



SHELL OIL COMPANY

P. O. Box 1858
Roswell, New Mexico

April 18, 1961

Subject: Order No. R-1935
Shell State T Lease
Vacuum Field
Lea County, New Mexico

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

Attention Mr. A. L. Porter, Jr.

Gentlemen:

The subject order granted Shell permission to commingle the Vacuum (San Andres-Grayburg) and Vacuum-Abo pools from all wells presently completed or hereafter drilled on the subject lease after separately metering the production from each pool.

This order also authorized the installation of an ACT unit to handle commingled production. We have recently learned that Texas-New Mex Pipe Line Corporation is building and will complete on or about May 1, 1961, a new pipeline to purchase segregated Vacuum-Abo production at an intermediate crude price of \$3.01 per barrel in the gravity range 40 to 44.9. Therefore we are proposing to provide separate tankage facilities for the Grayburg-San Andres and Abo pools on this lease.

We ask your permission to use a common test separator as shown in the attached drawing. By using the equipment arrangement shown in the attached drawing, we will be able to commingle production on this lease by rearranging the piping should these crudes ever sell for the same price and thereby realize the economic advantages of a commingled battery. We are planning on installing an ACT unit as authorized by this order for the Vacuum-Abo production only.

Very truly yours,

R. L. Rankin
Division Production Manager

Attachments

GOVERNOR
EDWIN L. MECHEM
CHAIRMAN

State of New Mexico
Oil Conservation Commission

LAND COMMISSIONER
E. S. JOHNNY WALKER
MEMBER



P. O. BOX 871
SANTA FE

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

April 10, 1961

Mr. Oliver Seth
Seth, Montgomery, Federici &
Andrews
Box 828
Santa Fe, New Mexico

Re: Case No. 2221
Order No. R-1935
Applicant:
Shell Oil Company

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Very truly yours,

A handwritten signature in cursive script, reading "A. L. Porter, Jr.".

A. L. PORTER, Jr.
Secretary-Director

ir/

Carbon copy of order also sent to:

Hobbs OCC x
Artesia OCC
Aztec OCC

OTHER

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

May 15, 1961

Shell Oil Company
P. O. Box 1858
Roswell, New Mexico

Attention: Mr. R. L. Rankin

Gentlemen:

Reference is made to your letter of April 18, 1961, wherein you request administrative approval of certain changes to the commingling and ACT system authorized by the Commission in Order No. R-1935 for Vacuum (San Andres-Grayburg) and Vacuum-Abo production on your State T Lease, Lea County, New Mexico.

It is our understanding that you propose to discontinue commingling of the Grayburg-San Andres and the Abo production, to use tanks for handling the Grayburg-San Andres oil, and to utilize the ACT system for Abo oil only. Also that you would continue to use common testing facilities for both of the pools.

Inasmuch as you are seeking to narrow, rather than broaden, the scope of the authority previously granted and inasmuch as the schematic diagrams submitted with your letter indicate that you will have at least as reliable means of separation of the two zones as previously approved, the Commission has no objection to your proposal.

February 20, 1961

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

Re: Shell Oil Company
Application for Hearing
Rule 309 and 303
SE 1/4 Section 33, Twp. 17 S.,
Rge. 35 E., Lea County,
New Mexico

Gentlemen:

We would like by this letter to make an application
for an Examiner Hearing in the following manner:

The applicant, Shell Oil Company, for its State "T"
Lease, which consists of 160 acres and which is the SE 1/4
Section 33, Twp. 17 S., Rge. 35 E., N.M.P.M., in Lea County,
New Mexico, requests an exception to Rule 309 of the Com-
mission to permit the transportation of oil from the said
lease before it has been received and measured in tanks
located on the lease as provided in the rule.

The applicant desires to install automatic custody
transfer equipment to transfer the production from the
described quarter section to the pipe line through a
positive displacement meter.

In connection with the installation and operation of
the automatic custody transfer equipment, the applicant
intends to handle from the above described quarter section,
production from the four Grayburg-San Andres wells and the
production from the two Abo wells which are completed on
this quarter section. The plat attached to this letter
and marked Exhibit A shows the location of these wells.

Page 2

New Mexico Oil Conservation Commission February 20, 1961

To accomplish this commingling of production the applicant requests an exception to Rule 303 of the Commission.

Your consideration of this matter will be appreciated.

Very truly yours,

SHELL OIL COMPANY

By



Its Attorney

OS:mc

C
O
P
Y

Page 2
New Mexico Oil Conservation Commission February 20, 1961

To accomplish this commingling of production the applicant
requests an exception to Rule 303 of the Commission.
Your consideration of this matter will be appreciated.

Very truly yours,

SHELL OIL COMPANY



By

Attorney

20 m

COPIES