

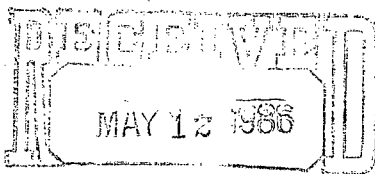
Shell Western E&P Inc.

A Subsidiary of Shell Oil Company



P.O. Box 576
Houston, TX 77001

May 9, 1986



State of New Mexico
Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, NM 87504-2088

Gentlemen:

APPLICATION TO DOWNHOLE COMMINGLE
SHELL - GRIZZELL NO. 6
2200' FSL AND 420' FEL, UNIT LETTER "I"
SECTION 8, T22S, R37E
DRINKARD & BLINEBRY OIL AND GAS POOLS
LEA COUNTY, NEW MEXICO

Pursuant to the provisions of Rule 303-C, Shell Western E&P Inc. (SWEPI) respectfully requests administrative approval to commingle production within the wellbore from the Drinkard and Blinebry Oil and Gas Pools for the subject well. Grizzell No. 6 was drilled and completed in 1952 as a Drinkard producer. The Drinkard was abandoned in June of 1965 and the well recompleted to the Blinebry formation. Operations to dually produce Blinebry gas and Drinkard oil (NMOC Order No. MC-1644) were completed in August of 1965. Following the subject well's reclassification to an oil well in the Blinebry Oil Pool in January of 1967, it was determined to be uneconomical to pursue further dual completion operations and the Drinkard was abandoned. The well has since singly produced from the Blinebry zone. With the indicated marginal production, installation of dual equipment cannot be justified. In the interest of conservation and prevention of waste, we now propose to reopen the Drinkard and downhole commingle the production with that of the Blinebry Oil and Gas Pool in the subject well.

This well qualifies for administrative approval in accordance with Statewide Rule 303-C; and in support thereof, the following facts are submitted:

1. The attached plat indicates the Grizzell lease.
2. The latest tests are as follows:

Blinebry: (2-20-86) 3 BO + 1 BW + 210 MCFG
Drinkard: (4-19-86) 3 BO + 0 BW + 50 MCFG

3. Neither zone produces more water than the combined oil limit as determined in Rule 303-C, Section 1, paragraph (1)

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4. SWEPI has commingled these fluids at the surface on the subject lease and has encountered no incompatibility problems; therefore, downhole commingling is not expected to result in reservoir damage (surface commingling authority: PC 394).
5. Surface commingling resulted in no reduction of oil value; therefore, downhole commingling will not reduce oil value.
6. Ownership of the two pools to be commingled is common and correlative rights will not be violated.
7. The bottom-hole pressures at common datum of 6200' are:

<u>Blinebry:</u>	539.5 psig (24 hrs SI)
<u>Drinkard:</u>	326 psig (24 hrs SI)

We do not anticipate crossflow of fluids since the well will be maintained at pumped off conditions.

8. Commingling will not jeopardize the efficiency of future secondary operations in either zone.
9. Recommended oil and gas allotments would be as follows:

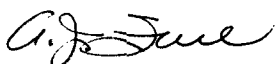
<u>Blinebry:</u>		<u>Drinkard</u>
50%	Oil	50%
81%	Gas	19%

10. Copies of this application have been furnished to all offset operators by certified mail.

Other supporting data attached are resume of the well's history, C-116 for each zone, a schematic of the present and proposed downhole configuration and a production decline curve of the Blinebry zone.

If additional information is required, please advise.

Yours very truly,


A. J. Fore
Supervisor Regulatory and Permitting
Production Administration
Western Division

JMW:LG

Attachments

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

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GRIZZELL #6

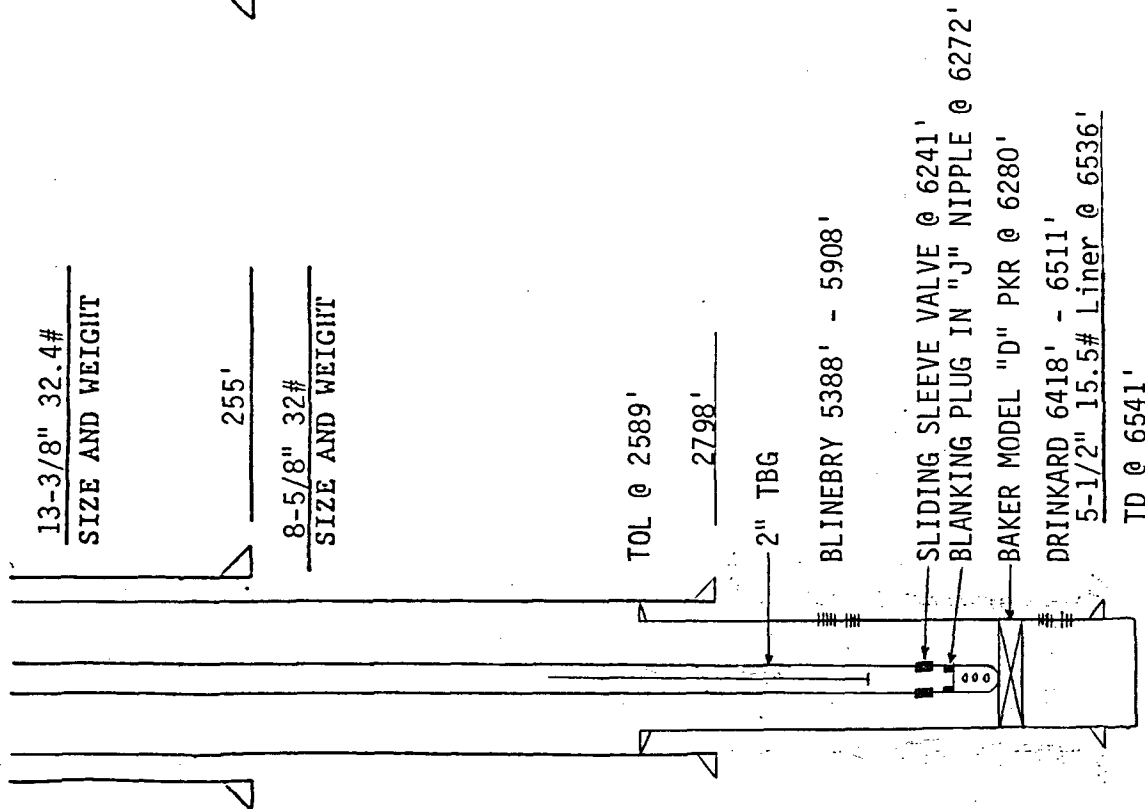
WELL HISTORY

7/52 Drilled and completed in Drinkard formation.
6/65 Set CIBP over Drinkard and recompleted to the Blinebry.
8/65 Dually completed - producing Blinebry gas and Drinkard oil through the casing-tubing annulus and the tubing respectively.
1/67 Temporarily abandoned Drinkard and opened Blinebry through tubing.
2/86 Installed plunger lift.

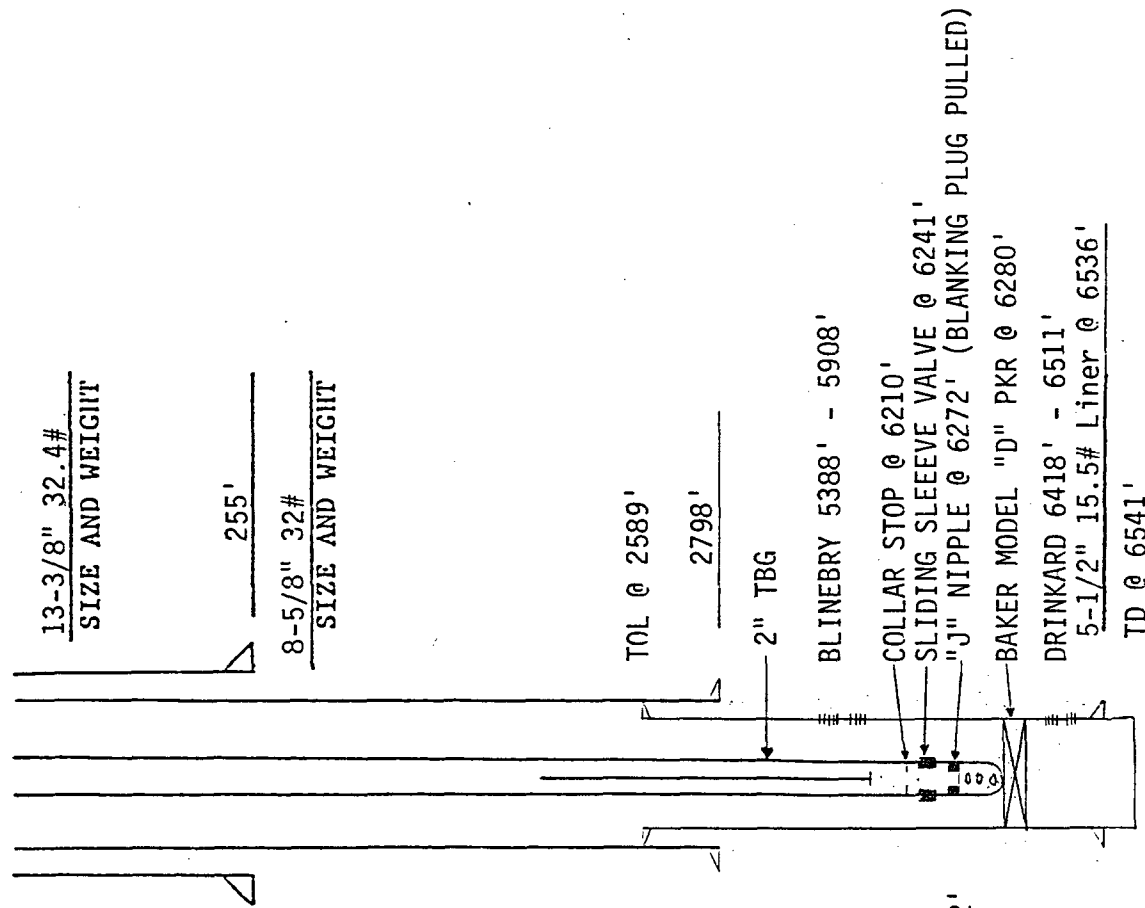
MECHANICAL CONFIGURATION

WELL GRIZZELL #6
 FIELD DRINKARD
 DATE FEBRUARY, 1986

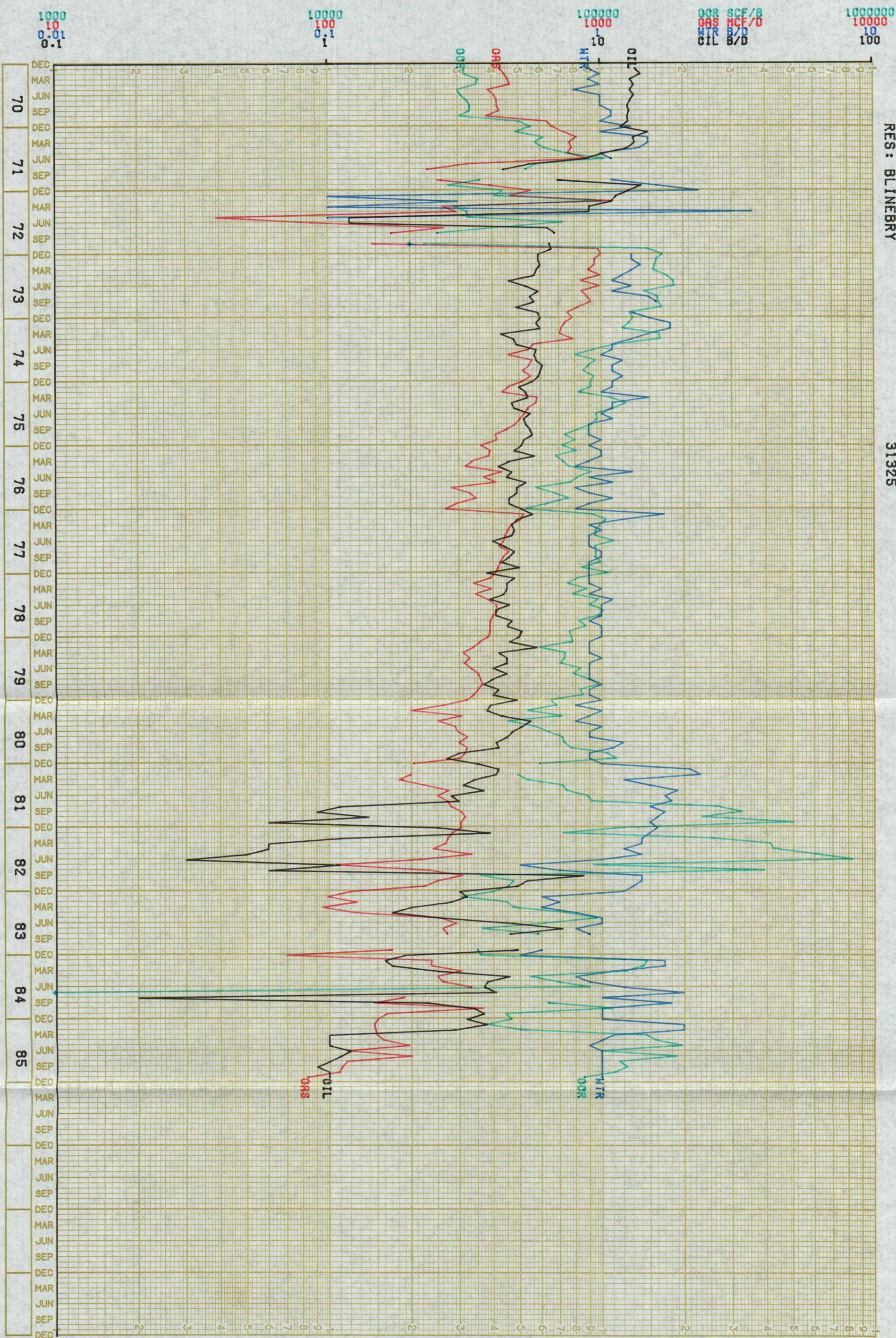
PRESENT



PROPOSED



3115



GAS-OIL RATIO TESTS

[illegible]

No oil will be sold at an allowable greater than the amount of oil produced on the affected tract.

During good-will sales test, each well shall be produced at a rate not exceeding the top well allowable for the pool in which well is owned by more than 33 percent. Operator is encouraged to take advantage of this 33 percent tolerance in order that well can be subjected to more allowable when authorized by the Division.

Gas columns will be reported in MCF measured at a pressure base of 14.73 psia and a temperature of 40° F. Specific gravity base will be 0.88.

Report cover procedure in lieu of tubing procedure for any well producing through casing.

Well original and one copy of this report to the District Office of the New Mexico Oil Conservation Division in accordance with its 1931 and appropriate Pool Rules.

I hereby certify that the above information is true and complete to the best of my knowledge and belief.

A. J. Fore A. J. FORE
(519961616)

SUPERVISOR REG. & PERMITTING

5-09-86

OFFSET OPERATORS

SHELL - GRIZZELL LEASE

TEXACO INC.
P.O. BOX 728
HOBBS, NM 88240

AMOCO PRODUCTION COMPANY
P.O. BOX 249
ANDREWS, TX 79714

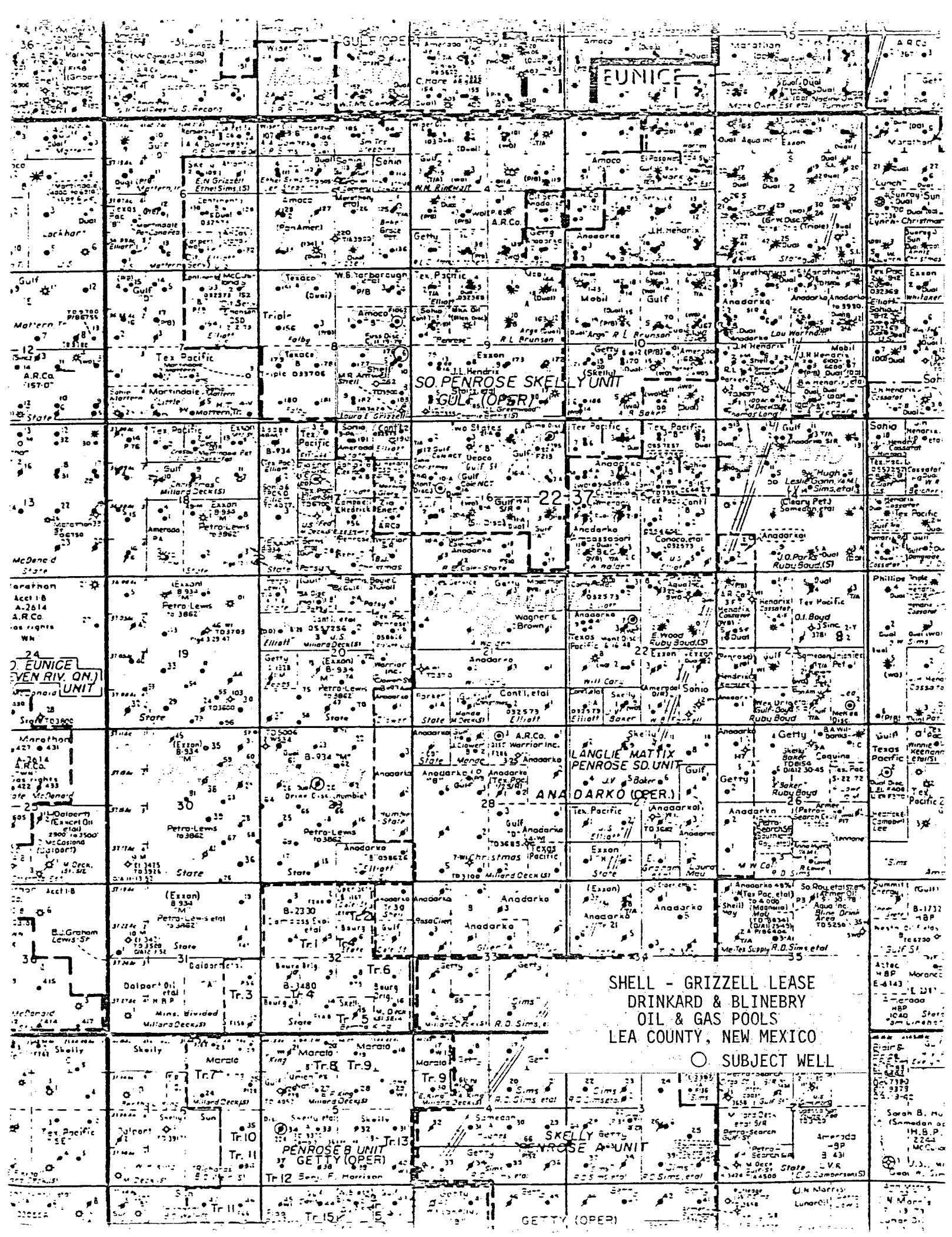
SUN EXPLORATION AND PRODUCTION CO.
P.O. BOX 1861
MIDLAND, TX 79705

SOHIO PETROLEUM COMPANY
10 DESTA DR., STE. 600 WEST
MIDLAND, TX 79705

CONOCO INC.
P.O. BOX 460
HOBBS, NM 88240

CHEVRON, U.S.A., INC.
P.O. BOX 670
HOBBS, NM 88240

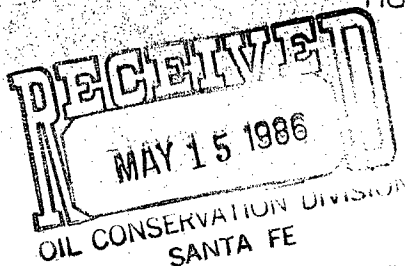
EXXON COMPANY, U.S.A.
P.O. BOX 1600
MIDLAND, TX 79702-1600





TONEY ANAYA
GOVERNOR

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE



May 13, 1986

POST OFFICE BOX 1990
HOBBS, NEW MEXICO 86240
(505) 393-6161

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

RE: Proposed:

MC _____
DHC XXX _____
NSL _____
NSP _____
SWD _____
WFX _____
PMX _____

Gentlemen:

I have examined the application for the:

Shell Western E&P Inc.	Grizzell-#6-I	8-22-37
Operator	Lease & Well No.	Unit S-T-R

and my recommendations are as follows:

OK -- Jerry Sexton

Yours very truly,

Jerry Sexton
Supervisor, District 1

/mc