



MAIN OFFICE ~~400~~ SHELL OIL COMPANY

P. O. Box 1858
Well, New Mexico

1963 JAN 25 AM 8:26

January 24, 1963

Subject: Application for Administrative
Approval to Commingle Drinkard,
Blinebry, and Wantz Abo Crudes,
Argo-Argo A Lease

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

Gentlemen:

~~Reference is made to N.M.O.C.C. Case No. 2363, Order No. R-2097,~~
and to your letter of January 8, 1963. These references, in part, authorize
Shell Oil Company to commingle the Drinkard and Wantz Abo Pools on the Argo-
Argo A Lease, to commingle the Drinkard and Blinebry Pools on the Turner
Lease, and to commingle the commingled production from both leases on the
Argo-Argo A Lease prior to treating.

This is to inform you that we propose to recomplete our Argo A
No. 10 well to the Blinebry Pool. This well will be the first Blinebry
well on the Argo-Argo A Lease and the only top allowable well on the lease.

We therefore request Administrative Approval to commingle top
allowable Blinebry production with the existing marginal Drinkard and Wantz
Abo production as per the attached schematic diagram. Blinebry production
from Argo A No. 10 will be separately and continuously metered. Since the
Drinkard wells and the one Wantz Abo well are marginal, production from
these wells will be metered after commingling. Total marginal production
will be allocated back to the individual wells on the basis of monthly well
tests. BS&W content will be determined by standard centrifugal testing
procedures. The proposed commingling system will be operated in accordance
with the Commission "Manual for the Installation and Operation of Commingling
Facilities."

Blinebry production is expected to be about 60 barrels per day of
39.3° API gravity crude. This will be commingled with about 135 barrels per
day of Drinkard and Wantz Abo production with a 39.1° API gravity. The total
commingled gravity will be about 39.2° API. The commercial value of the com-
mingled production will be equal to the sum of the values of the production
if the Blinebry was sold separately.

Attached for your consideration are schematic diagrams of the proposed commingling system. The number of wells to be produced from the respective pools is indicated on the drawings. If additional information is desired, please contact this office.

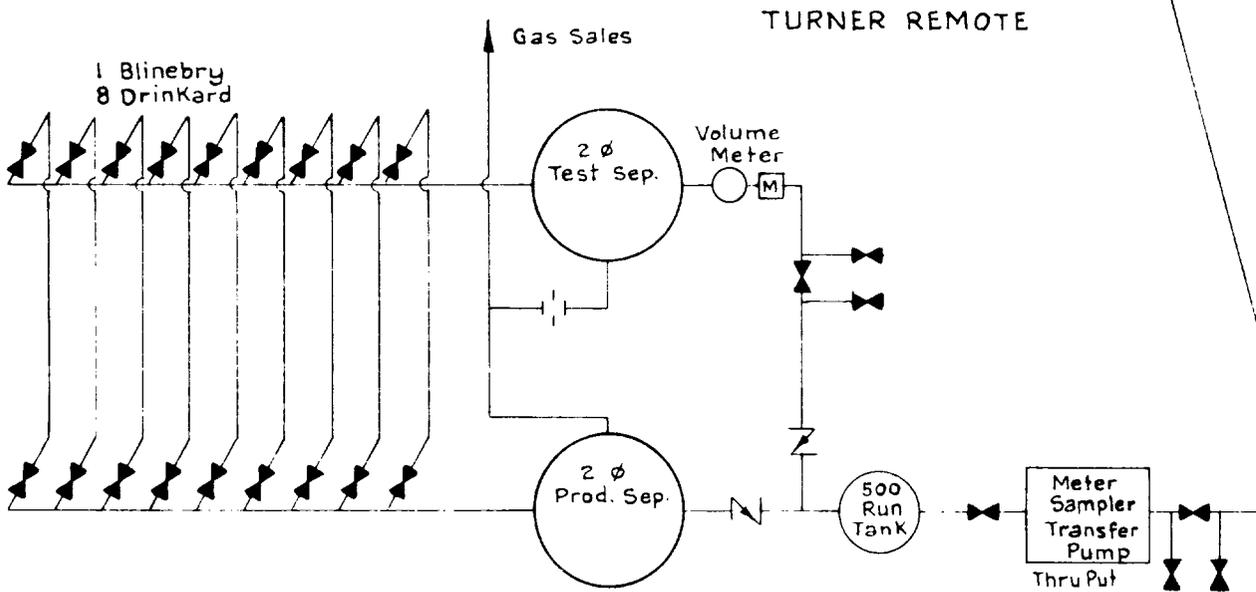
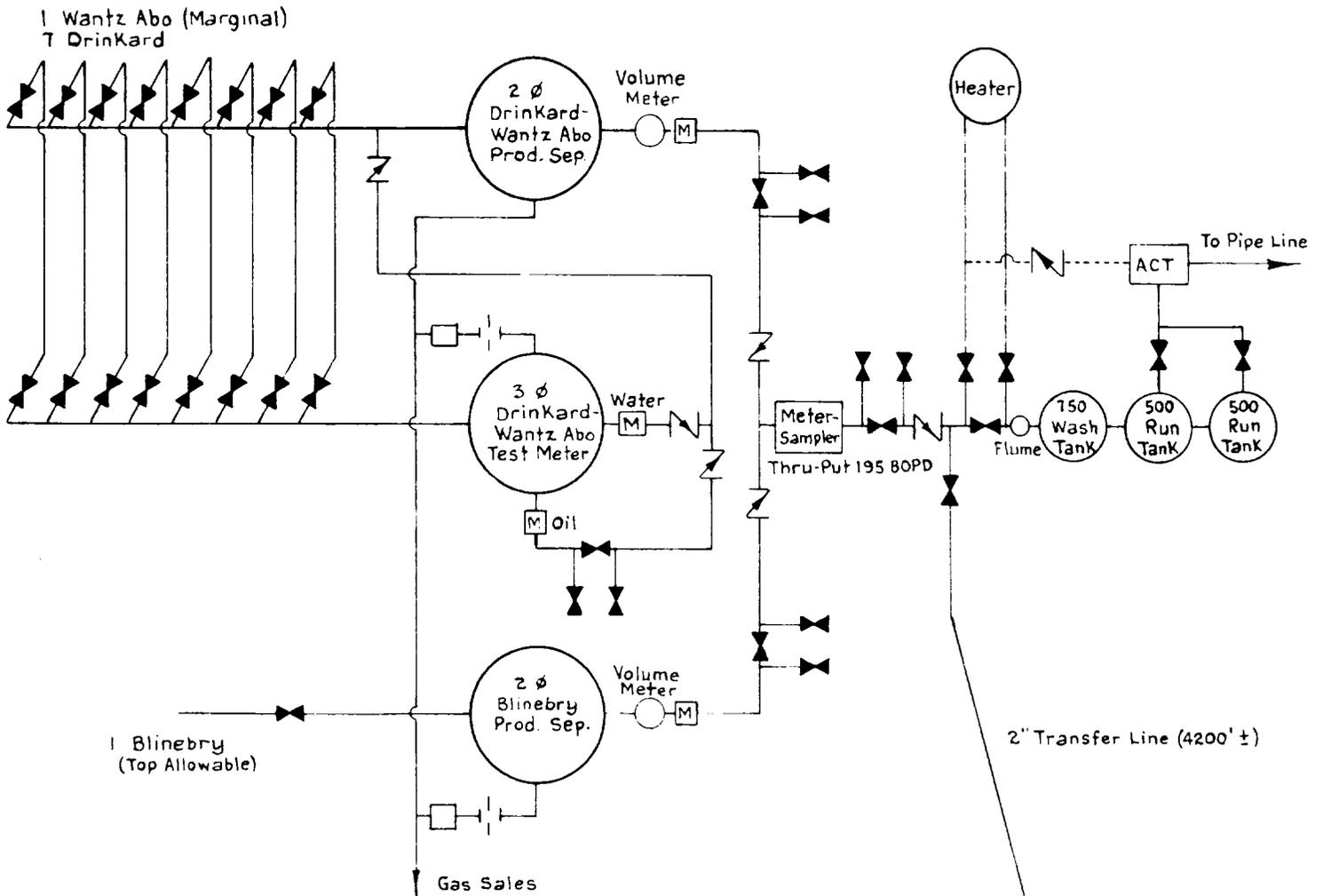
Very truly yours,

A handwritten signature in cursive script, appearing to read "R. L. Rankin".

R. L. Rankin
Division Production Manager

Attachments

ARGO and ARGO "A" CENTRAL



SYMBOLS

- Block Valve
- Check Valve
- Prover Connections
- Orifice Meter Run
- Back Pressure Valve
- Metering Facility

ARGO, ARGO "A" and TURNER CONSOLIDATION No.1
 Commingle Blinebry, Drinkard and Wantz Abo
 Sections 15 & 22, T-21-S, R-31-E
 January 21, 1963