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DUGAN PRODUCTION CORP.

THOMAS A. DUGAN, President

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FARMINGTON, NEW MEXICO

April 10, 1969

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Can file

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Mr. A. L. Porter
Oil Conservation Commission
Box 2088
Santa Fe, New Mexico 87501

Dear Mr. Porter:

We believe that the down-hole commingling of low marginal wells would result in recovery of a considerable amount of gas and oil that otherwise would be uneconomical to produce. We would like to encourage the Oil Conservation Commission to approve Case #4104.

Sincerely,

Thomas A. Dugan
Thomas A. Dugan

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cc: Emery Arnold



SHELL OIL COMPANY

PETROLEUM BUILDING
P.O. BOX 1509
MIDLAND, TEXAS 79701

April 15, 1969

Secretary-Director
New Mexico Oil Conservation Commission

STATEMENT OF SHELL OIL COMPANY IN
NEW MEXICO OIL CONSERVATION COMMISSION
DOCKET NO. 11-69, CASE 4104

Shell Oil Company strongly supports the motion of the Oil Conservation Commission to consider the adoption of an administrative procedure whereby the Secretary-Director of the Commission could grant exceptions to Rule 303(a) of the Commission Rules and Regulations and permit marginal zones in dually completed oil wells to be commingled in the well-bore provided waste would not result thereby, provided dual-flow down-hole choke assemblies or other acceptable mechanical devices were installed, and provided that the total production from both zones would not exceed top allowable for the uppermost zone. Shell also supports the motion to consider an administrative procedure to permit down-hole commingling of low marginal wells approaching their economic limit without the installation of the above-mentioned down-hole equipment. Shell recommends that the administrative procedure provide for written notification of all offset operators and that the Secretary-Director may authorize commingling provided that no offset operator objects to said commingling within fifteen (15) days. Shell recommends that the Secretary-Director be permitted to grant immediate approval of the proposed commingling upon receipt of waivers of objection from all operators offsetting the well in which commingling is proposed.

Shell commends the Commission for its continuing concern in helping the operators in the State of New Mexico to reduce costs in connection with the administration of regulatory matters. The lessened burden upon the operators which will result from the adoption of administrative procedures authorizing commingling in the bore-hole is particularly important because marginal production is involved.

For: W. E. Owen
Proration Coordinator,
Southwestern Region

EWN:JB