PC 47

SHELL OIL COMPANY

P. O. Box 1858
Roswell, New Mexico

October 26, 1961

Subject: Revision of Livingston Commingling System, N.M.O.C.C. Case No. 2220, Order No. 2-1936, Necessitated by Top Allowable Production From the Drinkard Pool.

AIR MAIL

New Mexico Oil Conservation Commission (3)
P. O. Box 871
Santa Fe, New Mexico

Gentlemen:

This letter is in reference to N.M.O.C.C. Case No. 2220, Order No. 2-1936 by which Shell Oil Company was granted permission to commingle production from the Drinkard, Wantz-Abo, and Blinebry oil pools from all wells presently completed or hereafter drilled on our Carl H. Livingston lease, with the production from the Drinkard and Wantz-Abo pools being determined by subtracting the Blinebry oil production from the total commingled production. Remaining production is allocated between the Drinkard and Wantz-Abo on the basis of monthly well tests.

This is to inform you that our Livingston No. 10 is now capable of top allowable production from the Drinkard pool. The Livingston No. 10, which was previously producing from the Wantz-Abo pool, was recompleted to the Drinkard pool and recently dualled in the Blinebry oil pool. We now have only Drinkard and Blinebry oil production on the Livingston lease, consisting of six wells in each pool.

We therefore request administrative approval to utilize the subtraction method as outlined in the Manual for the Installation and Operation of Commingling Facilities. By this method we would continue to meter the Blinebry zone, and would install an automatic sampler on this zone in compliance with the Commingling Manual. The net zone production for the unmetered Drinkard zone will be the difference between the net pipeline runs, with stock adjustments, and the net production from the metered Blinebry zone. The net zone production for the metered Blinebry zone will be determined by applying the known meter factor to the gross meter reading less BS&W content as indicated by the sampler.

W/ metering L Blinebry.

Increased production due to recompletions in the Blinebry and Drinkard pools has necessitated the installation of additional storage facilities in order to provide sufficient storage above the working high level point for the unattended period of the lease. Therefore, we are adding a Hi-500 barrel stock tank to the system which should provide about 24 hours additional storage.

Attached are schematic drawings of the proposed revised commingling installation for your consideration. Also indicated on the drawings are the wells producing from the respective pools at this time. If additional information is desired, please contact this office.

Yours very truly,

for R. L. Rankin

Attachments

DrinKard Wells

1 2 5 7 8 10

DrinKard Gas Sales

DrinKard Horizontal Production Separator

To Pipeline

Bad Oil Reroute Line

ACT SKid

Oil M

Test Metering Separator 3 - Phase

Water

C

M

Gas

Sampler

Volume Meter

Heater

Blinebry Vertical Production Separator

3 6 9 8 5 10

Blinebry Wells

Blinebry Gas Sales

Flume

750 Bbl. Settling TanK

To Pit

Two 500 Bbl. Run TanKs

Pressure Switch

SYMBOLS

- CheckK Valve
- BlocK Valve
- 2 Way Valve (Pneumatic)
- Orifice Meter Run
- C — Controll Panel Consisting of 3-Position Control Valve (1)
- M — Counter
- BacK Pressure Valve

1. Three Position Control Valve will Supply Gas Pressure to a Pair of Control Valves for One Zone at a Time to Avoid Accidental Commingling Prior to Metering.

SHELL OIL COMPANY

DIAGRAM OF FINAL INSTALLATION

Carl H. Livingston Lease

Sec. 3&4, T-21-S, R-37-E

N.M.O.C.C. Case No. 2220

Order No. R-1936

Commingle Blinebry Oil and DrinKard Oil Utilizing the Subtraction Method

6-13-61 No Scale

Revised: 10-27-61