

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. 878
Order No. R-644

THE APPLICATION OF SHELL OIL
COMPANY FOR EXCEPTION TO RULE
309 FOR AUTHORIZATION TO COMMINGLE
IN A COMMON TANK BATTERY OIL
PRODUCED FROM TWO SEPARATE STATE
LEASES, NO. E-1044 AND NO. E-1667, BOTH
LOCATED IN SECTION 16, TOWNSHIP 15 SOUTH,
RANGE 36 EAST, NMPM, LEA COUNTY, NEW
MEXICO, IN THE CAUDILL-DEVONIAN POOL.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on April 20, 1955, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on this 13th day of June, 1955, the Commission, a quorum being present, having considered the testimony adduced and the exhibits received at said hearing, 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 applicant, Shell Oil Company, is the owner of two New Mexico State oil and gas leases, No. E-1044 and No. E-1667, described as follows:

E-1044: 320 acres comprising the N/2 NE/4,
SW/4 NE/4, W/2 NW/4, SE/4 NW/4,
and S/2 SW/4 of Section 16, Township
15 South, Range 36 East.

E-1667: 80 acres comprising the SE/4 NE/4
and NE/4 NW/4 of Section 16, Township
15 South, Range 36 East.

both leases covering 400 acres, being the N/2 and the S/2 SW/4 of Section 16, Township 15 South, Range 36 East, NMPM, Lea County, New Mexico.

- (3) That for reasons of efficiency and economy, applicant desires to use common tankage for the storage and measurement of oil produced from the Caudill-Devonian Oil Pool underlying said leases.

(4) That applicant proposes to install appropriate physical equipment so that the production from each well completed on the described acreage may be accurately determined as prescribed by the Commission.

(5) That by reason of practical convenience and economy, and in the absence of objection by the Commissioner of Public Lands of New Mexico, exception to Rule 309 should be granted.

(6) That no objection by the Commissioner of Public Lands of New Mexico has been received.

IT IS THEREFORE ORDERED:

That the application of Shell Oil Company for an exception to Rule 309 be, and the same hereby is approved, and Shell Oil Company be and it hereby is authorized to establish, maintain, and operate a central tank battery to receive production from the Devonian formation of the Caudill-Devonian Pool only, on the following described acreage:

TOWNSHIP 15 SOUTH, RANGE 36 EAST, NMPM
N/2 and S/2 SW 1/4 Section 16

PROVIDED, HOWEVER, That adequate tankage and proper equipment be installed and maintained so as to permit specific production tests of each connected well at reasonable intervals or upon requests of the Commission, or of the Commissioner of Public Lands of New Mexico, and

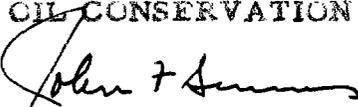
PROVIDED FURTHER, That no well now or hereafter connected to such tank battery be permitted to produce at a rate in excess of top allowable as now or hereafter may be fixed for the Caudill-Devonian Pool, and

PROVIDED FURTHER, That production from no more than eight wells be received into said tank battery.

IT IS FURTHER ORDERED: That jurisdiction of this case is hereby retained for purpose of revocation and modification under changed conditions.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JOHN F. SIMMS, Chairman


E. S. WALKER, Member


W. E. MACEY, Member and Secretary

