OIL CONSERVATION COMMISSION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

July 28, 1969

Shell Oil Company
P. O. Box 1509
Midland, Texas 79701

Attention: Mr. S. M. Paine

Administrative Order PLC-31

CANCELLATION
Administrative Order PC-375

Gentlemen:

Reference is made to your application dated July 22, 1969, for an exception to Rule 303 (a) and Rule 309-A of the Commission Rules and Regulations to permit the commingling of San Andres, Drinkard, and Blinebry production from your State "A" Lease comprising the S/2 NE/4 of Section 32 and Blinebry and Drinkard production from your State "B" Lease comprising the N/2 NW/4 of Section 33, both in Township 18 South, Range 38 East, Hobbs Field, Lea County, New Mexico, after separately metering the production from all zones on each lease with the exception of the San Andres production on your State "A" Lease which you propose to determine by means of the subtraction method.

Pursuant to the authority granted me under the provisions of Rule 303 (b) and Rule 309-B of the Commission Rules and Regulations, you are hereby authorized to commingle the production from the aforesaid pools and leases in the above-described manner. Provided however, that you shall install metering and sampling facilities on the San Andres leg from the State "A" Lease of the commingling installation, and provided further, 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 requirement for non-reset counters on the meters and temperature-compensated meters.

COPY

OIL CONSERVATION COMMISSION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

July 28, 1969

Shell Oil Company
P. O. Box 1509
Midland, Texas 79701

Administrative Order PLC-31

CANCELLATION
Administrative Order PC-375

C O P Y

Please notify the Hobbs District Office of the Commission at such time as the installation is complete in order that an inspection may be made of the installation prior to putting it in operation.

Administrative Order PC-375 which, as amended, previously authorized the commingling of Drinkard, San Andres, and Blinebry production on your State "A" Lease is hereby cancelled.

It is the responsibility of the producer to notify the transporter of this commingling authority.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/DSN/esr

cc: Oil Conservation Commission (with enclosure) - Hobbs
Oil & Gas Engineering Committee - Hobbs
State Land Office - Santa Fe

PLC-31

SHELL OIL COMPANY

PETROLEUM BUILDING
P.O. BOX 1509
MIDLAND, TEXAS 79701

'69 JUL 23 PM 1 27

July 22, 1969

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

Gentlemen:

With this letter and enclosed documents, we are applying for an exception to Rule 303(a) and 309(a) of the New Mexico Oil Conservation Commission Rules and Regulations. At the present time, we are commingling the San Andres and Blinebry production on our State "A" lease located in the S/2 NE/4 of Section 32, Township 18 South, Range 38 East, Hobbs Field, Lea County, New Mexico with permission recently granted to commingle the Drinkard production off the same lease. We propose to install additional metering skids and separators to commingle the Blinebry and Drinkard production from our State "B" lease located in the N/2 NW/4 of Section 33, Township 18 South, Range 38 East, Hobbs Field, Lea County, New Mexico with the presently commingled production on our State "A" lease.

7/25

The enclosed schematic of the proposed facilities indicates that all production will be separated and metered separately except for the San Andres. We will use the subtraction method of commingling of zones having top allowable wells to arrive at the total San Andres production. We expect all zones to be sour priced with an API gravity of 33° to 35°, resulting in no change in revenue.

In compliance with Rule 303(b) and 309(b), you will find the following attachments enclosed:

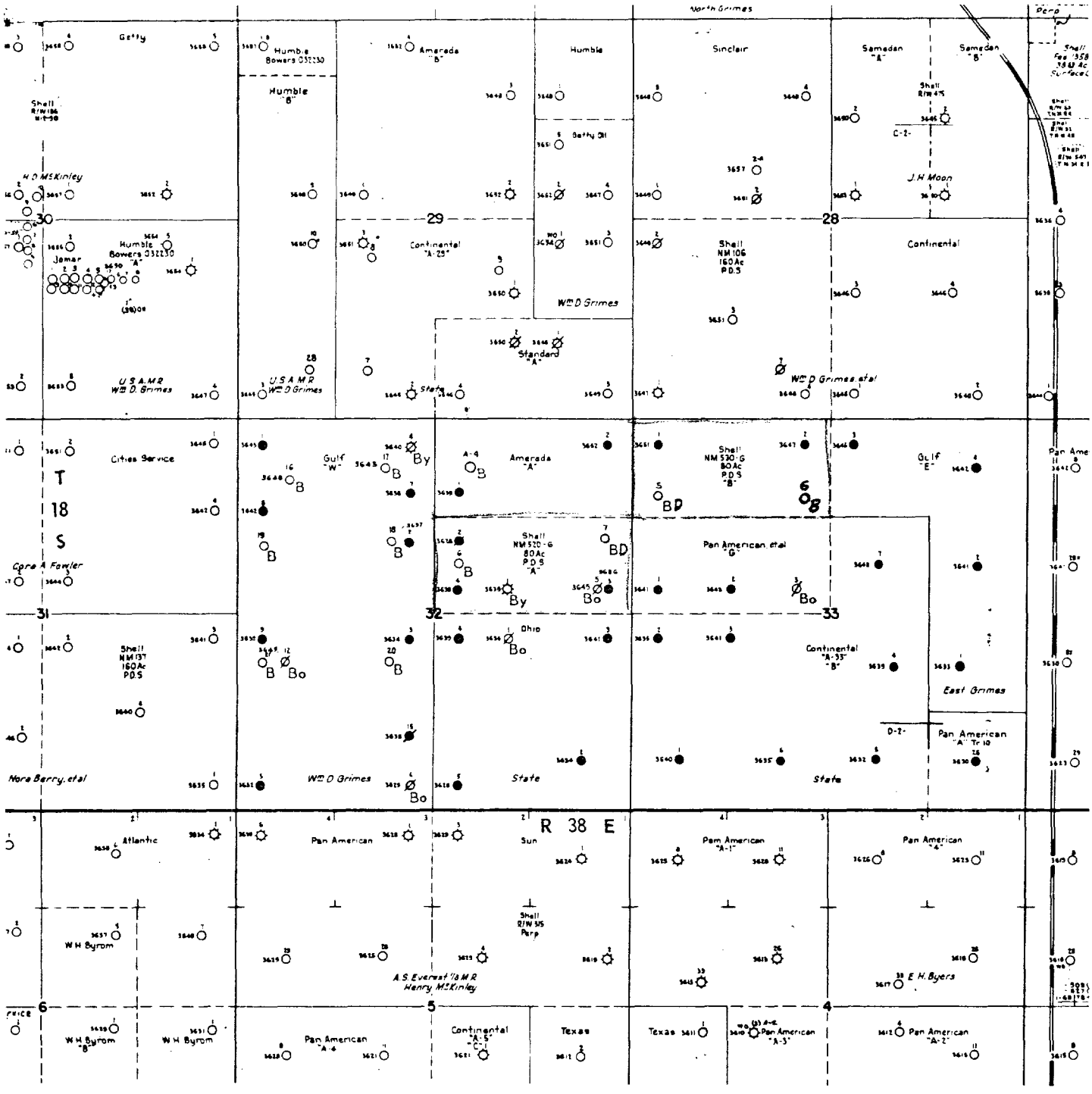
1. Plat of lease
2. Schematic of proposed installation
3. Copy of approval from State Land Department.

If you need any further information, please contact Mr. J. C. Vadala at our Midland Office.

Yours very truly,

for S. M. Paine, Manager
Production Department - West
Midland Division

JCV:LB
Enclosures



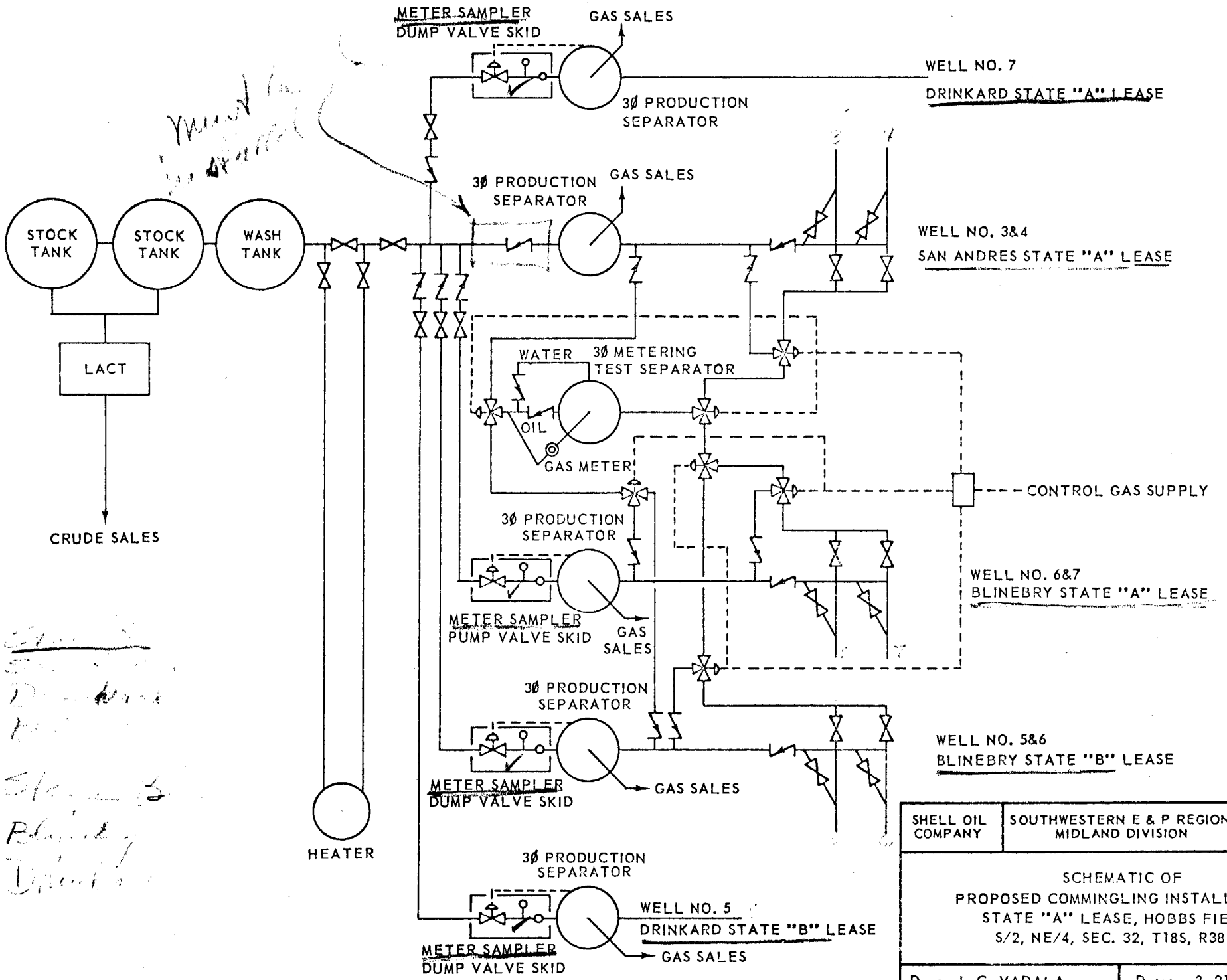
LEGEND FOR SECTIONS 32 & 33

- ● SAN ANDERS PRODUCER
- O_B BLINEBRY PRODUCER
- O_{Bo} BOWERS PRODUCER
- $☼_{By}$ BYERS GAS WELL
- Ø P & A WELL
- O_{BD} BLINEBRY-DRINKARD PRODUCER

SHELL OIL COMPANY	SOUTHWESTERN E & P REGION MIDLAND DIVISION	PRODUCTION WEST

LEASE PLAT – STATE "A" & "B" LEASE
HOBBS FIELD
S/2 OF NE/4 OF SEC. 32 &
N/2 OF NW/4 OF SEC. 33
T-18-S, R-38-E
LEA CO., NEW MEXICO

Des: C. VADALA	Date: 6-17-69
Scale: 1" = 2000'	Dwg. No. 3141-A



SHELL OIL COMPANY	SOUTHWESTERN E & P REGION MIDLAND DIVISION	PRODUCTION WEST

SCHEMATIC OF
PROPOSED COMMINGLING INSTALLATION
STATE "A" LEASE, HOBBS FIELD
S/2, NE/4, SEC. 32, T18S, R38E

Des: J. C. VADALA	Date: 3-21-69
Scale: NONE	Dwg. No. 3144

State of New Mexico

Commissioner of Public Lands

JUL 8 1969	
SMP	
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PJC	
DLL	
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ALEX J. ARMIJO
COMMISSIONER

P. O. BOX 1148
SANTA FE, NEW MEXICO

July 1, 1969

Shell Oil Company
P. O. Box 1509
Midland, Texas 79701

Re: State "B" lease
N/2NW/4, Sec. 33, T-18S, R-38E
State "A" lease
S/2NE/4, Sec. 32, T-18S, R-38E
Lea County, New Mexico

Attention: Mr. S. M. Paine

Gentlemen:

We have received your request to commingle the Drinkard production on your State "B" and State "A" leases as described in caption, with the presently commingled State "A" San Andres and Blinebry production.

It is our understanding that you are metering and sampling the State "A" lease Blinebry production separately from the State "A" lease San Andres production; and that you propose to install a three-phase separator, meter and sampler skid on the State "A" lease to continuously meter and sample the Drinkard production. In view of this, approval is given with the understanding that the Commissioner of Public Lands reserves the right to amend or withdraw his approval should this operation prove unprofitable to the State anytime in the future.

This approval is subject to the subsequent approval of the Oil Conservation Commission.

Very truly yours,

Ted Bilberry

TED BILBERRY, Director
Oil and Gas Department

TB:ML:v
cc: Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

MID. DIV. PROD. WEST
JUN 27 1969

	SMP		
	RCC		
	LSM		
	JAW		
	FJC		
	DLL		
	CW		
	FILE		

State of New Mexico

Commissioner of Public Lands

ALEX J. ARMIJO
COMMISSIONER

June 24, 1969

P. O. BOX 1148
SANTA FE, NEW MEXICO

Shell Oil Company
P. O. Box 1509
Midland, Texas 79701

Re: Request to Commingle Blinebry
and San Andres Production
State "A" Lease, Sec. 32, T-18S, R-38E
State "B" Lease, Sec. 33, T-18S, R-38E
Lea County, New Mexico

Attention: Mr. S. M. Paine

Gentlemen:

Due to the fact that your State "A" lease located in the S/2NE/4 of Section 32, Township 18 South, Range 38 East, has Common Schools as its beneficiary and your State "B" lease located in the N/2NW/4 of Section 33, Township 18 South, Range 38 East, has the Penitentiary as beneficiary, we are prohibited from allowing the commingling of products from two institutional lands. However, if you will separately meter and account for the production from your State "A" lease and your State "B" lease we will then approve of the commingling of the two leases.

For your information we note that the Original lease as issued to you "State Lease A-1118-5" did show the N/2NW/4 of Section 33, Township 18 South, Range 33 East, was designated as lands belonging to the Common Schools. There was a later correction made by the auditors on May 9, 1958, showing this error. We do not know whether you were notified of this correction or not. We are sorry that the error was made but the rule is very clear that there shall be no commingling of different beneficiary production.

Very truly yours,

Ted Bilberry

TED BILBERRY, Director
Oil and Gas Department

TB:ML:v
cc: Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico

Shell Oil Company

P.O. Box 991
Houston, Texas 77001

January 8, 1980

State of New Mexico
Commissioner of Public Lands
P. O. Box 1148
Santa Fe, New Mexico 87501

Gentlemen:

SUBJECT: COMMINGLING OF BLINEBERRY PADDOK ZONES IN THE STATE A LEASE SEC. 32 TOWNSHIP 18-S RANGE 38E WITH PADDOK DRINKARD ZONES IN THE STATE B LEASE SEC. 33 TOWNSHIP 18-S RANGE 38E HOBBS FIELD, LEA COUNTY, NEW MEXICO

Shell Oil Company proposes to commingle the Paddok, Blineberry and Drinkard production and the above-captioned leases. According to our records, the API gravities of the Paddok, Blineberry, and Drinkard crudes range from 33.2° API to 35.4° API. We do not anticipate as a result of this commingling any change in the actual commercial value of the production.

We propose to allocate production by monthly well tests since all wells are producing below top allowable. (See attachment).

Attached please find a schematic of the proposed facilities and a lease plat.

If you are in agreement with this proposal, please furnish us with a letter to the State of New Mexico Oil Conservation Commission stating your approval.

If additional information is needed concerning this proposal, please contact Jaye B. Tixier at (713) 932-5483 of this office.

Yours very truly,

Walton D. Moore

for H. M. Mathiesen
Production Superintendent -
Central Operations
Mid-Continent Division

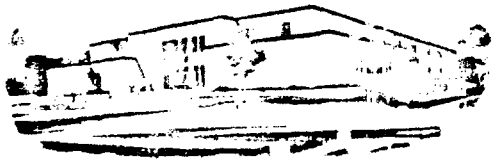
Approved March 14, 1980
Alex J. Armijo
COMMISSIONER OF PUBLIC LANDS

JBT:LN

Attachment

CCC

State of New Mexico



Commissioner of Public Lands

ALEX J. ARMIJO
COMMISSIONER

March 14, 1980

P. O. BOX 1148
SANTA FE, NEW MEXICO 87501

File
NCS-31

Shell Oil Company
P. O. Box 991
Houston, Texas 77001

RE: COMMINGLING OF BLINEBERRY PADDOK ZONES IN THE STATE A LEASE SEC. 32 TOWNSHIP 19-S, RANGE 38 E, WITH PADDOK DRINKARD ZONES IN THE STATE B LEASE SEC. 33 TOWNSHIP 18-S, RANGE 38E HOBBS FIELD, LEA COUNTY, NEW MEXICO

ATTENTION: Mr. Milton D. Moore

Gentlemen:

After further reviewing your Commingling Application, filed with this office January 8, 1980, please be informed that under our State Enabling Act commingling of two different beneficiaries is prohibited, however, due to the error in issuing the lease (A-1118-5) with two different beneficiaries on the lands contained therein, the authority to commingle is in the lease. Therefore, you are hereby given consent to commingle the Blineberry Paddok Zones in the State A Lease Section 32, Township 19 South, Range 38 East, with Paddok Drinkard Zones in the State B Lease in Section 33, Township 18 South, Range 38 East, Hobbs Field, Lea County, New Mexico. Our approval is subject to like approval by the New Mexico Oil Conservation Division.

Enclosed is one approved copy for your files.

Please re-submit the filing fee of Ten ($10.00) Dollars since we had already refunded the Ten submitted with your application.

Very truly yours,

ALEX J. ARMIJO
COMMISSIONER OF PUBLIC LANDS

BY:
RAY D. GRAHAM, Director
Oil and Gas Division

AJA/RDG/s
encl.
cc: OCD-Santa Fe, New Mexico
New Mexico Oil and Gas Accounting Commission
State of New Mexico Oil & Gas Lease A-1118-5