

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

July 31, 1964

Shell Oil Company
P.O. Box 1858
Roswell, New Mexico

Attention: Mr T. H. Dwyer

Administrative Order PC-218

Gentlemen:

Reference is made to your recent application for administrative approval of an exception to Rule 303 (a) of the Commission Rules and Regulations to permit the commingling of Laddock, Penrose Skelly, and Drinkard production on your Grizzell Lease comprising the SE/4 of Section 8, Township 22 South, Range 37 East, Lea County, New Mexico, allocating the production on the basis of periodic well tests. It is our understanding that the production from all of the aforesaid pools is of marginal nature.

By the authority vested in me under the provisions of Rule 303 (b) of the Commission Rules and Regulations, you are hereby authorized to commingle the production from the aforesaid pools on said lease in the above-described manner. Provided however, that the installation shall be operated in accordance with the provisions of the Commission "Manual for the Installation and Operation of Commingling Facilities," and provided further, that you shall notify the Commission at such time as any well in any of the aforesaid pools is capable of top allowable production.

Very truly yours,

A. L. Porter, Jr.
Secretary-Director

ALP:DSN:sg

cc: Oil Conservation Commission - Hobbs
Oil & Gas Engineering Committee - Hobbs
Oil & Gas Accounting Commission - Santa Fe