

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

No. 11435

APPLICATION

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, a higher oil production rate is 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 250 barrels/day. 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.

HINKLE, COX, EATON, COFFIELD
& HENSLEY, P.L.L.C., Ltd., Co.

By:



James Bruce
Post Office Box 2068
Santa Fe, New Mexico 87504-2068
(505) 982-4554

Attorneys for Applicant

NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

ADMINISTRATIVE ORDER DHC-1149

Shell Western E & P, Inc
 P.O. Box 576
 Houston, Texas 77001-0576



Attention: Ms. Yvonne Iverson

*State "A" Well No. 10
 Unit A, Section 31, Township 17 South, Range 35 East, NMPM.
 Lea County, New Mexico.
 Vacuum Wolfcamp & Vacuum Middle Penn Pools*

Dear Ms. Iverson:

Reference is made to your recent application for an exception to Rule 303-A of the Division Rules and Regulations to permit the subject well to commingle production from both pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 303-C, and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion and required separation of the two zones is hereby placed in abeyance.

In accordance with the provisions of Rule 303-C-4, total commingled oil production from the subject well shall not exceed 80 barrels per day, and total water production shall not exceed 160 barrels per day. The maximum amount of gas which may be produced daily from the well shall be determined by multiplying 2000 by the top unit allowable for the Vacuum Middle Penn Pool.

Assignment of allowable to the well and allocation of production from the well shall be on the following basis:

Vacuum Wolfcamp Pool	Oil 35%	Gas 37%
Vacuum Middle Penn Pool	Oil 65%	Gas 63%

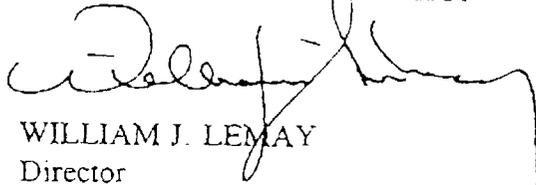
FURTHER: The operator shall notify the Hobbs District Office of the Division upon implementation of the commingling process

*Administrative Order DHC-1149
Shell Western E & P, Inc
September 25, 1995
Page 2*

Pursuant to Rule 303-C-5, the commingling authority granted by the order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 25th day of September, 1995.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director

S E A L

WJL/BES

cc: Oil Conservation Division - Hobbs
State Land Office - Oil & Gas Division