

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF THE STATE OF NEW  
MEXICO FOR THE PURPOSE OF  
CONSIDERING:

CASE NO. 1387  
Order No. R-1137

APPLICATION OF SHELL OIL COMPANY  
FOR PERMISSION TO COMMINGLE THE  
PRODUCTION FROM TWO SEPARATE LEASES  
IN THE WEST HENSHAW-GRAYBURG POOL,  
EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on February 26, 1958, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the New Mexico Oil Conservation Commission, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 14<sup>th</sup> day of March, 1958, 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 following described oil and gas leases in the West Henshaw-Grayburg Pool:

Taylor-Federal Lease            Lots 9, 10, and 11 of Section 4,  
Spencer-Federal "A" Lease    Lots 13, 14, 15 and 16 of Section 4,  
all in Township 16 South, Range 30 East, NMPM, Eddy County, New Mexico.

(3) That the applicant proposes to commingle the production from all wells completed in the West Henshaw-Grayburg Pool on the above-described leases in a common tank battery located on the said Spencer-Federal "A" Lease, and that the applicant proposes to continuously meter the production from each of the above-described leases by means of positive displacement meters.

(4) That the metering system proposed by the applicant will provide an accurate and reliable means for measuring the amount of oil produced from each of the above-described leases, provided said meters are periodically checked for accuracy.

2-

Case No. 1387  
Order No. R-1137

(5) That approval of the subject application will not cause waste nor impair correlative rights.

(6) That approval of the subject application will permit a considerable reduction in the operating costs and initial capital expenditures for the above-described leases.

(7) That the subject application should be approved.

IT IS THEREFORE ORDERED:

(1) That the applicant, Shell Oil Company, be and the same is hereby authorized to commingle the production from all wells completed in the West Henshaw-Grayburg Pool on the following described leases in a common tank battery, to-wit:

Taylor-Federal Lease                      Lots 9, 10, and 11 of Section 4,  
Spencer-Federal "A" Lease              Lots 13, 14, 15 and 16 of Section 4,  
all in Township 16 South, Range 30 East, NMPM, Eddy County, New Mexico.

(2) That the applicant shall continuously and separately measure the production from each of the above-described leases by means of positive displacement meters.

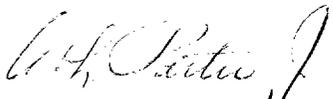
(3) That each of said positive displacement meters shall be checked for accuracy at intervals and in a manner satisfactory to the Commission.

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

  
EDWIN L. MECHEM, Chairman

  
MURRAY E. MORGAN, Member

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

