BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION

In the Matter of the Application of SHELL OIL COMPANY for an Exception to Section (a) of Rule 309 of the Commission to Permit Installation of Automatic Custody Transfer Equipment in all of Section 8, Township 16 South, Range 35 East, Townsend Field, Wolfcamp Production.

Case 1956

PETITION

SHELL OIL COMPANY hereby makes application for a hearing and order to approve an exception to Section (a) of Rule 309 of the Commission to permit the movement of oil from the Lease hereinafter described without the same being measured in tankage, and to permit the installation of automatic custody transfer facilities thereon, and for the movement of oil from the said lease to the pipe line connection. The production which is the subject of this application is from the Wolfcamp formation. The lease which is the subject of this application is known as Shell's State ETA Lease, Townsend Field, and covers all of Section 8, Township 16 South, Range 35 East, N.M.P.M.

Applicant requests that the exception and approval, if granted, cover all present and future production from the said lease insofar as it covers the Wolfcamp formation.

Respectfully submitted,
SHELL OIL COMPANY

By: Chu ffu Its Attorney.