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 the $N\frac{1}{2}$ of Section 1, Township 15 South, Range 37 East, Denton Field, Devonian Production.

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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 Devonian formation. The lease which is the subject of this application is known as Shell's Priest Lease, Denton Field, and covers the $N\frac{1}{2}$ of Section 1, Township 15 South, Range 37 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 Devonian formation.

Respectfully submitted,

SHELL OIL COMPANY

By: Uturlin Its Attorney.

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