

**Shell Western E&P Inc.**

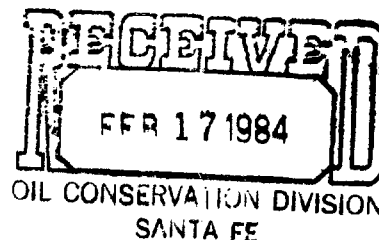
A Subsidiary of Shell Oil Company



P.O. Box 991  
Houston, TX 77001

February 14, 1984

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



Gentlemen:

SUBJECT: APPLICATION FOR EXCEPTION  
TO RULE 303-A  
SHELL STATE T LEASE

Application is hereby made for an exception to Rule 303-A to permit the commingling of Yates oil into the existing Glorieta-Paddock Battery on the Shell State T Lease, located in Section 33, T-17-S, R-35-E, Lea County, New Mexico.

The Shell State T 9 was recently converted from a temporarily abandoned Glorieta well to a marginal Yates producer. We propose to commingle Yates oil production from State T 9 with the Glorieta-Paddock production from State T 10, utilizing the central battery now serving State T 10. A monthly well test will be made on each well using the central battery's test separator.

Expected production from the Yates is 10 barrels per day of 36° API gravity oil and from the Glorieta is 9 barrels per day of 37.1° API gravity oil. The commingled gravity of the two crudes will be about 36.6° API. The commercial value of the commingled production will be about \$1 less per month than the sum of the values of the crudes if they were sold separately.


The commingling installation will be operated in accordance with the Commission's "Manual for the Installation and Operation of Commingling Facilities." Since state land is involved, this application is also being sent to the Commissioner of Public Lands for the State of New Mexico for approval.

Attached for your consideration are:

1. Schematic diagram of the commingling system.
2. Plat of the State T lease.
3. Average daily production history of "9" and "10" for the last 2 months.
4. Application for Exception to Commission Rule 303-A.

If additional information is desired, please contact this office.

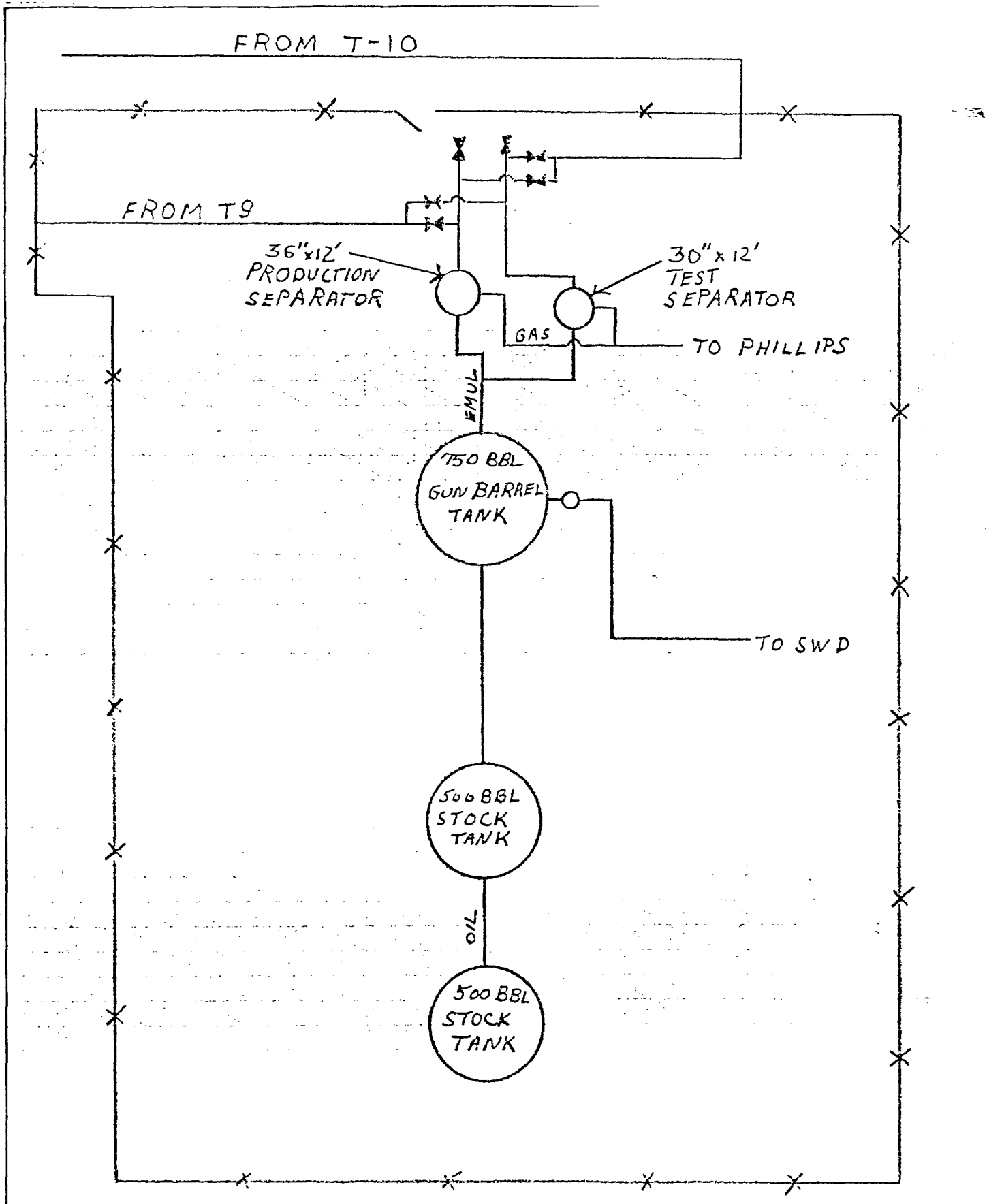
Yours very truly,




A. J. Fore  
Supervisor Regulatory and Permitting  
Mid-Continent Division

AAE:AD

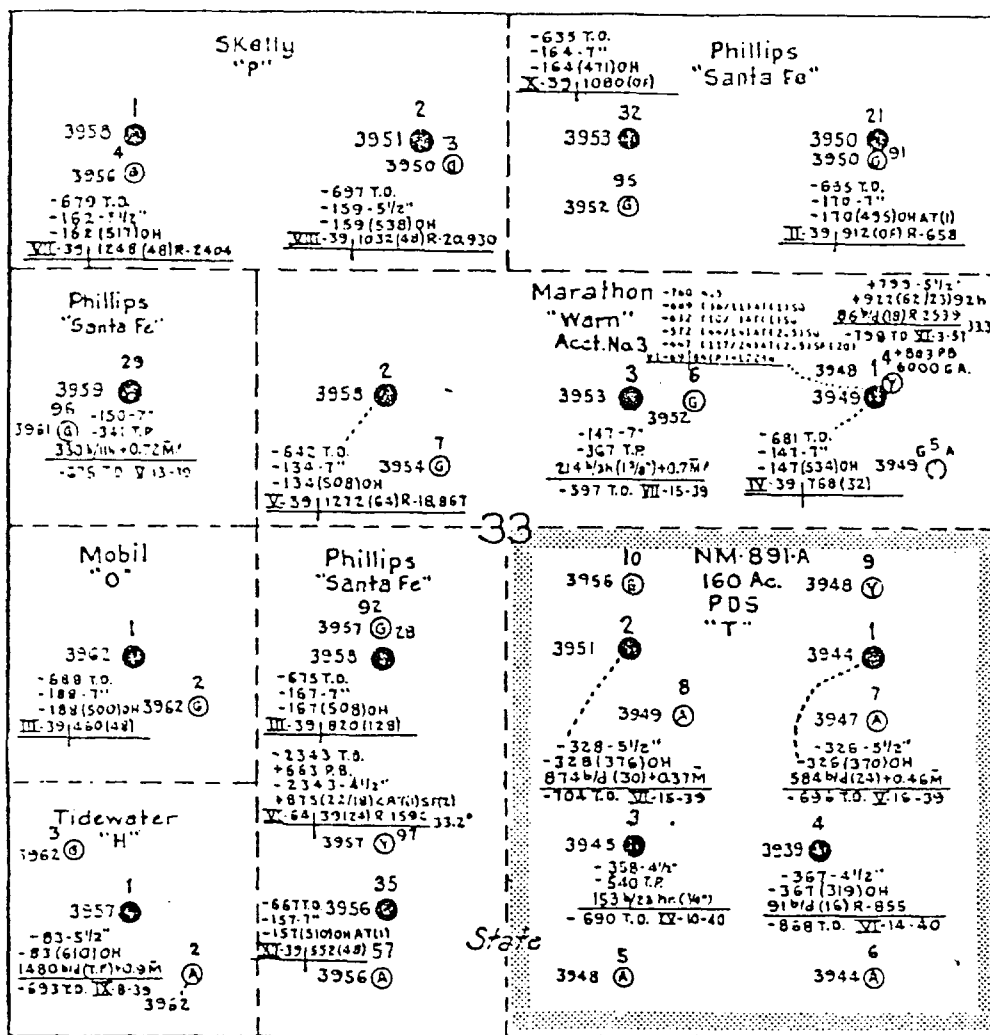
Attachments



SHELL OIL CO.  
 DIAGRAM OF INSTALLATION  
 COMMINGLE GLORIETA & YATES  
 STATE T LEASE

SCALE	 <b>ENGINEERING SKETCH PAD</b> <input type="checkbox"/> OIL <input type="checkbox"/> CHEMICAL <input type="checkbox"/> DEVELOPMENT	DRAW. NO.	APPROVED BY
DATE DRAWN			
DATE REVISED 1/26/84		AA EARL	

R-35-#



Vacuum Field  
Lea Co., New Mexico

- (A) Abo
- (G) Glorieta
- (Y) Yates

PRODUCTION HISTORY  
 Commingling Glorieta-Paddock  
 with Yates

State T Lease

<u>Field</u>	<u>Lease &amp; Well No.</u>	<u>Oil BOPD</u>	<u>Water BWPD</u>	<u>Gas MCFD</u>
December 1983				
Vacuum	State T 9	9	2	18
"	State T 10	9	9	21
January 1984				
Vacuum	State T 9	5	1	18
"	State T 10	9	9	21

SHELL WESTERN E&P INC.  
COMINGLING REQUEST FORMP. O. Box 991  
Houston, TX 77001FOR THE  
STATE OF NEW MEXICO  
OIL CONSERVATION  
COMMISSION

## APPLICATION FOR EXCEPTION TO COMMISSION RULE 303a AND/OR 309A

1. Operator Shell Western E&P Inc.		5. Commission Dist. No. I		
2. Address P. O. BOX 991		6. County Lea		
3. City HOUSTON	4. State TEXAS	7. Date of Application February 14, 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
Vacuum	State "T"	Yates	36.0 <sup>0</sup>	33-17S-35E
Vacuum	State "T"	Glorieta-Paddock	37.1 <sup>0</sup>	33-17S-35E

10. ☒ Request for exception to Rule 303a (segregation of production from pools)
11. ☐ Request for exception to Rule 309A (lease comingling)
12. POOL COMINGLING (exception to Rule 303) 1.) Lease plat (required)  
2.) Schematic of comingling (required)
13. Comingling 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, comingling 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 comingling of zones or pools decrease revenue due to API gravity change ☒ Yes ☐ No
17. If answer to (16.) is "Yes" state how much less.  
\$0.01 per barrel
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 comingling.
20. LEASE COMINGLING (exception to Rule 309A)
- 20a. 1.) Lease plat required  
2.) Schematic diagram of the comingling 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