

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

July 31, 1964

Shell Oil Company  
P.O. Box 1858  
Roswell, New Mexico

Attention: Mr. T. H. Dwyer

Administrative Order PLC-10

Amendment

Administrative Order PC-170

Gentlemen:

Reference is made to your letter of July 14, 1964, wherein you request an amendment to Administrative Order PC-170, which grants Shell Oil Company permission to commingle the Yates, Glorieta, and San Andres crudes on your State "V" Lease, Vacuum Field, Lea County, New Mexico. It is our understanding that you propose to separate the Glorieta production from the aforementioned commingling installation and commingle said Glorieta production with the intermediate crude produced from the Vacuum Abo pool on your State "V" and State "W" Leases which are commingled without metering by authority of Administrative Order CTB-80.

Administrative Order PC-170 is hereby amended to delete the Glorieta formation from the commingling authority contained therein. Administrative Order CTB-80 is hereby superseded by this order, Administrative Order PLC-10, and Shell Oil Company is authorized to commingle the Vacuum Glorieta and Vacuum Abo production from the State "V" and State "W" Leases after separately and continuously metering and sampling the Glorieta production and determining the Abo production by means of the subtraction method.

Provided however, that the installation shall be operated in accordance with the provisions of the Commission "Manual for the Installation and Operation of Commingling Facilities," including the provision for non-reset counters on the meters. Please notify the Hobbs District Office of the Commission at such time as this installation is complete in order that an inspection may be made of the installation prior to putting it in operation.

Very truly yours,

A. L. Porter, Jr.  
Secretary-Director

ALP;DSN:sg

cc: Oil Conservation Commission - Hobbs  
Oil & Gas Engineering Committee - Hobbs  
Oil & Gas Accounting Commission - Santa Fe  
State Land Office - Santa Fe

C  
O  
P  
Y



# SHELL OIL COMPANY

P. O. Box 1858  
Roswell, New Mexico

MAIN OFFICE OCC

1964 JUL 15 AM 7:43

July 14, 1964

Subject: Glorieta - Abo Commingling  
on State "V" & State "W"  
Leases, Vacuum Field

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

*PLC-10*

Gentlemen:

We are, by this letter and enclosed documents, making application for an amendment to Administrative Order PC-170 which grants Shell Oil Company permission to commingle the Yates, Glorieta and San Andres crudes on the State "V" Lease, Vacuum Field, Lea County, New Mexico. Since the issuance of this order, we have obtained an intermediate market for the Glorieta crude. We, therefore, propose to separate the Glorieta from the aforementioned zones and commingle it with the intermediate priced Vacuum Abo zone from the State "V" and State "W" Leases which are commingled without metering by authority of Administrative Order CTB-80. Since both zones contain top allowable wells, we plan to use the subtraction method of commingling whereby the Glorieta zone will be continuously metered and sampled.

The two Abo wells in the State "V" Lease and the two on the State "W" Lease are top allowable and produce approximately 3500 barrels of 38° to 40° oil per month per well. The two Glorieta wells on the State "V" are top allowable and produce approximately 2100 barrels of 37° to 39° oil per month per well. We anticipate a 7¢ to 9¢ per barrel increase in the Glorieta crude as a result of changing to an intermediate market, but expect no significant change in revenue due to commingling of the two crudes. Individual well production will be allocated on the basis of monthly well tests which will be conducted by producing the subject well through a metering separator.

The following attachments accompany this application. 1) Plat of the leases involved. 2) Schematic proposed installation. 3) Copy of letter of approval from State Land Department.

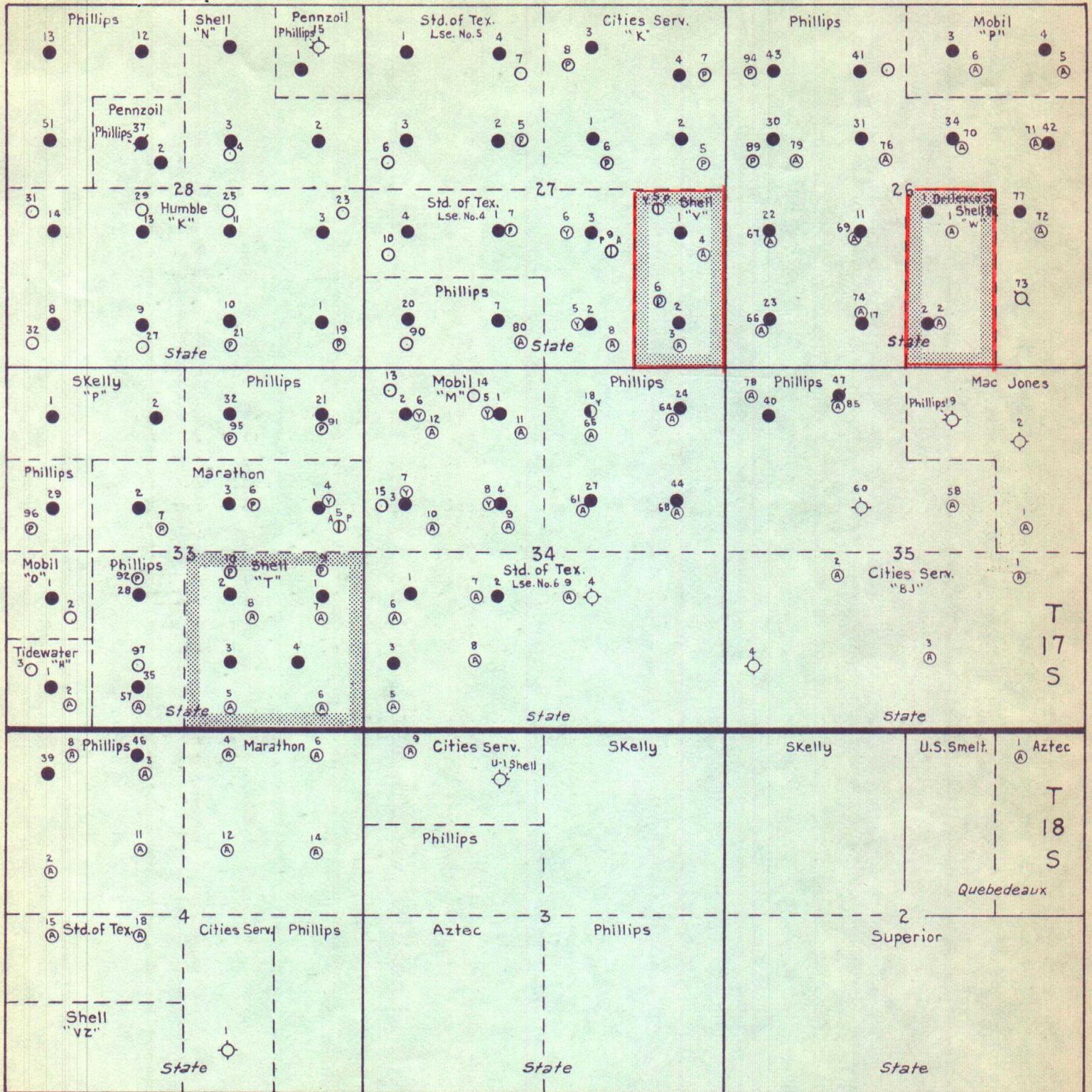
In view of the above presented information, we respectfully request your approval of this project.

Yours very truly,

*T. H. Dwyer*  
for T. H. Dwyer  
Division Production Manager

Enclosures

R-35-E

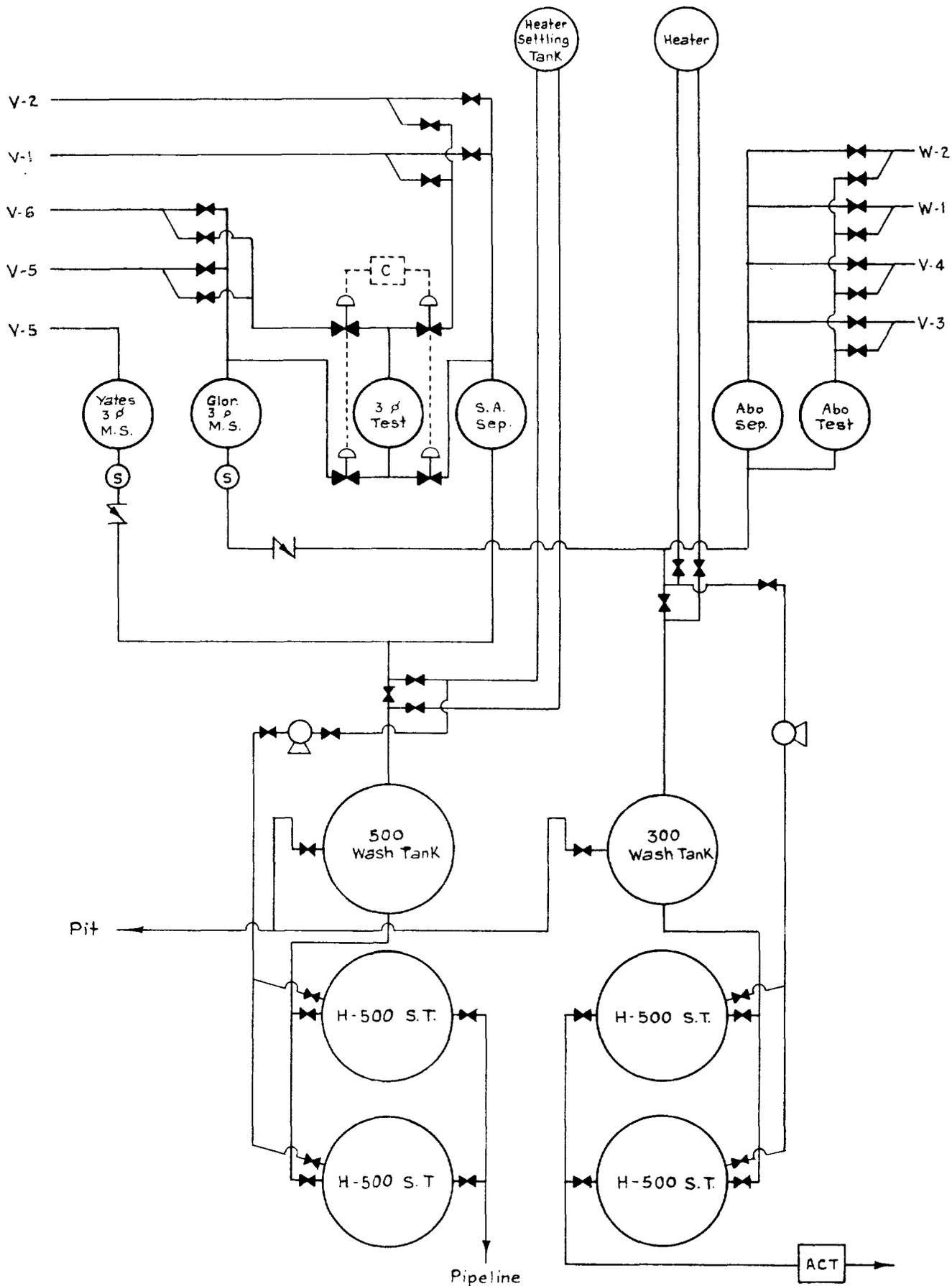


LEGEND

- ⊙ Yates
- Grayburg-San Andres
- ⊙ Paddock
- ⊙ Abo

SHELL OIL CO.  
 OWNERSHIP PLAT  
 1"=2000'

SHELL OIL CO  
SCHEMATIC DIAGRAM  
State "V" and "W" Central Battery  
VACUUM FIELD



State of New Mexico



Commissioner of Public Lands



July 10, 1964

E. S. JOHNNY WALKER  
COMMISSIONER

SHELL	
RECEIVED	
JUL 13 1964	
ROSWELL PROD.	
DATE	
BY	
RECEIVED	
FILE	
DISCUSS	(200) 71
POST	
CR-N Up	4' 10
DESTROY	Gen Cor.

P. O. BOX 1148  
SANTA FE, NEW MEXICO

Shell Oil Company  
P. O. Box 1858  
Roswell, New Mexico

Attention: Mr. T. H. Dwyer  
Division Production Manager

Re: Request for Approval to Commingle Vacuum Abo  
and Glorieta Production in Shell Oil Company  
State "V" and State "W" Leases aka State of New  
Mexico Lease Nos. B-1404 and B-1399, all located  
in 17S, 35E, Lea County, New Mexico

Gentlemen:

Reference is made to your letter of June 16, 1964, in which you  
have requested approval to commingle production in the Vacuum Abo  
and Glorieta Pools in the above subject leases.

On April 30, 1962, Mr. Ted Bilberry, Supervisor of the Oil and  
Gas Department of this office, granted approval to Shell Oil  
Company to commingle Vacuum Abo production from your State "V"  
and State "W" leases made in reply to a request of April 23, 1962  
by R. L. Rankin, Division Production Manager of Shell Oil Company  
at that time.

As you may know, Mr. Bilberry is out of the office due to an  
illness and is expected back shortly. We hesitate to alter this  
approval before his return, and it is entirely possible that due to  
the way the approval is written it may not be susceptible to  
alteration. Under the circumstances and due to the fact that there  
is no critical change from the established installation, please be  
advised that Shell Oil Company may proceed to commingle production  
from the aforementioned tracts and pools, with the approval of  
the New Mexico State Land Office.

Shell Oil Company

-2-

July 10, 1964

Upon completion of the installation of the common tankage equipment and accessories, but before they are put into operation, we should like to request that Shell Oil Company notify this office of the completion, so that an inspection of the installed equipment might be accomplished. This approval is contingent upon the condition that the Oil and Gas Division shall be notified of any changes or alteration in the system design, and that the Commissioner of Public Lands reserves the right to review this decision if and when commingling appears to reduce the royalty due to the State of New Mexico.

The Commissioner of Public Lands is now reviewing the policy regarding commingling, and in view of this the State Land Office is very grateful for the cooperation and patience extended in behalf of Shell Oil Company.

Very truly yours,

E. S. JOHNNY WALKER  
COMMISSIONER OF PUBLIC LANDS

By

  
Ed Buck  
Oil and Gas Division

ESJW/EB/dh

cc Oil and Gas Accounting Commission