

SHELL OIL COMPANY

PETROLEUM BUILDING
P.O. BOX 1509
MIDLAND, TEXAS 79701

RECEIVED
MIDLAND
JUL 14 AM 8 34

July 11, 1969

amend
Pd-375

State of New Mexico
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Gentlemen:

With this letter and enclosed documents we are applying for an exception to Rule 303(a) of the New Mexico Oil Conservation Commission Rules and Regulations. At this time, we propose to commingle the Drinkard production on our State "A" lease only with the presently commingled Blinebry and San Andres production on our State "A" lease, located in the S/2 NE/4 of Section 32, Township 18 South, Range 38 East, Hobbs Field, Lea County, New Mexico. We propose to continuously meter and sample the Drinkard separately as is prescribed by the subtraction method of commingling. We expect the Drinkard production to be sour priced with an API gravity of 33° to 35°, resulting in no change in revenue due to commingling.

In compliance with Rule 303(b) the following attachments accompany this application:

1. Plat of lease
2. Schematic of proposed installation
3. Copy of approval from State Land Department

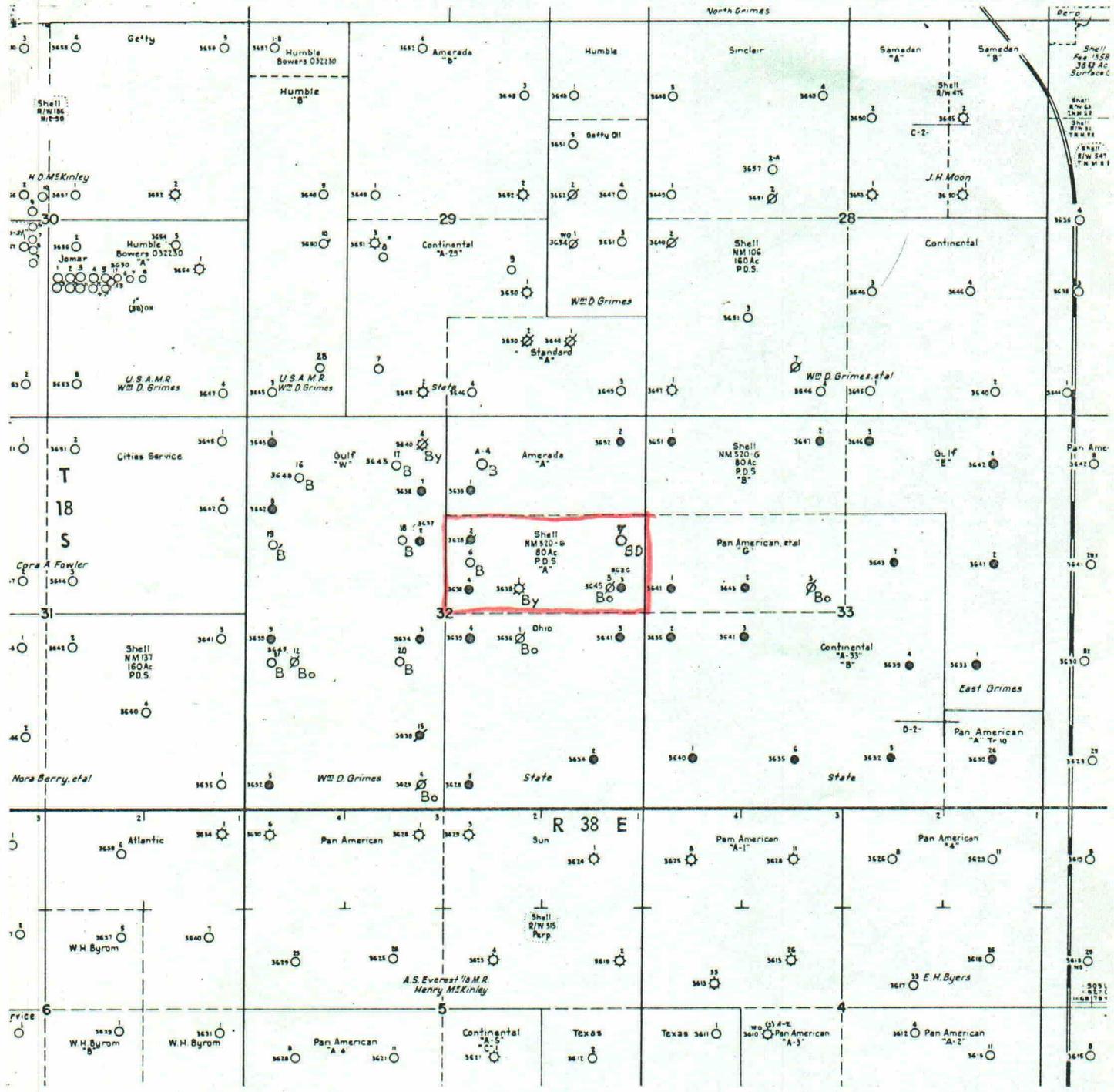
If you need any further information, please contact Mr. J. C. Vadala at our Midland office.

Yours very truly,

S. M. Paine
S. M. Paine, Manager
Production Department-West
Midland Division

JCV: CW

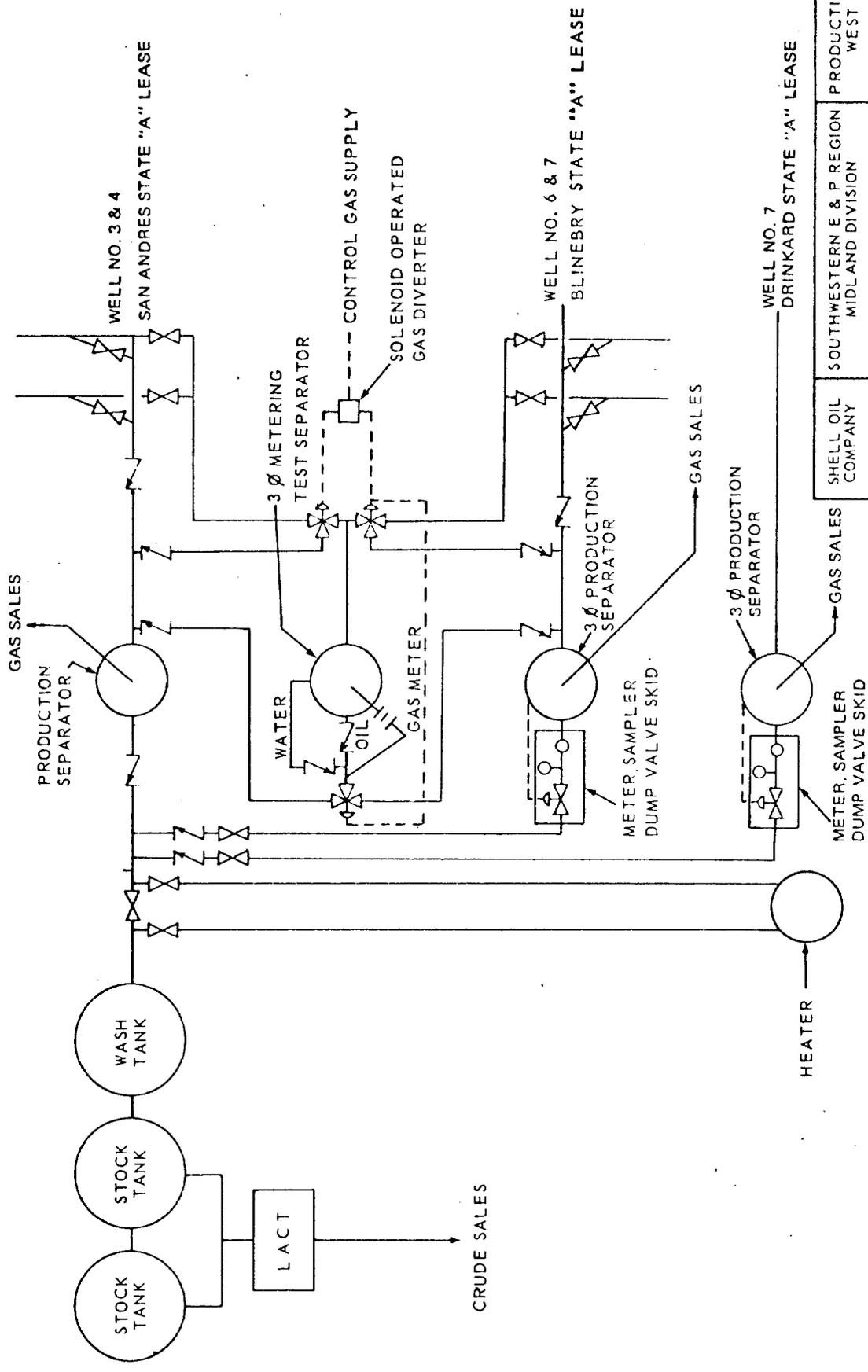
Attachments



**LEGEND
FOR
SECTIONS 32 & 33**

- SAN ANDERS PRODUCER
- _B BLINEBRY PRODUCER
- _{Bo} BOWERS PRODUCER
- ⊙_{By} BYERS GAS WELL
- ⊙ P & A WELL
- _{BD} BLINEBRY-DRINKARD PRODUCER

SHELL OIL COMPANY	SOUTHWESTERN E & P REGION MIDLAND DIVISION	PRODUCTION WEST
LEASE PLAT - STATE "A" LEASE HOBBS FIELD S/2 OF NE/4 OF SEC. 32 T-18-S, R-38-E LEA CO., NEW MEXICO		
Des: R. COENEN		Date: 4-17-69
Scale: 1" = 2000'		Dwg. No. 3141



SHELL OIL COMPANY	SOUTHWESTERN E. & P. REGION MIDLAND DIVISION	PRODUCTION WEST
SCHEMATIC OF		
PROPOSED COMMINGLING INSTALLATION STATE "A" LEASE, HOBBS FIELD S/2, NE/4, SEC. 32, T 18 S, R 38 E		
Des: C. VADALA	Date: 6-17-69	
Scale: NONE		Dwg. No. 3140-A

State of New Mexico



Commissioner of Public Lands

JUL 8 1969

SMF	
RCC	
LSM	
JAV	
PJC	
DLL	
CW	
FILE	



ALEX J. ARMIJO
COMMISSIONER

July 1, 1969

P. O. BOX 1148
SANTA FE, NEW MEXICO

Shell Oil Company
P. O. Box 1509
Midland, Texas 79701

Re: State "B" lease
N/2NW/4, Sec. 33, T-18S, R-38E
State "A" lease
S/2NE/4, Sec. 32, T-18S, R-38E
Lea County, New Mexico

Attention: Mr. S. M. Paine

Gentlemen:

We have received your request to commingle the Drinkard production on your State "B" and State "A" leases as described in caption, with the presently commingled State "A" San Andres and Blinebry production.

It is our understanding that you are metering and sampling the State "A" lease Blinebry production separately from the State "A" lease San Andres production; and that you propose to install a three-phase separator, meter and sampler skid on the State "A" lease to continuously meter and sample the Drinkard production. In view of this, approval is given with the understanding that the Commissioner of Public Lands reserves the right to amend or withdraw his approval should this operation prove unprofitable to the State anytime in the future.

This approval is subject to the subsequent approval of the Oil Conservation Commission.

Very truly yours,

Ted Bilberry
TED BILBERRY, Director
Oil and Gas Department

TB:ML:v
cc: Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501