



SHELL OIL COMPANY

P. O. Box 1858
Roswell, New Mexico

February 11, 1964

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico

Gentlemen:

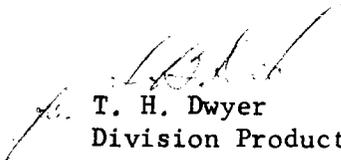
We are, by this letter and enclosed documents making application for an exception to Rule 303(a) of the New Mexico Oil Conservation Commission's Rules and Regulations. We propose to commingle the Blinebry and Grayburg zones on Shell's State "J" Lease located in SE/4 and E/2 SW/4 Section 32, T-20-S, R-37-E, Lea County by use of the subtraction method of commingling. The Grayburg zone produces about 800 barrels per month of sour crude with an API gravity of approximately 32° which is worth \$2.85/bbl. The Blinebry is expected to produce approximately 1600 barrels per month of 42° API sour crude which is worth \$3.01/bbl.

Commingling of these two crudes is expected to produce a 38° API sour crude worth \$2.97/bbl. Very little or no change in revenue is expected as a result of this commingling. In accordance with the subtraction method of commingling we plan to continuously meter and sample the Blinebry zone.

Enclosed are (1) Plat of State "J" Lease (2) Schematic of proposed installation (3) Letter of consent from Commissioner of Public Lands.

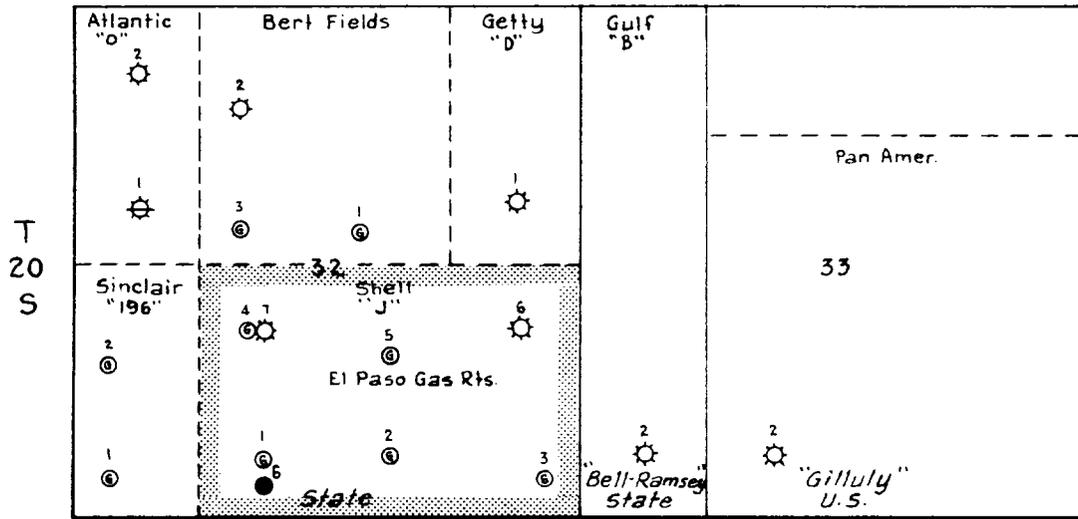
In view of the above presented information, we respectfully request your approval of this project.

Yours very truly,


T. H. Dwyer
Division Production Manager

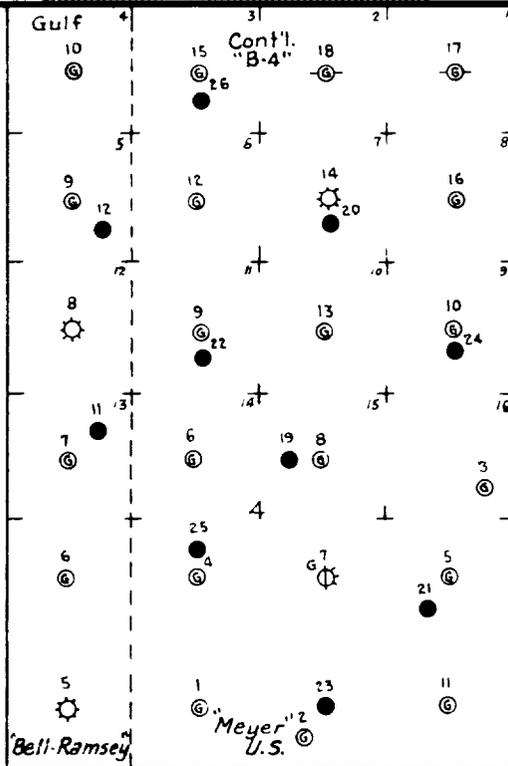
Enclosures

R-37-E



T
20
S

T
21
S

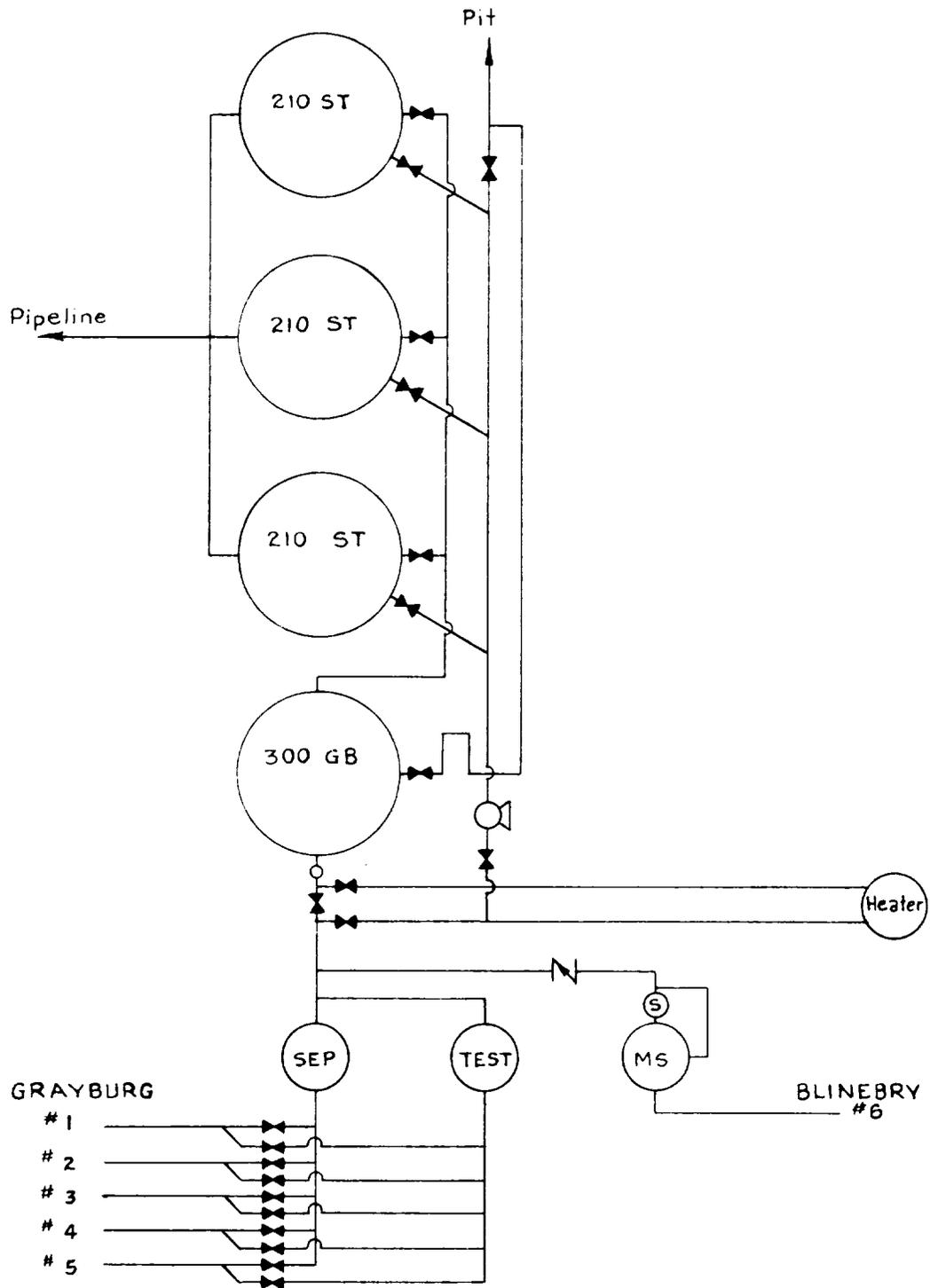


R-36-E

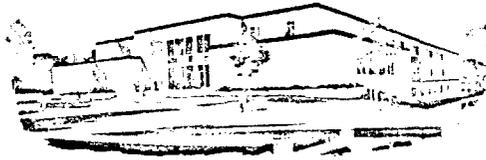
LEGEND

- Yates, Seven Rivers & Queen
- ⊙ Grayburg- San Andres
- Blinebry

SHELL OIL CO.
BATTERY SCHEMATIC
STATE "J" LEASE
OIL CENTER BLINEBRY
SE/4 and E/2 SW/4 Sec. 32, T-20-S, R-37-E
Lea Co. N.Mex.



State of New Mexico



Commissioner of Public Lands



February 13, 1964

E. S. JOHNNY WALKER
COMMISSIONER

Shell Oil Company
P. O. Box 1858
Roswell, New Mexico

ATTENTION: Mr. T. H. Dwyer

RE: Request to commingle production from
Blinebry and Grayburg Zones on Shell's
State "J" Lease, B-1167, located in
SE $\frac{1}{4}$ and E $\frac{1}{2}$ SW $\frac{1}{4}$, Section 32-20S-37E,
Lea County.

Gentlemen:

We have no objection to the above request
since ownership is common throughout and
since the State might stand to gain in royalty.

Thank you for the plat and the schematic
diagram.

Very truly yours,

E. S. JOHNNY WALKER
COMMISSIONER OF PUBLIC LANDS

BY: *Romulo Martinez*
ROMULO MARTINEZ
Oil and Gas Department

ESJW/TB/RM/po

SHELL	
RECEIVED	
FEB 14 1964	
No. 1167 (J)	
Divn. No.	
Sub. No.	1
P. O. BOX 791	
E. S. SANTA FE, NEW MEXICO	
Mr. Eng.	<input checked="" type="checkbox"/>
Pres. Gov.	
Mr. S. J.	
Mr. Shaw.	
Discuss	Well File
Reply	Use File
Check Up	Field File
Destroy	Gen. Cor.