

ROS THIS MID SRY WAS BY ON AND MACH WILL HV TO RERUN THIS ONE
P U READING ME M
YES I AM READING UTHIS ROS GA

434 MID OFC 3-20-61-423P/NEW/
ROSWELL - SHELL OIL COMPANY

THE DESIGN OF THE LACT EQUIPMENT WHICH YOU PROPOSE TO INSTALL ON
THE SHELL-MCKINLEY "A" LEASE, S/2 SECTION 19, R-38-E, T-18-S, LEA
COUNTY, NEW MEXICO, THE SHELL-GRIMES LEASE, SW/4 SECTION 28, R-38-E,
T-18-S, LEA COUNTY, NEW MEXICO, AND THE SHELL-LIVINGSTON LEASE SECTION
4, T-21-S, R-37-E, LEA COUNTY, NEW MEXICO, IS APPROVED AS OUTLINED IN
YOUR LETTERS DATED FEBRUARY 23 AND FEBRUARY 28, 1961, AND SHELL PIPE
LINE CORPORATION WILL ACCEPT CUSTODY TRANSFER OF THE CRUDE WITH
P. D. METERS.

M E WHITE MGR WEST TEXAS DIVN SPLC

END ROS INX

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SHELL EXHIBIT 3

CASE 2318

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

April 3, 1964

**Shell Oil Company
P.O. Box 1838
Roswell, New Mexico**

Attention: T. H. Dwyer

Gentlemen:

Reference is made to your letter of March 23, 1964, wherein you advise that the commingling authority granted by Commission Order R-1933 is no longer necessary and that separate tank batteries will be used to handle the production from your McKinley A and McKinley B Leases, Hobbs Pool, Lea County, New Mexico.

You further advise that you will continue to use the automatic custody transfer system for your McKinley A Lease.

All portions of Commission Order R-1933, with the exception of that portion relating to the use of automatic custody transfer equipment for your McKinley A Lease, are herewith put in abeyance.

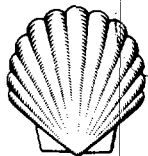
Very truly yours,

**A. L. Foster, Jr.
Secretary-Director**

ALS:DBH:ag

**cc: Oil Conservation Commission - Hobbs
Oil & Gas Engineering Committee - Hobbs
Case Number 2218
Oil & Gas Accounting - Santa Fe**

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SHELL OIL COMPANY MAIN OFFICE OCC

P.O. Box 1858
Roswell, New Mexico

1964 MAR 25 PM 1:23

March 25, 1964

Subject: Commingling McKinley A,
McKinley B Leases, Hobbs Field

Handwritten:
McKinley A
10-11-63
at a glance

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

Gentlemen:

Reference is made to Order No. R-1933 granting permission to commingle Hobbs Pool oil production from Shell's McKinley A and McKinley B Leases, Hobbs Field.

We plan to separate these two leases into individual tank batteries on each lease. The use of an automatic custody transfer system will continue on the McKinley A Lease. It is requested that the above mentioned order be amended to reflect this change to individual lease batteries.

Yours very truly,

T. H. Dwyer
Division Production Manager