



SHELL OIL COMPANY

1000 OCT 10 AM 10 13 P. O. Box 845
Roswell, New Mexico

October 4, 1960

Subject: Administrative Approval to
Amend Order No. R-1101-A

AIR MAIL - SPECIAL DELIVERY

New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Attention Mr. A. L. Porter, Jr.

Gentlemen:

We request Administrative approval to amend Order No. R-1101-A, which permitted commingling of production from certain Shell leases in the Pearl Queen Field, to include Shell's Linam Lease. This recently acquired lease consists of 80 acres in the NW/4 of the NE/4 and NE/4 of the NW/4, Section 3, T-20-S, R-35-E. We are currently drilling a well and anticipate two Queen completions on this lease.

A remote facility, equipped identical to our existing facilities in the Pearl Field, is proposed for the Linam Lease. The major components will be a free water knock-out, a separator, metering equipment, surge tank, and a pump to automatically transfer the oil and water to the central battery for subsurface salt water disposal, treating and automatic custody transfer. Production from this lease will be continuously metered through a P. D. meter and an automatic sampler will be installed to determine the BS&W content. Enclosed is a plat showing Shell's leases in the Pearl Field and a drawing of the proposed equipment.

Since the proposed metering installation is identical to that being employed for measuring production on 15 Shell leases in the Pearl Field and since there have been two formal hearings covering this system, we are requesting Administrative approval for the addition of this two-well lease to the Shell leases already listed in the subject order. In addition, early approval will eliminate the necessity of building a temporary storage battery for this lease. Commingling this production into our existing facilities will reduce weathering losses from long storage periods, as the oil will have to be hauled from this location. The proposed system will also reduce operating and maintenance costs which will result in an increase in the recoverable reserves.

Case 9113

Can - Call these people & advise that we have no procedure for administrative approval of such a request.

N.M.O.C.C.

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All offset operators and the royalty owner have been notified of this application by Certified Mail.

Yours very truly,

A handwritten signature in cursive script, appearing to read "R. L. Rankin".

R. L. Rankin
Division Production Manager

J. O. SETH
A. K. MONTGOMERY
OLIVER SETH
WM. FEDERICI
FRANK ANDREWS
FRED C. HANNAHS
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ATTORNEYS AND COUNSELORS AT LAW
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October 26, 1960

1960 OCT 27
MAIL ROOM
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Oil Conservation Commission
State of New Mexico
Capitol Building
Santa Fe, New Mexico

Re: Case No. 2113

Gentlemen:

This letter is written with reference to the application of Shell Oil Company to commingle production from the Linam Lease with other production in the Pearl Queen Pool. Shell Oil Company does not wish to proceed with this application at the present time and this letter constitutes a dismissal of the Application of Shell Oil Company in the above entitled case No. 2113.

Very truly yours,



OS:mc