

Handwritten initials: B.K.S.S.

Shell Western E&P Inc.

A Subsidiary of Shell Oil Company



P.O. Box 576

Houston, TX 77001

April 29, 1985

New Mexico Oil Conservation Commission
ATTN Gilbert Quintana
State Land Office Building
P. O. Box 2088
Santa Fe, NM 87501

Gentlemen:

APPLICATION FOR EXCEPTION TO RULE 303-A
TURNER LEASE
LEA COUNTY, NEW MEXICO

Application is hereby made for an exception to rule 303-A to permit the commingling of oil production from the Wantz-ABO formation into the commingled - Blinebry - Drinkard - Hare Simpson - Penrose Skelly battery on the Turner Lease located in Section 22 T21-S, R-37E, Lea County, New Mexico.

Currently, oil from the Blinebry, Drinkard, Hare Simpson, Penrose Skelly formations are commingled under administrative order PC-180. The Turner well number 11 has been recently worked over and completed to the Wantz-ABO formation. We propose to commingle production from these formations in a single battery. None of the five zones are capable of top allowable production and are categorized as marginal. Allocation of production from this battery would be based on periodic well tests.

The weighted average API gravities of these zones range from 29.6 to 42.6. No change in actual commercial value is anticipated as a result of commingling.

The latest well tests are:

<u>Well #</u>	<u>Zone</u>	<u>BOPD + BWPD + MCFD</u>	<u>°API</u>	<u>Date</u>
1	Drinkard	4 + 0 + 260	37.6	03-09-85
		4 + 0 + 238		01-02-85
2	Blinebry	6 + 1 + 128	38.8	03-02-85
		6 + 1 + 106		01-03-85
3	Drinkard	3 + 0 + 248	40.2	03-03-85
		3 + 0 + 268		01-09-85
4	Drinkard/Hare	14 + 1 + 216	42.6	03-04-85
		17 + 2 + 212		01-08-85

<u>Well #</u>	<u>Zone</u>	<u>BOPD + BWPD + MCFD</u>	<u>°API</u>	<u>Date</u>
5	Drinkard	2 + 0 + 168 2 + 0 + 174	37.8	03-05-85 01-07-85
6	Blinebry	3 + 1 + 28 2 + 1 + 36	37.6	03-06-85 01-06-85
8	Drinkard/Hare	11 + 1 + 154 11 + 2 + 154	42.2	03-08-85 01-05-85
12	Drinkard	2 + 0 + 102 3 + 0 + 120	41.3	03-07-85 01-12-85
15	Blinebry/Drinkard	9 + 1 + 366 9 + 1 + 364	39.8	03-11-85 01-13-85
16	Penrose Skelly	4 + 2 + 58 4 + 1 + 50	29.6	03-12-85 01-14-85

As requested, enclosed is a lease plat and a schematic diagram to aid you in reviewing our proposal. If you have further questions, please contact R. W. Pelton at (713) 870-4045.

Yours very truly,



 D. A. Montgomery
Supervisor Oil Accounting
Mid-Continent Division

RWP:VJC

Enclosures

FORM NO. 1
COMMINGLING BY
POOL OR LEASE

SHELL WESTERN E/P INC.
P. O. BOX 576
HOUSTON, TEXAS 77001

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 WESTERN E/P INC.		5. Commission Dist. No. 1		
2. Address P. O. BOX 576		6. County LEA		
3. City HOUSTON		7. Date of Application		
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
DRINKARD	TURNER	BLINEBRY	38.7	22-21-37
↓	↓	DRINKARD	39.2	↓
		HARE-SIMPSON	41.4	
		PENROSE SKELLY	29.6	
		WANTZ-ABO	41.2	
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 <u>Common source of supply</u>				
23. Allocation of production ☒ Monthly well test ☐ All leases metered ☐ All leases metered & sampled ☐ All leases except one separately metered - subtraction method				

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 SHELL PIPELINE CORP. P.O. BOX 1910 MIDLAND TEXAS 79702

27. Signature _____ Title Section Supervisor Oil Accounting

Commingling permit number _____ Approval date _____

Approved by _____

CONTINENTAL OPER

R35L



