Shell Western E&P Inc.
A Subsidiary of Shell Oil Company
P.O. Box 991
Houston, TX 77001

November 6, 1984

State of New Mexico
Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Gentlemen:

SUBJECT: APPLICATION TO DOWNHOLE COMMINGLE
SHELL - LIVINGSTON WELL NO. 9
915 FSL AND 2208 FWL, UNIT LETTER V
SECTION 3, T-21-S, R-37-E
BLINEBRY OIL & GAS AND DRINKARD POOLS
LEA COUNTY, NEW MEXICO

Pursuant to the provisions of Rule 303-C, Shell Western E&P Inc. respectfully requests administrative approval to commingle production within the wellbore from the Drinkard and Blinebry Oil and Gas Pools in the subject well. Livingston No. 9 was drilled and dually completed in the subject pools in 1952. The Drinkard zone was plugged off in 1961 and the well has since singly produced from the Blinebry zone. With the indicated marginal production, reinstallation of dual equipment cannot be justified. In the interest of conservation and prevention of waste, we now propose to downhole commingle the production from the Drinkard and Blinebry Oil and Gas Pools in the subject well.

An exception to Rule 303-C has previously been granted for the following wells:
Livingston No. 8 - located in Unit Letter N, 2970 FSL, 2308 FWL, Section 3, T-21-S, R-37-E. (DHC-104 dated February 6, 1972);
Livingston No. 10 - located in Unit Letter P, 3200 FSL, 660 FEL, Section 4, T-21-S, R-37-E. (DHC-68 dated September 29, 1970);
Livingston No. 13 - located in Unit Letter I, 3300 FNL, 467 FEL, Section 4, T-21-S, R-37-E. (DHC-361 dated May 17, 1982).

This well qualifies for administrative approval in accordance with Statewide Rule 303-C; and in support thereof, the following facts are submitted:

1. The attached plat indicates the Livingston lease.

2. The latest tests are as follows:

   Blinebry: (8-12-84) 6 BO + 1 BW + 324 MCFG

   Drinkard: (10-30-84) 4 BO + 0 BW + 0 MCFG

3. Neither zone produces more water than the combined oil limit as determined in Rule 303-C, Section 1, paragraph (1).

4. Shell Western E&P Inc. has commingled these fluids at the surface and has encountered no incompatibility problems; therefore, no reservoir damage will result from downhole commingling.

5. Surface commingling resulted in no reduction of oil value; therefore, downhole commingling will not reduce oil value (PC-47, March 5, 1968).

6. The ownership of both zones to be commingled is common.

7. A resume of the well's completion history is attached.

8. The bottom-hole pressures at common datum of 6584' are:
   Blinebry: 447 psig (65 hrs SI)
   Drinkard: 390 psig (24 hrs SI)
   We do not anticipate crossflow of fluids since the well will be maintained at pumped off conditions.

9. Commingling will not jeopardize the efficiency of future secondary operations in either zone.

10. Copies of this application have been furnished to all offset operators by certified mail.

11. Recommended oil and gas allotments would be as follows:

Blinebry		Drinkard
60%	Oil	40%
100%	Gas	0%

Other supporting data attached are C-116 for each zone, a schematic of the present and proposed downhole configuration, and a production decline curve for the Blinebry zone.

If additional information is required, please advise.

Yours very truly,

A. J. Fore
Supervisor Regulatory and Permitting
Production Administration
Mid-Continent Division

JMW

Attachments

cc: State of New Mexico
Energy and Minerals Department
Oil Conservation Division
P. O. Box 1980
Hobbs, New Mexico 88240

SHELL LIVINGSTON #9
COMPLETION HISTORY

10/13/52- 11/10/52	Drilled to a total depth of 6659'
11/11/52	Completed in Drinkard 6584-6659 open hole
12/19/52	Completed in the Blinebry 5558-5760 and produced as a dual Blinebry/Drinkard well.
7/28/61	Dropped Baker seal into Model "D" packer at 6506' and capped with 2 sx cement. Produced Blinebry zone singly.
8/12/84	Blinebry - 6 BO + 1 BW + 324 MCFG.
10/84	Washed over Baker Model "D" packer and pushed to TD @ 6650. Acid treated Drinkard 6584-6659 w/5100 g 15% NEA. Well pumped from combined Drinkard/Blinebry perfs.

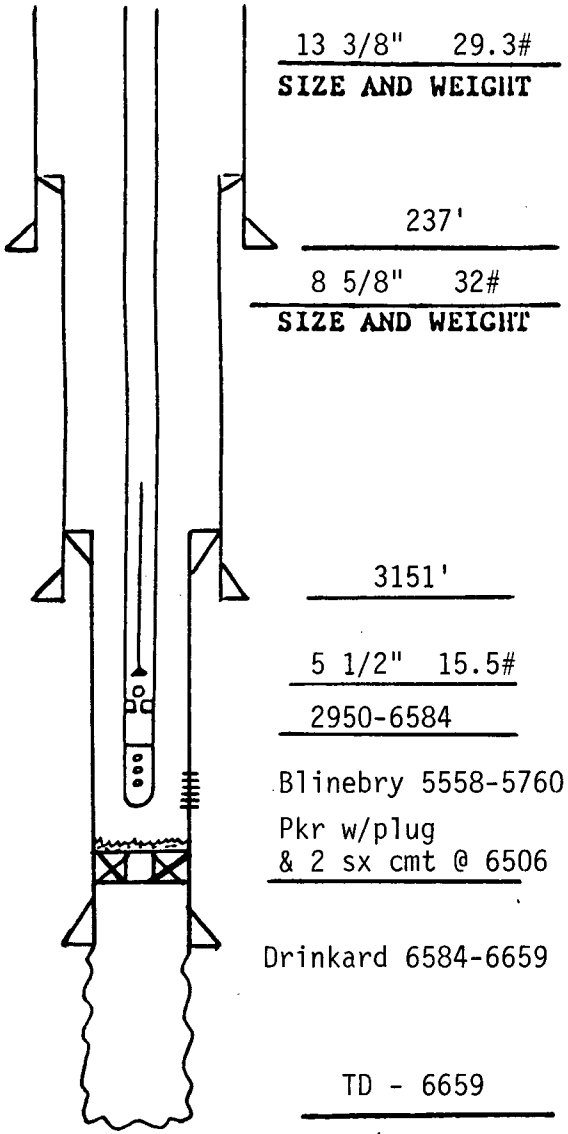
MECHANICAL CONFIGURATION

WELL Livingston #9

FIELD Drinkard

DATE 11/84

PRESENT



13 3/8" 29.3#
SIZE AND WEIGHT

237'

8 5/8" 32#
SIZE AND WEIGHT

3151'

5 1/2" 15.5#

2950-6584

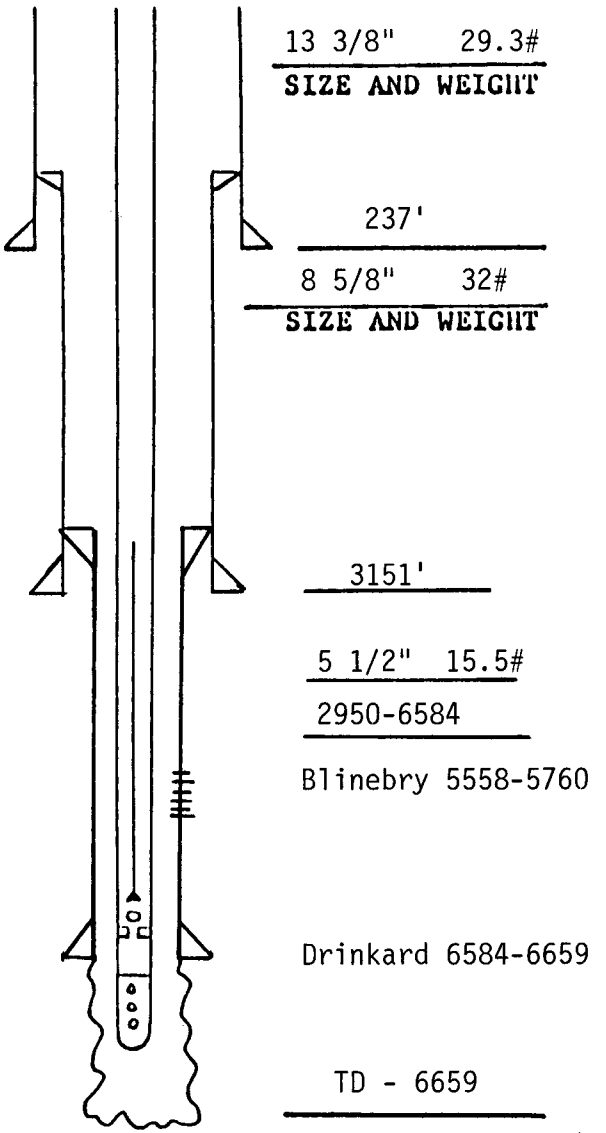
Blinebry 5558-5760

Pkr w/plug
& 2 sx cmt @ 6506

Drinkard 6584-6659

TD - 6659

PROPOSED



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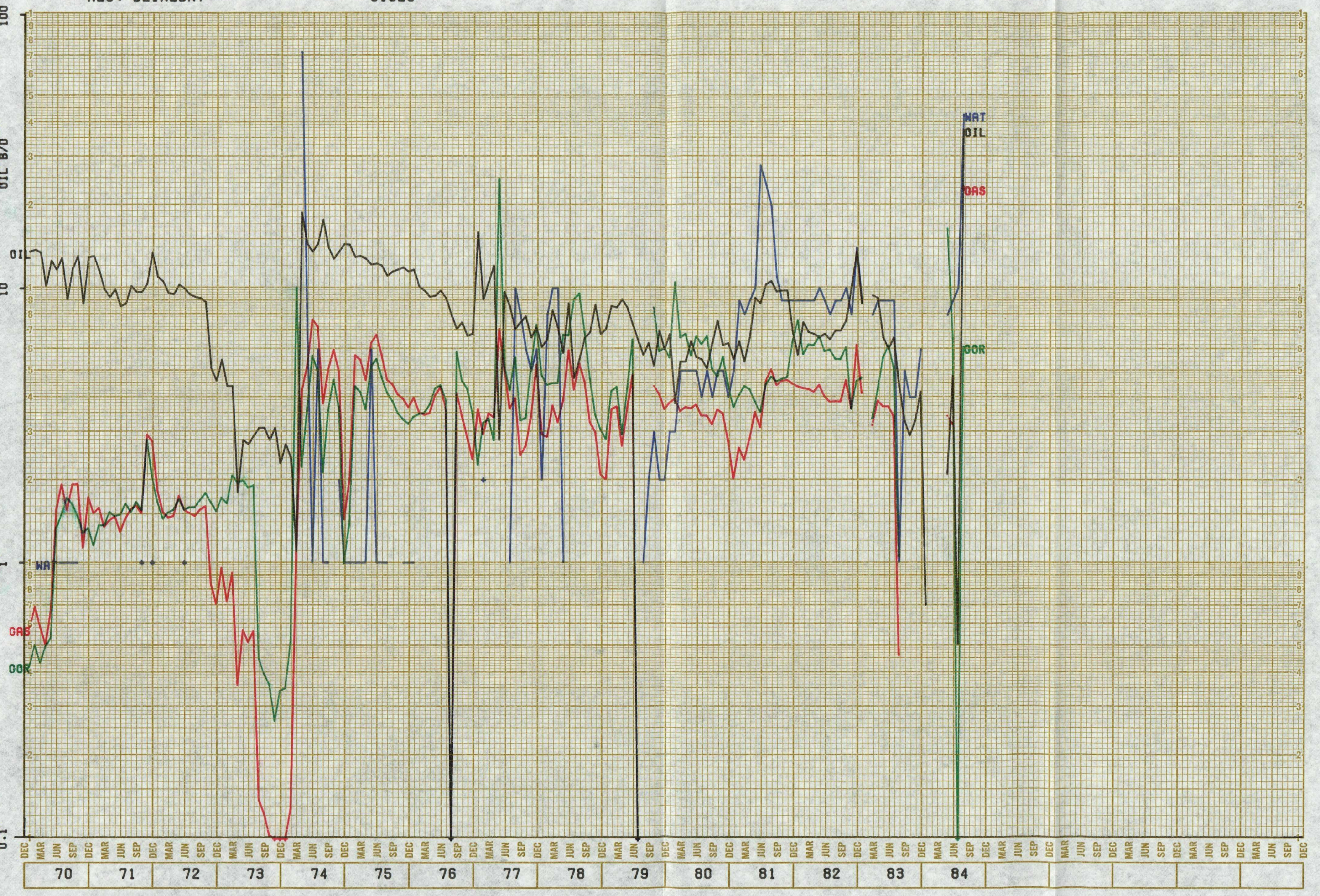
2950-6584

Blinebry 5558-5760

Drinkard 6584-6659

TD - 6659

PRODUCTION UNIT647:NEW MEXICO FLD: DRINKARD 3115
LSE: LIVINGSTON 30644 WLL: 9 23355
RES: BLINEBRY 31325



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Form C-116
Revised 10-1-78

GAS - OIL RATIO TESTS

	Pool	County
SHELL WESTERN E&P INC.	BLINEBRY OIL & GAS - DRINKARD	LEA
P. O. BOX 991, HOUSTON, TX 77001	TYPE OF TEST - (X) Scheduled [ ] Completion [ ] Special [X]	

LEASE NAME	WELL NO.	LOCATION U	S	T	R	DATE OF TEST	STATUS	CHOKE SIZE	TBG. PRESS.	DAILY ALLOWABLE	Length of Test Hours	PROD. DURING TEST WATER BBLS.	GRAV. OIL	OIL BBLS.	GAS M.C.F.	GAS - OIL RATIO CU.FT/BBL
LIVINGSTON	9	V	3	21-S	37-E	10-30-84	P		30		24	1	36.3	10	300	30,000
								BLINEBRY 60%		6 BOPD						
								DRINKARD 40%		4 BOPD						
								100%		10 BOPD						
								BLINEBRY 100%		300 MCF/D						
								DRINKARD 0%		0 MCF/D						
								100%		300 MCF/D						

No well will be assigned an allowable greater than the amount of oil produced on the official test.

During gas-oil ratio test, each well shall be produced at a rate not exceeding the top unit allowable for the pool in which well is located by more than 25 percent. Operator is encouraged to take advantage of this 25 percent tolerance in order that well can be assigned increased allowables when authorized by the Division.

Gas volumes must be reported in MCF measured at a pressure base of 15.025 psia and a temperature of 60° F. Specific gravity base will be 0.60.

Report casing pressure in lieu of tubing pressure for any well producing through casing.

Mail original and one copy of this report to the district office of the New Mexico Oil Conservation Division in accordance with Rule 301 and appropriate pool rules.

I hereby certify that the above information is true and complete to the best of my knowledge and belief.

(Signature)

SUPERVISOR REG. & PERMITTING

(Title)

11-06-84

OFFSET OPERATORS

SHELL - LIVINGSTON LEASE

AMOCO PRODUCTION CO.
P. O. BOX 3092
HOUSTON, TEXAS 77253

ANTWEIL OIL CO.
P. O. BOX 2010
HOBBS, NEW MEXICO 88240

*BRAVO ENERGY INC.
P. O. BOX 1919
HOBBS, NEW MEXICO 88240

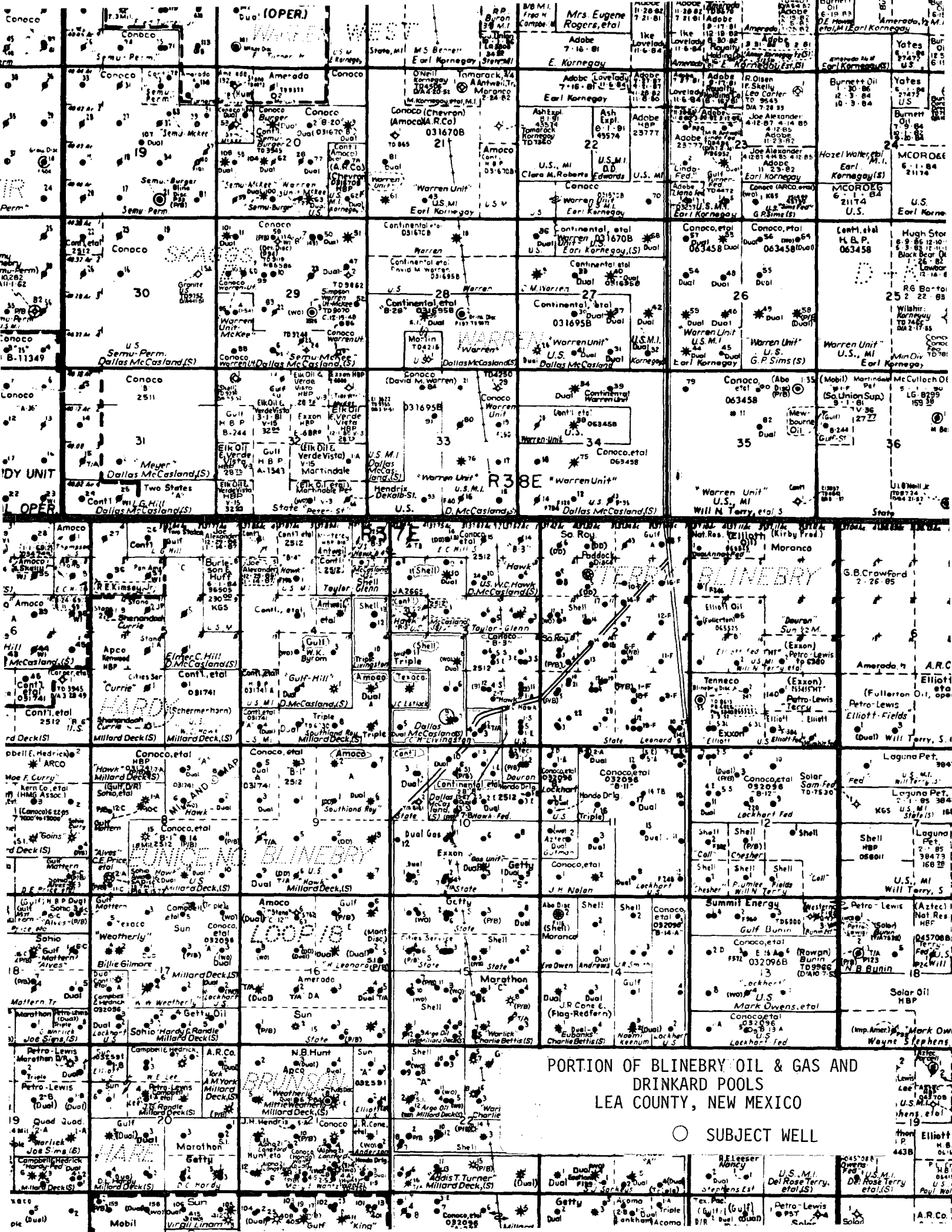
CONOCO INC.
P. O. BOX 2197
HOUSTON, TEXAS 77252

*SOUTHLAND ROYALTY CO. (FORMERLY AZTEC OIL & GAS)
21 DESTA DR.
MIDLAND, TEXAS 79701

**SUMMIT ENERGY INC.
112 N 1ST
ARTESIA, NEW MEXICO 88210

TEXACO USA
P. O. BOX 52332
HOUSTON, TEXAS 77052

*BOTH OPERATORS OF "DAURON" LEASE AS PER OIL PRORATION ORDER.
**PRESENT OPERATOR OF "GULF HILL" LEASE AS PER OIL PRORATION ORDER.
FORMER OPERATOR: GULF OIL CORP.


PORTION OF BLINEBRY OIL & GAS AND
DRINKARD POOLS
LEA COUNTY, NEW MEXICO
○ SUBJECT WELL

(a) Name and address of the operator.

(b) Lease name, well number, well location, name of the pools to be commingled.

(c) A plat of the area showing the acreage dedicated to the well and the ownership of all offsetting leases.

(d) A current (within 30 days) 24-hour productivity test on Division Form C-116 showing the amount of oil, gas, and water produced from each zone.

(e) A production decline curve for both zones showing that for a period of at least one year a steady rate of decline has been established for each zone which will permit a reasonable allocation of the commingled production to each zone for statistical purposes. (This requirement may be dispensed with in the case of a newly completed or recently completed well which has little or no production history. However, a complete resume of the well's completion history including description of treating, testing, etc., of each zone, and a prognostication of future production from each zone shall be submitted.)

(f) Estimated bottom-hole pressure for each artificially lifted zone. A current (within 30 days) measured bottom-hole pressure for each zone capable of flowing.

(g) A description of the fluid characteristics of each zone showing that the fluids will not be incompatible in the well-bore.

(h) A computation showing that the value of the commingled production will not be less than the sum of the values of the individual streams.

(i) A formula for the allocation of production to each of the commingled zones and a description of the factors or data used in determining such formula.

(j) A statement that all offset operators and, in the case of a well on Federal land, the United States Geological Survey, have been notified in writing of the proposed commingling

STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

HOBBS DISTRICT OFFICE

November 14, 1984

TONEY ANAYA
GOVERNOR

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88240
(505) 393-6161

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

RE: Proposed:
MC_____
DHC X
NSL_____
NSP_____
SWD_____
WFX_____
PMX_____

Gentlemen:

I have examined the application for the:

Shell Western E&P Inc.	Livingston	No. 9-V	3-21-37
Operator	Lease & Well No.	Unit	S-T-R

and my recommendations are as follows:

O.K.----J.S.

Yours very truly,

Jerry Sexton mc

Jerry Sexton
Supervisor, District 1

/mc