



SHELL OIL COMPANY

P. O. Box 1858
Roswell, New Mexico

November 14, 1961

PC 52
7/19/61

Mr. A. L. Porter, Jr.
Secretary-Director
New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

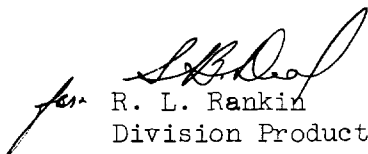
Dear Sir:

We are, by this letter and enclosed documents, making application for an exception to Rule 303(a) of the New Mexico Oil Conservation Commission's Rules and Regulations. We propose to commingle the Wolfcamp and Devonian Zones on the Priest Lease, Denton Field, Lea County, New Mexico. Both zones are marginal on this lease with no wells physically capable of making top allowable. Both the Devonian and Wolfcamp crudes are sweet and have an API Gravity range between 42° and 46°. No appreciable change in the actual commercial value of production is anticipated. Individual well production will be allocated by monthly well tests which will be conducted by producing the subject well through a three-phase metering separator.

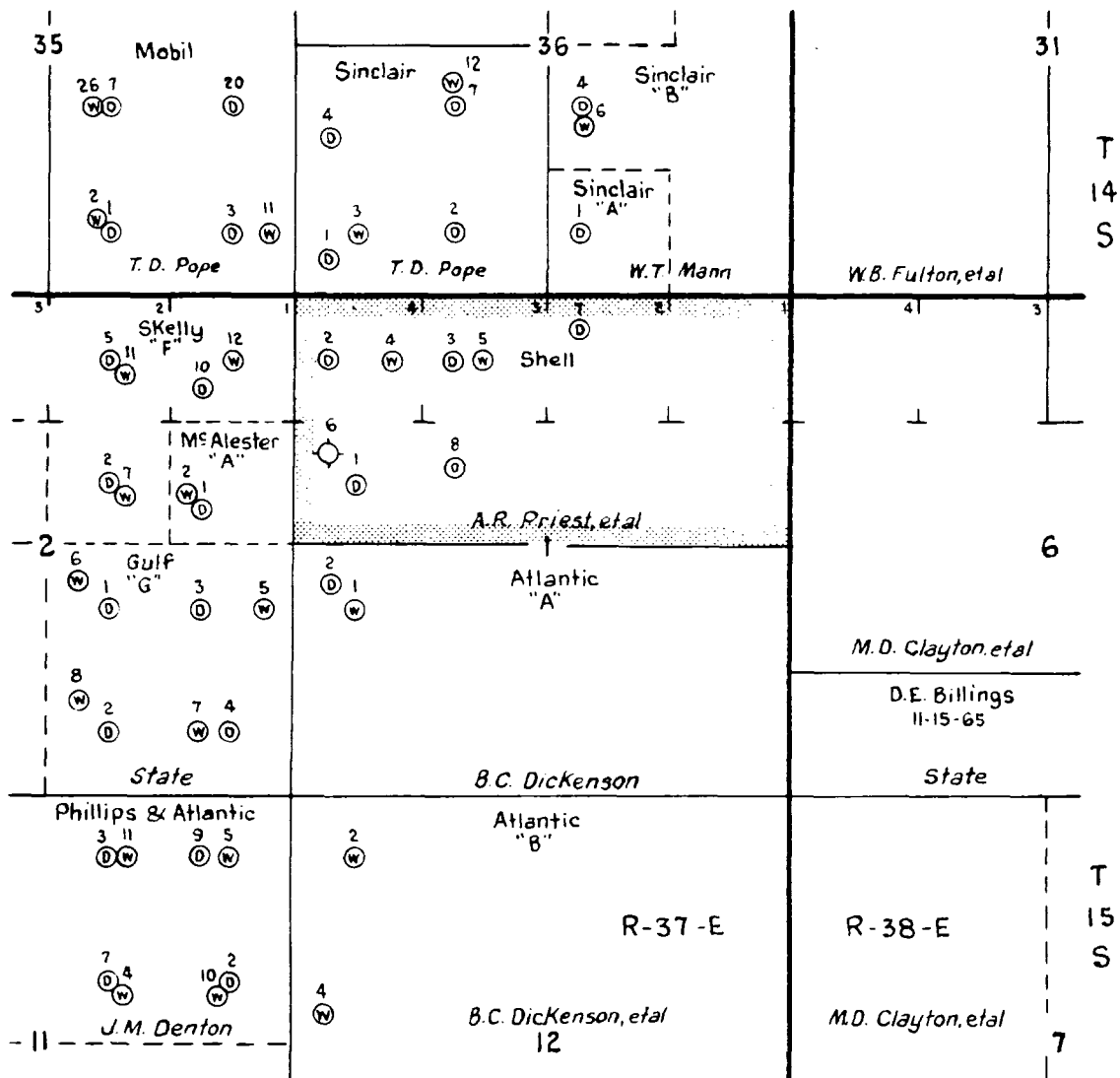
In accordance with Rule 303(b), the following attachments accompany this application: (1) Plat of the lease - (2) Schematic of the proposed installation - (3) Tabulation of gravity, rate and revenue data for the last twelve months - (4) Tabulation of production data for the past 60 days.

In view of the presented information, we request your approval of this project.

Yours very truly,


for R. L. Rankin
Division Production Manager

Attachments



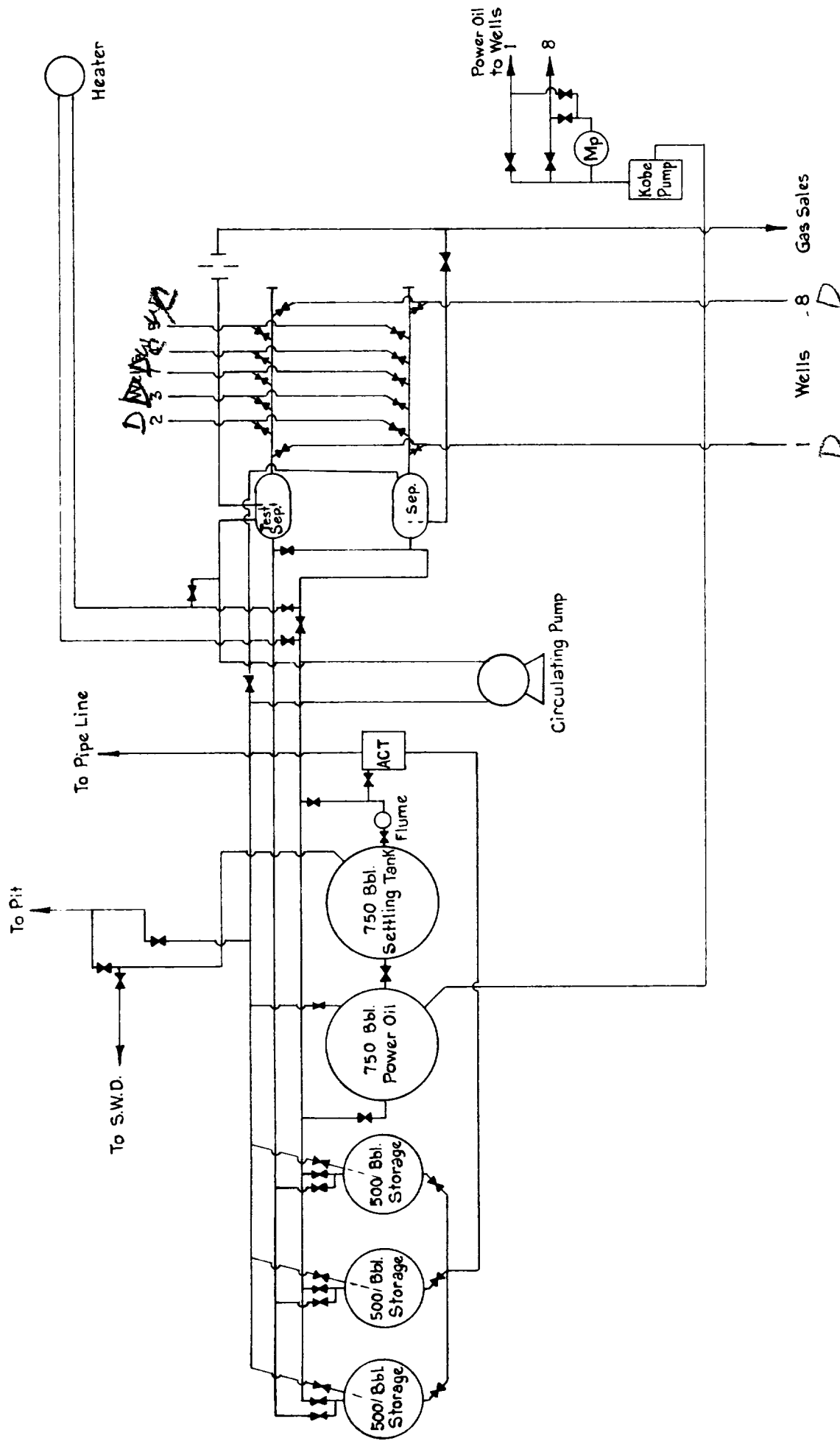
⊗ Wolfcamp

⊙ Devonian

Scale: 1" = 2000'

Shell Oil Company
DENTON FIELD
Lea Co., New Mex.

8-31-61



SHELL OIL CO.
PRIEST LEASE
DENTON FIELD
PROPOSED TANK BATTERY
11-20-61

PRIEST COMMINGLING DATA

Date	Wolfcamp Gravity	Wolfcamp Prod.	Devonian Gravity	Devonian Prod.	Combined Prod.	Commingled Gravity	Wolfcamp Revenue	Devonian Revenue	Wcp & Dev Revenue	Commingled Revenue
8/60	43.1	2040	44.1	20,531	22,571	44.0	6140	61,798	67,938	67,939
9/60	43.2	1791	42.9	20,581	22,372	43.0	5391	61,949	67,340	67,340
10/60	43.6	1819	44.0	21,066	22,885	44.0	5475	63,409	68,884	68,884
11/60	43.6	1893	44.8	20,993	22,886	44.7	5698	63,189	68,887	68,887
12/60	43.3	1971	45.1	18,838	20,809	44.9	5933	56,326	62,259	62,635
1/61	42.9	1833	45.0	20,402	22,235	44.8	5517	61,002	66,514	66,927
2/61	43.4	1425	43.7	16,341	17,766	43.7	4289	49,186	53,475	53,476
3/61	43.7	1774	44.1	18,488	20,262	44.1	5340	55,649	60,989	60,989
4/61	43.3	1576	43.4	16,082	17,658	43.4	4744	48,407	53,151	53,151
5/61	43.1	1667	44.1	15,091	16,758	44.0	5018	45,424	50,442	50,442
6/61	42.9	1599	43.8	16,971	18,570	43.7	4813	51,083	55,896	55,896
7/61	42.7	1522	44.1	17,412	18,964	43.5	4581	52,410	56,991	57,082
Averages	43.2		44.1			44.0				
Totals		20,940		222,796	243,736		62,939	669,832	732,771	733,645

*40.0° to 44.9° API = \$3.01; 45.0° to 45.9° API = \$2.99

PRIEST LEASE
PRODUCTION DATA

<u>WELL NO.</u>	<u>ZONE</u>	<u>ACTUAL PRODUCTION</u>		<u>TOP ALLOWABLE</u>	
		<u>AUGUST</u>	<u>SEPTEMBER</u>	<u>AUGUST</u>	<u>SEPTEMBER</u>
1	Devonian	3931	3699	5983	5790
2	Devonian	5019	5046	5983	5790
3	Devonian	4426	4817	5983	5790
4	Wolfcamp	1276	1315	3999	3870
5	Wolfcamp	233	178	3999	3870
7	Devonian	1653	1416	5983	5790
8	Devonian	1190	1144	5983	5790