



SHELL OIL COMPANY

1964 JUN 24 AM 7 43 P. O. Box 1858
Roswell, New Mexico

June 2, 1964

Subject: Application for Exception
to N.M.C.C.C. Statewide
Rule 303(a) for Shell
Grizzell Lease

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

Gentlemen:

Shell Oil Company hereby makes application for Administrative Approval to commingle before marketing, the Paddock, Penrose Skelly, and Drinkard oil production on the Shell Grizzell Lease, Section 8, T-22-S, R-37-E, Lea County, New Mexico.

We propose to commingle the three zones without separately metering the production from each pool, since all zones on the Grizzell Lease are marginal with no wells physically capable of top allowable production. Allocation of production from each well and each pool will be based on monthly well tests.

The API gravities of the Paddock, Penrose Skelly, and Drinkard crudes are 34.8°, 35.4°, and 38.1°, respectively. The commingled gravity will be about 37.4° API. No change in the actual commercial value of the production is anticipated as a result of commingling.

The proposed commingling installation will be operated in accordance with the Commission's "Manual for the Installation and Operation of Commingling Facilities". Attached for your consideration is a lease plat, schematic diagram of the proposed installation, and a tabulation of production by each well on the lease for the months of March and April, 1964. If additional information is desired, please contact this office.

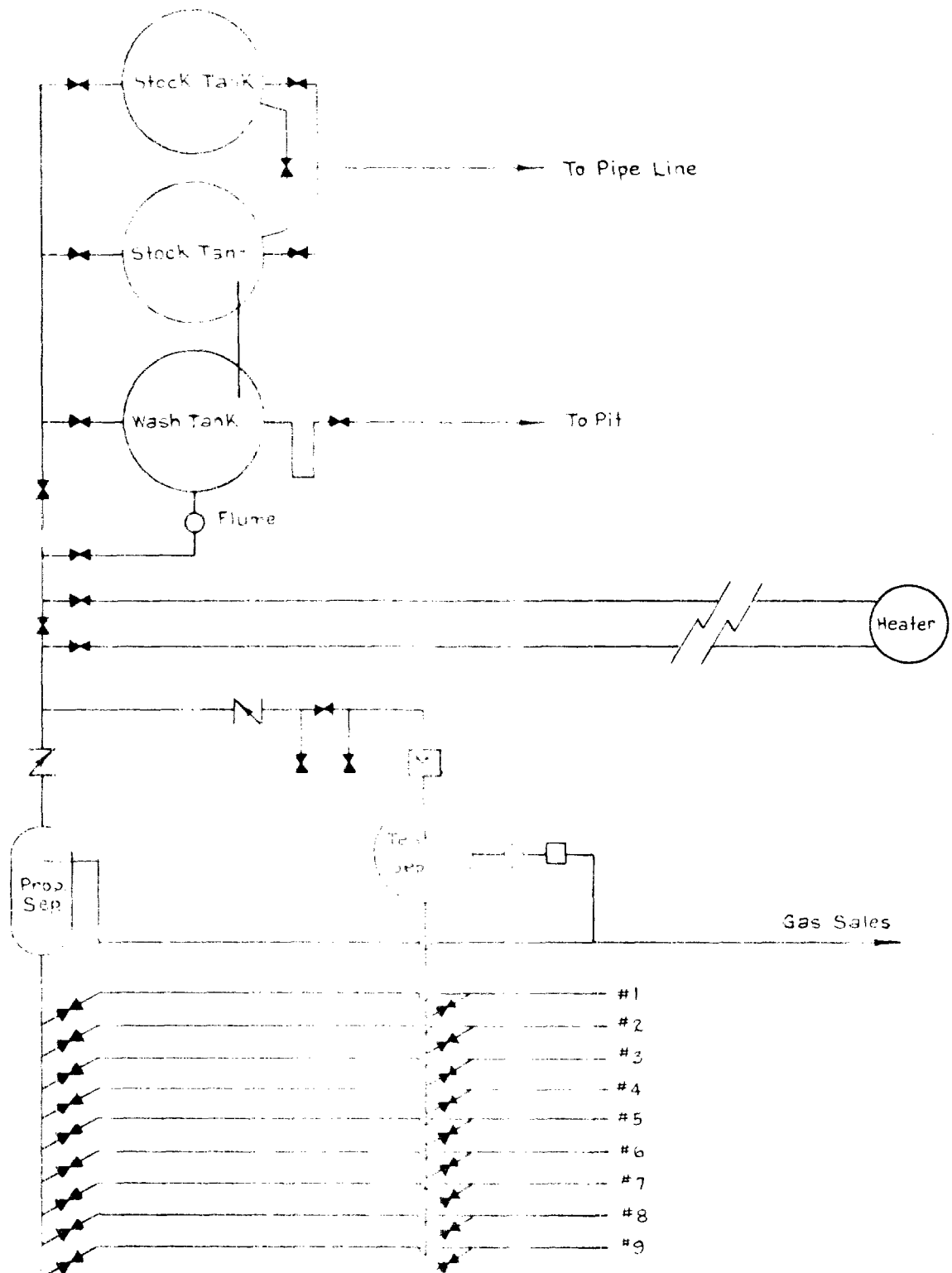
Very truly yours,

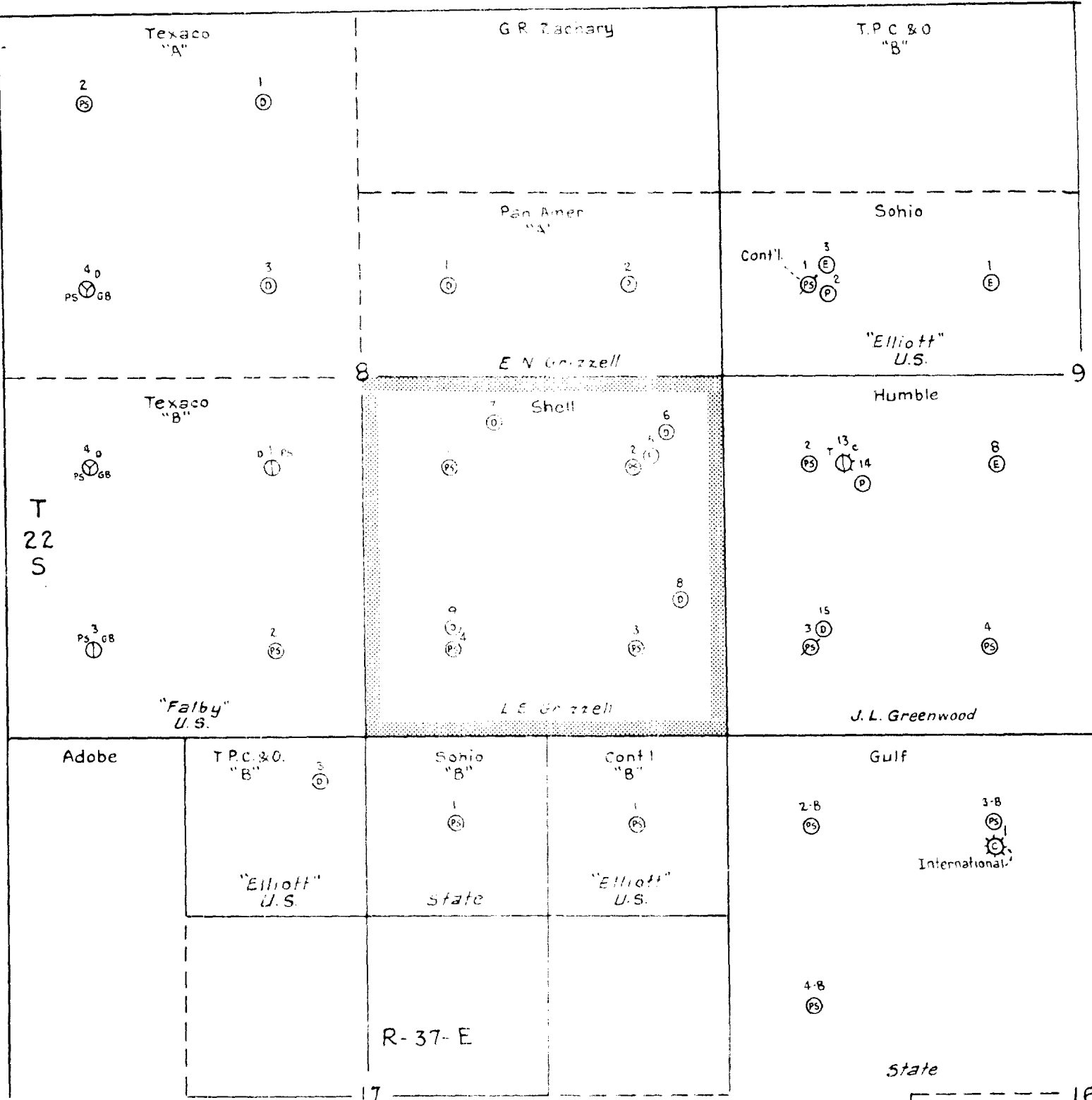
Original Signed By
T. H. DWYER

T. H. Dwyer
Division Production Manager

Attachments

SHELL OIL CO.
 PROPOSED COMMINGLING
 PENROSE SKELLY, PADDOCK & DRINKARD ZONES
 GRIZZELL LEASE
 Lea Co. N. Mex.





- LEGEND
- ^{PS} Pennose Skelly
 - ^{GB} Grauberg
 - Paddock
 - Blinberg
 - Tubbs
 - Drinkard
 - Ellenburger