

Shell Western E&P Inc.

A Subsidiary of Shell Oil Company



P.O. Box 576
Houston, TX 77001

December 13, 1985

New Mexico Oil Conservation Commission
ATTN Gilbert Quintana
State Land Office Building
P. O. Box 2088
Santa Fe, NM 87501

Gentlemen:

APPLICATION FOR EXCEPTION TO RULE 303-A
TAYLOR GLENN LEASE
LEA COUNTY, NEW MEXICO

Application is hereby made for an exception to rule 303-A to permit the commingling of oil production from the Wantz-ABO formation into the commingled - Blinebry - Drinkard - Hare Simpson - Tubb battery on the Taylor Glenn Lease located in Section 3 T21-S, R-37E, Lea County, New Mexico.

Currently, oil from the Blinebry, Drinkard, Hare Simpson, Tubb formations are commingled under administrative order PC-107. The Taylor Glenn well number 3 has been recently worked over and completed to the Wantz-ABO formation. We propose to commingle production from these formations in a single battery. None of the five zones are capable of top allowable production and are categorized as marginal. Allocation of production from this battery would be based on periodic well tests.

The weighted average API gravities of these zones range 36.4 to 42.6. No change in actual commercial value is anticipated as a result of commingling.

The latest well tests are:

<u>Well No.</u>	<u>Zone</u>	<u>BOPD+ BWPD + MCFD</u>	<u>°API</u>	<u>Date</u>
1	Blinebry/Drinkard	3 + 1 + 154 2 + 0 + 136	36.4	09-10-85 09-10-85
2	Tubb/Drinkard	4 + 1 + 165 1 + 0 + 16	40.0	09-03-85 09-03-85
3	Blinebry	3 + 1 + 110	42.6	09-09-85
4	Hare Simpson	15 + 2 + 20	41.5	09-02-85
5	Hare Simpson	3 + 11 + 14	41.5	09-16-85
6	Blinebry/Drinkard	1 + 0 + 50 7 + 1 + 40	38.8	10-31-85 10-31-85

12-10-85 Wantz-ABO

225 oil
0 water
300 MCF

As requested, enclosed is a lease plat and a schematic diagram to aid you in reviewing our proposal. If you have any further questions, please contact M. E. Gomez at (713) 870-4108.

Yours very truly,

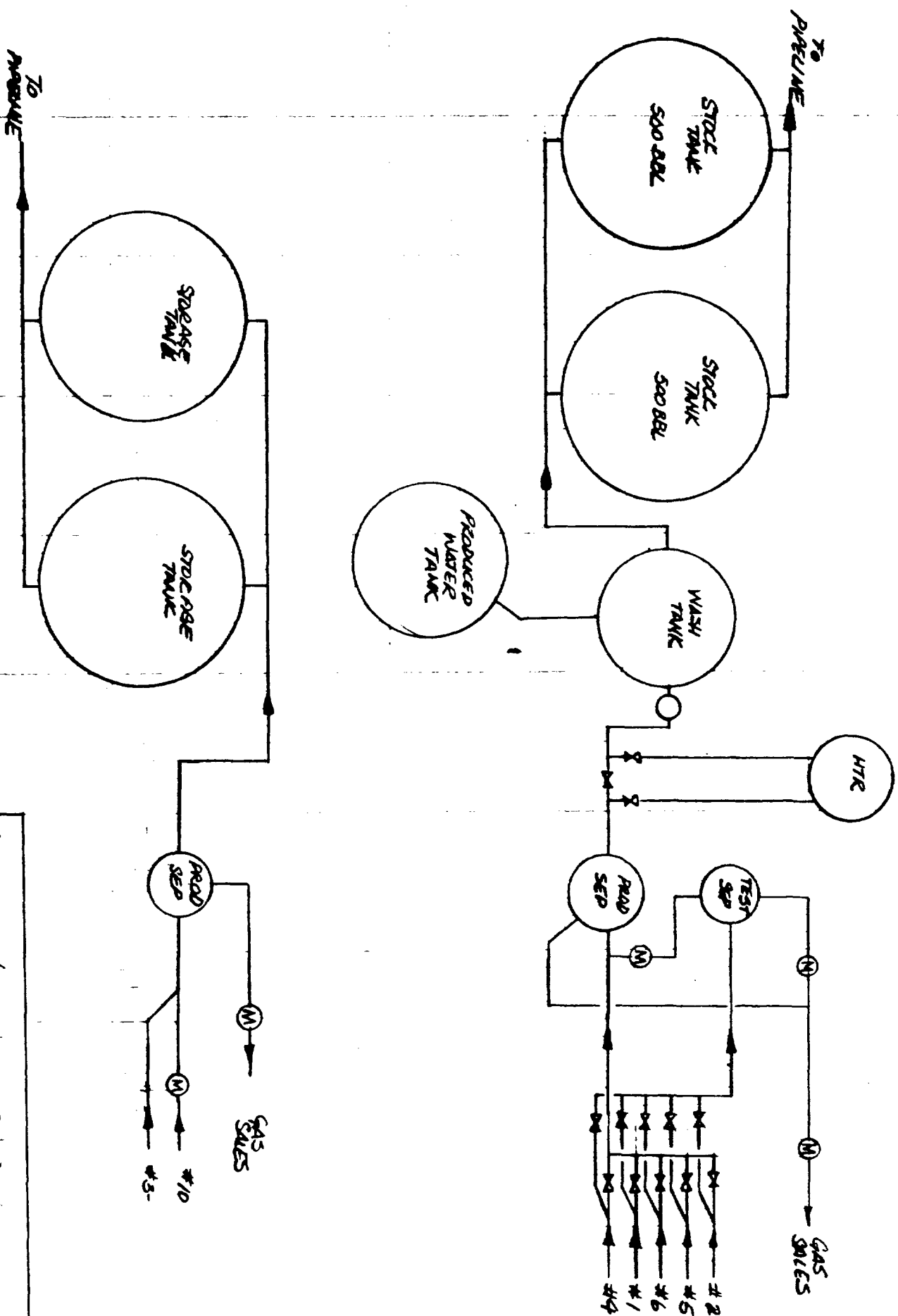
A handwritten signature in cursive script, appearing to read "A. J. Ruiz".

A. J. Ruiz
Supervisor Oil Accounting - Western

MEG:LKB

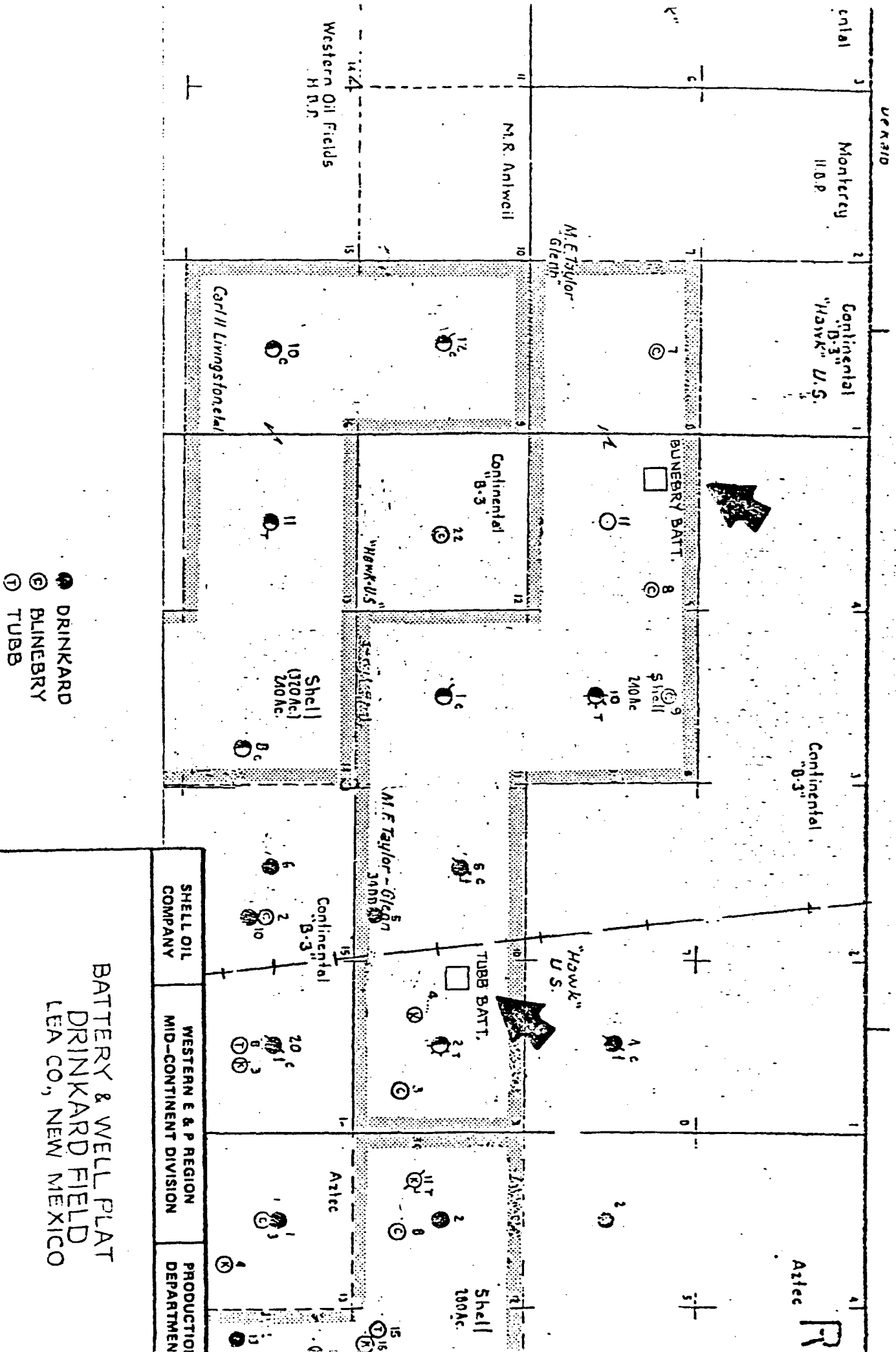
Enclosures

DRINKARD FIELD - TAYLOR GLENN EAST BATTERY



SHELL WESTERN E&P INC.
WESTERN DIVISION

SCHEMATIC OF COMMINGLED FACILITIES
DRINKARD FIELD - TAYLOR GLENN BATTERY
LEA COUNTY, NEW MEXICO 12/13/85



SHELL OIL COMPANY	WESTERN E & P REGION MID-CONTINENT DIVISION	PRODUCTION DEPARTMENT
BATTERY & WELL PLAT DRINKARD FIELD LEA CO., NEW MEXICO		
APR. RMN	Date: 12-6-74	

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

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

1. Operator	SHELL WESTERN E/P INC.			5. Commission Dist. No.	I
2. Address	P. O. BOX 576			6. County	LEA
3. City	HOUSTON	4. State	TEXAS	7. Date of Application	
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	
DRINKARD	TAYLOR GLENN	BLINEBRY	36.4	3-21-37	
	↓	TUBB	40.0	↓	
		HARE SIMPSON	41.5		
		WANTZ ABO	40.0		

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.
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.
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
22. If answer to (21.) is "Yes" show acceptance letter date and commission order number Common source of supply
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

26. Name and address of gatherer SHELL PIPELINE CORP. PO Box 1910 MIDLAND TX

27. Signature _____ Title Section Supervisor Oil Accounting 79702
Mid-Continent Division

Commingling permit number _____ Approval date _____

Approved by _____