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February 28, 1961

New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Re: Shell Oil Company application for
Exception to Rule 309 (a)
McKinley "A" Lease S $\frac{1}{2}$ Section 19,
Twp. 18 S., Rge. 38 E., and
McKinley "B" Lease SW $\frac{1}{4}$ Section 20,
Twp. 18 S., Rge. 38 E., Lea County

Hobbs Pool
Hobbs Pool

Gentlemen:

Application is hereby made for an exception to Rule 309 (a) of the Rules of the Commission to permit the applicant to transport production from its McKinley "B" Lease SW $\frac{1}{4}$ Section 20, Twp. 18 S., Rge. 38 E., before it has been received and measured in tanks located on the said lease, and to likewise transport production from its McKinley "A" Lease without having received and measured the same in tanks located thereon.

Applicant proposes to transport the production from the McKinley "B" Lease to the McKinley "A" Lease (S $\frac{1}{2}$ Section 19, Twp. 18 S., Rge. 38 E.) and to continuously meter and sample the production from the "B" lease by facilities located on the McKinley "A" Lease. By the facilities on the McKinley "A" Lease the production from the McKinley "A" Lease will be likewise continuously metered and sampled and then commingled with the production from the "B" lease in the treating system and sold to a pipe line through an automatic custody transfer unit. There are presently four wells completed on the McKinley "B" Lease and eight wells completed on the McKinley "A" Lease. All production is from the San Andres zone. This application is intended to cover wells presently completed and any future wells that may be completed upon the two leases which may encounter production from the San Andres zone.

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It would be appreciated if you would give consideration to this application and set the matter down for an Examiner Hearing.

Respectfully submitted,

SHELL OIL COMPANY

By



Its Attorney

OS:mc