

SHELL OIL COMPANY

1200 MILAM STREET
P. O. BOX 576
HOUSTON, TEXAS 77001

May 3, 1977

Subject: Application for Exception to
Commission Rule 303A

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

Gentlemen:

Shell Oil Company hereby makes application for administrative approval to commingle the Hobbs San Andres and Bowers Seven Rivers Sand production on the Nora Berry Lease, Section 31, T-18, R-38, Lea County, New Mexico.

Since the zones are marginal with no wells physically capable of top allowable production, we propose to commingle the two zones without separately metering the production from each pool.

The API gravities of the Hobbs San Andres and Bowers Seven Rivers Sand Crudes range from 33.2 to 33.4. We do not anticipate as a result of this commingling any change in actual commercial value of the production.

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 February and March of 1977. If additional information is desired, please contact Beverly Adamson of this office.

Yours very truly,

M. S. Adams
Supervisor Oil Accounting
Western E&P Region

BA:MS

Attachments

PRODUCTION HISTORY
 COMMINGLING HOBBS SAN ANDRES AND BOWERS 7 RIVERS SAND
 HOBBS FIELD
 NORA BERRY LEASE

<u>Pool</u>	<u>Well No.</u>	<u>Allowable</u>	<u>Act. Bbls. Produced</u>	<u>Bbls. Water</u>	<u>Gas MCF's</u>	<u>Days Produced</u>
		<u>February</u>				
Hobbs San Andres	1	1568	1163	355	6334	28
Hobbs San Andres	2	1540	1315	12978	4703	28
Hobbs San Andres	3	1428	1127	83	3954	28
Hobbs San Andres	4	1792	1463	3743	5695	28
Bowers 7 Rivers Sand	6	0	0	0	0	0
		<u>March</u>				
Hobbs San Andres	1	1736	1227	979	6805	31
Hobbs San Andres	2	1705	1477	14235	5549	31
Hobbs San Andres	3	1581	1351	100	4953	31
Hobbs San Andres	4	1984	1565	3965	5984	31
Bowers 7 Rivers Sand	6	0	0	0	0	0

Legal Description of Nora Berry Lease - SE/4 of Section 31, Township 18 South,
 Range 38 East, Lea County, New Mexico

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.		
2. Address P. O. BOX 576		6. County Lea		
3. City HOUSTON		4. State TEXAS		7. Date of Application 5-5-77
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
Hobbs	Nora Berry	Hobbs San Andres	33.4	31-18S-38E
Hobbs	Nora Berry	Bowers 7 River Sand	33.2	31-18S-38E

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

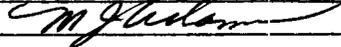
22. If answer to (21.) is "Yes" show acceptance letter date and commission order number _____

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

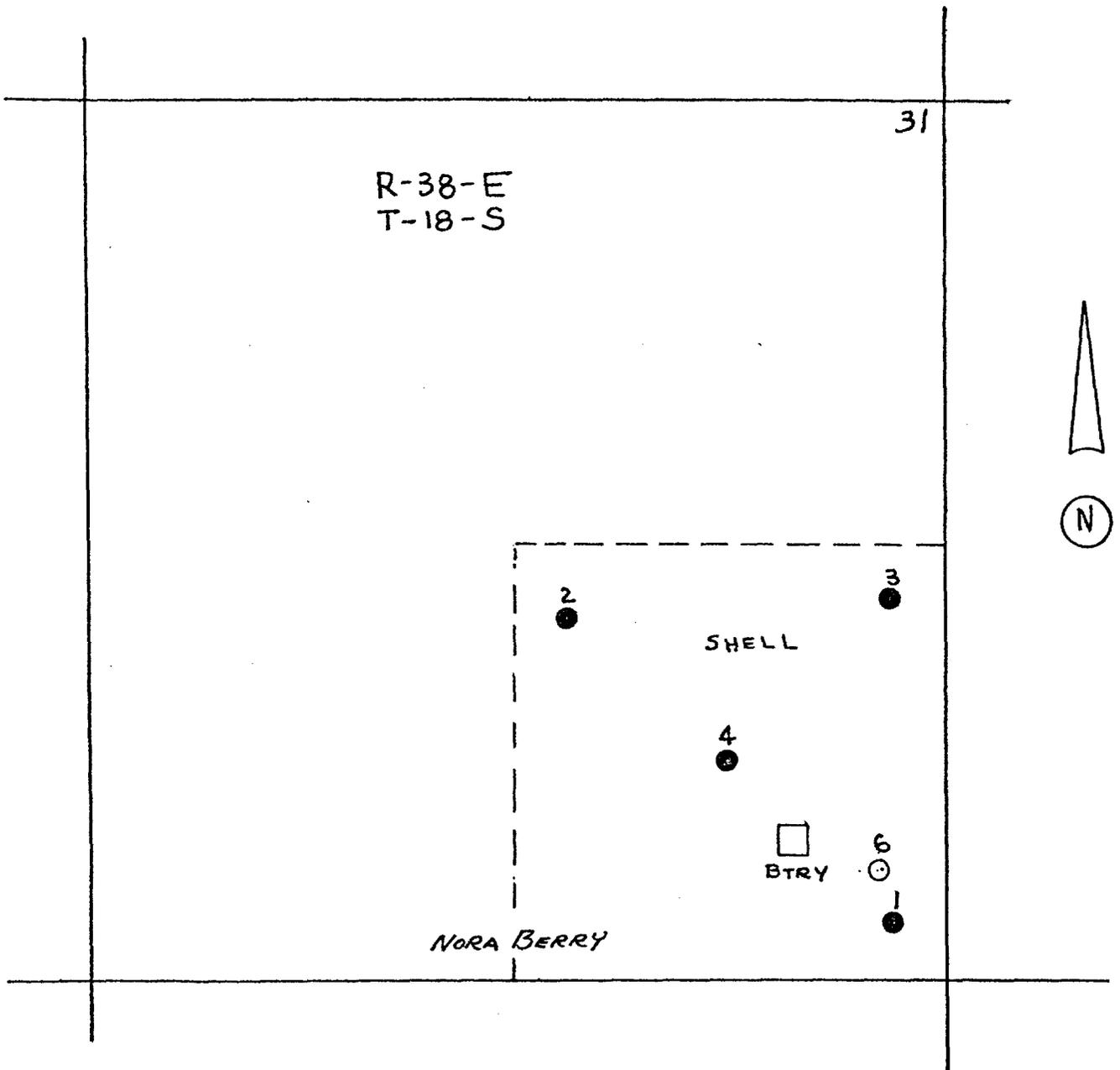
25. If answer to (24.) is "No," Explain

26. Name and address of gatherer Shell Pipeline Corp. P.O. Box 1910 Midland, TX 79701

27. Signature  Title Supervisor Oil Accounting

Commingling permit number _____ Approval date _____

Approved by _____



- SAN ANDRES PAY
- BOWERS PAY

SHELL OIL
HOBBS FIELD
LEA CO., NEW MEXICO
SCALE 1"=1000'

