

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
SHELL OIL COMPANY FOR AN EXCEPTION
TO SECTION (a) OF RULE 309 OF THE
COMMISSION FOR MOVEMENT OF OIL FROM
LEASE WITHOUT TANKAGE AND FOR APPROVAL
OF THE COMMINGLING OF PRODUCTION FROM
FOUR STATE LEASES INTO A COMMON TANK
BATTERY IN THE EUMONT AND EUNICE FIELDS
LOCATED IN SECTION 1, TWP. 21 S., RGE.
35 E., AND IN SECTION 6, TWP. 21 S.,
RGE. 36 E., LEA COUNTY, NEW MEXICO.

Case 2105

APPLICATION

Shell Oil Company hereby requests approval for an exception to Rule 309 (a) of the Rules and Regulations of the Commission, to permit oil to be transported from the leases hereinafter described without being measured in tank batteries. The applicant proposes to construct common treating and storage facilities to handle production from the several leases and to thereby commingle production from the leases into common facilities and thereafter handle the production through an automatic custody transfer unit.

The applicant is of the opinion that the approval of the procedure will be in the interests of conservation and that all correlative rights will be protected.

The applicant proposes that production from the following four State leases with common beneficiary, be commingled and after being commingled and treated the automatic unit will transfer the commingled crude. These leases are as follows:

Shell's 8-well State M. Lease, Eumont Field,
located in Lots 1, 2, 7, 8, 9, 10, 15 and 16,
Section 1, T-21-S, R-35-E;

Shell's 4-well State L Lease, Eumont Field,
located in the SE $\frac{1}{4}$ Section 1, T-21-S, R-35-E;

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Shell's 2-well State G Lease, Eunice Field,
located in Lots 11 and 12, Section 6, T-21-S,
R-36-E;

Shell's 2-well State F Lease, Eunice Field,
located in Lots 13 and 14, Section 6, T-21-S,
R-36-E.

WHEREFORE, applicant requests that a hearing be held upon
this application, and approval be given thereto.

Respectfully submitted,

SHELL OIL COMPANY

By

