

Entered May 16, 1972
A. L. 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. 4711
Order No. R-4303

APPLICATION OF SHELL OIL
COMPANY FOR COMMINGLING,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on May 5, 1972, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 16th day of May, 1972, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, 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 operator of the State "K" Lease comprising the SE/4 of Section 19 and the State "VB" Com Lease comprising the W/2 NE/4 of Section 19, Township 17 South, Range 35 East, NMPM, North Vacuum Abo Pool, Lea County, New Mexico.

(3) That the applicant seeks authority to commingle the North Vacuum Abo oil production from said leases in a common tank battery located in the NW/4 SE/4 of Section 19 and to allocate production to the State "K" Lease by the subtraction method after separately metering production from the State "VB" Com Lease.

(4) That approval of the subject application will result in economic savings to the operator, prevent waste, and protect correlative rights, provided the installation of facilities for commingling production will permit the individual testing of each of the wells on the subject lease.

IT IS THEREFORE ORDERED:

(1) That the applicant, Shell Oil Company, is hereby authorized to commingle the North Vacuum Abo production from

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its State "K" Lease comprising the SE/4 of Section 19 and its State "VB" Com Lease comprising the W/2 NE/4 of Section 19 in a common tank battery located in the NW/4 SE/4 of Section 19, Township 17 South, Range 35 East, NMPM, North Vacuum Abo Pool, Lea County, New Mexico, and to allocate the production to the State "K" Lease by the subtraction method after separately metering the production from the State "VB" Com Lease.

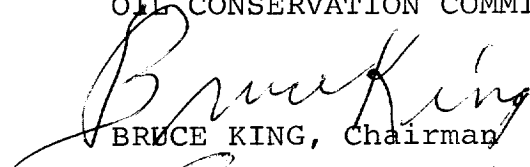
PROVIDED HOWEVER, that the facilities for said commingling of production shall be installed and maintained in a manner that will permit a determination of the producing capacity of each of the wells on the subject lease at least once each month;

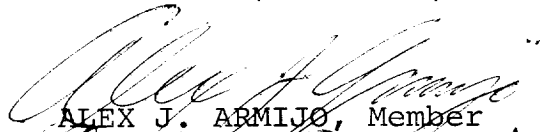
PROVIDED FURTHER, that the applicant shall conduct monthly productivity tests on each of the wells on the subject lease and shall file the results of said tests with the Commission's District Office at Hobbs, New Mexico, on Commission Form C-116 each month.


(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


BRUCE KING, Chairman


ALEX J. ARMIJO, Member


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

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