

Shell Western E&P Inc.

A Subsidiary of Shell Oil Company



P.O. Box 578
Houston, TX 77001

OIL CONSERVATION DIVISION
SANTA FE

November 20, 1984

New Mexico Oil Conservation Commission
ATTN Gilbert Quintana
State Land Office Building
P. O. Box 2088
Santa Fe, NM 87501

Gentlemen:

APPLICATION FOR EXCEPTION TO RULE 303-A
LIVINGSTON LEASE
LEA COUNTY, NEW MEXICO

Application is hereby made for an exception to Rule 303-A to permit the commingling of oil production from the Hare Simpson formation into the commingled Blinebry - Drinkard - Wantz - ABO - Tubb battery on the Livingston lease located in sections 3 and 4, T-21-S, R-37-E, Lea County, New Mexico.

Currently, oil from the Drinkard, Blinebry, Wantz - ABO and Tubb formations are commingled under administrative order PC-675. The Livingston Well No. 7 has been recently worked over and completed to the Hare Simpson formation. We propose to commingle production from these formations in a single battery. None of the five zones are capable of top allowable production and are categorized as marginal. Allocation of production from this battery would be based on periodic well tests.

The weighted average API gravities of these zones range from 35.9 to 36.8. No change in actual commercial value is anticipated as a result of commingling.

As requested, enclosed is a lease plat and a schematic diagram to aid you in reviewing our proposal. If you have further questions, please contact R. W. Pelton at (713) 870-4045.

Yours very truly,

A handwritten signature in cursive script, appearing to read "D. A. Montgomery".

D. A. Montgomery
Supervisor Oil Accounting
Mid-Continent Division

RWP:VJC

Enclosures

SHELL OIL COMPANY
COMMINGLING REQUEST FORM
FOR THE
STATE OF NEW MEXICO
OIL CONSERVATION
COMMISSION

APPLICATION FOR EXCEPTION TO COMMISSION RULE 303a AND/OR 309A

1. Operator SHELL WESTERN E/P INC.		5. Commission Dist. No. 1		
2. Address P. O. BOX 576		6. County LEA		
3. City HOUSTON		4. State TEXAS		
7. Date of Application				
8. Identification of leases and pools as shown on statewide oil proration				
9. Field Name	Lease Name	Pool (Zone) Name	API Gravity Range	Lease Location S-T-R
DRINKARD ↓	LIVINGSTON ↓	BLINEBRY	36.2	314-215-37 E
		DRINKARD	36.0	314-215-37 E
		TUBB	31.5	3-215-37 E
		WANTZ-ABO	41.4	3-215-37 E
		HARE SIMPSON	40.1	3-215-37 E

10. ☒ Request for exception to Rule 303a (segregation of production from pools)
11. ☐ Request for exception to Rule 309A (lease commingling)
12. POOL COMMINGLING (exception to Rule 303) 1.) Lease plat (required)
2.) Schematic of commingling (required)
13. Commingled royalty interest are the same ☒ Yes ☐ No
14. Are producing zones marginal or top allowable ☒ Marginal-see (a.) below *
☐ Top allowable
- (a.) If producing zones are not capable of producing top unit allowable for their respective pools, commingling will be permitted without separately measuring the production from each pool. A 60-day period tabulation of production showing that the average daily production has been below top allowable for the subject pools.
15. Allocation of production from well zones will be by ☒ Periodic well test ☐ All zones metered ☐ All zones metered & sampled ☐ All zones except one separately metered - subtraction method
16. Will the commingling of zones or pools decrease revenue due to API gravity change ☐ Yes ☒ No WEIGHTED AVERAGE INCREASES FROM 36.5 TO 36.9
17. If answer to (16.) is "Yes" state how much less.
18. Are Federal lands or State lands involved? ☐ Yes ☒ No
19. If answer to (18.) is "Yes" furnish an approval letter from the Commissioner of Public Lands for the State of New Mexico or the Regional Supervisor of the United States Department of the Interior Geological Survey stating approval of the proposed commingling.
20. LEASE COMMINGLING (exception to Rule 309A)
- 20a. 1.) Lease plat required
2.) Schematic diagram of the commingling facility
21. All production is from the same common source of supply or an exception to Rule 303(a) has been obtained ☒ Yes ☐ No
22. If answer to (21.) is "Yes" show acceptance letter date and commission order number Common source of supply
23. Allocation of production ☒ Monthly well test ☐ All leases metered ☐ All leases metered & sampled ☐ All leases except one separately metered - subtraction method

24. All parties owning an interest in the Leases and the purchaser of the commingled production have consented in writing to the commingling of production from the separate leases. ☒ Yes ☐ No

25. If answer to (24.) is "No," Explain

26. Name and address of gatherer

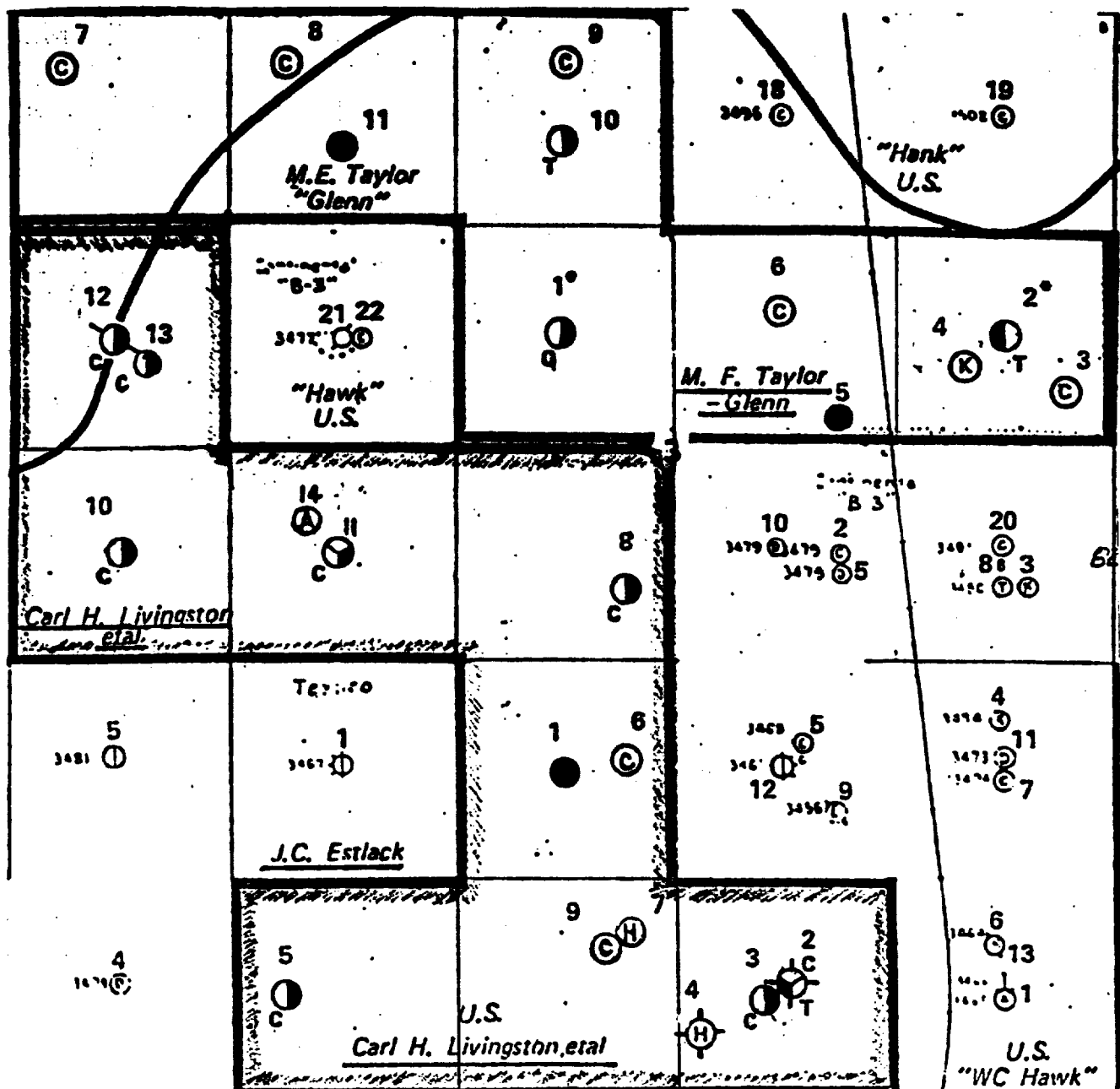
SHELL PIPELINE CORP. PO. BOX 1910, MIDLAND TX 79702

27. Signature

Title Section Supervisor Oil Accounting

Commingling permit number _____ Approval date _____

Approved by _____



LEGEND

- Blinebry/Drinkard
- Drinkard
- ⊙ Blinebry
- ⊙ Tubb
- ⊙ Wantz ABO
- ⊙ Hare McKee

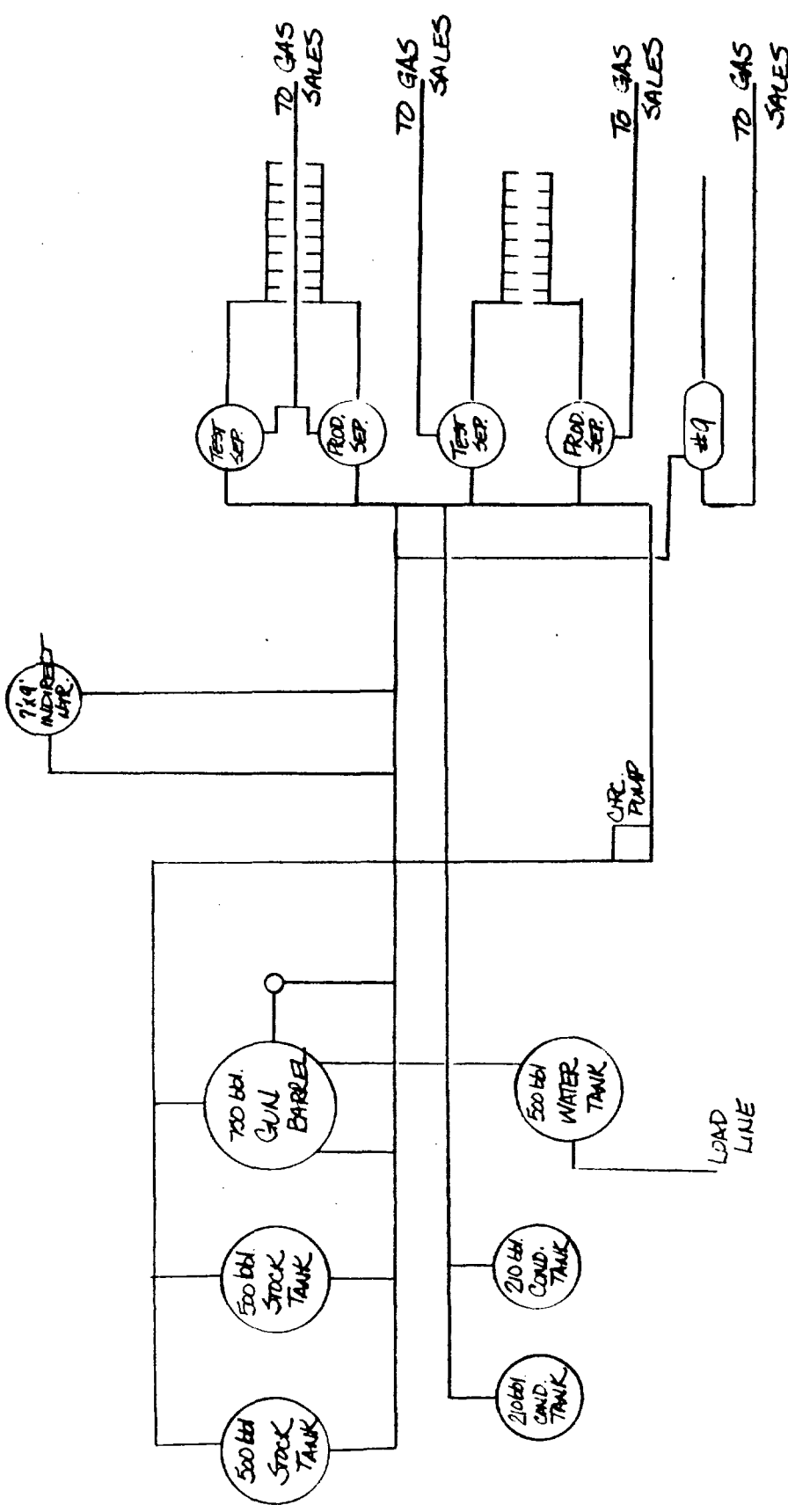
SUMMARY

Producing Formation

Well #s

Blinebry/Drinkard 3,5,8,10,13
 Blinebry 6,9
 Drinkard 1
 Tubb 11
 Wantz ABO 14
 HARE-SIMPSON 7

SHELL OIL COMPANY	WESTERN E & P REGION MID-CONTINENT DIVISION	PRODUCTION DEPARTMENT
Lease Plat Livingston Lease Drinkard Field Lea County, New Mexico T-21-S R-37-E		
By: EAJ	Date: 10/13/84	



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SHELL OIL COMPANY	WESTERN E & P REGION MID-CONTINENT DIVISION	PRODUCTION DEPARTMENT
SCHEMATIC OF PROPOSED COMMINGLED FACILITIES LIVINGSTON LEASE DRINKARD FIELD LEA COUNTY, NEW MEXICO		
By: E.S.C.	Date: 10/12/84	
Scale	Map	

LIVINGSTON LEASE

LOCATION - SECTIONS 3 AND 4 - T 21-S, R-37-E

LATEST WELL TESTS

WELL #	ZONE	BOPD+BWPD+MCFGD	API	DATE
1	D	3+2+101 3+1+106	37.3 37.3	10/84 9/84
3	B/D	11+2+221 8+3+230	35.2 35.2	10/84 9/84
5	B/D	13+1+331 14+1+335	36.2 36.2	10/84 9/84
6	B	5+1+214 5+1+222	37.8 37.8	10/84 9/84
7	H	22+57+227	40.1	10/84
8	B/D	8+5+281 8+14+276	36.7 36.7	10/84 9/84
10	B/D	4+1+199 5+1+205	35.2 35.2	10/84 9/84
11	T	4+1+115 5+1+119	31.5 31.5	10/84 9/84
13	B/D	4+8+32 4+9+33	36.0 36.0	10/84 9/84
14	WA	2+0+6 5+0+9	41.9 41.8	10/84 9/84

D - DRINKARD

B - BLINEBRY

B/D - BLINEBRY DRINKARD COMINGLED

T - TUBB

WA - WHITE ARO

H - HARE SIMPSON