

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 2363
Order No. R-2097

APPLICATION OF SHELL OIL COMPANY
FOR AN EXCEPTION TO RULE 303 (a)
AND RULE 309-A, LEA COUNTY, NEW
MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on August 30, 1961, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 18th day of October, 1961, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Shell Oil Company, is the owner and operator of the Argo-Argo (A) Lease located in Sections 15 and 22 and the Turner Lease located in said Section 22, all in Township 21 South, Range 37 East, NMPM, Lea County, New Mexico.
- (3) That the applicant seeks permission to commingle the production from the Drinkard and Wantz-Abo Pools on the above-described Argo-Argo (A) Lease, to commingle the production from the Drinkard and Blinbry Pools on the above-described Turner Lease, and to commingle the commingled production from both leases on the said Turner Lease prior to treating.
- (4) That the applicant further seeks permission to commingle the production from the Brunson and Hare Pools on both the said Argo-Argo (A) Lease and the said Turner Lease, and to commingle the commingled production from both leases on the said Turner Lease prior to treating.

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(5) That the applicant further proposes to allocate the production from each pool on each of the leases on the basis of monthly well tests, and to allocate the production to each lease on the basis of continuous metering and sampling.

(6) That all the oil wells on the subject leases are marginal in all pools from which they are producing at the present time.

(7) That the subject application should be approved; provided however, that in the event any well in any pool should become capable of producing top allowable, the Secretary-Director of the Commission may require that meters be installed on all zones of the lease on which the top allowable well is situated.

(8) That the subject installations should be operated in accordance with the Commission Manual for the Installation and Operation of Commingling Facilities.

IT IS THEREFORE ORDERED:

(1) That the applicant, Shell Oil Company, is hereby authorized to commingle the production from the Drinkard and Wantz-Abo Pools on the Argo-Argo (A) Lease, comprising the SW/4 of Section 15 and the NW/4 of Section 22, all in Township 21 South, Range 37 East, NMPM, Lea County, New Mexico, to commingle the production from the Drinkard and Blinbry Pools on the Turner Lease, comprising the S/2 of said Section 22, and to commingle the commingled production from both leases on the said Turner Lease prior to treating. That the applicant is hereby further authorized to commingle the production from the Brunson and Hare Pools on both the said Argo-Argo (A) Lease and the said Turner Lease and to commingle the commingled production from both leases on the said Turner Lease prior to treating.

PROVIDED HOWEVER, That the commingled production from each pool underlying each of the leases shall be allocated on the basis of monthly well tests, the results of such tests to be submitted to the Commission, and the commingled production from each lease shall be allocated on the basis of continuous metering and sampling.

PROVIDED FURTHER, That in the event any well in any pool should become capable of producing top allowable, the operator shall notify the Commission of such fact and the Secretary-Director may require that meters be installed on all zones of the lease on which the top allowable well is situated.

PROVIDED FURTHER, That the subject installations shall be operated in accordance with the Commission Manual for the Installation and Operation of Commingling Facilities.

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(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



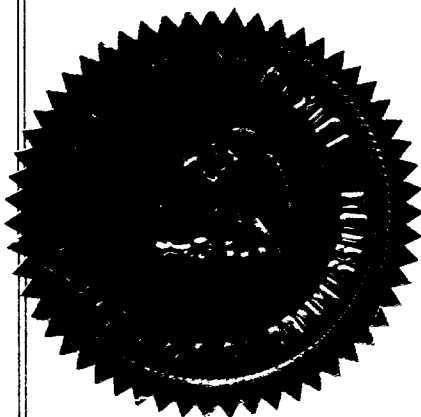
EDWIN L. MECHEM, Chairman



E. S. WALKER, Member



A. L. PORTER, Jr., Member & Secretary



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