

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 OIL COMPANY		5. Commission Dist. No. 1		
2. Address P. O. BOX 576		6. County Lea		
3. City HOUSTON		4. State TEXAS		7. Date of Application 6-80
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
D Drinkard	Grizzell	Blinebry ✓	38.0 - 39.5	8 - 22 - 37
"	"	Drinkard ✓	"	"
"	"	Fusselman	"	"

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 _____

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 2648 Houston, Texas 77001

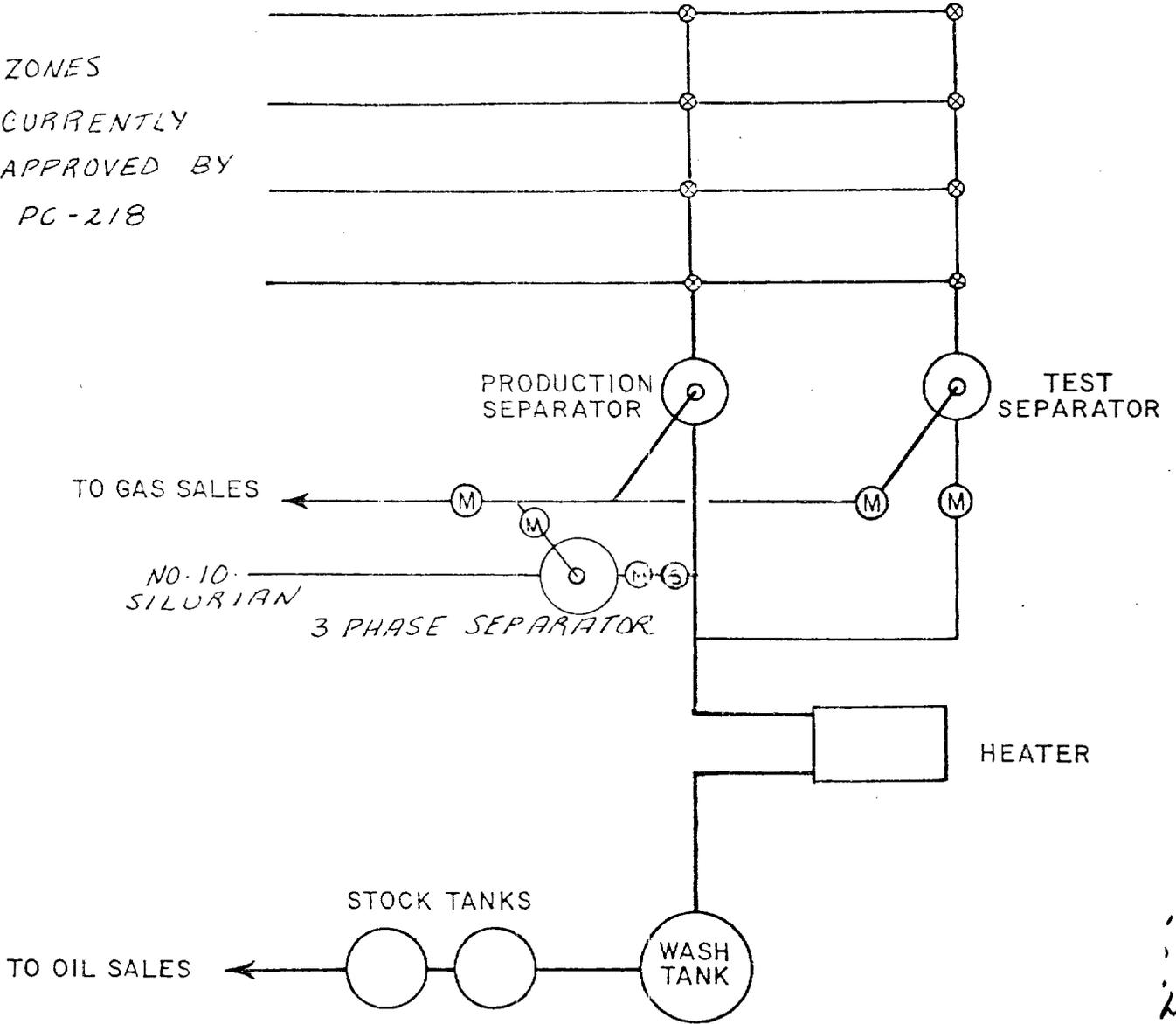
27. Signature *A. Ramirez* A. Ramirez Title Supervisor Oil Accounting

Commingling permit number _____ Approval date _____

Approved by _____

08. APR 01 6 9 AM

ZONES
CURRENTLY
APPROVED BY
PC-218



(M) = METER
(S) = SAMPLER

SHELL OIL COMPANY	WESTERN E & P REGION MID-CONTINENT DIVISION	PRODUCTION
<p>SCHEMATIC OF PROPOSED COMMINGLED FACILITIES GRIZZELL LEASE DRINKARD FIELD LEA CO., NEW MEXICO</p>		
By: <u>J.B.T.</u>		Date: <u>5-7-80</u>
Scale: <u>NONE</u>		No. _____



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

TONEY ANAYA
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

June 1, 1984

Amended
COMMINGLING ORDER PC-218

Shell Western E & P Inc.
P.O. Box 576
Houston, Texas 77001

Attention: D. A. Montgomery

Lease Name: L. E. Grizzell Lease

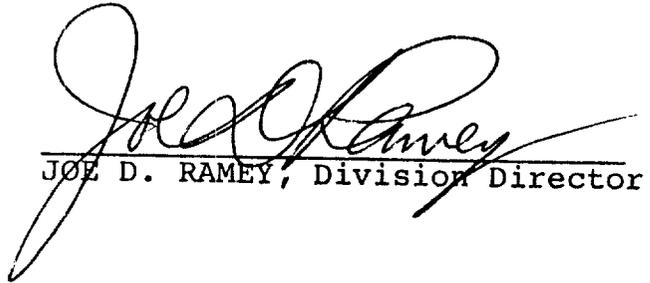
Description: Section 8, T-22S, R-37E, Lea County, NM

The above-named company is hereby authorized to commingle BLineby, Drinkard, Fusselman, Penrose Skelly, and Paddock pool production in a common tank battery and to determine the production from each pool by separately metering the production from the Fusselman pool and determining the Blineby, Drinkard, Penrose Skelly and Paddock pool production by well tests. (If this method is to be authorized, the pools must be of marginal nature; further the operator shall notify the Santa Fe Office of the Division in the event any well in the commingled battery producing from these pools becomes capable of top allowable production, at which time the Division will amend this order or take such other action as may be appropriate.)

NOTE: This installation shall be installed and operated in accordance with the applicable provisions of Rule 303 of the Division Rules and Regulations and the Division "Manual for the Installation and Operation of Commingling Facilities." It is the responsibility of the producer to notify the transporter of this commingling authority.

REMARKS: Prior to this amendment, PC-218 authorized the commingling of Blineby, Drinkard, and Fusselman pool production on this lease.

DONE at Santa Fe, New Mexico, on this _____ day of
June, 1984.



Handwritten signature of Joe D. Ramey in cursive script, written over a horizontal line.

JOE D. RAMEY, Division Director