



MAIN OFFICE ~~400~~ SHELL OIL COMPANY

P. O. Box 1858

1963 JAN 25 AM 8:26 well, New Mexico

January 24, 1963

Subject: Application for Administrative
Approval to Commingle Drinkard,
Blinebry, and Wantz Abo Crudes,
Argo-Argo A Lease

New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Gentlemen:

Reference is made to N.M.O.C.C. Case No. 2363, Order No. R-2097, and to your letter of January 8, 1963. These references, in part, authorize Shell Oil Company to commingle the Drinkard and Wantz Abo Pools on the Argo-Argo A Lease, to commingle the Drinkard and Blinebry Pools on the Turner Lease, and to commingle the commingled production from both leases on the Argo-Argo A Lease prior to treating.

This is to inform you that we propose to recomplete our Argo A No. 10 well to the Blinebry Pool. This well will be the first Blinebry well on the Argo-Argo A Lease and the only top allowable well on the lease.

We therefore request Administrative Approval to commingle top allowable Blinebry production with the existing marginal Drinkard and Wantz Abo production as per the attached schematic diagram. Blinebry production from Argo A No. 10 will be separately and continuously metered. Since the Drinkard wells and the one Wantz Abo well are marginal, production from these wells will be metered after commingling. Total marginal production will be allocated back to the individual wells on the basis of monthly well tests. BS&W content will be determined by standard centrifugal testing procedures. The proposed commingling system will be operated in accordance with the Commission "Manual for the Installation and Operation of Commingling Facilities."

Blinebry production is expected to be about 60 barrels per day of 39.3° API gravity crude. This will be commingled with about 135 barrels per day of Drinkard and Wantz Abo production with a 39.1° API gravity. The total commingled gravity will be about 39.2° API. The commercial value of the commingled production will be equal to the sum of the values of the production if the Blinebry was sold separately.

Attached for your consideration are schematic diagrams of the proposed commingling system. The number of wells to be produced from the respective pools is indicated on the drawings. If additional information is desired, please contact this office.

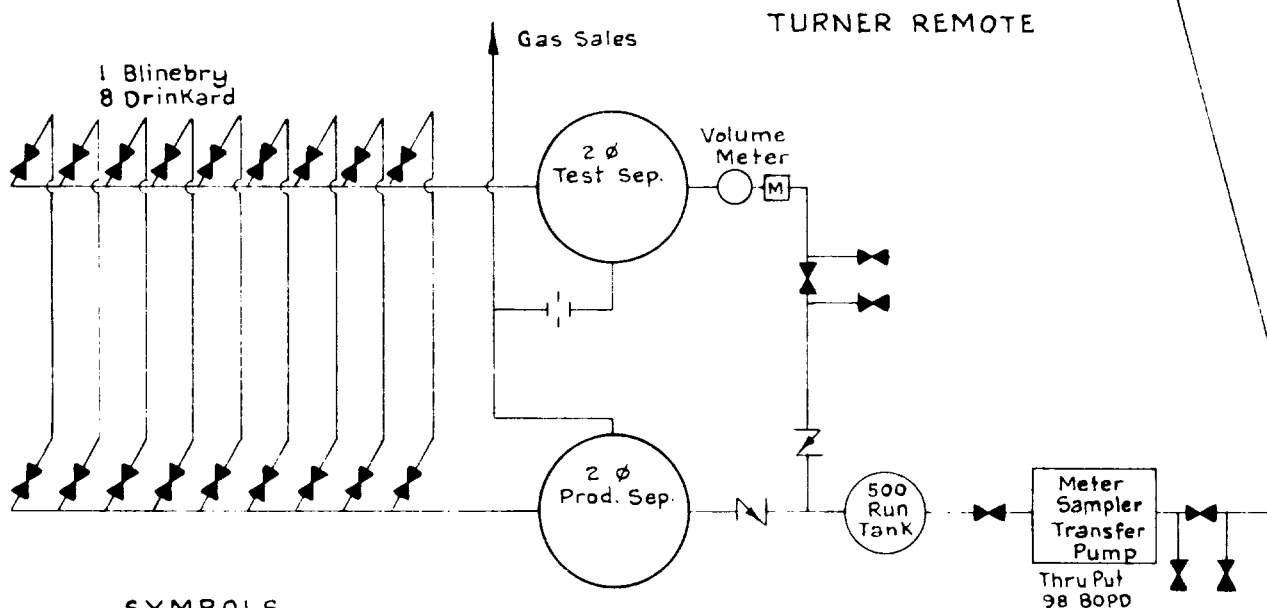
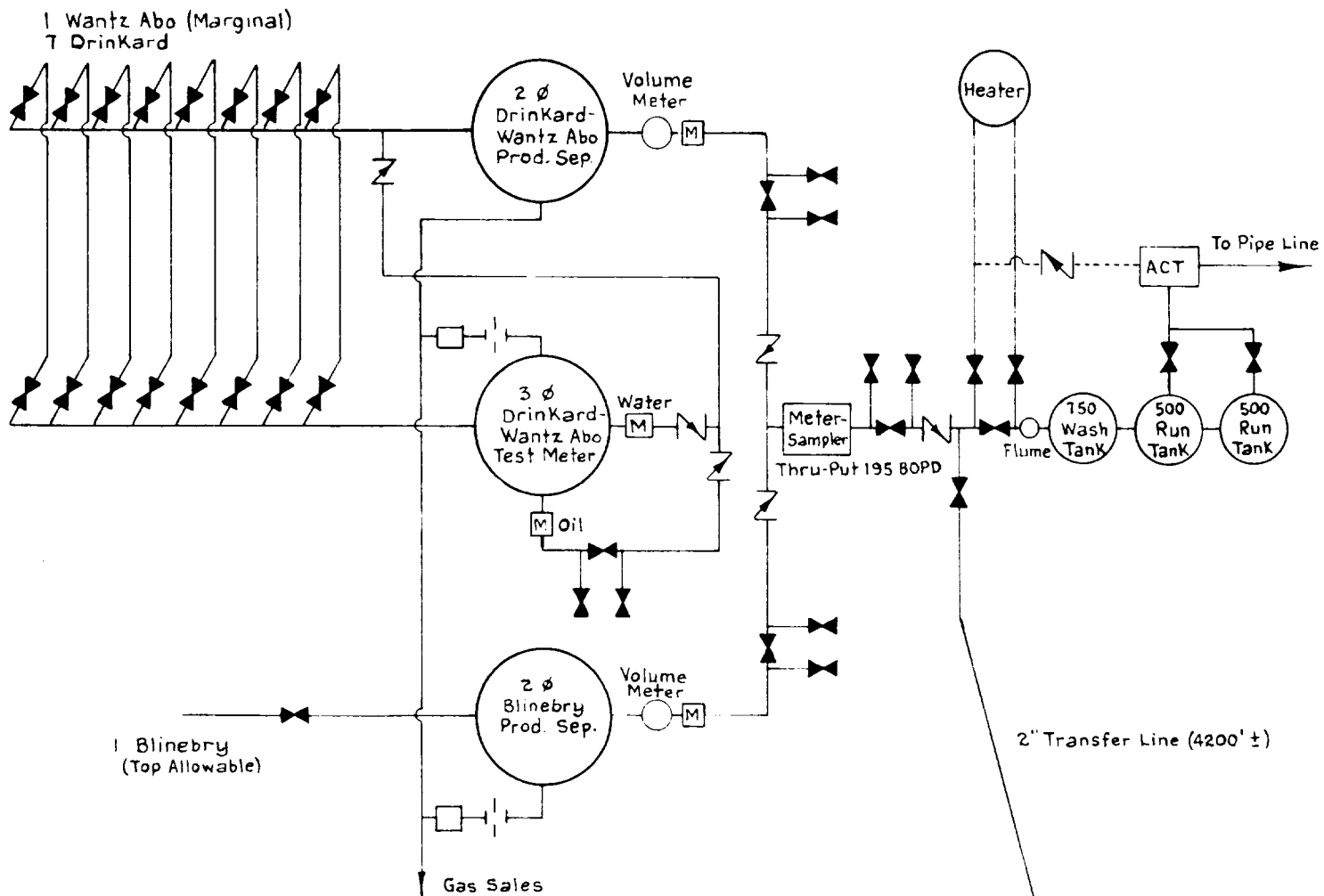
Very truly yours,

A handwritten signature in cursive script, reading "R. L. Rankin".

R. L. Rankin
Division Production Manager

Attachments

ARGO and ARGO "A" CENTRAL



SYMBOLS

- Block Valve
- Check Valve
- Prover Connections
- Orifice Meter Run
- Back Pressure Valve
- Metering Facility

ARGO, ARGO "A" and TURNER CONSOLIDATION No.1
Commingle Blinebry, Drinkard and Wantz Abo
Sections 15 & 22, T-21-S, R-37-E
January 21, 1963