

Shell Oil Company



MAY 06 1982
P.O. Box 578
Houston, Texas 77001
OIL CONSERVATION DIVISION
SANTA FE

May 3, 1982

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

Gentlemen:

APPLICATION FOR EXCEPTION TO RULE 303A

Shell Oil Company hereby makes application for administrative approval to commingle the Hare production on the Argo 'A' No. 11 lease, Section 22, T21S, R37E and the Tubb production on the Argo No. 9. Section 15, T21S, R37E Drinkard Field, Lea County, New Mexico.

We propose to surface commingle the two zones with the Argo and Argo 'A' wells in the facility. The producing zones are not capable of top allowable production, therefore will be categorized as marginal and will not be metered separately. Allocation of production from each well will be based on a monthly well test.

The API gravities of the Hare and Tubb crude range from 39.0 to 40.5. No change in the actual commercial value of the crude is anticipated as a result of commingling.

As requested, please find enclosed a lease plat and schematic diagram to aid you in reviewing our proposal. If we can be of further assistance, please advise.

Very truly yours,

C. F. Newman, Supervisor
New Mexico/Michigan
Oil Accounting, Western E&P Operations

GVO:PT

Enclosures

[Faint handwritten notes and signatures in the bottom right corner]