

SHELL OIL COMPANY

PETROLEUM BUILDING
P.O. BOX 1509
MIDLAND, TEXAS 79702

February 23, 1979

Subject: Application for Exception to
Commission Rule 301A

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FEB 27 1979
OIL CONSERVATION DIVISION
SANTA FE

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 surface commingle the Queen and Grayburg zones of the Foster Lease.

The API gravity of the Grayburg crude is 32.5°. The Queen gravity is 34.3° API. There should be no change in actual commercial value of the production as a result of this commingling.

Since the zones are not capable of top allowable production, we propose to commingle without separately metering the production of each pool. Allocation will be made by periodic well tests as required by the Commission.

A lease plat, a schematic diagram of the installation and a tabulation of production by well on the lease for the months of November and December 1978, are attached for your consideration. If additional information is required, please contact J. M. Munn of this office.

Yours very truly,

W. T. Weller, Jr.

For: W. T. Weller, Jr.
Operations Manager-Midland
Mid-Continent Division

JMM:LA

Attachments

FORM NO. 1
 COMMINGLING BY
 POOL OR LEASE

SHELL OIL COMPANY
 COMMINGLING REQUEST FORM
 FOR THE
 STATE OF NEW MEXICO
 OIL CONSERVATION
 COMMISSION

APPLICATION FOR EXCEPTION TO COMMISSION RULE 303 AND/OR 309B

| 1. Operator SHELL OIL COMPANY | | 5. Commission Dist. No. | | |
|---|------------|-------------------------|-------------------|--------------------------------|
| 2. Address P. O. BOX 1509 | | 6. County Lea | | |
| 3. City MIDLAND | | 4. State TEXAS | | 7. Date of Application 2/22/79 |
| 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 |
| Monument | Foster | Grayburg | 32.5° | 34-19S-36E |
| Eumont | Foster | Queen | 34.3° | 34-19S-36E |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

10. Request for exception to Rule 303 (segregation of production from pools)

11. Request for exception to Rule 309B (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 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 zones metered All zones metered & sampled All zones except one separately metered - subtraction method

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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 Tex.-New Mex. Pipe Line, P.O.Box 52332, Houston, TX 77052

27. Signature R. J. Goeman Title Production Superintendent

Commingling

Permit Number _____ Approval Date _____ Approved by _____

PRODUCTION HISTORY
FOSTER LEASE
MONUMENT/EUMONT FIELD
LEA COUNTY, NEW MEXICO

| <u>Pool</u> | <u>Well No.</u> | <u>Bbls. Oil</u> | <u>Bbls. Wtr.</u> | <u>MCF Gas</u> | <u>No. Days</u> |
|-----------------|-----------------|------------------|-------------------|----------------|-----------------|
| <u>NOVEMBER</u> | | | | | |
| Grayburg | 1 | 64 | 100 | 1115 | 30 |
| Queen | 2 | 42 | 2 | 8143 | 30 |
| <u>DECEMBER</u> | | | | | |
| Grayburg | 1 | 90 | 171 | 1023 | 31 |
| Queen | 2 | 49 | 1 | 6544 | 31 |

Amos Parsons Est

H.B.P.

State-

R-36-E

Gulf
H.B.P.

Amerada
H.B.P.

Rosler & Shelton
H.B.P.

JW Smith

T
19
S

34

Amerada
H.B.P.

Gaither

Sinclair
H.B.P.

Shell
N.M. 333
160 Ac.
P.D.S.
H.B.P.

2

1

J. A. Foster

C.W. Weir

Selby &

4

Continental
H.B.P.
"A-3"

3

H.S. Moss
H.B.P.

2

Reed

1

Amerada
H.B.P.

4

Amerada
H.B.P.

3

C.H. Weir

Union Tex. Pet. Corp.
H.B.P.
"A"

Amerada
H.B.P.
"M"

3

SHELL OIL
COMPANY

WESTERN E & P REGION
MID-CONTINENT DIVISION

PRODUCTION
DEPARTMENT

J. A. FOSTER LSE.
MONUMENT FIELD
LEA CO, N. M.

By: JMM

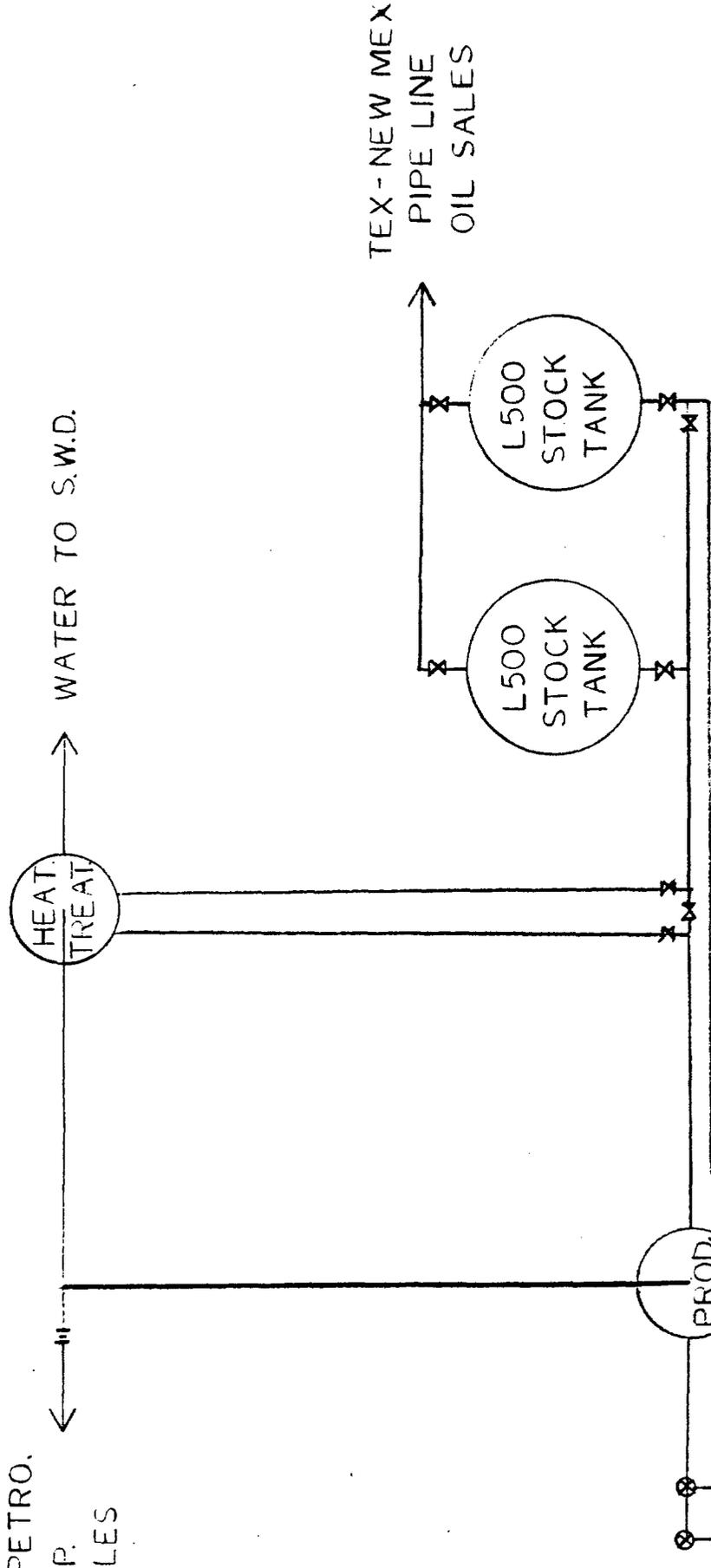
Date: 11-27-78

Scale: 1" = 1000'

No:

WARREN PETRO.
CORP.
GAS SALES

← WATER TO S.W.D. →



TEX - NEW MEX
PIPE LINE
OIL SALES

L500
STOCK
TANK

L500
STOCK
TANK

PROD.
SEP.

TEST
SEP.

NO. NO.
1
2

| | | |
|----------------------|--|--------------------------|
| SHELL OIL COMPANY | WESTERN E & P REGION MID-CONTINENT DIVISION | PRODUCTION DEPARTMENT |
|----------------------|--|--------------------------|

FOSTER LEASE

MONUMENT - EUMONT FIELD
LEA COUNTY, N. M.

| | |
|-------------|---------------|
| By: JMM | Date: 2-15-79 |
| Scale: NONE | No: |