. Applicant, in the above-styled cause, seeks an amendment of Order No. R-1101-A to include its Linam Lease in the commingling authorization granted in said order. Said Linam Lease consists of the NW/4 NE/4 and NE/4 NW/4 of Section 3, Township 20 South, Range 35 East, Pearl-Queen Pool, Lea County, New Mexico.

CASE 2114: Application of Western Natural Gas Company for a 320-acre non-standard gas proration unit and for an unorthodox gas well location. Applicant, in the above-styled cause, seeks an order establishing a 320-acre non-standard gas proration unit in the Jalmat Gas Pool consisting of the E/2 of Section 24, Township 22 South, Range 36 East, Lea County, New Mexico. Applicant further proposes to dedicate said unit to a well located on an unorthodox location at a point 330 feet from the North line and 330 feet from the East line of said Section 24.

CASE 2115: Application of James G. Brown & Associates for permission to commingle the production from two separate leases. Applicant, in the above-styled cause, seeks an order permitting it to commingle the Saunders-Permo Pennsylvanian Pool production from the following portions of the following State leases:

L-8334, NW/4 SE/4 of Section 9

L-7353, SE/4 SE/4 of Section 9

Township 14 South, Range 33 East, Lea County, New Mexico.

CASE 2116: Application of Westates Petroleum Company for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Carlson L 26, Well No. 7, located in unit J, Section 26, Township 25 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of oil from an undersignated Paddock Pool and the production of oil from the Justis-Blinbry Pool through parallel strings of 2 3/8-inch tubing..

DOCKET NO. 32-60

-2-

CASE 2117: Application of Rice Engineering & Operating, Inc., for a salt water disposal well at an unorthodox location. Applicant, in the above-styled cause, seeks an order approving the disposal of produced salt water into the San Andres formation, Monument Pool, Lea County, New Mexico, through a well to be drilled 1485 feet from the South and West lines of Section 33, Township 19 South, Range 37 East.

Recommendations for Case 2113
Heard 11-2-60, Date 11-3-60

Dismiss as requested by Shell Council
Olive Beth,

[Signature]

GOVERNOR
JOHN BURROUGHS
CHAIRMAN

State of New Mexico
Oil Conservation Commission

LAND COMMISSIONER
MURRAY E. MORGAN
MEMBER



STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY DIRECTOR

P. O. BOX 871
SANTA FE

November 9, 1960

Mr. Oliver Seth
Box 828
Santa Fe, New Mexico

Re: Case No. 2113
Order No. R-1815
Applicant:

SHELL OIL COMPANY

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Very truly yours,

A. L. PORTER, Jr.,
Secretary-Director

ir/

Carbon copy of order also sent to:

Hobbs OCC
Artesia OCC
Aztec OCC

Other

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 2113
Order No. R-1815

APPLICATION OF SHELL OIL COMPANY
FOR AN AMENDMENT OF ORDER R-1101-A
TO INCLUDE AN ADDITIONAL LEASE IN
THE PEARL-QUEEN POOL, LEA COUNTY,
NEW MEXICO, UNDER THE TERMS OF
SAID ORDER.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on November 2, 1960, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 9th day of November, 1960, the Commission, a quorum being present, having considered the application and the recommendations of the Examiner, Elvis A. Utz, and being fully advised in the premises,

FINDS:

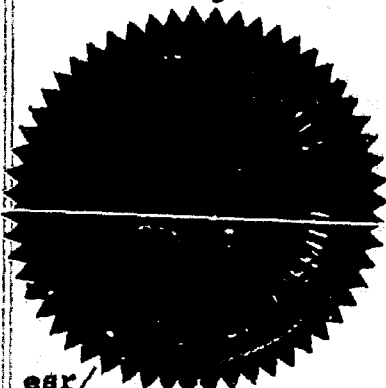
(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Shell Oil Company, has requested that Case No. 2113 be dismissed.

IT IS THEREFORE ORDERED:

That Case No. 2113 be and the same is hereby dismissed.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

John Burroughs
JOHN BURROUGHS, Chairman

Murray E. Morgan
MURRAY E. MORGAN, Member

A. L. Porter, Jr.
A. L. PORTER, Jr., Member & Secretary

esr/

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
November 2, 1960
Examiner Hearing
Case No. 2113

IN THE MATTER OF:)
)

Application of Shell Oil Company for)
an amendment of Order No. R-1101-A. Appli-)
cant, in the above-styled cause, seeks an)
amendment of Order No. R-1101-A, to)
include its Linam Lease in the commingling)
authorization granted in said order. Said)
Linam Lease consists of the NW/4 NE/4 and)
NE/4 NW/4 of Section 3, Township 20 South,)
Range 35 East, Pearl-Queen Pool, Lea)
County, New Mexico.)

BEFORE:

Elvis A. Utz, Examiner

TRANSCRIPT OF HEARING

MR. UTZ: Case 2113.

MR. PAYNE: Case 2113. Application of Shell Oil Company
for an amendment of Order No. R-1101-A.

MR. SETH: Oliver Seth for the Shell Oil Company. We
would like to dismiss this application, please. Apparently
nothing is commingled.

MR. UTZ: Are there objections to counsel's motion?
The case will be dismissed.



DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

STATE OF NEW MEXICO)
) ss
 COUNTY OF BERNALILLO)

I, LAWRENCE HOLMES, JR., Certified Shorthand Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission at Santa Fe, New Mexico, is a true and correct record to the best of my knowledge, skill and ability.

IN WITNESS WHEREOF, I have affixed my hand this 22nd
 day of November, 1960.

Lawrence Holmes Jr.
 CERTIFIED SHORTHAND REPORTER

I do hereby certify that the foregoing is
 a complete record of the proceedings in
 the Examiner hearing of Case No. 2113,
 heard by me on Nov. 2, 1960.

Wm. H. [Signature] Examiner
 New Mexico Oil Conservation Commission

