



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE
87501

I. R. TRUJILLO
CHAIRMAN
LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER
STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

April 11, 1974

Shell Oil Company
1700 Broadway
Denver, Colorado 80202

Attention: Mr. L. G. Roark

Administrative Order CTB-252

Gentlemen:

Reference is made to your application dated April 10, 1974, for administrative approval for the commingling of production from your Mudge Well No. 300, located in the NW/4 NE/4 of Section 8, and your Mudge Well No. 301, located in the NW/4 SW/4 of Section 9, both in Township 25 North, Range 11 West, NMPM, San Juan County, New Mexico, with condensate production from your Carson Well No. 113-17, located in the NW/4 SW/4 of Section 17 of the same township.

It is our understanding that production from each of the aforesaid Mudge wells will be passed through a 3-stage separator and the gas from each well measured by an orifice meter and the condensate measured by a positive-displacement meter, the condensate, gas, and water then recombined and commingled with the recombined products of the other Mudge well; further that the production of the Carson well will be passed through a 3-stage separator and the high pressure gas sold, the condensate metered by a positive displacement meter, and combined with the water from said well; further that these recombined products from the Carson well will then be commingled with the recombined products from the Mudge wells and taken to the central battery in Section 13 where said production will again be passed through a separator, the gas sold to a low-pressure casinghead gas gathering system, and the condensate tanked for sales.

Although the ownership of these leases is not common throughout, it appears that the above-described method of commingling will provide adequate protection of all property rights and allow for the equitable distribution of monies received for the products.

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Shell Oil Company is therefore hereby authorized to commingle the Dakota production from the aforesaid wells in the manner described above, subject to the provisions of the Commission "Manual for the Installation and Operation of Commingling Facilities," including the requirement for non-reset counters on the meters and temperature-compensated meters. Please notify the Aztec District Office of the Commission at such time as the installation is complete in order that an inspection may be made thereof before putting it in operation. It is the responsibility of the producer to notify the purchaser of this commingling authority.

Very truly yours,

A. L. PORTER, JR.
Secretary-Director

ALP/DSN/jr

cc: U.S. Geological Survey - Roswell
Oil Conservation Commission - Aztec
Oil & Gas Engineering Committee - Hobbs
Oil Conservation Commission Machine Accounting - Santa Fe