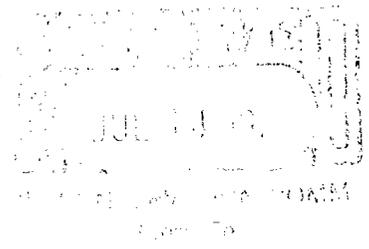


SHELL OIL COMPANY

1200 MILAM STREET
P. O. BOX 576
HOUSTON, TEXAS 77001



July 11, 1977

Subject: Lease Commingling of the San Andres Zone, Thelma Crosby, Thelma Crosby-B, M. H. McGrail, McGrail No. 2, and Thelma Crosby-C Leases of Section 5, Township 9, Range 30 Cato Field Chaves County, New Mexico

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

Gentlemen:

Shell Oil Company proposes to add the Thelma Crosby-C Lease to the existing commingled battery.

The API gravities of the San Andres crudes range from 22.2 to 23.9. There should be no change in actual commercial value of the production as a result of this commingling.

Attached for your consideration is a lease plat, a schematic diagram of the proposed installation, and a tabulation of production for each well on the leases for the months of April and May 1977. If any additional information is required, please contact Beverly Adamson of this office.

Yours very truly,

M. J. Adams
M. J. Adams

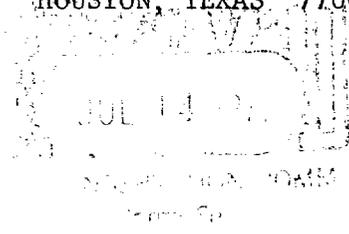
Supervisor Oil Accounting
Western E&P Region

BA:SH

Enclosures

*CTE 188 dated 10/29/68 amended
Thelma Crosby & Thelma Crosby "B" after
separate measurement
CTE 188 amendment dated 3/1/77 added McGrail
lease, also after separate measurement*

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 OIL COMPANY
 2. Address P. O. BOX 576
 3. City HOUSTON 4. State TEXAS 5. Commission Dist. No.
 6. County Chaves 7. Date of Application 7-11-77
 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
Cato	Thelma Crosby	San Andres	23.9	5-9S-30E
Cato	Thelma Crosby-B	San Andres	22.2-23.9	5-9S-30E
Cato	M. H. McGrail	San Andres	22.7	5-9S-30E
Cato	McGrail No. 2	San Andres	22.7	5-9S-30E
Cato	Thelma Crosby-C	San Andres	--	8-9S-30E

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
 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 _____ . State common source.

23. Allocation of production Monthly well test All leases metered All leases metered & sampled All leases except one separately metered - subtraction method

20
 Do ahead and prepare w/ metering.
 replacement application will be filed in
 21.

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 Mobil Pipe Line Co. P.O. Box 900 Dallas, Texas 75221

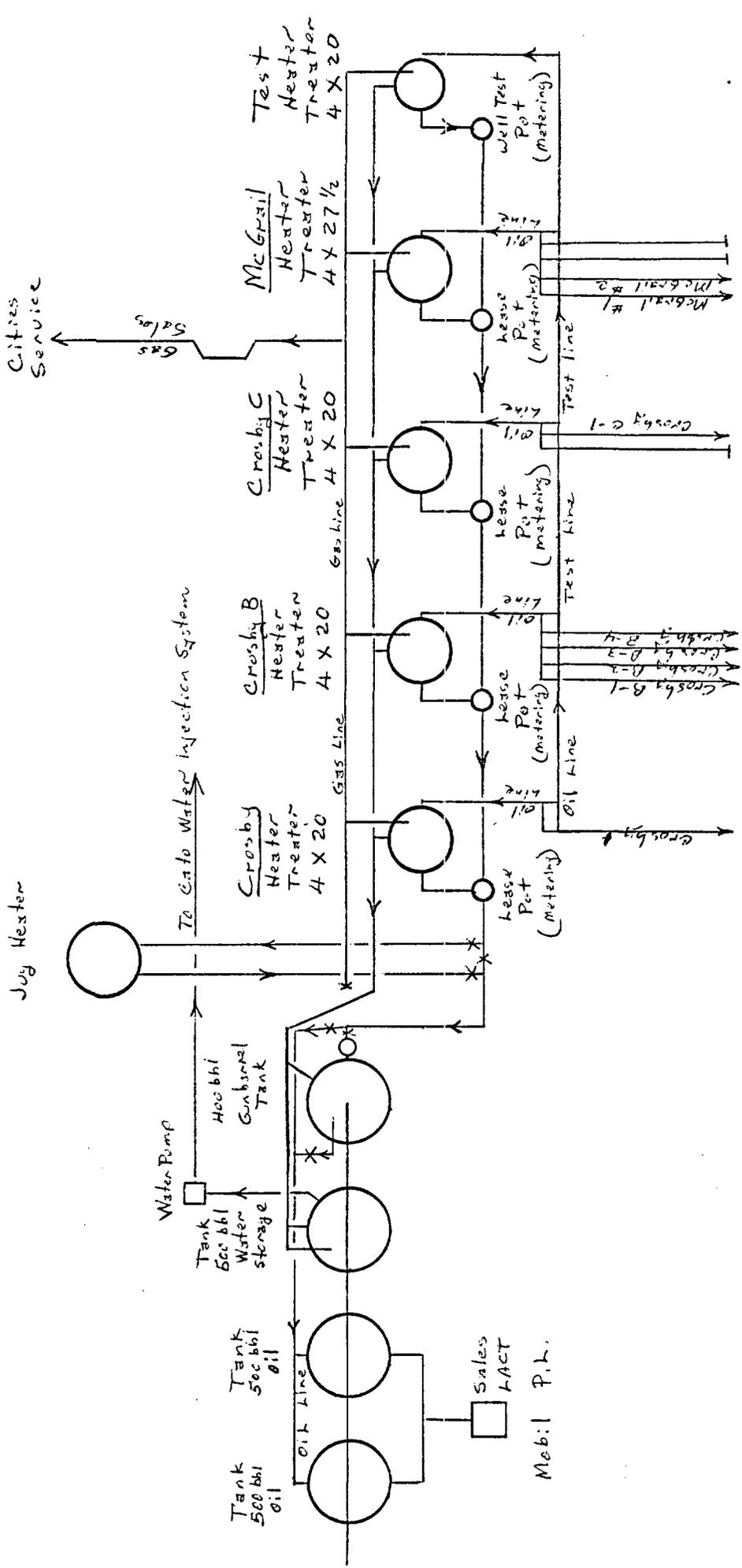
27. Signature *M. J. Adams* Title Supervisor Oil Accounting

Commingling permit number _____ Approval date _____

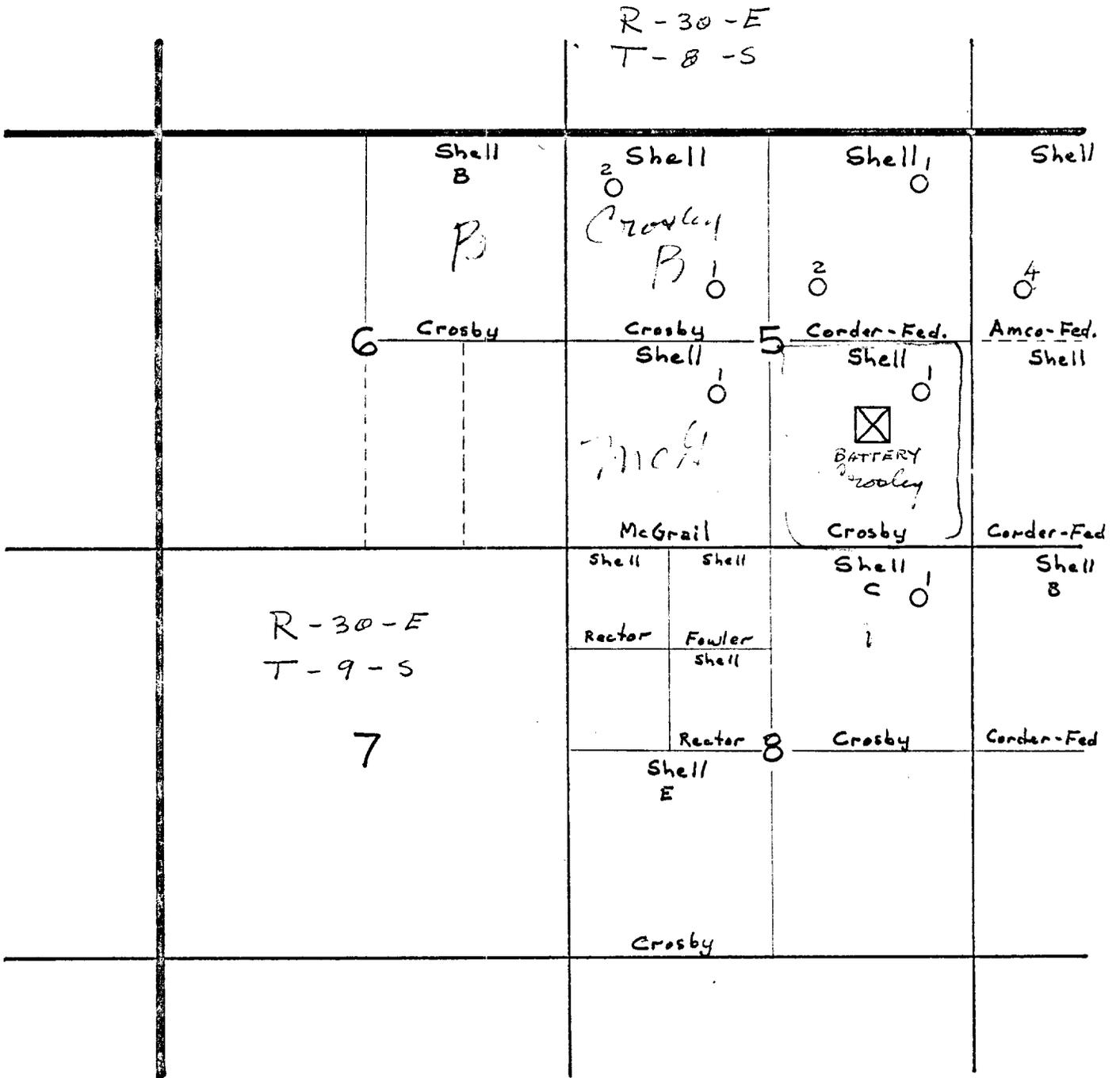
Approved by _____

PRODUCTION HISTORY
LEASE COMMINGLING OF SAN ANDRES ZONE
CATO FIELD
CHAVES COUNTY, NEW MEXICO

<u>Pool</u>	<u>Lease & Well No.</u>	<u>Allowable</u>	<u>Act. Bbls. Produced</u>	<u>Bbls. Water</u>	<u>Gas MCF's</u>	<u>Days Produced</u>
<u>April 1977</u>						
San Andres	Thelma Crosby 1	360	126	265	34	27
San Andres	Thelma Crosby-B 1	1,290	451	635	11	27
San Andres	Thelma Crosby-B 2	360	74	617	3	11
San Andres	Thelma Crosby-B 3	2,400	1,443	1,300	99	27
San Andres	Thelma Crosby-B 4	2,400	1,126	247	14	27
San Andres	M. H. McGrail 1	600	259	714	6	27
San Andres	McGrail No. 2 2	2,400	1,261	1,240	84	25
San Andres	Thelma Crosby-C 1	0	0	0	0	0
<u>May 1977</u>						
San Andres	Thelma Crosby 1	372	97	246	31	25
San Andres	Thelma Crosby-B 1	1,333	399	682	6	29
San Andres	Thelma Crosby-B 2	372	160	1,617	4	29
San Andres	Thelma Crosby-B 3	2,480	1,278	1,395	127	29
San Andres	Thelma Crosby-B 4	2,480	670	85	12	29
San Andres	M. H. McGrail 1	620	224	1,167	5	29
San Andres	McGrail No. 2 2	2,480	1,166	1,597	106	29
San Andres	Thelma Crosby-C 1	0	0	0	0	0



Shell Oil Co
 Cato Field
 Central Battery 5
 Cheaves Co., N.M.



All wells are San Andres Producers

Shell Oil Co
 Cato Field
 Chaves Co, NM