

SHELL OIL COMPANY

WESTERN DIVISION
P. O. BOX 1509
MIDLAND, TEXAS 79701

February 12, 1969

Re: Application to New Mexico
Oil Conservation Commission
Rule 309(A)

New Mexico Oil Conservation Commission
P. O. Box 2088
Sante Fe, New Mexico 87501

Approved 1/17/69

Gentlemen:

Shell Oil Company hereby makes application for administrative approval to allow the commingling of San Andres production from the Crosby, Crosby "C", and McGrail leases, Cato Field, Chaves County, New Mexico. Production from the Crosby and Crosby "C" leases is currently being commingled under Administrative Order CTB-188 dated October 27, 1968. It is requested that this order be amended to include production from the McGrail lease.

In accordance with Rule 309(B) attached in triplicate is a plat of the leases showing the wells to be commingled and a schematic diagram of the commingling installation. All parties owning an interest in the lease and the purchaser of the commingled production were notified by copies of attached letter of the intent to commingle. As proof that such parties were notified we are enclosing a postal receipt signed upon receipt of notification.

We plan to continuously meter and sample the fluid production from each lease prior to commingling. However, because each lease consists of only one well and the low producing GOR experienced in the Cato Field, casinghead gas production from the three leases is approximately 30 MCFPD. For this reason we feel that separate metering of the gas production cannot be economically justified. We, therefore, request approval to commingle the gas production without separate measurement and allocate production to the wells on the basis of monthly well tests. In the event that such approval is not granted we feel that the sale of casinghead gas from the leases cannot be justified.

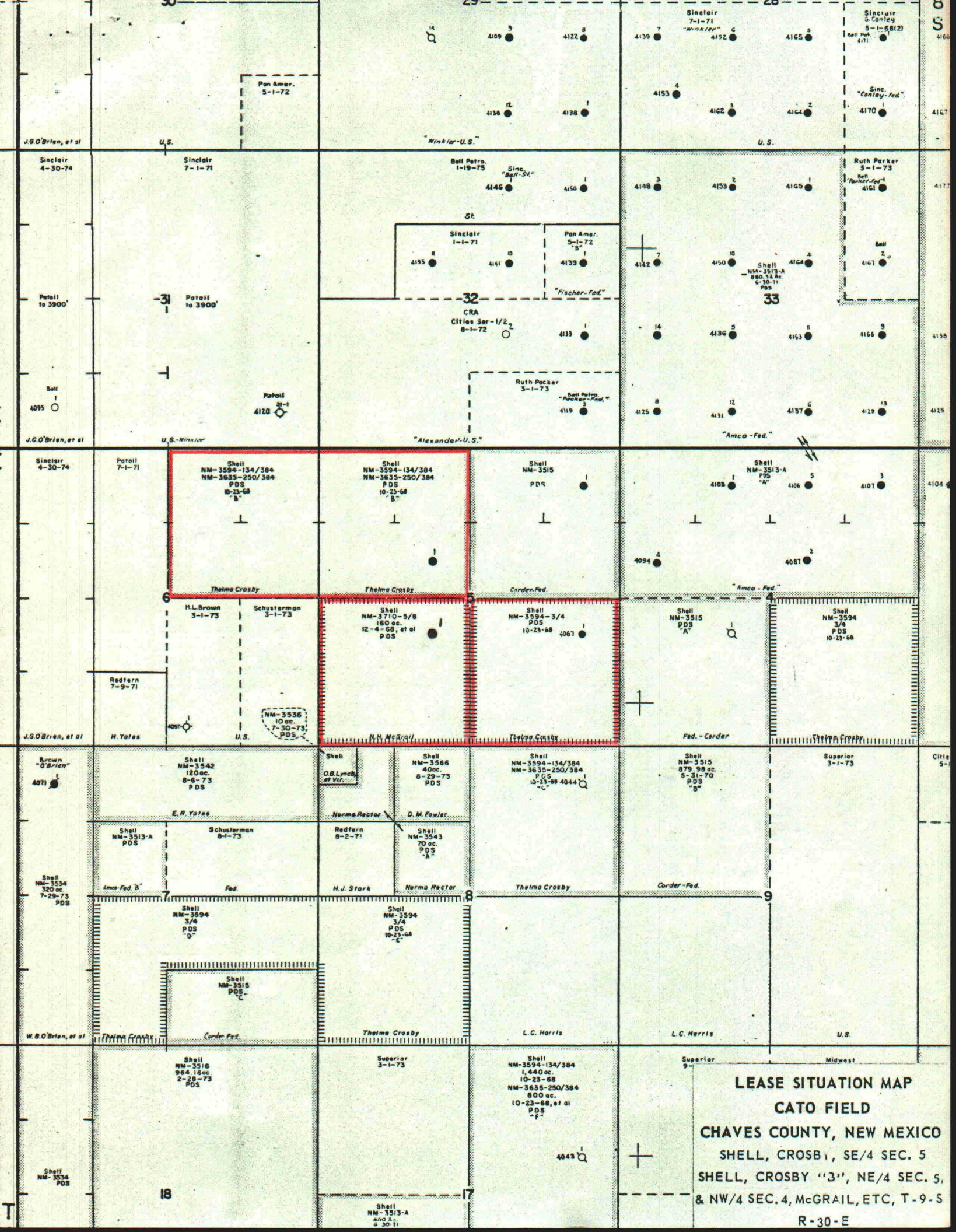
We trust that in view of the above information this project will meet with your early approval. If further information is required please contact Mr. R. J. Coenen of our staff.

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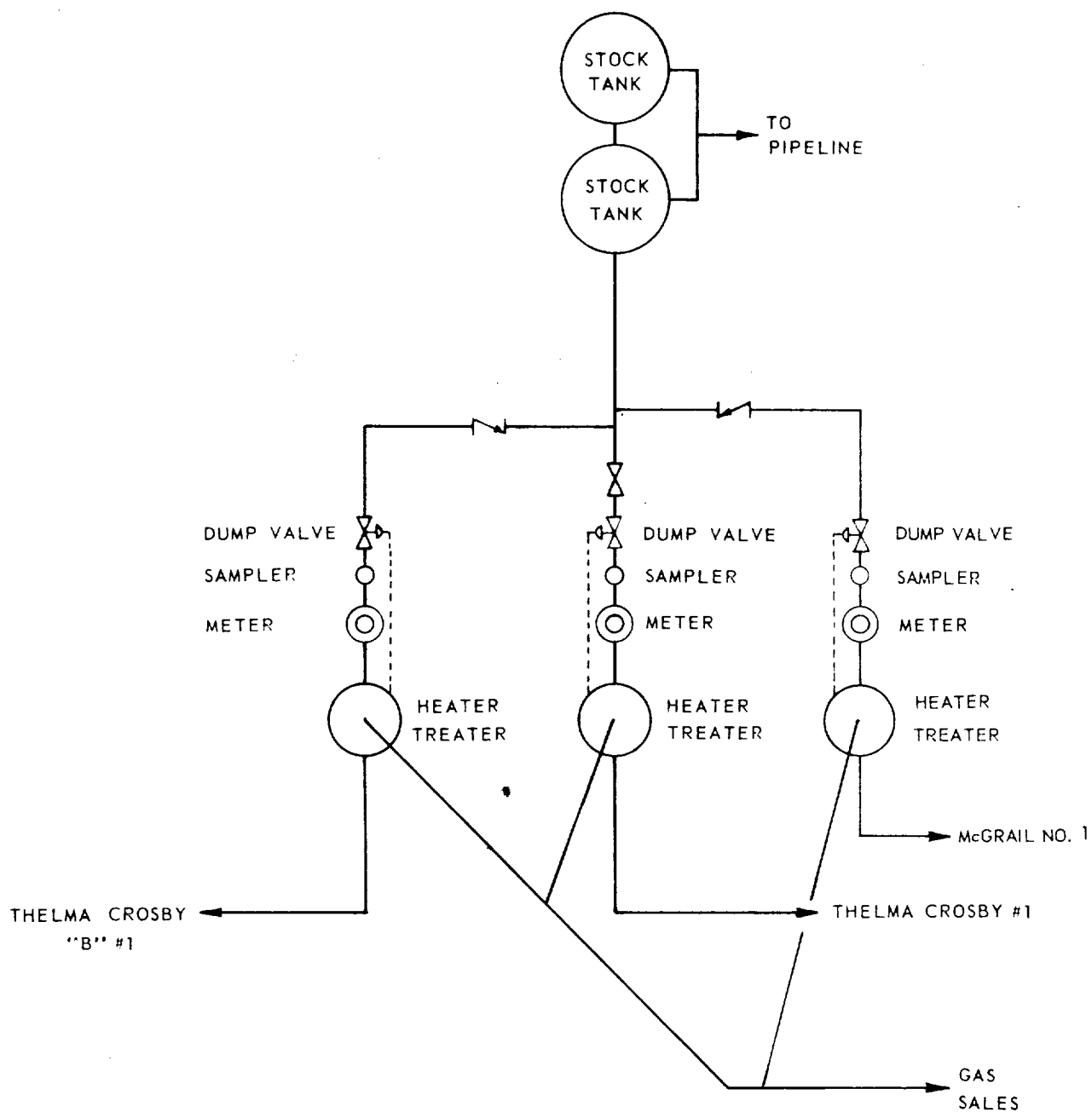
Yours very truly,

S. M. Paine
S. M. Paine, Manager
Production Department-West
Midland Division

RJC:CW



LEASE SITUATION MAP
CATO FIELD
CHAVES COUNTY, NEW MEXICO
SHELL, CROSBY, SE/4 SEC. 5,
SHELL, CROSBY "3", NE/4 SEC. 5,
& NW/4 SEC. 4, McGRAIL, ETC, T-9-S
R-30-E



SHELL OIL COMPANY	SOUTHWESTERN E & P REGION MIDLAND DIVISION	PRODUCTION WEST
SCHEMATIC OF PROPOSED COMMINGLING INSTALLATION CATO FIELD CHAVES COUNTY, NEW MEXICO		
BY: R COENEN		DATE: 1-17-69
SCALE: NONE		DWG. NO. 3109



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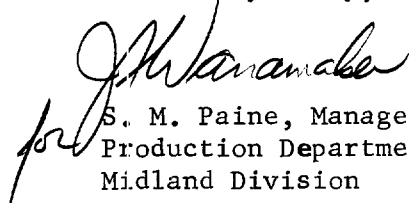
January 20, 1969

Re: Crosby Lease-SE/4, Section 5
Crosby "B" Lease-NW/4, Section 5
and NE/4 Section 6, and McGrail
Lease, SW/4, Section 5
T-9-S, R-30-E, Cato Field
Chaves County, New Mexico

Shell Oil Company hereby gives notice of intent to commingle production from the subject leases into common storage. The oil production from each set of leases shall be separately metered and sampled before commingling. The allocation of production as to each lease and the installation and operation of commingling facilities will be in accordance with New Mexico Oil Conservation Commission commingling rules and regulations. No change in the commercial value of the production is anticipated as all wells produce from the same pool with similar gravities.

All parties owning an interest in the subject leases and the purchaser of the commingled production are being informed of this intent. The New Mexico Oil Conservation Commission may approve the commingling if no party has made objection within twenty days of receipt of our application.

Yours very truly,


S. M. Paine, Manager
Production Department-West
Midland Division

ADDRESS LIST - INTEREST OWNERS
CROSBY "B" AND McGRAIL LEASES
CATC FIELD

Ashum & Hilliard
Bank of the Southwest Building
Midland, Texas 79701

Roberta Crosby Burkstaller
c/o H. F. Burkstaller
Room 50, Administration Building
Roswell Municipal Airport
Roswell, New Mexico 88201

Robert A. Crosby, Jr.
No. 5 Riverside Drive
Roswell, New Mexico 88201

Thelma Crosby
No. 5 Riverside Drive
Roswell, New Mexico 88201

W. R. Donnell
Wilkinson Foster Building
Midland, Texas 79701

John C. Davis
c/o Donald M. Phillips
806 South Denver
Tulsa, Oklahoma 74119

Diantha Ann Dunn
c/o Donald M. Phillips
806 South Denver
Tulsa, Oklahoma 74119

Virginia Crosby McCarthy
1201 South Riverside
Palm Springs, California 92262

Mary Louise McDonald
536 Porter Street
Glendale, California 91205

Effie Jane Crosby McDowell
P. O. Box 17002
Tucson, Arizona 85710

H. M. McGrail
P. O. Box 604
Hobbs, New Mexico 88240

Virginia Crosby Marshall
P. O. Box 206
Roswell, New Mexico 88201

Dorothy Miller
2532 Dexter Avenue North
Seattle, Washington 98109

Mobil Oil Corporation
201 West Wall
Midland, Texas 79701

Mobil Pipeline Company
P. O. Box 1073
Midland, Texas 79701

Jennie Crosby Mooney
911 Montana Street, Apt. A
El Paso, Texas 79902

Helen O. Crosby Norville
1601 Drury Lane
Oklahoma City, Oklahoma 73116

Joseph L. O'Neill, Jr.
410 West Ohio
Midland, Texas 79701

Patoil Corporation
Midland National Bank Building
Midland, Texas 79701

Frankie Crosby Patterson
107 North Michigan
Roswell, New Mexico 88201

Leta Perryman
P. O. Box 96
Tahlequah, Oklahoma 74464

Phillips Investment Corporation
3843 Park Boulevard
San Diego, California 92103

Revellee Davis Phillips
806 South Denver
Tulsa, Oklahoma 74119

John Henry Powell
2003 102nd Place, SE
Bellview, Washington 98004

United States Smelting, Mining and
Refining Company
P. O. Box 1877
Midland, Texas 79701

Thelma Amble Williams
3617 Coronado Avenue
Farmington, New Mexico 87401