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. 934 Order No. R-680

THE APPLICATION OF SHELL OIL COMPANY REQUESTING APPROVAL TO COMMINGLE THE PRODUCTION OF SEPARATE LEASES INTO ONE CENTRAL TANK BATTERY IN EXCEPTION TO RULE 309 (a); SAID LEASES BEING LOCATED IN THE S/2 OF SECTION 12, TOWNSHIP 21 SOUTH, RANGE 37 EAST, WITH WELLS PRODUCING FROM THE TERRY BLINEBRY OIL POOL, A COMMON SOURCE OF SUPPLY, INTO A CENTRAL TANK BATTERY LOCATED ON THE NE/4 SW/4 OF SAID SECTION 12.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on July 14, 1955, at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this $15^{\underline{t}}$ day of September, 1955, the Commission, a quorum being present, having considered the record and testimony adduced, and being fully advised in the premises,

FINDS:

(1) That due notice of the time and place of hearing and the purpose thereof having been given as required by law, the Commission has jurisdiction of this case and the subject matter thereof.

(2) That applicant is the owner of one hundred per cent of the working interest in six separate oil and gas leases covering the entire S/2 of Section 12, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) That the S/2 of Section 12, Township 21 South, Range 37 East is composed of six separate leases and that the royalty owners of these leases have agreed to the proposed commingling of production from the Terry Blinebry Oil Pool.

(4) That approval of applicant's proposal would prevent waste and protect correlative rights.

Entered September 21, 1955

-2-Order No. R-680

IT IS THEREFORE ORDERED:

(1) That the application of Shell Oil Company for permission to commingle the production from all wells heretofore or hereafter drilled and completed in the Terry Blinebry Oil Pool in the South half of Section 12, Township 21 South, Range 37 East, into a common tank battery be and the same hereby is approved.

PROVIDED HOWEVER, That a maximum of eight producing units shall be produced into said common tankage and that adequate tankage and other equipment be installed and maintained so that the production from each well can be accurately determined at reasonable intervals.

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

STATE OF NEW MEXICO OIL CONSERVATION COMMISSION John 7 Luna JOHN F. SIMMS, Chairman

E. S. WALKER, Member

WB Macey W. B. MACEY, Member and Secretary

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