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## BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF SHELL OIL COMPANY FOR AN EXCEPTION TO RULE 303 TO PERMIT THE COMMINGLING OF LIQUID HYDROCARBON PRODUCTION FROM THE TUBB ZONE WITH SIMILAR PRODUCTION FROM THE DRINKARD ZONE FROM WELLS IN SECTION 4, TWP. 22 S., RGE. 37 E., LEA COUNTY, NEW MEXICO

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## APPLICATION

The applicant requests approval of this application for an exception to Rule 303 of the Rules of the Commission to permit the commingling of production from two separate zones as hereinafter described.

The applicant proposes that it be permitted to commingle the liquid hydrocarbon from the Tubb zone with the Drinkard oil production from the wells located on the  $\mathbb{E}^1_2 \mathbb{NW}^1_4$  Section 4, Twp. 22 S., Rge. 37 E., N.M.P.M. The applicant has requested approval for the dual completion of the Rinewalt No. 2 well (which is a Drinkard oil well) with the Tubb gas zone. Applicant desires to commingle the liquid production from the Tubb zone with the Drinkard oil production but to meter only the Tubb production. Applicant further proposes to commingle such production with the Drinkard production from the Rinewalt No. 1 well. Both of the above described wells being located on the 80-acre tract described above.

Applicant shows that the cost of metering both zones is not justified by reason of the small production. It is estimated that approximately two and one-half barrels of Tubb condensate will be commingled with the seven barrels and eight barrels of oil produced from the two Drinkard wells.

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WHEREFORE, applicant requests that this matter be set down for a hearing before an examiner and that approval be given to its application herein. A plat showing the area which is the subject of this application is attached to the original copy of this application.

Respectfully submitted,

SHELL OIL COMPANY By Cleville