

# State of New Mexico



JIM BACA  
COMMISSIONER

## Commissioner of Public Lands

July 7, 1986

P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148

Shell Western E&P Inc.  
Attn: Mr. A. J. Fore  
P. O. Box 576  
Houston, Texas 77001

Re: REQUEST FOR EXCEPTION TO NMOCD  
RULES 303-A, 309-B, AND 403 SHELL  
WESTERN ANTELOPE RIDGE UNIT,  
ANTELOPE RIDGE FIELD (ATOKA,  
MORROW AND DEVONIAN POOLS) LEA  
COUNTY, NEW MEXICO

Gentlemen:

Reference is made to your application dated June 30, 1986, wherein you have requested our approval to commingle gas and condensate from wells producing from a common source of supply prior to metering. You have also asked for authority to commingle gas production from separate common sources and separate leases after metering, but prior to sales and for common storage of condensate after metering.

It is our understanding that the commingled production from each participating area will be metered/tested prior to commingling and the value of the gas and condensate will not be decreased because of the commingled production.

You are hereby given approval to the above request. This approval is subject to being withdrawn at the discretion of the Commissioner of Public Lands, if in his opinion, the operation proves to be unsound or otherwise against the best interest of the State of New Mexico. Our approval is subject to like approval by the New Mexico Oil Conservation Division and the Bureau of Land Management.

Please submit a filing fee in the amount of Thirty Dollars.

Very truly yours,

JIM BACA  
COMMISSIONER OF PUBLIC LANDS

BY: *Floyd O. Prando*  
FLOYD O. PRANDO, Director  
Oil and Gas Division  
(505) 327-5744

JB/FOP/pm  
cc: OCD, BLM

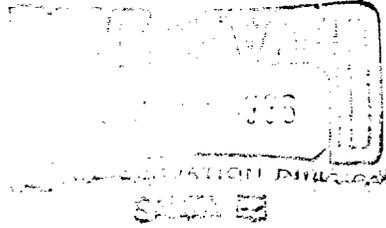
# Shell Western E&P Inc.

A Subsidiary of Shell Oil Company



P.O. Box 576  
Houston, TX 77001

June 30, 1986



State of New Mexico  
Energy and Minerals Department  
Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Gentlemen:

SUBJECT: REQUEST FOR EXCEPTION TO MMOCD RULES 303-A, 309-B, AND 403  
SHELL WESTERN ANTELOPE RIDGE UNIT  
ANTELOPE RIDGE FIELD (ATOKA, MORROW AND DEVONIAN POOLS)

Shell Western E&P Inc. (Shell Western) requests an exception to Rule 403 in order to commingle gas and condensate from wells producing from a common source of supply prior to metering. We also request authority to commingle gas production from separate common sources and separate leases after metering, but prior to sales and for common storage of condensate after metering (exception to Rule 303-A and 309-B). The Antelope Ridge Unit is a Federal Unit with a different participating area for each pool, therefore, each pool is a separate lease (Attachment 1).

As shown on the flow diagram (Attachment 2), the effluent from each well is gathered through a header system which allows for individual well testing. The effluent stream is then delivered to a three-phase separator that is provided for each pool, where gas, condensate and water are separated.

Each product is continuously metered as it leaves the separator. The like products from each separator, or pool, are then commingled for sale through a master meter.

The gas volume from the master sales meter is allocated back to each pool based on the meter readings at each separator. The allocated pool volume is then proportioned back to the individual wells based on monthly well test volumes. The condensate production is allocated back to the pool and the individual well in the same manner.

BNBD8617701

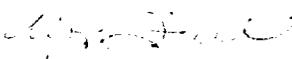
Below is a tabulation of the gravities of the liquid hydrocarbons, value and volumes from each pool:

<u>Pool</u>	<u>August Gravity °API@ 60°</u>	<u>Value \$/BBL</u>	<u>Volume BBL/Day</u>
Atoka	51.6	10.69	10
Morrow	55.2	10.56	5
Devonian	58	11.38	90
Combined	57.2	11.23	105

The value of this condensate is not reduced appreciably and one gas contract covers all three pools.

Royalty interest is common in each pool in the Antelope Ridge Unit, therefore, correlative rights will be protected. By copy of this letter we are requesting the concurrence of the Commissioner of Public Lands and the Bureau of Land Management.

Yours very truly,

  
A. J. Fore  
Supervisor  
Regulatory and Permitting  
Western Division

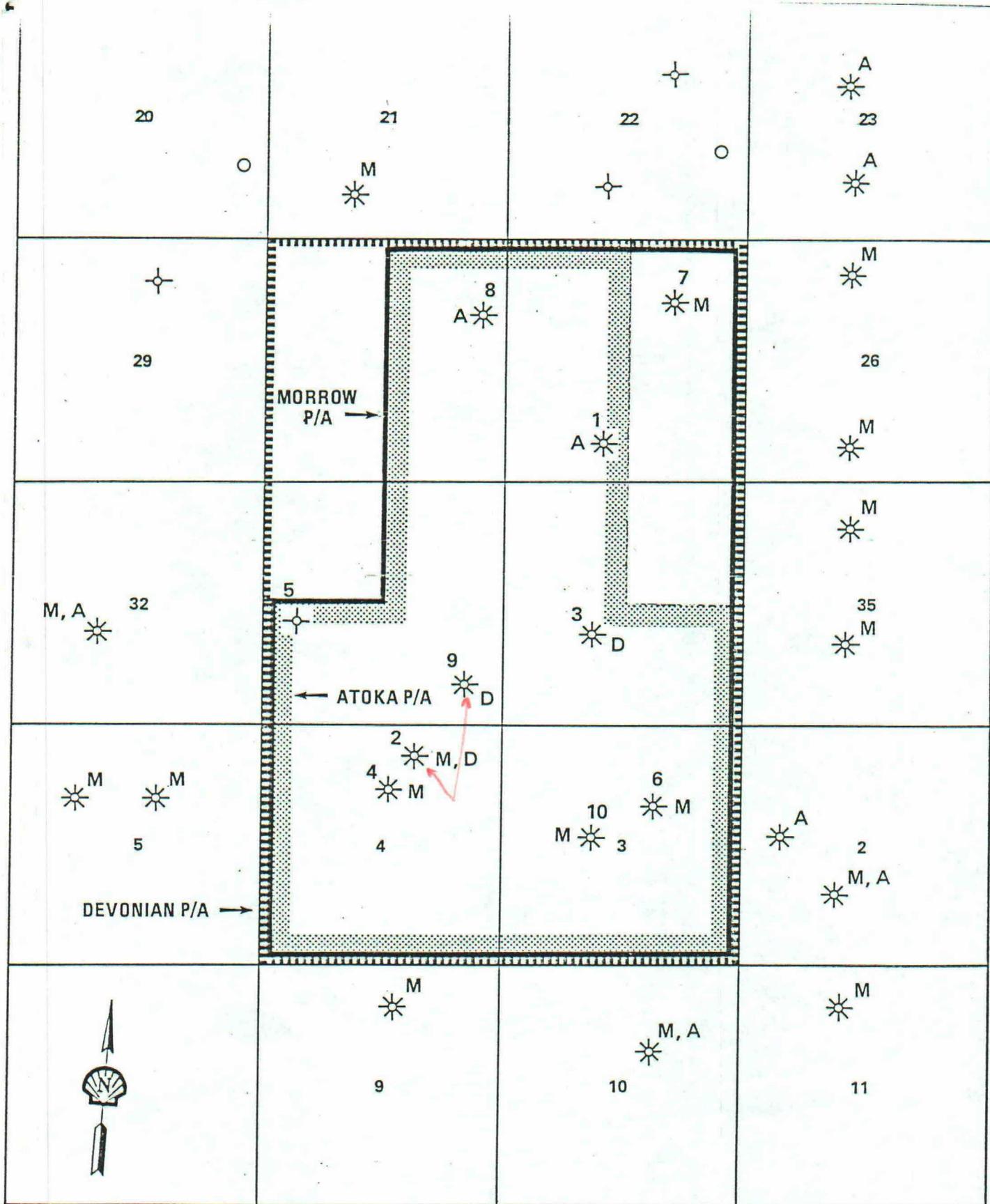
AJF:JD

Attachments

cc: State of New Mexico  
Energy and Minerals Department  
Oil Conservation Division  
P. O. Box 1980  
Hobbs, New Mexico 88240

State of New Mexico  
Commissioner of Public Lands  
P. O. box 1148  
Santa Fe, New Mexico 87505-1148

United States Department of the Interior  
Bureau of Land Management  
P. O. Box 1397  
Roswell, New Mexico 88201



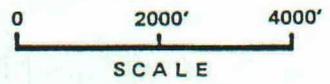
T23S  
T24S

☼ D, M, A D = DEVONIAN PRODUCER  
M = MORROW PRODUCER  
A = ATOKA PRODUCER

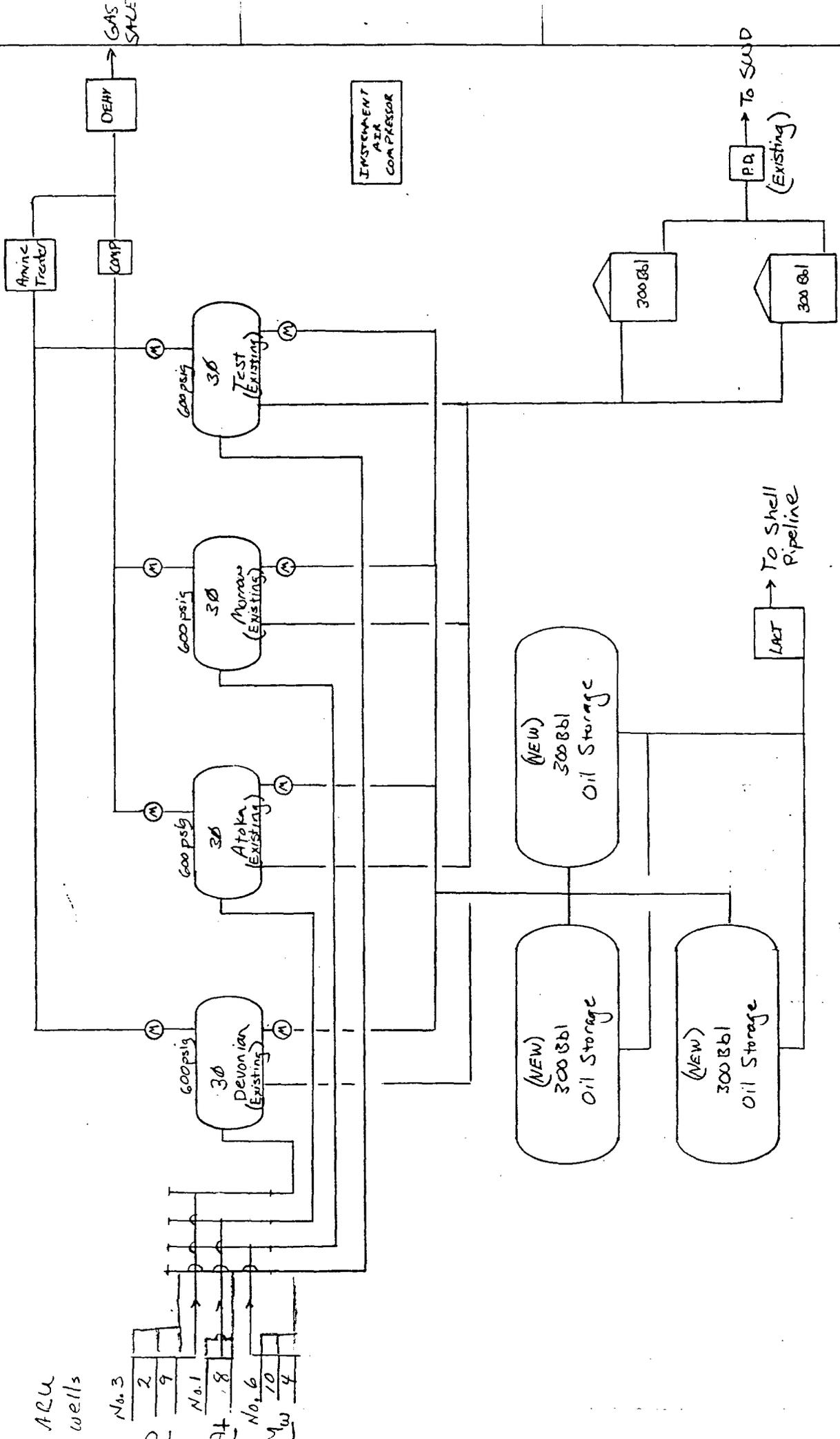
⊕ DRY HOLE

**SHELL WESTERN E&P INC.**  
**ANTELOPE RIDGE UNIT**  
**T23 & 24S, R34E**  
**LEA COUNTY, NEW MEXICO**  
PARTICIPATING AREAS

ATTACHMENT 1



ATTACHMENT 2



PROPOSED ARU FACILITIES

6/19/86  
 RLW