

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF SHELL WESTERN
E&P INC. TO AMEND DIVISION
ADMINISTRATIVE ORDER DHC-1149,
LEA COUNTY, NEW MEXICO

RECEIVED
NO. 11435
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AMENDED APPLICATION Oil Conservation Division

Shell Western E&P Inc., for its application, states:

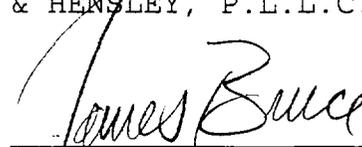
1. Applicant is the operator of the State "A" Well No. 10, located in Unit A of Section 31, Township 17 South, Range 35 East, NMPM.
2. The Division, by Administrative Order DHC-1149, attached hereto as Exhibit A, authorized downhole commingling in said well of production from the Vacuum-Wolfcamp and Vacuum-Middle Pennsylvanian Pools.
3. The deepest perforations in the well are below 10,000 feet subsurface. Therefore, in accordance with Rule 303(C), Order DHC-1149 limits oil production to 80 barrels/day and water production to 160 barrels/day. Due to high fluid levels in the well, higher oil and water production rates are required to adequately pump off the well.
4. As a result of the foregoing, Applicant requests that Order DHC-1149 be amended to allow an oil production rate of 300 barrels/day and a water production rate of 300 barrels/day from the subject well. The allocation of production shall remain as fixed in Order DHC-1149.

5. The granting of this application is in the interests of conservation and the prevention of waste, and will not harm either reservoir.

WHEREFORE, Applicant requests that, after hearing, the relief requested above be granted.

Respectfully submitted,

HINKLE, COX, EATON, COFFIELD,
& HENSLEY, P.L.L.C., LTD., CO.

A handwritten signature in cursive script that reads "James Bruce". The signature is written over a horizontal line.

James Bruce
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Attorneys for Applicant