

Exhibit No. 1, 1761

A.P.

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. 2361
Order No. R-2099

APPLICATION OF SHELL OIL COMPANY
FOR AN EXCEPTION TO RULE 303 (a),
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on August 30, 1961, 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 18th day of October, 1961, the Commission, a quorum being present, having considered the application, the evidence adduced, 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, is the owner and operator of the Taylor Glenn Lease, comprising in pertinent part Lots 5, 6, 9, 10 and 11 in Section 3 and Lot 8 in Section 4, all in Township 21 South, Range 37 East, NMPM, Lea County, New Mexico.
- (3) That the applicant seeks permission to commingle the production from the Terry-Blinebry, Drinkard, and Hare Pools on the above-described Taylor Glenn Lease, and to allocate production on the basis of monthly well tests.
- (4) That all the oil wells on the subject lease are marginal in all pools from which they are producing at the present time.
- (5) That the subject application should be approved; provided however, that the Secretary-Director of the Commission may require that meters be installed on all zones in the event any well in any pool should become capable of producing top allowable.

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(6) That the subject installation should be operated in accordance with the Commission Manual for the Installation and Operation of Commingling Facilities.

IT IS THEREFORE ORDERED:

(1) That the applicant, Shell Oil Company, is hereby authorized to commingle the production from the Terry-Blinebry, Drinkard, and Hare Pools on the Taylor Glenn Lease, comprising in pertinent part Lots 5, 6, 9, 10 and 11 in Section 3 and Lot 8 in Section 4, all in Township 21 South, Range 37 East, NMPM, Lea County, New Mexico.

PROVIDED HOWEVER, That the commingled production shall be allocated on the basis of monthly well tests, and the results of such tests shall be submitted to the Commission.

PROVIDED FURTHER, That in the event any well in any pool should become capable of producing top allowable, the operator shall notify the Commission of such fact and the Secretary-Director of the Commission may require that meters be installed on all zones.

PROVIDED FURTHER, That the subject installation shall be operated in accordance with the Commission Manual for the Installation and Operation of Commingling Facilities.

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



EDWIN L. MECHEM, Chairman



E. S. WALKER, Member



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

S E A L

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