

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

July 31, 1964

Shell Oil Company
P.O. Box 1858
Roswell, New Mexico

Attention: Mr. T. H. Dwyer

Administrative Order PLC-10

Amendment

Administrative Order PC-170

Gentlemen:

Reference is made to your letter of July 14, 1964, wherein you request an amendment to Administrative Order PC-170, which grants Shell Oil Company permission to commingle the Yates, Glorieta, and San Andres crudes on your State "V" Lease, Vacuum Field, Lea County, New Mexico. It is our understanding that you propose to separate the Glorieta production from the aforementioned commingling installation and commingle said Glorieta production with the intermediate crude produced from the Vacuum Abo pool on your State "V" and State "W" Leases which are commingled without metering by authority of Administrative Order CTB-80.

Administrative Order PC-170 is hereby amended to delete the Glorieta formation from the commingling authority contained therein. Administrative Order CTB-80 is hereby superseded by this order, Administrative Order PLC-10, and Shell Oil Company is authorized to commingle the Vacuum Glorieta and Vacuum Abo production from the State "V" and State "W" Leases after separately and continuously metering and sampling the Glorieta production and determining the Abo production by means of the subtraction method.

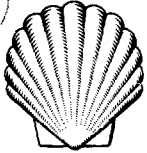
Provided however, that the installation shall be operated in accordance with the provisions of the Commission "Manual for the Installation and Operation of Commingling Facilities," including the provision for non-reset counters on the meters. Please notify the Hobbs District Office of the Commission at such time as this installation is complete in order that an inspection may be made of the installation prior to putting it in operation.

Very truly yours,

A. L. Porter, Jr.
Secretary-Director

ALP:DSN:sg

cc: Oil Conservation Commission - Hobbs
Oil & Gas Engineering Committee - Hobbs
Oil & Gas Accounting Commission - Santa Fe
State Land Office - Santa Fe



SHELL OIL COMPANY

P. O. Box 1858
Roswell, New Mexico

MAIN OFFICE OCC

1964 JUL 15 AM 7:43

July 14, 1964

Subject: Glorieta - Abo Commingling
on State "V" & State "W"
Leases, Vacuum Field

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

PLC-10

Gentlemen:

We are, by this letter and enclosed documents, making application for an amendment to Administrative Order PC-170 which grants Shell Oil Company permission to commingle the Yates, Glorieta and San Andres crudes on the State "V" Lease, Vacuum Field, Lea County, New Mexico. Since the issuance of this order, we have obtained an intermediate market for the Glorieta crude. We, therefore, propose to separate the Glorieta from the aforementioned zones and commingle it with the intermediate priced Vacuum Abo zone from the State "V" and State "W" Leases which are commingled without metering by authority of Administrative Order CTB-80. Since both zones contain top allowable wells, we plan to use the subtraction method of commingling whereby the Glorieta zone will be continuously metered and sampled.

The two Abo wells in the State "V" Lease and the two on the State "W" Lease are top allowable and produce approximately 3500 barrels of 38° to 40° oil per month per well. The two Glorieta wells on the State "V" are top allowable and produce approximately 2100 barrels of 37° to 39° oil per month per well. We anticipate a 7¢ to 9¢ per barrel increase in the Glorieta crude as a result of changing to an intermediate market, but expect no significant change in revenue due to commingling of the two crudes. Individual well production will be allocated on the basis of monthly well tests which will be conducted by producing the subject well through a metering separator.

The following attachments accompany this application. 1) Plat of the leases involved. 2) Schematic proposed installation. 3) Copy of letter of approval from State Land Department.

In view of the above presented information, we respectfully request your approval of this project.

Yours very truly,

T. H. Dwyer
for T. H. Dwyer

Division Production Manager

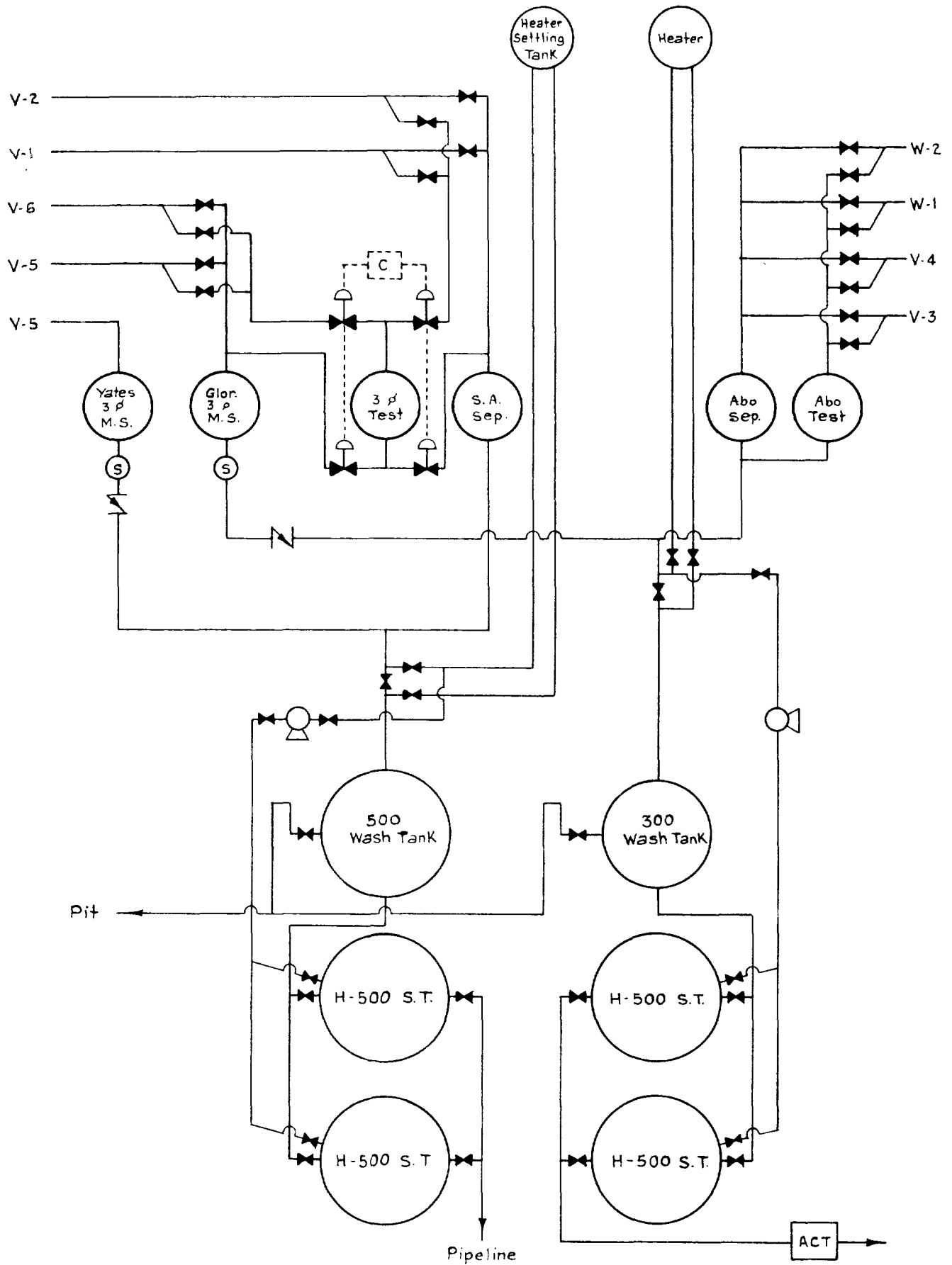
Enclosures

[illegible]

- Yates
- Grayburg-San Andres
- Paddock
- Abo

SHELL OIL CO.
OWNERSHIP PLAT
1"=2000'

SHELL OIL CO
SCHEMATIC DIAGRAM
State "V" and "W" Central Battery
VACUUM FIELD



A black and white photograph of a large, multi-story building with a flat roof and numerous windows, identified as the Hotel de Ville in Paris. The building is viewed from a low angle, emphasizing its height. The image is somewhat grainy and has a high-contrast, almost stencil-like quality.

E. S. JOHNNY WALKER
COMMISSIONER

As you may know, Mr. Bilberry is out of the office due to an illness and is expected back shortly. We hesitate to alter this approval before his return, and it is entirely possible that due to the way the approval is written it may not be susceptible to alteration. Under the circumstances and due to the fact that there is no critical change from the established installation, please be advised that Shell Oil Company may proceed to commingle production from the aforementioned tracts and pools, with the approval of the New Mexico State Land Office.

SHELL	
RECEIVED	
JUL 13 1964	
RUSSELL PROD.	
OWN	REF.
DATE	FILE
BY	INITIALS
REMARKS	
OWN	
FILE	
DISCLOSURE	REMARKS
PARTY	INITIALS
CHECK UP	FILE
DECRY	CONF. CONF.

P. O. BOX 1148
SANTA FE, NEW MEXICO

Shell Oil Company

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July 10, 1964

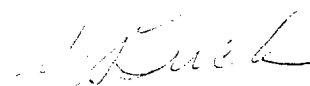
Upon completion of the installation of the common tankage equipment and accessories, but before they are put into operation, we should like to request that Shell Oil Company notify this office of the completion, so that an inspection of the installed equipment might be accomplished. This approval is contingent upon the condition that the Oil and Gas Division shall be notified of any changes or alteration in the system design, and that the Commissioner of Public Lands reserves the right to review this decision if and when commingling appears to reduce the royalty due to the State of New Mexico.

The Commissioner of Public Lands is now reviewing the policy regarding commingling, and in view of this the State Land Office is very grateful for the cooperation and patience extended in behalf of Shell Oil Company.

Very truly yours,

E. S. JOHNNY WALKER
COMMISSIONER OF PUBLIC LANDS

By


Ed Buck
Oil and Gas Division

ESJW/EB/dh

cc Oil and Gas Accounting Commission