

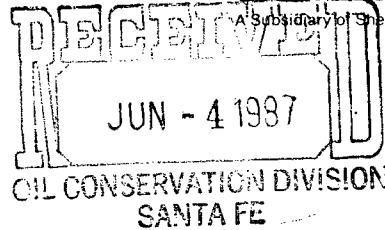
Shell Western E&P Inc.

A subsidiary of Shell Oil Company



P.O. Box 576
Houston, TX 77001

June 1, 1987



State of New Mexico
Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, NM 87504-2088

Gentlemen:

SUBJECT: APPLICATION TO DOWNHOLE COMMINGLE
SHELL - STATE B NO. 5
660' FNL AND 660' FWL, UNIT LETTER "D"
SECTION 33, T18S, R38E
HOBBS DRINKARD AND HOBBS BLINEBRY OIL AND GAS POOLS
LEA COUNTY, NEW MEXICO

Pursuant to the provisions of Rule 303-C, Shell Western E&P Inc. (SWEPI) respectfully requests administrative approval to commingle production within the wellbore from the Drinkard and Blinebry Oil and Gas Pools for the subject well.

State B No. 5 was drilled and completed in 1969 as a Blinebry producer following abandonment of the Drinkard. The Blinebry zone was abandoned in September of 1974 and the well recompleted to the Paddock formation. It produced from the Paddock until December of 1986 when the well was shut-in due to uneconomic rates. 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 squeeze the Paddock and reopen the Blinebry and Drinkard.

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

1. The attached plat indicates the State B lease.
2. The latest tests are as follows:

 Blinebry: (5-27-87) 3 BO + 55 BW + 11 MCFG
 Drinkard: (5-27-87) 6 BO + 10 BW + 99 MCFG
3. Neither zone produces more water than the combined oil limit as determined in Rule 303-C, Section 1, paragraph (1).
4. SWEPI 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 (surface commingling authority: PLC 31)

BNBC8714903

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 6661' are:

Blinebry: 727.7 psig (24 hrs SI)

Drinkard: 851 psig (24 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:

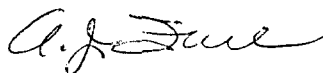
<u>Blinebry</u>		<u>Drinkard</u>
30%	Oil	70%
10%	Gas	90%

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

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 Blinebry zone.

If additional information is required, please advise.

Yours very truly,



A. J. Fore
Supervisor Regulatory and Permitting
Production Administration
Western Division

JMW:TS

Attachments

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

BNBC8714903

STATE B #5
WELL HISTORY

8/69 Drilled and completed in Blinebry formation (set CIBP
 over Drinkard).

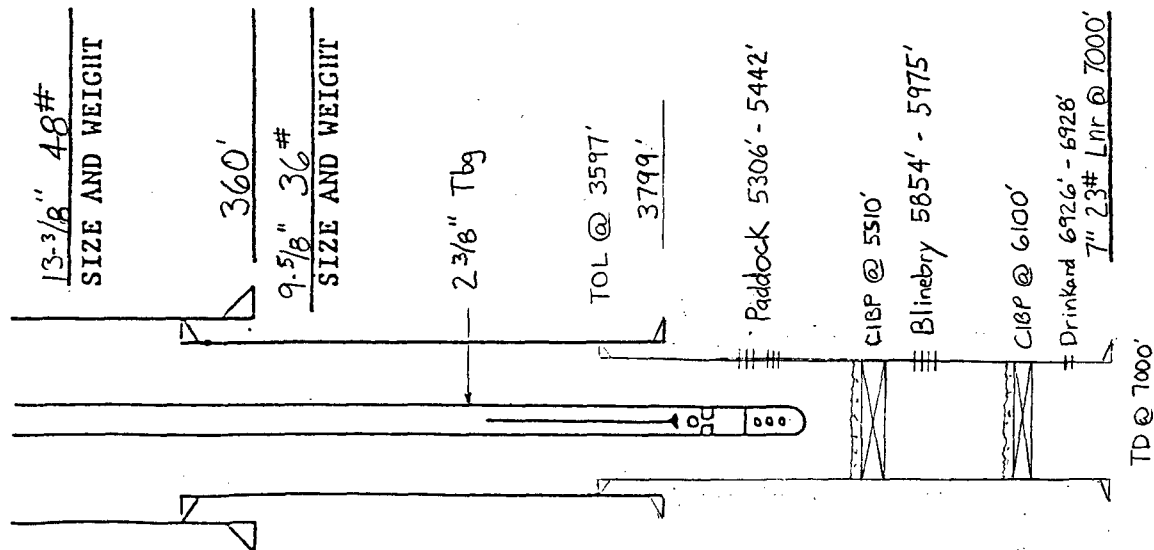
9/74 Set CIBP over Blinebry and recompleted to the Paddock.

12/86 Shut-in

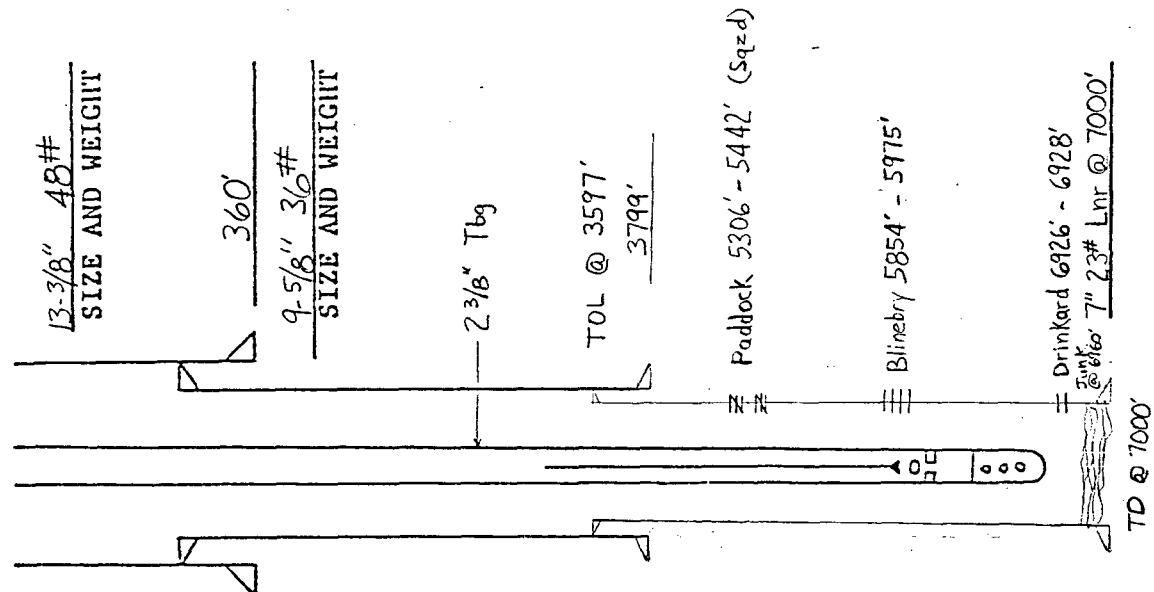
MECHANICAL CONFIGURATION

WELL STATE B #5
 FIELD HOBBS PADDOCK
 DATE JANUARY, 1987

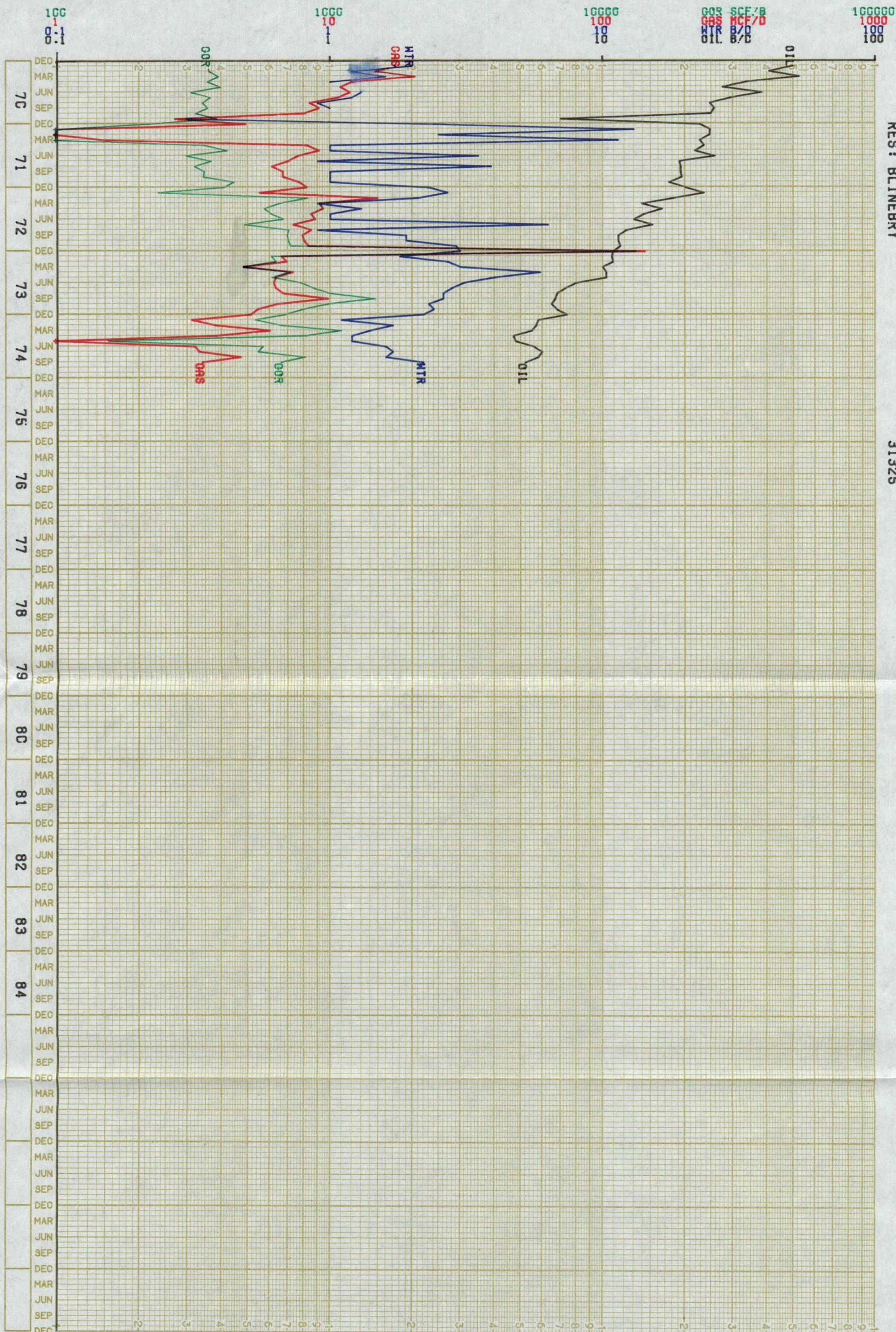
PRESENT



PROPOSED



PRODUCTION UNIT 647:NEW MEXICO
LSE: STATE -B-
RES: BLINEBRY
30691 WLL: 5-33 28268
31325



SHELL WESTERN E&P INC. HOBBS DRINKARD & HOBBS BLINEBRY OIL & GAS

LEA

No well will be assigned an allowable greater than the amount of oil produced on the official test. During gas-oil ratio test, each well shall be produced at a rate not exceeding the top well allowable for the pool in which well is owned by more than 33 percent. Operator is encouraged to take advantage of this 33 percent tolerance in order that well can be assigned increased allowable when authorized by the Division.

Gas volume must be reported in MCF measured at a pressure base of 14.7 psia and a temperature of 60° F. Specific gravity base is the 0.68.

Report casing pressure in lieu of tubing pressure for any well producing through casing.

Well owners and one copy of this report to the District Office of the New Mexico Oil Conservation Division in accordance with 301 and applicable pool rules.

No well will be entered on a leasehold greater than the amount of oil produced on the offset well.

During go-sell trials test, each well shall be produced at a rate not exceeding the top bulk allowance for the pool in which well is owned by more than 33 percent. Operator is encouraged to take advantage of this 33 percent tolerance in order that well can be assigned greater allowances when authorized by the Division.

Co. volume can be reported in MCF measured at a pressure base of 14.73 psia and a temperature of 60° F. Specific gravity based on 6.0.

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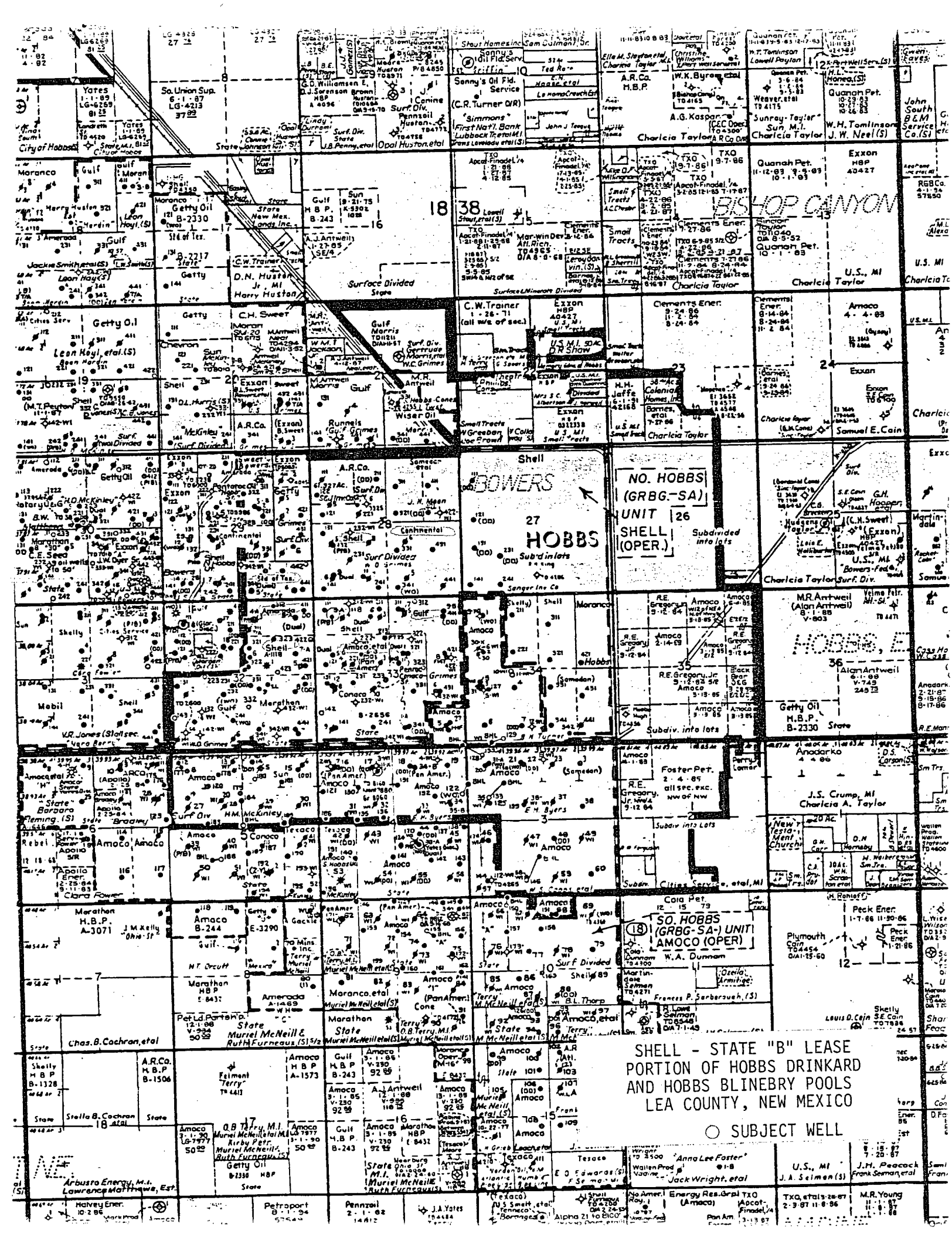
All original and one copy of this report to the district office of the New Mexico Oil Conservation Division in accordance with 10.201 and appropriate Pool Rules.

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

A. J. Fore A. J. FORE
(Signature)

SUPERVISOR REG. & PERMITTING

JUNE 1, 1987
(Tues)



OFFSET OPERATORS

SHELL - STATE B LEASE

AMERADA HESS CORPORATION
P. O. BOX 840
SEMINOLE, TX 79360

AMOCO PRODUCTION COMPANY
P. O. BOX 68
HOBBS, NM 88240

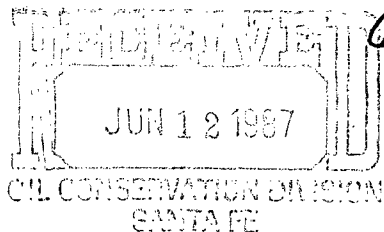
CHEVRON U.S.A., INC.
P. O. BOX 670
HOBBS, NM 88240

CONOCO, INC.
P. O. BOX 460
HOBBS, NM 88240



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

GARREY CARRUTHERS
GOVERNOR



6-3-87

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

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

DHC-654

RE: Proposed:

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

Gentlemen:

I have examined the application for the:

Shell Western E & P Inc. State B # 5-D 33-18-38
Operator Lease & Well No. Unit S-T-R

and my recommendations are as follows:

OK

Yours very truly,

Jerry Sexton
Supervisor, District 1

/ed