

Shell Oil Company



1200 Milam Street  
P.O. Box 576  
Houston, Texas 77001

June 4, 1980

State Land Office  
ATTN Mr. Dan Nutter, Chief Engineer  
Oil & Gas Division  
Santa Fe, New Mexico 87501

Gentlemen:

COMMINGLING PERMIT # PC-218

Please amend Commingling Permit # PC-218 to include the Fusselman Pool of the Shell Oil Company's Grizzell Lease.

Please contact our Welton Moore at (505) 397-3561 upon approval.

Yours very truly,

A. Ramirez  
Supervisor Oil Accounting  
Shell Oil Company

BRE:LLM

Attachments

*Amend  
PC 218  
eliminate  
Paddock &  
Purose Skelly  
add Fusselman  
chq from  
periodic tests  
to sub  
after miles  
Fusselman*

Immediate

Shell Western E&P Inc.

A Subsidiary of Shell Oil Company



P.O. Box 576  
Houston, TX 77001

May 2, 1984

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

Gentlemen:

APPLICATION FOR EXCEPTION TO RULE 303-A  
L. E. GRIZZELL 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 Paddock and Penrose Skelly formations into the commingled Blinebry-Drinkard-Fusselman Battery on the L. E. Grizzell lease located in Section 8, T-22-S, R-37-E, Lea County, New Mexico.

Currently oil from the Blinebry, Drinkard and Fusselman formations are commingled under Commingling Order PC-218 on the subject lease. The Penrose Skelly and Paddock production from this lease had formerly been a part of Gulf's South Penrose Skelly Unit. This unit is now being disbanded and this production is being returned to the L. E. Grizzell lease. We propose to commingle this production into the already commingled battery covered by PC-218. The Penrose Skelly and Paddock zones are not capable of top allowable production and are categorized as marginal. Allocation of production from this battery would remain based on monthly well tests.

The API gravities of these zones range from 36.0 to 37.7. No change in the actual commercial value of the crude is anticipated as a result of commingling.

SHELL WESTERN E & P INC.  
COMMINGLING REQUEST FORM  
FOR THE  
STATE OF NEW MEXICO  
OIL CONSERVATION  
COMMISSION

APPLICATION FOR EXCEPTION TO COMMISSION RULE 302a 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 4. State TEXAS 7. Date of Application April 26, 1984

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	Grizzell	Penrose/Skelley	36	Sec 8 T22S-R37E
"	"	Paddock	37.7	" " "
"	"	Blinbry	35.8-42	" " "
"	"	Drinkard	36.6	" " "
existing pc 218 Brunson Fasselman	"	Fasselman	39.7	" " "

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 Grizzell 10 only

(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 separately metering Grizzell #10

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.

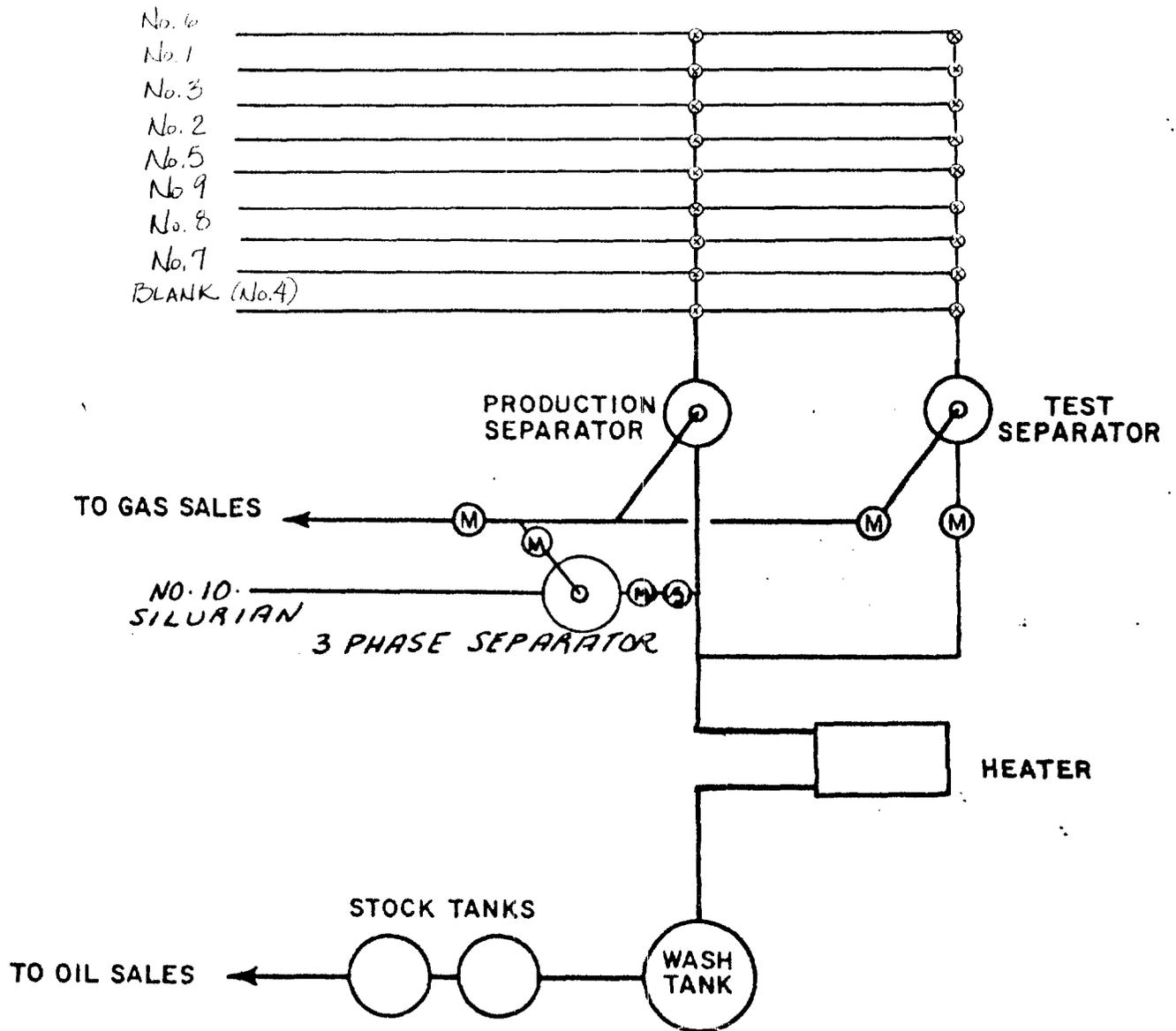
20. LEASE COMMINGLING (exception to Rule 309A)

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 <sup>Common source of supply</sup>

23. Allocation of production  Monthly well test  All leases metered  All leases metered & sampled  All leases except one separately metered - subtraction method



(M) = METER  
(S) = SAMPLER

SHELL OIL COMPANY	WESTERN E & P REGION MID-CONTINENT DIVISION	PRODUCTION
SCHEMATIC OF PROPOSED COMMINGLED FACILITIES GRIZZELL LEASE DRINKARD FIELD LEA CO., NEW MEXICO		
By: <u>E.S.C.</u>	Date: <u>4-18-64</u>	
Scale: <u>NONE</u>	No. _____	

