

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO

June 9, 1967

Shell Oil Company
P. O. Box 1509
Midland, Texas 79701

Attention: Mr. J. E. R. Sheeler

**Administrative Order PLC-26
and
CANCELLATION
Administrative Orders PC-37 and CTB-70**

Gentlemen:

Reference is made to your letter of April 28, 1967, concerning the commingling installation authorized by Administrative Orders PC-37 and CTB-70, dated October 16, 1961, as amended December 21, 1961, and June 26, 1962. This order, as amended, authorizes the commingling of Blinbry, Drinkard, Devonian, and Fusselman production on your State "JM" and "JP" Leases in Section 2, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico, after separately metering the production from each pool. It is our understanding that both of said leases constitute a portion of New Mexico State Lease No. B 1167 and that metering between the leases is therefore not necessary. Further, that the production was top allowable at the time of the issuance of the orders and the zone metering was therefore required, but that the leases have now declined to a marginal nature.

Administrative Orders PC-37 and CTB-70 are hereby cancelled. This order, Administrative Order PLC-26, authorizes the commingling

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO

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June 9, 1967

Shell Oil Company
P. O. Box 1909
Midland, Texas

**Administrative Order PLC-26
and
CANCELLATION
Administrative Orders PC-37 and CTB-70**

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of Blinebry, Drinkard, Devonian, and Fusselman production on your State "JM" and State "JP" Leases comprising the NW/4 NE/4 and NE/4 NW/4, respectively, of Section 2, Township 25 South, Range 37 East, Lea County, New Mexico, allocating the production to each well and each lease on the basis of periodic well tests, 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," provided further, that you shall notify the Commission at such time as any well on either lease is capable of top allowable production.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/LSM/esr

cc: Oil Conservation Commission (with enclosure) - Hobbs
Oil & Gas Engineering Committee - Hobbs
State Land Office - Santa Fe

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

June 26, 1962

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

Attention: Mr. R. L. Rankin

Re: Administrative Orders
PC-37 and CTB-70

Gentlemen:

Reference is made to your letter of June 19, 1962, wherein you request that Administrative Orders PC-37 and CTB-70 be amended to include the Blinebry and Drinkard formations in the commingling authority previously granted which covered the Devonian and Fusselman formations only on your State "JM" and "JP" Leases located in Section 2, Township 25 South, Range 37 East, Lea County, New Mexico. Both of said leases belong to the Common Schools and both are on New Mexico Lease No. E-1167.

Shell Oil Company is hereby authorized to commingle the Blinebry, Drinkard, Devonian and Fusselman crude oil production from all wells located on the above-described leases, after separately metering the production from each pool, and Administrative Orders PC-37 and CTB-70 are hereby so amended.

Very truly yours,

A. L. PORTER, Jr.,
Secretary-Director

ALP/DSM/esr

cc: Oil Conservation Commission (with enclosure) - Hobbs
Oil & Gas Engineering Committee - Hobbs
State Land Office - Santa Fe



SHELL OIL COMPANY

P. O. Box 1858
Roswell, New Mexico

June 19, 1962

Subject: Application by Shell Oil Company
For Amendments to New Mexico Oil
Conservation Commission Adminis-
trative Orders PC-37 and CTB-70

AIR MAIL

New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Gentlemen:

Reference is made to your letter of December 21, 1961, amending Administrative Orders PC-37 and CTB-70 to permit Shell Oil Company to commingle production from the Devonian and Fusselman Zones on our State "JM" and "JP" Leases located in Section 2, T-25-S, R-37-E, Lea County, New Mexico. Due to further revision of our development plans, we request that you amend the above Administrative Orders to authorize us to commingle before marketing the Blinebry, Drinkard, Devonian, and Fusselman crude oil production from three wells on our State "JM" and "JP" Leases. The three wells to be handled by the consolidation are as listed below:

Shell State "JM" No. 1, presently a Devonian-Fusselman oil-oil dual, will soon be recompleted as a Drinkard-Blinebry oil-oil dual.

Shell State "JM" No. 2, now drilling, will be completed as a Devonian-Fusselman oil-oil dual.

Shell State "JP" No. 1 will soon be drilled and completed as a Devonian-Drinkard-Blinebry oil-oil-oil triple.

Both of the above described leases belong to common schools and are on Lease No. B-1167. Shell has designated the leases differently for accounting purposes.

Each of the four reservoirs is expected to be capable of top allowable production and will therefore be continuously metered prior to commingling. Production will be allocated to each well on the basis of monthly well tests. Samplers will be installed on all zones which are found to produce two per cent or more BS&W.

Production from the reservoirs is expected to be 122 barrels per day of 35.6° API oil from the two Devonian producers, 80 barrels per day of 36.5° API oil from the one Fusselman producer, 92 barrels per day of 33.6° API oil from the two Drinkard producers, and 92 barrels per day of 35.8° API oil from the two Blinbry producers. The gravity of the commingled crude will be about 35.3° API. The value of the commingled production will be equal to the sum of the values of the production from each common source of supply.

Attached for your consideration are schematic diagrams of the proposed commingling installation, lease plats, and written approvals from the Commissioner of Public Lands and the purchaser of the commingled crude.

Very truly yours,

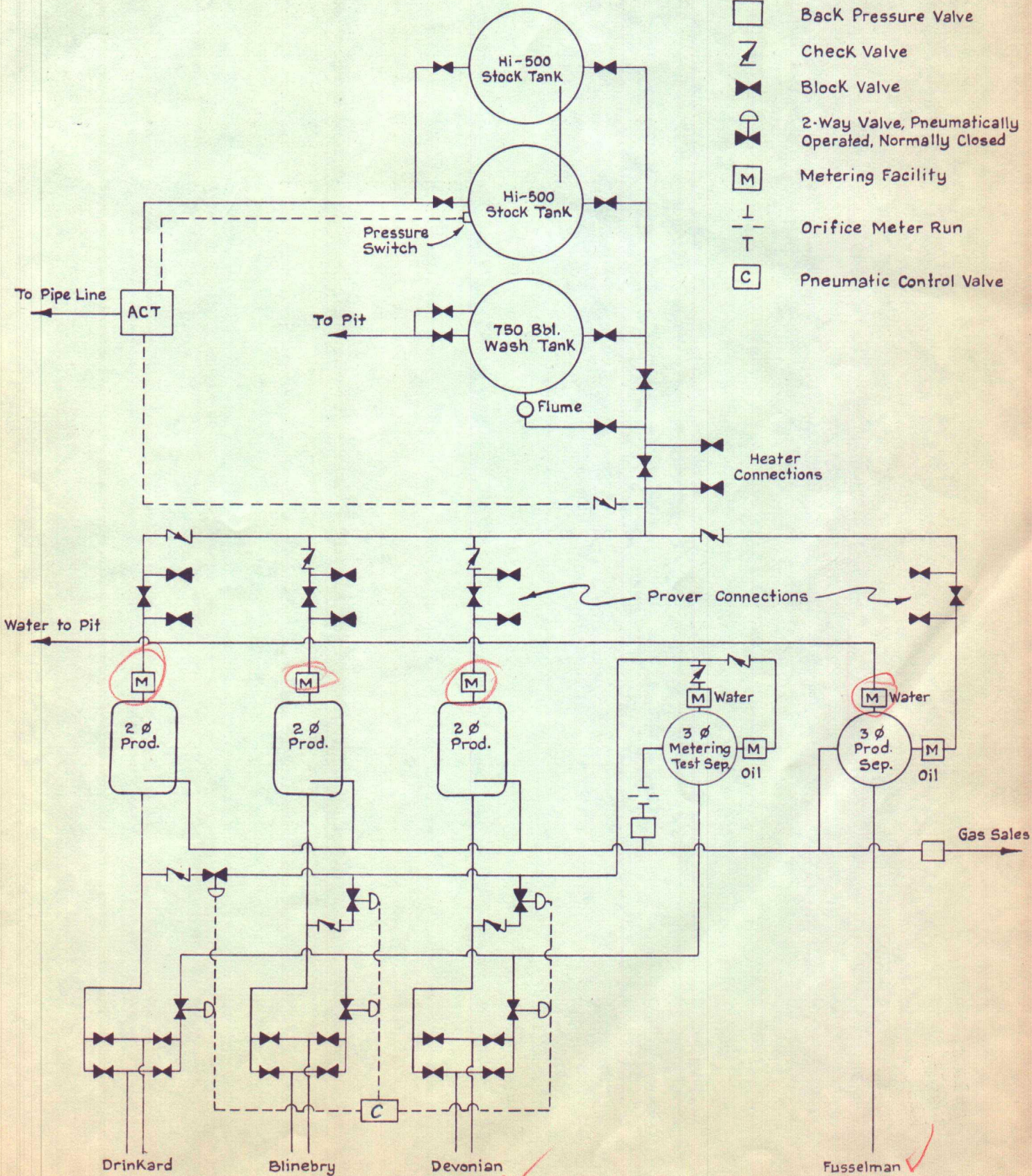
A handwritten signature in dark ink, appearing to read "R. L. Rankin", written in a cursive style.

R. L. Rankin
Division Production Manager

Attachments

Shell Oil Co.
PROPOSED INSTALLATION DIAGRAM
 Commingle Drinkard, Blinebry, Devonian & Fusselman Oil
 Shell State "JM" & "JP" Leases
 Sec. 2, T-25-S, R-37-E
 6-18-1962

SYMBOLS



3124 ¹
 (P)
 -1623-7"
 -1623 T.P.
 1.2 M/
 -169610.X-11-46
 1-8000 Gals.

3-070

State of New Mexico



Commissioner of Public Lands

E. S. JOHNNY WALKER
COMMISSIONER



P. O. BOX 791
SANTA FE, NEW MEXICO

June 6, 1962

Mr. R. L. Rankin
SHELL OIL COMPANY
P. O. Box 1858
Roswell, New Mexico

Re: Proposed Commingling of
Blinebry, Drinkard, Devonian,
& Fusselman Crude Production
from the Shell State "JM" and
"JP" Leases, Lea County, NM

Dear Sir:

Your request to commingle the Blinebry, Drinkard, Devonian, and Fusselman Crude Oil Production from three wells on your State "JM" and "JP" Leases is hereby granted. Since these leases are both located on State Lease No. B1167, and the acreage involved, that is, NW $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 2, Township 25S, Range 37E, belongs to Common Schools; and further there will be no value changes according to your estimation; and you have agreed to continually meter each zone prior to commingling, we offer no objection.

Thank you for your cooperation in this matter.

Very truly yours,

E. S. JOHNNY WALKER
COMMISSIONER OF PUBLIC LANDS

By: *Ted Bilberry*
TED BILBERRY, Supervisor
Oil and Gas Department

EW/TB/pb

SHELL	
RECEIVED	
JUN 7 1962	
R.D. WALKER, JR.	
DIVISION	
P.S. 30	
Drly. r.	
Off. Supv.	
Discuss	Well File
Reply	Lse. File
Call Up	Field File
Destroy	Gen. Cor.