

SHELL OIL COMPANY

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

State of New Mexico New Mexico Oil Conservation Commission P. O. Box 2088 Santa Fe, New Mexico 87501

Gentlemen:

Shell Oil Company hereby makes application for exception to Rule 303(a) of the New Mexico Oil Conservation Commission rules and regulations to commingle before marketing Blinebry and Drinkard production with existing San Andres production on our McKinley "A" lease, located in the S/2 of Section 19, T-18-S, R-38-E, Hobbs Field, Lea County, New Mexico.

We propose to continuously meter and sample each top allowable zone. Should all zones be top allowable the subtraction method will be used on one zone. Allocation of zones not top allowable will be based on monthly well tests.

Since all zones are sour priced with API gravity of 36° to 38°, we expect no change in revenue as a result of commingling.

In compliance with Rule 303(b) the following attachments accompany this application:

- 1. Plat of lease
- 2. Schematic of proposed installation

If additional information is required please contact this office.

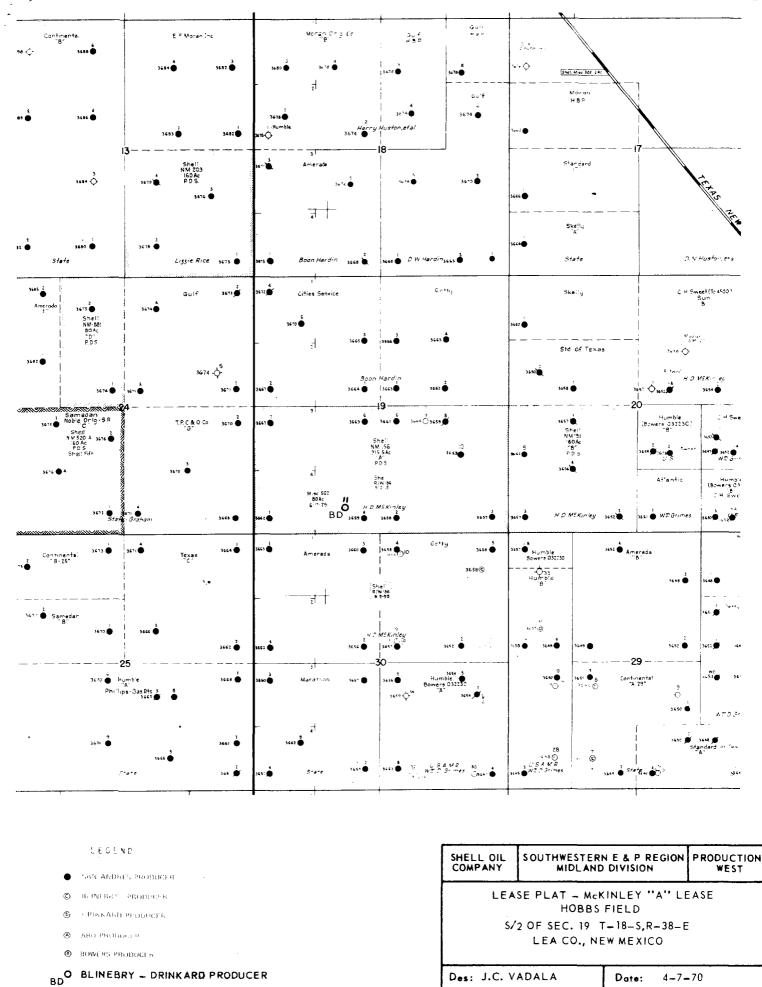
Yours very truly,

- ANCHICKEY

🦯 Jack L. Mahafféy, Manager Production Department-West Midland Division

JCV:CW

Attachments



Des: J.C. VADALA Date: 4-7-70 Scale: 1" - 2000 Dwg. No. 3166

