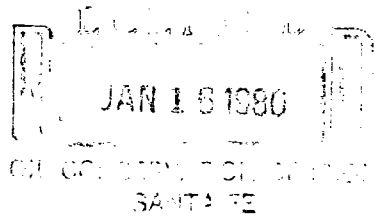


Shell Oil Company



P.O. Box 991  
Houston, Texas 77001



State of New Mexico  
Oil Conservation Commission  
Post Office Box 2088  
Santa Fe, New Mexico 87501

Gentlemen:

SUBJECT: COMMINGLING OF BLINEBERRY PADDOK ZONES IN THE STATE A LEASE  
SECTION 32 TOWNSHIP 18-S RANGE 38E WITH PADDOK DRINKARD ZONES  
IN THE STATE B LEASE SEC. 33 TOWNSHIP 18-S RANGE 38E HOBBS  
FIELD, LEA COUNTY, NEW MEXICO

We are, by this letter and enclosed documents, making application for an exception to Rules 303(a) and 309A of the New Mexico Oil Conservation Commission Rules and Regulations. We propose to commingle the Blineberry, Paddock, and Drinkard zones and the State A and State B leases in the Hobbs Field, Lea County, New Mexico. Since these wells have all dropped below top allowable, we wish to eliminate the continuous metering and sampling of each well concerned and wish individual well production to be allocated by monthly well tests. These tests will be conducted by producing the subject well through a metering test separator.

Included with our application are the required lease plat, schematic of facilities, and production history. Copies of the certified letters requesting permission to commingle sent to the State of New Mexico, the lease owner, and Shell Pipeline, the Purchaser, are attached. Due to our immediate need for a commingling permit (target date of February 1, 1980), these letters have been included to hopefully hasten the paperwork. As soon as their reply is made to us, you will be notified and will be given copies of their letters immediately. Hopefully, this will avoid the necessity of filing a temporary commingling permit for each well.

If any further information is required, or if you have any questions concerning this application, please call Ms. Jaye B. Tixier, of my staff, at (713) 932-5483.

Sincerely,

*Hilton D. Moore*

for H. M. Mathiesen  
Production Superintendent  
Central Operations  
Mid-Continent Division

JBT:JP

Enclosures

*PLC-3!  
omit metering  
omit San Andres  
add Paddock*

FORM NO. 1  
COMMINGLING BY  
POOL OR LEASE

SHELL OIL COMPANY  
P. O. Box 991  
Houston, TX 77001

SHELL OIL COMPANY  
COMMINGLING REQUEST FORM  
FOR THE  
STATE OF NEW MEXICO  
OIL CONSERVATION  
COMMISSION

JAN 13 1980

APPLICATION FOR EXCEPTION TO COMMISSION RULE 303a (AND/OR 309A)

1. Operator SHELL OIL COMPANY		5. Commission Dist. No. I		
2. Address P. O. BOX 991		6. County Lea		
3. City Houston	4. State TEXAS	7. Date of Application 1/4/80		
8. Identification of leases and pools as shown on statewide oil proration				
9. Field Name	Lease Name	Pool (Zone) Name	API Gravity Range	Lease Location S-T-R
Hobbs	State A	Blineberry	33.6°-35.0°	32-18S-38E
Hobbs	State A	Paddok	34.4°-35.2°	32-18S-38E
Hobbs	State B	Paddok	33.2°-34.2°	33-18S-38E
Hobbs	State B	Drinkard	33.6°-35.4°	33-18S-38E

10. ☒ Request for exception to Rule 303a (segregation of production from pools)
11. ☒ Request for exception to Rule 309A (lease commingling)
12. POOL COMMINGLING (exception to Rule 303) 1.) Lease plat (required)  
2.) Schematic of commingling (required)
13. Commingled royalty interest are the same ☒ Yes ☐ No
14. Are producing zones marginal or top allowable ☒ Marginal-see (a.) below  
☐ Top allowable
- (a.) If producing zones are not capable of producing top unit allowable for their respective pools, commingling will be permitted without separately measuring the production from each pool. A 60-day period tabulation of production showing that the average daily production has been below top allowable for the subject pools.
15. Allocation of production from well zones will be by ☒ Periodic well test ☐ All zones metered ☐ All zones metered & sampled ☐ All zones except one separately metered - subtraction method
16. Will the commingling of zones or pools decrease revenue due to API gravity change  
☐ Yes ☒ No
17. If answer to (16.) is "Yes" state how much less. N/A
18. Are Federal lands or State lands involved? ☒ Yes ☐ No
19. If answer to (18.) is "Yes" furnish an approval letter from the Commissioner of Public Lands for the State of New Mexico or the Regional Supervisor of the United States Department of the Interior Geological Survey stating approval of the proposed commingling. Copy of letter sent to the state is included. Waiting on reply.
20. LEASE COMMINGLING (exception to Rule 309A)
- 20a. 1.) Lease plat required  
2.) Schematic diagram of the commingling facility
21. All production is from the same common source of supply or an exception to Rule 303(a) has been obtained ☐ Yes ☐ No Application filed above
22. If answer to (21.) is "Yes" show acceptance letter date and commission order number
23. Allocation of production ☒ Monthly well test ☐ All leases metered ☐ All leases metered & sampled ☐ All leases except one separately metered - subtraction method

24. All parties owning an interest in the Leases and the purchaser of the commingled production have consented in writing to the commingling of production from the separate leases. ☐ Yes ☒ No

25. If answer to (24.) is "No," Explain

The State and purchaser have been notified of the commingling and we are waiting on reply. Copies of letters sent to them are enclosed.

26. Name and address of gatherer Shell Pipeline, P. O. Box 1910, Midland, TX 79702

27. Signature *Helton W. Moore* Title *Prod. Supt.*

*for H. M. Mathiesen*

Commingling permit number \_\_\_\_\_ Approval date \_\_\_\_\_

Approved by \_\_\_\_\_

R-38-E  
T-18-S



5 Shell  
Paddock B 6 Drinkard

State

6 Shell  
Blinberry A 7 Paddock

State

32

33

State

SHELL OIL  
COMPANY

WESTERN E & P REGION  
MID-CONTINENT DIVISION

PRODUCTION

LEASE PLAT -  
HOBBS FIELD .  
STATE A & B

By: JBT

Date: 1-4-80

Scale:

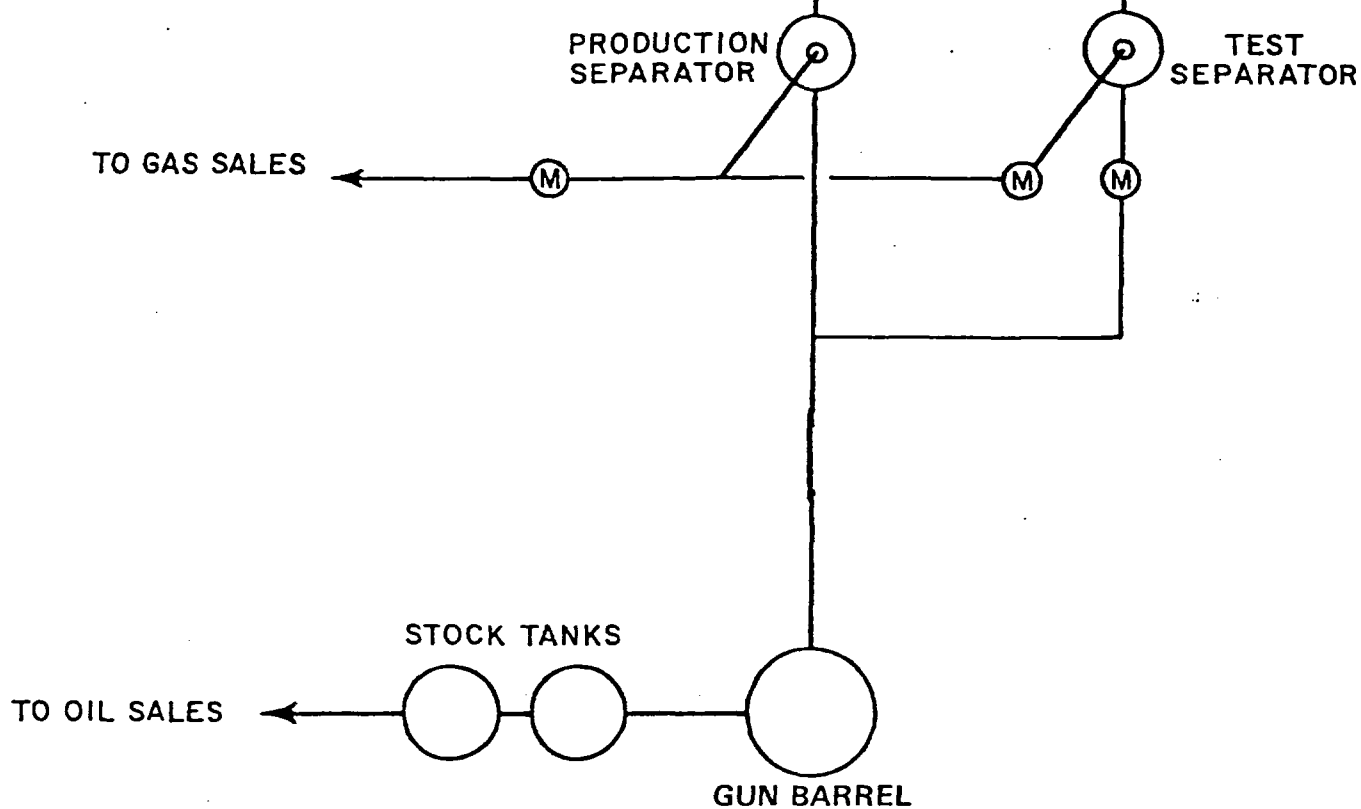
No.

STATE A6  
BLINE BERRY

STATE A7  
PADDOK

STATE B5  
PADDOK

STATE B6  
DRINKARD



(M) = METER

SHELL OIL COMPANY	WESTERN E & P REGION MID-CONTINENT DIVISION	PRODUCTION
SCHEMATIC OF COMMINGLED FACILITIES STATE A & B LEASES HOBBS FIELD LEA COUNTY, NEW MEXICO		
By: JBT		Date: 1-4-80
Scale: NONE		No.

Production History  
1979

	<u>Allowable bbls</u>	<u>Actual Oil Produced (bbls)</u>	<u>Days Produced</u>
State A-6 Blineberry Oil			
May	2263	1878	31
June	2190	1738	30
July	2263	1790	31
August	2263	1705	31
State A-7 Paddock Oil			
May	2170	904	31
June	2100	742	30
July	2170	752	31
August	2170	709	31
State B-5 Paddock Oil			
May	3224	1799	31
June	3120	1716	30
July	3224	1762	31
August	3224	1687	31
State B-6 Drinkard Oil			
May	1364	1099	31
June	1320	1084	30
July	1364	1146	31
August	1364	1105	31

E-32410

SHELL OIL COMPANY

P. O. BOX 991

HOUSTON, TEXAS 77001

**CERTIFIED**

P06 5598850

**MAIL**

SHELL PIPELINE  
ATTN JENNI MARTIN  
P. O. BOX 1910  
MIDLAND, TX 79702

E-32410

SHELL OIL COMPANY

P. O. BOX 991

HOUSTON, TEXAS 77001

**CERTIFIED**

P06 5598851

**MAIL**

STATE OF NEW MEXICO  
COMMISSIONER OF PUBLIC LANDS  
P. O. BOX 1148  
SANTA FE, NEW MEXICO 87501

Shell Oil Company



P.O. Box 991  
Houston, Texas 77001

January 8, 1980

State of New Mexico  
Commissioner of Public Lands  
P. O. Box 1148  
Santa Fe, New Mexico 87501

Gentlemen:

SUBJECT: COMMINGLING OF BLINEBERRY PADDOK ZONES  
IN THE STATE A LEASE SEC. 32 TOWNSHIP 18-S  
RANGE 38E WITH PADDOK DRINKARD ZONES IN  
THE STATE B LEASE SEC. 33 TOWNSHIP 18-S  
RANGE 38E HOBBS FIELD, LEA COUNTY, NEW MEXICO

Shell Oil Company proposes to commingle the Paddock, Blineberry and Drinkard production and the above-captioned leases. According to our records, the API gravities of the Paddock, Blineberry, and Drinkard crudes range from 33.2° API to 35.4° API. We do not anticipate as a result of this commingling any change in the actual commercial value of the production.

We propose to allocate production by monthly well tests since all wells are producing below top allowable. (See attachment).

Attached please find a schematic of the proposed facilities and a lease plat.

If you are in agreement with this proposal, please furnish us with a letter to the State of New Mexico Oil Conservation Commission stating your approval.

If additional information is needed concerning this proposal, please contact Jaye B. Tixier at (713) 932-5483 of this office.

Yours very truly,

A handwritten signature in cursive script, appearing to read "H. M. Mathiesen".

for H. M. Mathiesen  
Production Superintendent -  
Central Operations  
Mid-Continent Division

JBT:LN

Attachment



Shell Oil Company



P.O. Box 991  
Houston, Texas 77001

January 8, 1980

Shell Pipeline  
ATTN Jenni Martin  
P. O. Box 1910  
Midland, TX 79702

Gentlemen:

SUBJECT: COMMINGLING OF BLINEBERRY PADDOK ZONES  
IN THE STATE A LEASE SEC. 32 TOWNSHIP 18-S  
RANGE 38E WITH PADDOK DRINKARD ZONES IN  
THE STATE B LEASE SEC. 33 TOWNSHIP 18-S  
RANGE 38E HOBBS FIELD, LEA COUNTY, NEW MEXICO

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Yours very truly,

*Hilton D. Moore*

for H. M. Mathiesen  
Production Superintendent -  
Central Operations  
Mid-Continent Division

JBT:LN

Attachment

# State of New Mexico



ALEX J. ARMIJO  
COMMISSIONER



## Commissioner of Public Lands

January 17, 1980

P. O. BOX 1148  
SANTA FE, NEW MEXICO 87501

Shell Oil Company  
P. O. Box 991  
Houston, Texas 77001

Re: COMMINGLING OF BLINEBERRY PADDOK ZONES IN THE STATE A LEASE SEC.  
32 TOWNSHIP 18-S RANGE 38E WITH PADDOK DRINKARD ZONES IN THE STATE  
B LEASE SEC. 33 TOWNSHIP 18-S RANGE 38E HOBBS FIELD, LEA COUNTY,  
NEW MEXICO

ATTENTION: Mr. Milton D. Moore

Gentlemen:

We are in receipt of your request to commingle the Paddock,  
Blineberry and Drinkard production and the above-captioned leases.

We regret to inform you that we cannot grant you approval being  
that there are two different beneficiary institutions involved.

Enclosed is our Rule 52 which strictly prohibits the commingling  
from different Beneficiary Institutions.

Therefore, we are returning your application unapproved.

Your Ten (\$10.00) Dollar filing fee will be refunded to you.

Very truly yours,

ALEX J. ARMIJO  
COMMISSIONER OF PUBLIC LANDS

BY:  
RAY D. GRAHAM, Director  
Oil and Gas Division  
AC 505-827-2748

AJA/RDG/s  
encl.  
cc:

OCD-Santa Fe, New Mexico  
New Mexico Oil and Gas Accounting Commission  
State of New Mexico Oil & Gas Lease A-1118-5