



2. 6. 1961
SHELL OIL COMPANY

P. O. Box 845
Roswell, New Mexico

January 16, 1961

Subject: Application for Exception
to Rule 303 (a)

REGISTERED MAIL

New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Attention Mr. A. L. Porter

Gentlemen:

Shell Oil Company hereby requests an exception to Rule 303(a) as provided in Rule 303(b) of the Rules and Regulations of the New Mexico Oil Conservation Commission. We propose to commingle the Drinkard oil production from wells Nos. 1, 2, 5, 7 and 8, with the Blinebry oil production from wells Nos. 3, 5, 6 and 9 on our Carl H. Livingston, et al lease located in Sections 3 and 4 of T-21-S, R-37-E, as shown on Attachment "B". Livingston No. 6 is the only producing Blinebry oil well; however, Blinebry oil completions in the other three wells are expected in the near future.

The royalty interest is common for all zones underlying the Livingston Lease and the production from each zone will be continuously metered through metering separators prior to commingling as illustrated in Attachment "A".

The five Drinkard wells produce 57 barrels of oil per day and the four Blinebry wells are expected to produce top allowable or 188 barrels per day. The average Drinkard oil gravity is 37.6° API and the average daily value of 57 barrels is \$163. The Blinebry oil gravity is 39.2° API (based on the Livingston No. 6 completion) and the average daily value of 188 barrels would be \$549. When commingled, the resultant gravity would be 39° API. The commingled average daily value of 245 barrels would be \$716 or \$4 per day more than the value of the products handled separately.

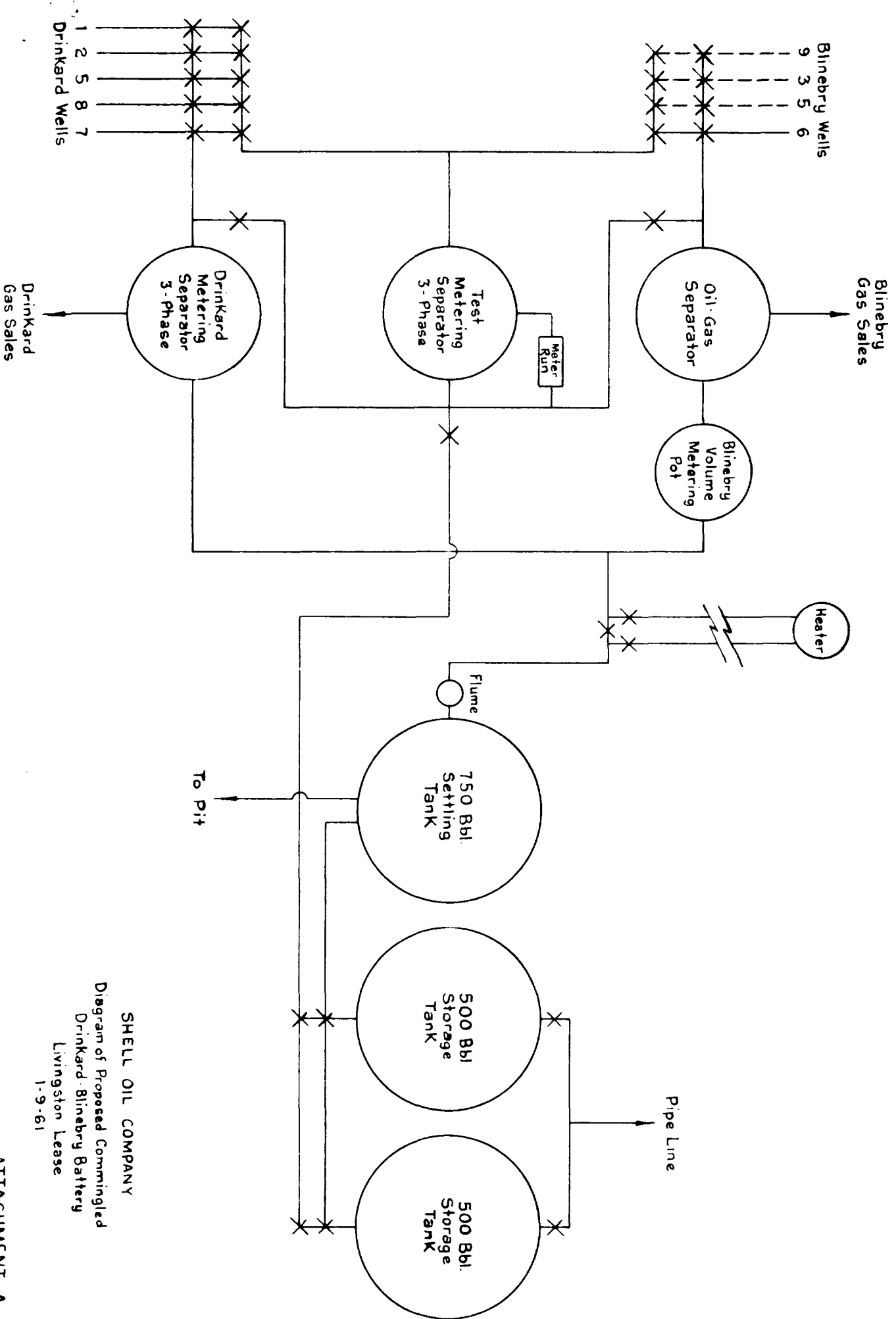
All persons owning any interest of record in the Livingston Lease have been sent a copy of this application via Registered Mail.

Very truly yours,

R. L. Rankin

R. L. Rankin
Division Production Manager

Attachments



SHELL OIL COMPANY

Diagram of Proposed Commingled

Drinkard-Blinebry Battery

Livingston Lease

1-9-61

ATTACHMENT C - MAILING LIST

Copies of this application were sent to the following people via Registered Mail:

Mattye T. Bennett
803 E. Grayson
Mexia, Texas

M. M. Bergel Estate
Brady Building
San Antonio, Texas

Robert E. Byers
P. O. Box 4554
Austin 51, Texas

Ronald J. Byers
P. O. Box 4554
Austin 51, Texas

Constance E. Byers
P. O. Box 4554
Austin 51, Texas

Harry Campbell, Jr.
6308 Tulip Lane
Dallas 5, Texas

J. R. Cone
Room 1706
Great Plains Life Building
Lubbock, Texas

Edwin B. Cox
2100 Adolphus Tower
Dallas 2, Texas

First National Bank of Conroe
A/C Margaret Hamm Curry and
Thomas B. Curry
Conroe, Texas

Jake L. Hamon
5th Fl. Vaughn Building
1712 Commerce Street
Dallas 1, Texas

William Edward Hamm
P. O. Box 5235
Houston 12, Texas

James Robert Hamm
P. O. Box 5235
Houston 12, Texas

Catherine Ruth Hamm
D. Hemacourt
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Dallas 34, Texas

J. H. Herd
Box 1747
Midland, Texas

John Ladner
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Tulsa 14, Oklahoma

Dorothy P. Long
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Beverly Hills, California

Jack Markham
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William C. McDuffie
1100 Statler Center
900 Wilshire Blvd.
Los Angeles 17, California

Malcolm McDuffie
1100 Statler Center
900 Wilshire Blvd.
Los Angeles 17, California

Midwest Oil Corporation
1700 Broadway
Denver 2, Colorado

J. Hiram Moore
P. O. Box 1537
Hobbs, New Mexico

Robert C. Prater
121 W. Broadway
Hobbs, New Mexico

Rosalind Redfern
P. O. Box 1747
Midland, Texas

John J. Redfern, Jr. Ind.
P. O. Box 1747
Midland, Texas

H. E. Rorschach
C/o Colonial Royalties
427 Kennedy Building
Tulsa, Oklahoma

Charles D. Sands
509 E. Green Acres
Hobbs, New Mexico

The Texas Company
P. O. Box 1720
Fort Worth, Texas

Mrs. Della Turland
Box 336
Monument, New Mexico

J. M. Welborn
Fourth Floor
Great Plains Life Bldg.
Lubbock, Texas

R. E. Williams
P. O. Box 1737
Midland, Texas

OIL CONSERVATION COMMISSION

BOX 2045

HOBBS, NEW MEXICO

DATE Jan. 31, 1961

OIL CONSERVATION COMMISSION
BOX 871
SANTA FE, NEW MEXICO

Re: Proposed NSP _____

Proposed NSL _____

Proposed NFC _____

Proposed DC _____

PC 23

Gentlemen:

I have examined the application dated _____
for the Shell Oil Co. Carl H. Livingston # & S-21-37
Operator Lease and Well No. S-T-R

and my recommendations are as follows:

Denied---All direct connecting lines ahead of meters and connecting flow
lines should be deleted---EFE

Denied--Refer to Eric's comments---JWR

Yours very truly,

OIL CONSERVATION COMMISSION

