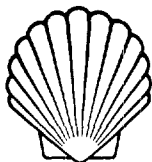


7



# SHELL OIL COMPANY

WESTERN DIVISION  
P.O. BOX 1509  
MIDLAND, TEXAS 79701

September 8, 1966

Subject: Application for Exception to  
N.M.O.C.C. Statewide Rule 303(a)  
for Shell Grizzell Lease

New Mexico Oil Conservation Commission (3)  
P.O. Box 2088  
Santa Fe, New Mexico

Gentlemen:

Shell Oil Company hereby makes application for administrative approval to commingle production on the Shell Grizzell Lease, Section 8, T-22-S, R-37-E, Lea County, New Mexico.

At present oil production from the Paddock, Penrose Skelly, and Drinkard zones is being commingled as per your approval of our application dated June 2, 1964. The three zones are commingled without separately metering the production, since all wells on the lease are marginal.

Recently, Well No. 6 has been dually completed as a Drinkard (Oil) and Blinebry (Gas) producer. The Blinebry completion has been classified as a gas well. We propose to commingle the condensate from the Blinebry zone with production from the zones already being commingled on the lease. Allocation of production from each well will continue to be made on the basis of monthly well tests.

The API gravities of the Paddock, Penrose Skelly, and Drinkard crudes range from 34° API to 40° API. The Blinebry condensate has an API gravity of 43°. No change in the actual commercial value of the production is anticipated as a result of commingling.

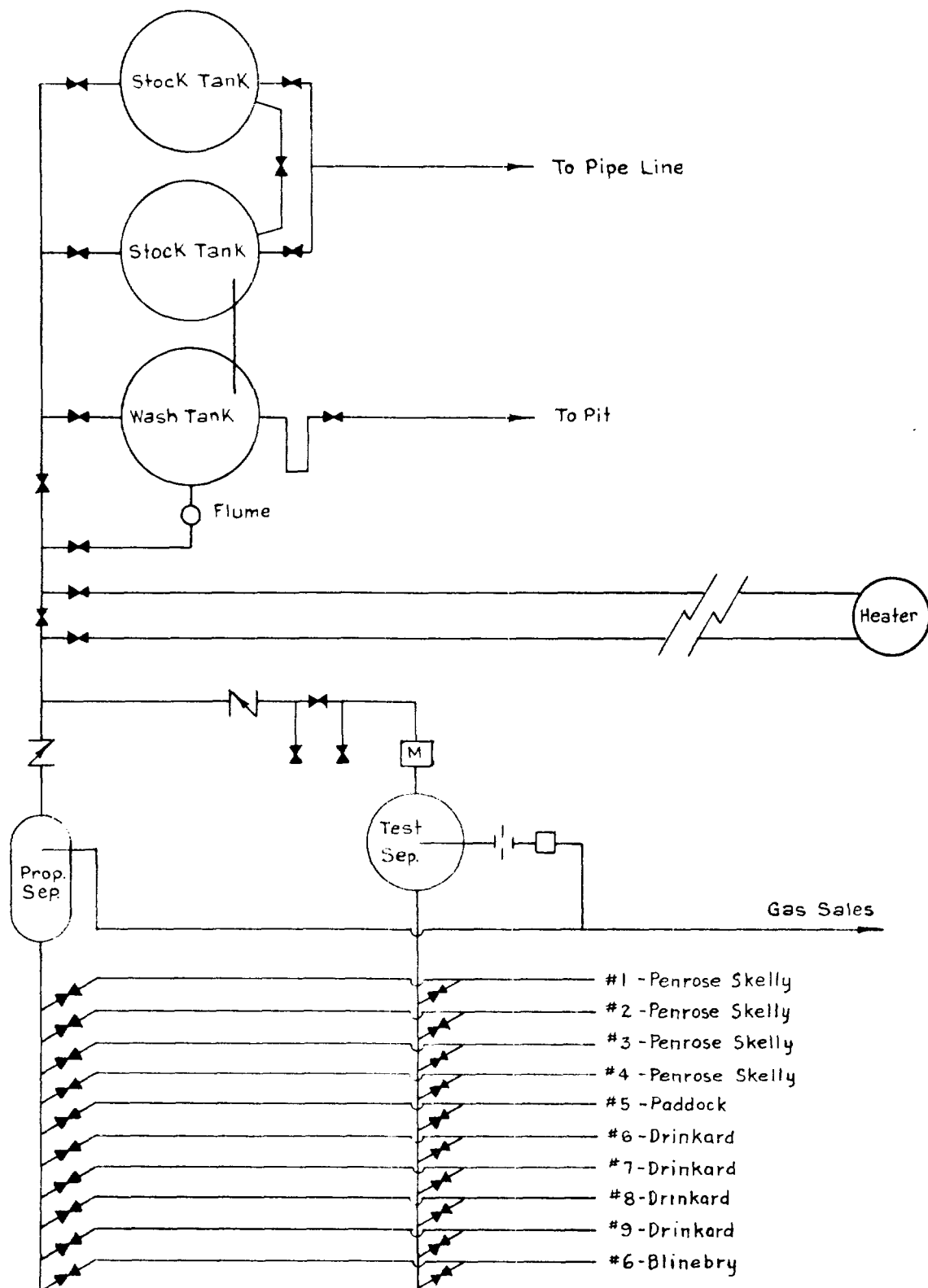
The proposed commingling installation will be operated in accordance with the Commission's "Manual for the Installation and Operation of Commingling Facilities." Attached for your consideration is a lease plat and schematic diagram of the proposed installation. A tabulation of production from the wells on the lease was furnished with our previous application of June 2, 1964. Since the Blinebry completion is classified as a gas well, it would have no oil allowable. If additional information is required, please contact this office.

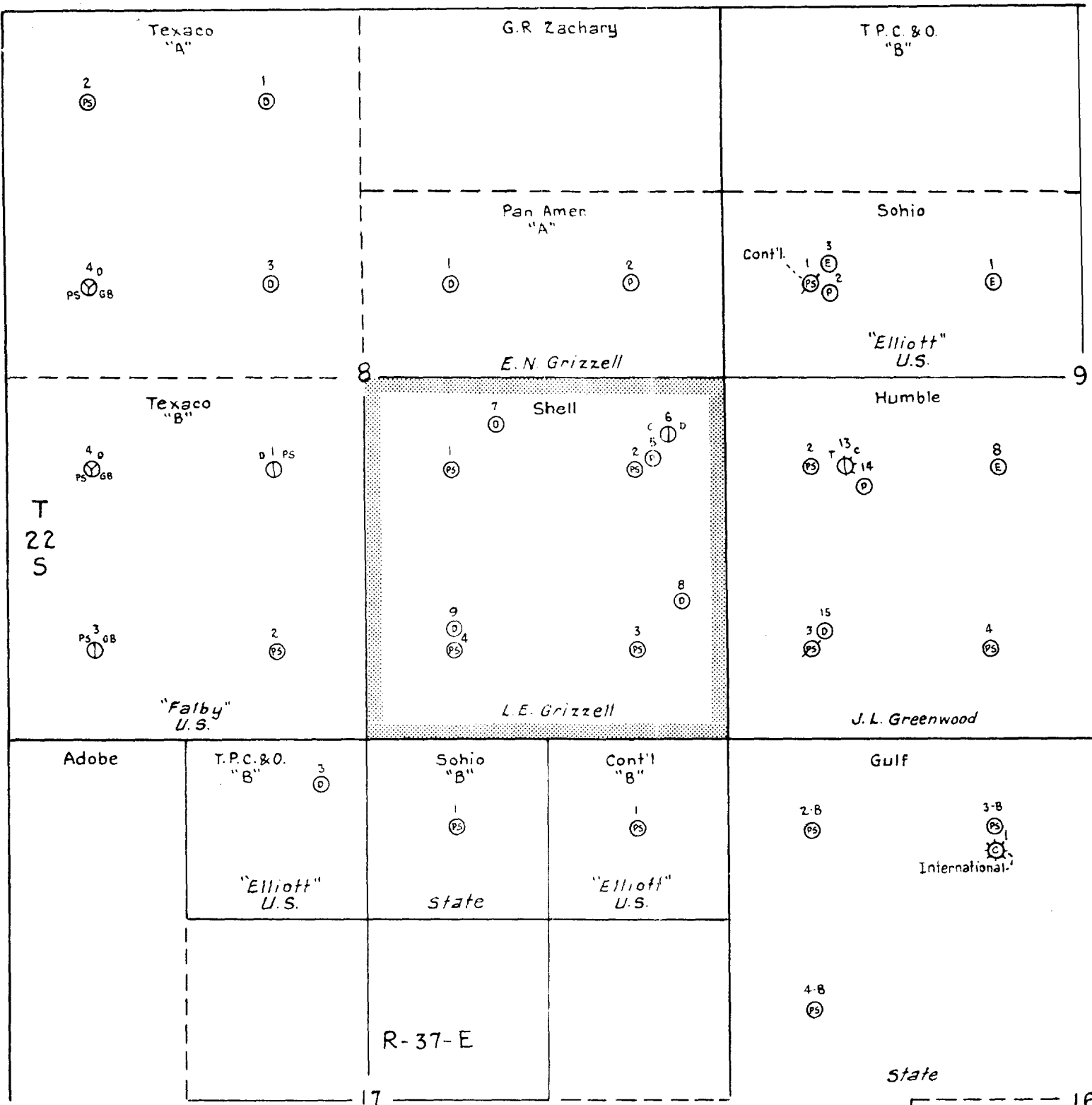
Yours very truly,

J. E. R. Sheeler  
Division Production Manager

Attachments

SHELL OIL CO.  
 PROPOSED COMMINGLING  
 PENROSE SKELLY, PADDOCK & DRINKARD ZONES  
 GRIZZELL LEASE  
 Lea Co., N. Mex.





# LEGEND

- <sup>PS</sup> Penrose Skelly
- <sup>GB</sup> Grayburg
- <sup>P</sup> Paddock
- <sup>C</sup> Blinberry
- <sup>T</sup> Tubb
- <sup>D</sup> Drinkard
- <sup>E</sup> Ellenburger