

Shell Western E&P Inc.

A Subsidiary of Shell Oil Company



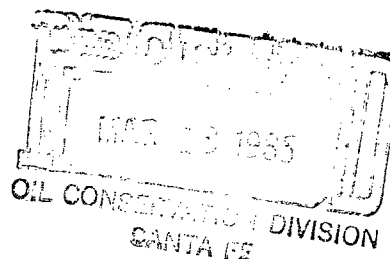
P.O. Box 991
Houston, TX 77001

March 13, 1985

State of New Mexico
Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Gentlemen:

SUBJECT: APPLICATION TO DOWNHOLE COMMINGLE
SHELL - ARGO "A" NO. 11
1650' FNL AND 1650' FWL, UNIT LETTER "F"
SECTION 22, T-21-S, R-37-E
HARE SIMPSON & TUBB OIL AND GAS POOLS
LEA COUNTY, NEW MEXICO



Pursuant to the provisions of Rule 303-C, Shell Western E&P Inc. respectfully requests administrative approval to commingle production within the wellbore from the Hare Simpson and Tubb Oil And Gas Pools for the subject well. Argo "A" No. 11 was drilled as a Brunson producer in 1952. The Brunson was plugged back in 1966 and the well recomplected to the Paddock. After ceasing to produce in commercial quantities, the Paddock was temporarily abandoned in 1968. The well remained temporarily abandoned until 1982 when it recomplected to the Tubb after a cement squeeze of the Paddock. Argo "A" No. 11 has since singly produced from the Tubb zone. With the indicated marginal production, installation of dual equipment cannot be justified. In the interest of conservation and prevention of waste, we now propose to recomplect to the Hare Simpson and downhole commingle with the Tubb Oil And Gas Pool in the subject well.

This well qualifies for administrative approval in accordance with Statewide Rule 303-C; and in support thereof, the following facts are submitted:

1. The attached plat indicates the Argo "A" lease.
2. The latest tests are as follows:
Tubb: (10-05-84) 4 B0 + 0 BW + 146 MCFG
Hare Simpson: (3-05-85) 2 B0 + 4 BW + 130 MCFG
3. Neither zone produces more water than the combined oil limit as determined in Rule 303-C, Section 1, paragraph (1).
4. Shell Western E&P Inc. has commingled these fluids at the surface on the subject lease and has encountered no incompatibility problems; therefore, downhole commingling is not expected to result in reservoir damage.
5. Surface commingling resulted in no reduction of oil value; therefore, downhole commingling will not reduce oil value.

6. Ownership of the two pools to be commingled is common and correlative rights will not be violated.
7. The bottom-hole pressures at common datum of 7400' are:
Tubb: 273 psig (48 hrs SI)
Hare Simpson: 358 psig (48 hrs SI)
 We do not anticipate crossflow of fluids since the well will be maintained at pumped off conditions.
8. Commingling will not jeopardize the efficiency of future secondary operations in either zone.
9. Recommended oil and gas allotments would be as follows:

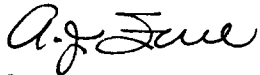
<u>Tubb</u>		<u>Hare Simpson</u>
67%	Oil	33%
53%	Gas	47%

10. Copies of this application have been furnished to all offset operators by certified mail.

Other supporting data attached are resume of the well's history, C-116 for each zone, a schematic of the present and proposed downhole configuration, and a production decline curve of the Tubb zone.

If additional information is required, please advise.

Yours very truly,



A. J. Fore
 Supervisor Regulatory and Permitting
 Production Administration
 Mid-Continent Division

JMW

Attachments

cc: State of New Mexico
 Energy and Minerals Department
 Oil Conservation Division
 P. O. Box 1980
 Hobbs, New Mexico 88240

WELL HISTORY
ARGO A #11

- 1/52 Drilled and completed in the Ellenburger formation.
- 6/66 Set CIBP over Ellenburger and recompleted in Paddock.
- 9/68 TA'd Paddock.
- 1/82 Squeezed Paddock and recompleted in Tubb.
- 1/85 Recompleted in Hare McKee and commingled w/Tubb. Installed artificial lift.

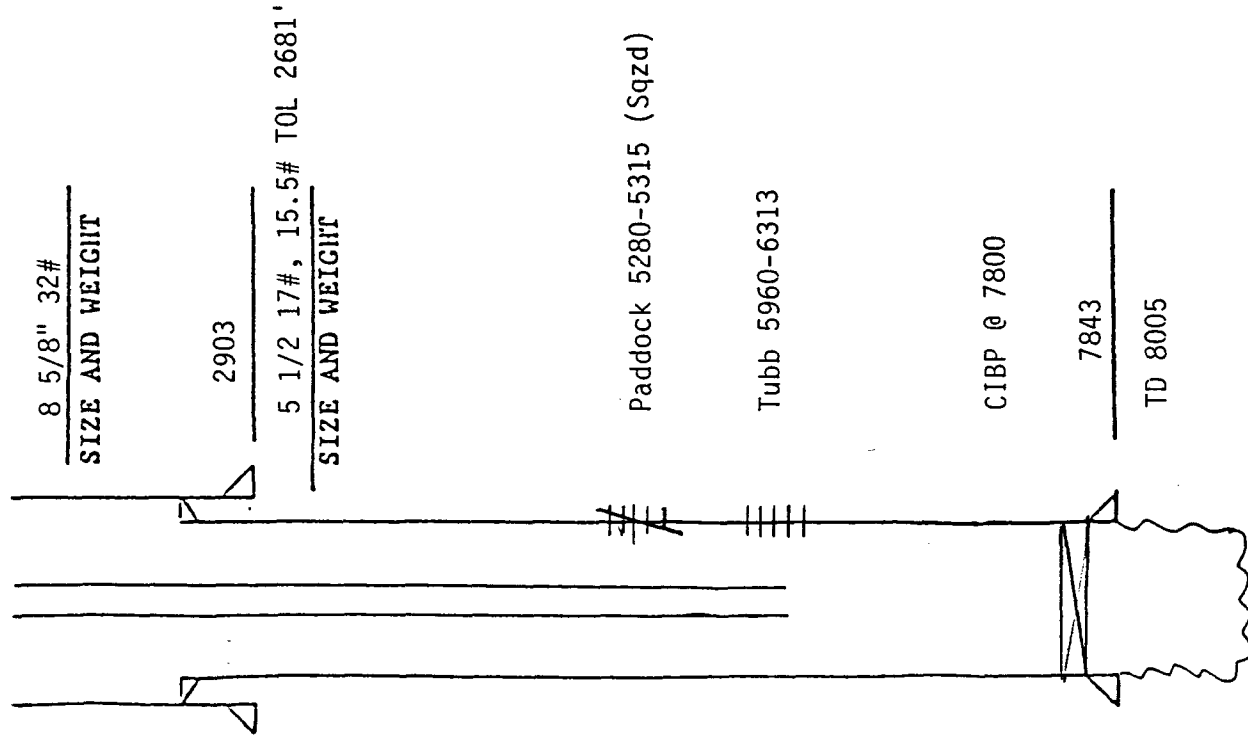
MECHANICAL CONFIGURATION

WELL Argo "A" #11

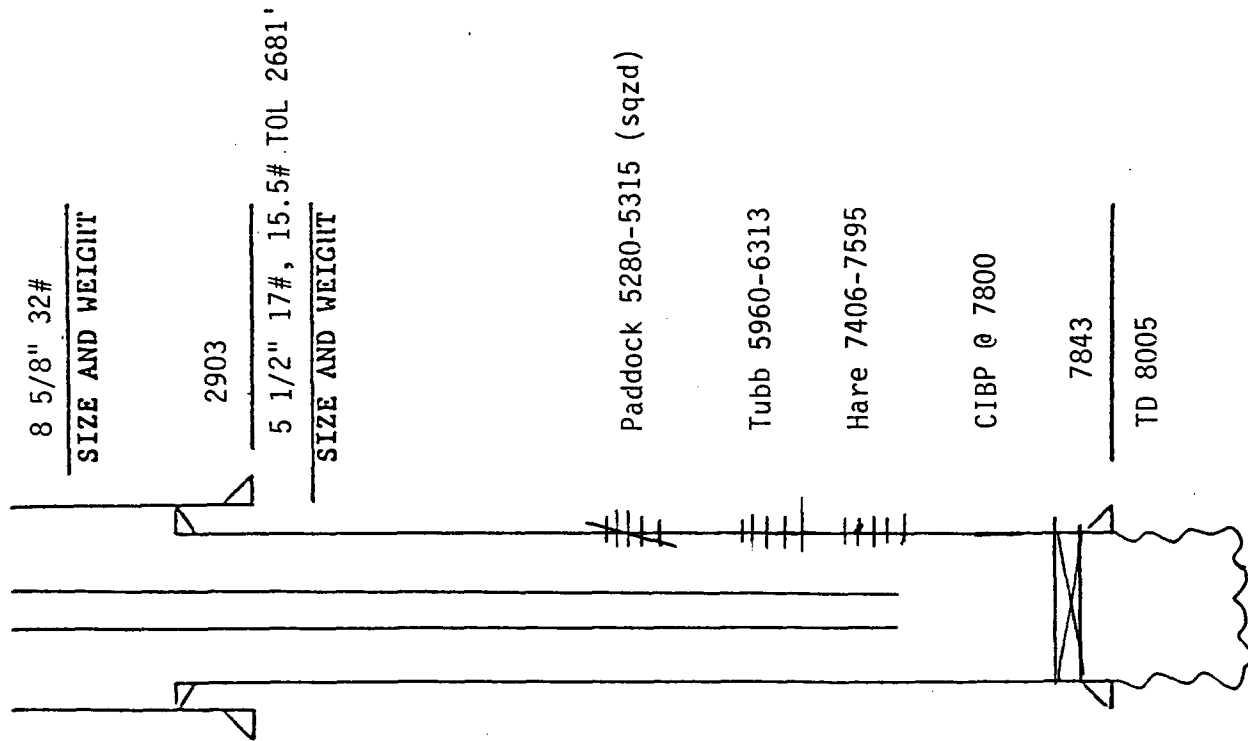
FIELD Tubb Oil and Gas Pool

DATE December, 1984

PRESENT



PROPOSED



8 5/8" 32#

SIZE AND WEIGHT

2903

5 1/2" 17#, 15.5# TOL 2681'

SIZE AND WEIGHT

Paddock 5280-5315 (sqzd)

Tubb 5960-6313

Hare 7406-7595

CIBP @ 7800

7843

TD 8005

GAS-OIL RATIO TESTS

SHELL WESTERN E&P INC.		Pool		TUBB OIL AND GAS & HARE SIMPSON POOLS		County		LEA									
LEASE NAME	WELL NO.	LOCATION			DATE OF TEST	CHOKE SIZE	TSG. PRESS.	DAILY ALLOW. ABLE	VOLUME OF TEST	PROD. DURING TEST				GAS - OIL RATIO CU.FT/BBL.			
		U	S	T						A	WATER BBL.	GRAV. OIL	OIL BBL.		GAS MCF.		
ARGO "A"	11	F	22	21-S	37-E	3-05-85	P	40	24	4	44.2	6	276	46,000			
															TUBB HARE SIMPSON	67%	4 BOPD
																33%	2 BOPD
																100%	6 BOPD
TUBB HARE SIMPSON	53%	146 MCF/D															
	47%	130 MCF/D															
	100%	276 MCF/D															

I hereby certify that the above information is true and complete to the best of my knowledge and belief.

A. J. Foul
(Signature)
SUPERVISOR REG. & PERMITTING

No well will be assigned an allowable greater than the amount of oil produced on the offset test.
During gas-oil ratio test, each well shall be produced at a rate not exceeding the top unit allowable for the pool in which well is tested by more than 33 percent. Operator is encouraged to take advantage of this 33 percent tolerance in order that well can be assigned a new allowable when authorized by the Division.
Gas volumes must be reported in MCF measured at a pressure base of 14.73 psia and a temperature of 60° F. Specific gravity base 0.60.
Report casing pressure in line of tubing pressure for any well producing through casing.
Well original and one copy of this report to the District Office of the New Mexico Oil Conservation Division in accordance with the 1961 and appropriate Pool Rules.

OFFSET OPERATORS

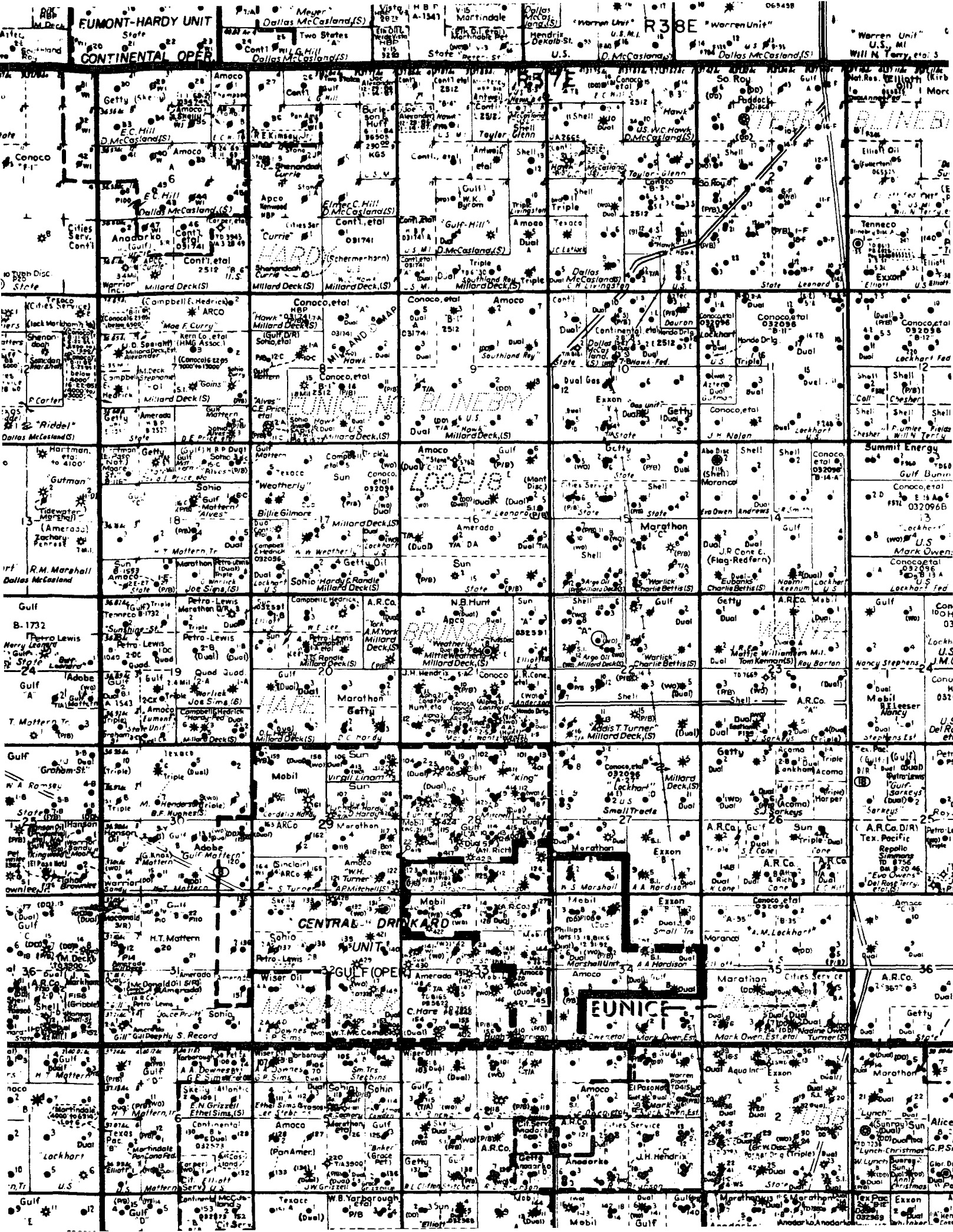
SHELL - ARGO "A" LEASE

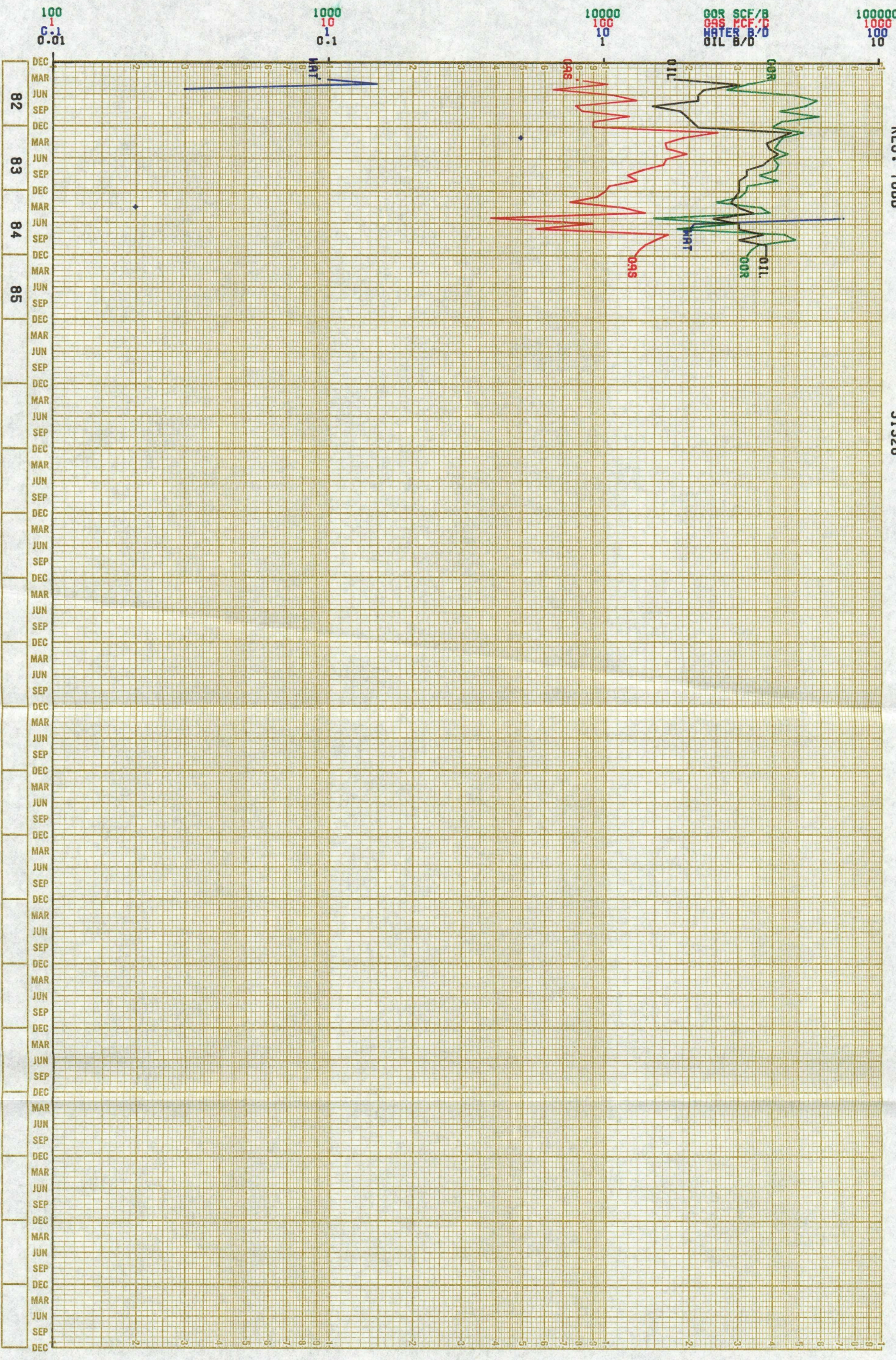
SUN EXPLORATION AND PRODUCTION COMPANY
P.O. BOX 2880
DALLAS, TEXAS 75221-2880

J.R. CONE
P.O. BOX 10217
LUBBOCK, TEXAS 79408

GULF EXPLORATION AND PRODUCTION COMPANY
P.O. BOX 670
HOBBS, NEW MEXICO 88240

MARATHON OIL COMPANY
P.O. BOX 2409
HOBBS, NEW MEXICO 88240







STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE
March 19, 1985

TONEY ANAYA
GOVERNOR

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88240
(505) 393-6161

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

RECEIVED
MAR 22 1985
OIL CONSERVATION DIVISION
HOBBS, NEW MEXICO

RE: Proposed:

MC _____
DHC X _____
NSL _____
NSP _____
SWD _____
WFX _____
PMX _____

Gentlemen:

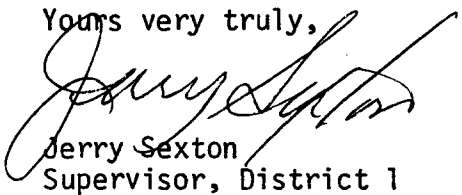
I have examined the application for the:

Shell Western E&P Inc.	Argo #11-F	22-21-37
Operator	Lease & Well No.	Unit S-T-R

and my recommendations are as follows:

O.K.---J.S.

Yours very truly,


Jerry Sexton
Supervisor, District 1

/mc