

CASE 1064: Humble Oil Co. application for
approval of dual completion, Eumont Gas Pool,
& 160 acre NS gas proration unit, Eumont Gas
Pool.

Case No.

1864

Application, Transcript,
Small Exhibits, Etc.

BEFORE THE
OIL CONSERVATION COMMISSION
Hobbs, New Mexico
April 25, 1956

IN THE MATTER OF:

CASE NO. 1064

TRANSCRIPT OF PROCEEDINGS

BEFORE THE
OIL CONSERVATION COMMISSION
Hobbs, New Mexico
April 25, 1956

Application of Humble Oil and Refining
Company for an order approving a dual
completion to produce gas from the upper
Queen formation of the Eumont Gas Pool
and to produce oil from the lower Queen
formation of the Eumont Gas Pool in com-
pliance with Rule 112 (a) of the New
Mexico Oil Conservation Commission State-
wide Rules and Regulations and further
applicant requests an order granting an
exception to Rule 5 (a) of the Special
Rules and Regulations for the Eumont Gas
Pool as set forth in Order R-520 in the
establishment of a 160 acre non-standard
gas proration unit in Section 11, Township
19 South, Range 36 East, Lea County, New
Mexico.

CASE NO. 1064

Applicant, in the above-styled cause, seeks
an order granting them permission to dually
complete their New Mexico State "AO" Well
No. 1 as a gas well from the upper Queen
formation in the Eumont Gas Pool and as an
oil well from the lower Queen formation of
the Eumont Gas Pool, said well being lo-
cated 660 feet from the South line and 1980
feet from the West line of Section 11, Town-
ship 19 South, Range 36 East, Lea County, New
Mexico, and for the establishment of a 160
acre non-standard gas proration unit in the
Eumont Gas Pool comprising the SW/4 Section
11, Township 19 South, Range 36 East, Lea
County, New Mexico.

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BEFORE:

WARREN W. MANKIN, Examiner

TRANSCRIPT OF HEARING

EXAMINER MANKIN: This is the last case on the docket for today, Case 1064, the application of Humble Oil & Refining Company for an order approving a dual completion to produce gas in the upper Queen formation, Eumont Gas Pool, to produce oil from the lower Queen formation of the Eumont Gas Pool and for the assignment of a 160 acre proration unit.

CLARENCE HINKLE: Examiner, I'm Clarence Hinkle, appearing on behalf of the Humble Oil & Refining Company, in Case No. 1064. We have one witness, Mr. Bob Dewey.

ROBERT S. DEWEY

called as a witness, first having been duly sworn, testified as follows:

DIRECT EXAMINATION

By Mr. Hinkle:

Q. State your name, please.

A. Robert S. Dewey.

Q. Where do you live, Mr. Dewey?

A. Midland, Texas.

Q. By whom are you employed?

A. Humble Oil & Refining Company.

Q. In what capacity?

A. Division Petroleum Engineer.

Q. Have you previously testified before the Conservation Commission?

A. I have.

Q. As an expert?

A. Yes.

Q. Qualifications acceptable?

MR. MANKIN: They are acceptable.

Q. Mr. Dewey, are you familiar with the application of the Humble Oil & Refining Company in Case No. 1064?

A. I am.

Q. State to the Commission the purpose of that application.

A. Humble Oil & Refining Company made an application in this case to make a dual completion on their State "AO" No. 1 Well in order to produce oil from the lower Queen formation and with the thought in mind that either the upper Queen or Seven Rivers formations that the gas bearing in this area that it would be possible to complete a gas well in the upper Queen or lower Seven Rivers formation and obtain a gas allowable covering the 160 acres in the SW/4 of Section 11, Township 19 South, Range 36 East. This is a drilling well currently -- well the drilling has been completed but the well has not been completed.

Q. What is the present status of the completion?

A. At this time the lower part of the well has been opened up to four jet shots per foot from 4250 to 4286 feet. A 5½ inch casing had been set previously at 4308 feet and the formation had been sand fraced with 10,000 gallons of refined oil and 10,000 pounds of sand to the above mentioned perforated interval. Apparently the well is swabbing to recover the frac oil and some water that was used in drilling the well.

Q. At the present time, then you don't know what the results -- probable results of the well are?

A. It is customary in our completion work, we start at the bottom of the well and test the lower part of the well first to see how productive it is and in the event that it's water why, we can shut that off and come up higher in the hole and test the perforations and open up some new perforations

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and test those and progress upwards until they have exhausted the formations that we think may be commercially productive.

Q. These perforations that have already been made are in the vertical limits of the Eumont Gas Pool, are they not?

A. That's right, they are in the vertical limits.

Q. Now, Mr. Dewey, refer to Humble's Exhibit No. 1, does that show the location of the well that you have been testifying to?

A. This Exhibit shows that Humble Oil & Refining Company --- this Exhibit No. 1 of Humble Oil & Refining Company shows that well no. 1, New Mexico State "AO" lease is located 660 feet from the South and 1980 feet from the West lines of Section 11, Township 19 South, Range 36 East, Lea County, New Mexico, and the Exhibit itself is a reproduced portion of a commercial map showing the lease ownerships around the Humble State "AO" lease. The Humble State "AO" lease is colored yellow and also it shows the location of various gas wells in the adjoining sections. On the plat the location of the gas unit that Phillips has --- shows the location of the Phillips Monument Well to which they have attributed 160 acres as a gas proration unit. This well is located in Section 12, Township 19 South, Range 36 East. In the S/2 of the same section the gas proration schedule indicates that J. M. Kelly's, Phillips State No. 1 Well has a gas allowable of 400 acres. I couldn't reconcile the 400 acres but just the S/2 of the --- I didn't know just where the other acreage came in but then to the South, in Section 13-19-36E, in the case of J. M. Kelly, the State No. 1 Well has 160-acre gas proration unit. In the same section, Skelly has 3 gas proration units of 160 acres each attributed to the Lone State Well No. 2, No. 4 and No. 5. Now coming to the Section to the West which is section 14-19-36, Penrose, Bern "A" No. 1 Well has attributed to it a gas proration unit of 160 acres. Now this Exhibit indicates in the N/2 of Section 14-19-36 on the Gulf Lease, that their No. 1 Lea State is a gas well. I was unable to

find on the gas proration schedule where it was currently productive. It may be that that well was taken off the schedule and possibly has become an oil well. That is a list of all the wells and the gas proration units in which I know anything about in the Case of Section 11.

Q. All these wells you have testified to as gas wells, are they all producing from the vertical limits of the Eumont Field.

A. Yes, sir, they are all on the Eumont Gas Proration Schedule.

Q. To the best of your knowledge and belief does Exhibit No. 1 show any ownership of the leases in this immediate area?

A. In the reproduction of my commercial map, that was purchased less than a week ago, was supposed to be up to date relative to wells and leases in this immediate area.

Q. Was this prepared by you or under your direction?

A. It was.

Q. Now, Mr. Dewey, refer to Exhibit No. 2, Humble's Exhibit No. 2, and explain to the Commission what it is and what it shows.

A. Humble's Exhibit No. 2, an electric log, on which the tops of the Resler, Yates and Seven Rivers and Queen formations have been identified. Also shown is the top of the Penrose member of the Queen formation. As we were unable to make an adequate cross-section of this area, showing the gas wells so that the only Exhibit that we have is this log, there being no gas wells to the west or north or directly northeast of the Humble lease, we didn't think a cross-section of the gas wells would be particularly informative.

Q. Now, Mr. Dewey, refer to Humble's Exhibit No. 3 and explain to the Commission what this is and what it shows.

A. Well, before I do that, Mr. Hinkle, I'd like to make a statement relative to our interpretation of structure characteristics in the Eumont Gas Pool and the ideas that we found that quite often that gas may be found in the upper formations such as the Queen would be in this well, where those upper formations we encountered at about 100 sub-sea depth and the anticipation

of that fact we have asked for this dual completion anticipating that either the upper Queen or Lower Seven Rivers might be productive. And we anticipate that certain perforated intervals should be tested. I've testified relative to the intervals that are now open in the well and are being tested for production. Coming up in the hole above those, from 4192 to 4236, we feel that there is another interval that we would like to test and that conceivably it will be oil, coming up higher in the section from 3910 to 3950, there is another interval that we want to perforate and test and this interval may or may not be an oil interval. It may be an oil interval with a high gas-oil ratio or conceivably could be gas, and then in the Seven Rivers formation there's an interval from 3640 to 3660 feet that could be gas bearing. You'll note that the top of the current perforated interval in the well is 4284 feet and the top of the Seven Rivers formation would be 3660 feet which would be nearly 400 feet higher in the section than the interval we're testing now. And it is conceivable that the -- to us anyway -- that the Seven-Rivers formation may be encountered in this well and to sufficiently high elevation so that it will be productive of gas. Now we don't know until we try it and what we are asking for here is permission to try it.

Q. Are these probable producing intervals that you just testified to reflected by an interpretation of the electrical logs that you referred to in Exhibit No. 2.

A. Well, it's both the core information that we obtained in coring the well and also it's an interpretation of the electric log and we made a number of drill stem tests throughout the intervals too. Now the drill stem tests information has not been particularly enlightening, but there is porosity and permeability in these various intervals that we intend to test and we feel that from the porosity and permeability that we have obtained that we have a good chance of completing a gas well in a higher elevation.

Q. Now, Mr. Dewey, is it the purpose of the Humble in making this application to be in position, if the Commission sees fit to approve the

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application, to dually complete the well in the event your tests show that you have both a gas producing zone and an oil producing zone?

A. That is correct.

Q. Now in the event that occurs, how do you expect to dually complete them?

A. Well, Humble's Exhibit No. 3 is a diagrammatic sketch of the proposed conventional dual completion. There is nothing relative to this dual completion, so far as we know, that is different than all the dual completions that are currently being made in New Mexico. We feel that there may be possibly 200 to possibly almost 400 feet between. It is anticipated that the gas and oil will be separated by sufficient intervals so that a dual completion can be satisfactorily made without getting the two formations in communication.

Q. Mr. Dewey, is the structural position of this acreage such that it can reasonably be presumed in the event you got a commercial gas well there that the entire SW/4 of Section 11 would be productive of gas.

A. We think so, yes, sir, we, of course, until we get it, we don't know definitely, but we anticipate that we will.

Q. In the event you do get a commercial gas well, what acreage are you requesting be assigned to that well?

A. Requesting a 160 acres being the SW/4 of Section 11, Township 19 South, Range 36 East.

Q. Now, Mr. Dewey, referring to Humble's Exhibit No. 4, state to the Commission what that is and what it shows.

A. Humble's Exhibit No. 4 is an incomplete list of the Commission dual completion orders granting approval of dually completed wells in the Eumont Gas Pool so that the upper part of the well will produce gas and the lower part of the well will produce oil. And another distribution of the dually completed wells in the Eumont Gas Pool with request for permission to dually complete Humble's State "AO" 1 is consistent with the orders granted other operators. The May and June, 1955 hearings on the Eumont Gas Pool,

Humble concurred in the proposals made by Amerada relative to suggested rules recommending that a gas-oil ratio of 6000 to 1 be placed on oil wells and that the production of casinghead gas be deducted in computing the allowable for any units having both oil and gas wells. The practice of gas cap withdrawals is not considered to be the best conservation practice. Humble is requesting the assignment of both oil and gas allowables to the same acreage for the State "AC" lease under the conditions currently permitted by the Commission in order to protect our competitive position in the area.

Q. Mr. Dewey, would the Humble be willing to file with the Commission a report showing the test of results in the completion of this well?

A. Yes.

MR. HINKLE: I believe that is all.

MR. MANKIN: Mr. Dewey, your Exhibit No. 3 which is a schematic diagram of proposed dual completion of well in question here indicated certain information which apparently has been changed, is that correct?

MR. DEWEY: Yes, sir. Exhibit No. 3 is a copy of the Exhibit that we submitted to the Committee with our application which was made prior to the time that we had electric log information and had cored part of the interval and is based on incomplete information.

MR. MANKIN: Then where it shows a total depth of 4100', what is the actual total depth at the present time at which you intend to complete the well?

MR. DEWEY: The actual total depth of the well is 4308' which is 200' deeper than shown on Exhibit 3.

MR. MANKIN: Your application and the Exhibit 3 which is the same exhibit shown with the original application likewise reflects that you intend to make a dual completion of the lower Queen for oil and the upper Queen for gas is that -- those conditions have not changed as you have

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testified.

MR. DEWEY: There is a possibility that the upper gas well may be obtained in the upper Queen, however, it is more probable that a gas well might be obtained in the Seven Rivers which is a little higher structure.

MR. MANKIN: Is it not true that as a result of drilling this well you have found that this well is considerably lower structure than you had anticipated before.

MR. DEWEY: I think that is correct, yes sir.

MR. MANKIN: Is it not also true that Gulf on some of their completions, or attempted completions, their No. 10 and No. 11 Wells in Section 14 and their No. 6 in Section 11 are experiencing difficulties even on making a Penrose oil well at the present time, are you aware of that?

MR. DEWEY: I am not aware of that.

MR. MANKIN: Then your application which stated that you intend to make a lower Queen oil completion and an upper Queen gas completion -- that situation has changed considerably and you will not know for some time where you will be able to complete.

MR. DEWEY: That is correct.

MR. MANKIN: As oil or gas well?

MR. DEWEY: What we desire is permission to go ahead and attempt to make a dual completion provided we are able to do so. We would like to have the right to attempt to do it.

MR. MANKIN: Then you are not at this time able to put in a more complete schematic diagram of possible completion?

MR. DEWEY: I attempted to do that when I quoted these intervals where we intended to test.

MR. MANKIN: Would you give again those intervals where you feel you might be able to --- of course, I realize it is a result of testing, for the oil completion and what zone, what formation and what possible zone as you can foresee it at the moment.

MR. DEWEY: This well is completed currently to perforations from 4248 to 4264 which is the zone that has been sand fraced and which we are attempting to complete now. We anticipate that we can come up the hole and test for another oil zone 4192 to 4236.

MR. MANKIN: Those two zones that you just mentioned --

MR. DEWEY: That is in the lower Queen.

MR. MANKIN: In the Penrose and lower Queen.

MR. DEWEY: Yes, sir. Then in the upper Queen 3910 to 3950 is a zone in there that may possibly be oil bearing or may possibly be gas bearing or a high gas-oil ratio well might be obtained.

MR. MANKIN: That is the upper Queen?

MR. DEWEY: That is in the upper Queen.

MR. MANKIN: Which you had anticipated might originally be gas productive, but now you are not certain.

MR. DEWEY: Are not certain about it. Looks as though it's a question as to which it might be. Then coming up the hole still higher from 3640 to 3660 which is in the Seven Rivers, there is a possibility that gas might be obtained. Those intervals appear currently to be the most promising intervals to perforate for gas and oil in this well.

MR. MANKIN: Then as you now see it, there is a possibility of one zone in the Seven Rivers which would likely be gas productive. Another zone in the upper Queen which might be either oil or gas productive and two zones in the lower Queen that might very likely be oil productive.

MR. DEWEY: That is correct.

MR. MANKIN: What again was the lowest, I mean the second highest perforation in the lower Queen 41 something?

MR. DEWEY: 4192 to 4236.

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MR. MANKIN: Have you performed any drill stem tests of the Seven Rivers that would indicate that this area of say 3640 to 3660 might be gas productive?

MR. DEWEY: We had a drill stem test from 3631 to 3672 which covers this possible gas interval in the Seven Rivers, and that is the highest gas drill stem test that was made, and we have a weak blow of gas we don't think shuts the door on the possibility of obtaining gas from the Seven Rivers.

MR. MANKIN: So even though there wasn't much of a drill stem test, you still feel that it might be productive of gas by fracturing or some type of method to stimulate the formation.

MR. DEWEY: That is right.

MR. MANKIN: Then your application, of course, showed one thing and which you foresaw at the time and now you find yourself in a different position because of lower structural position, is that correct?

MR. DEWEY: That is right.

MR. MANKIN: Mr. Dewey, in that certain conditions have changed since your original proposal, would you be willing to amend how you might anticipate drilling this well by an amended letter to the Commission?

MR. DEWEY: Be glad to if the Commission will give us permission to go ahead and attempt to make a dual completion. Be glad to amend our application all the way through and come back to another hearing as to ---

MR. MANKIN: No, I don't mean another hearing. I meant your amended situation that you have found yourself in now which is considerably different from the original application and as was, of course, was advertised.

MR. DEWEY: Well, that is right. We will be glad to amend that --

MR. HINKLE: To conform with existing facts that they have found in drilling the well.

MR. DEWEY: You see, those were anticipated when this was sent in before we had gotten very far along in the drilling of this well, and if you

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would like to have one, we would be glad to submit it.

MR. MANKIN: An amended application which would make of a general nature what you might find yourself in in the future as you go along testing this particular area.

MR. HINKLE: Yes, and to conform to what has been produced here today.

MR. MANKIN: That is all I have.

MR. HINKLE: I might ask Mr. Dewey one other question. What difference, if any, Mr. Dewey, would it make to Humble in completing this well, financially or otherwise, to have this order entered while they're in the process of completing it or complete until after they find out what they have, and then enter an order of dual completion?

MR. DEWEY: That would be quite helpful and probably save some money if we were allowed to go ahead and complete the dual completion in the event we were able to make it, rather than to stop the well and work and the testing work and have to come back to the Commission to get permission to dually complete it and get another workover rig out there to make the dual completion.

MR. HINKLE: In other words, in your opinion, you can clear it all a good deal cheaper whether you engage in the present operation than making a temporary completion you might say and then come back later on and ---

MR. DEWEY: That's right.

MR. HINKLE: That is all.

MR. MANKIN: Is there questions of the witness in this case? Do you wish to --- did Humble enter these Exhibits?

MR. HINKLE: Oh yes, I would like to offer in evidence Exhibits 1 thru 4, inclusive.

MR. MANKIN: Is there objection to entering of Exhibits 1 thru 4 in this case? If not, they will be so entered. Is there any further witness in this case? Any questions of the witness? If not, the witness may be excused. Is there any statements to be made in this case?

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L. W. FOLMAR: I am L. W. Folmar with the Texas Company. As we have stated at other times today we urge the Commission to deny applications to dually complete wells within a common source of supply if they assign allowable to zones included within what is defined by the Commission as a common source of supply. We also urge them to consider the entire problem of dual completions within common sources of supply.

MR. MANKIN: I have a telegram I would like to read received on April 23rd, 1956 addressed to New Mexico Oil Conservation Commission, Attention: A. L. Porter, Santa Fe. Stanolind Oil and Gas Company respectfully requests that Humble Oil and Refining Company's application in Case 1064 be denied. Although Stanolind is not an offset operator, we are operators in other areas of the Eumont Pool and have consistently opposed dual completions within the vertical limits of the Eumont Pool. It is our position that simultaneous dedication of acreage for the production of oil and gas from the Eumont Pay does not result in equitable withdrawals from the pool. Furthermore, the granting of such dual completions results in a violation of correlative rights of those operators who do not have such completions. It is further requested that this telegram be read into the record at the hearing in Case 1064. Stanolind Oil and Gas Company, C. L. Kelley, Roswell, New Mexico. Is there further statements to be made in this case? If not, we will take the case under advisement. Hearing is adjourned.

STATE OF NEW MEXICO)

COUNTY OF SANTA FE)

I, Nancy Chowning, do hereby certify that the foregoing and attached transcript of proceedings before the Oil Conservation Commission Examiner at Hobbs, New Mexico, is a true and correct record to the best of my knowledge, skill and ability.

Dated this 10th day of July, 1956.

Nancy Chowning

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

June 25, 1956

C
O
P
Y

Mr. Clarence Hinkle
Hervey-Dow-Hinkle
P. O. Box 547
Roswell, New Mexico

Dear Sir:

We enclose two copies of Order R-822 in Case 1063 and Order R-825 in Case 1064 issued June 18, 1956, by the Oil Conservation Commission. These cases were heard on April 25, 1956, in Hobbs.

Very truly yours,

A. L. PORTER, Jr.
Secretary - Director

ga
Encl.

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF THE STATE OF NEW
MEXICO FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 1064
Order No. R-825

THE APPLICATION OF HUMBLE OIL
AND REFINING COMPANY FOR AN
ORDER APPROVING THE DUAL COMPLETION
OF ITS NEW MEXICO STATE "AO" WELL
NO. 1, LOCATED 660 FEET FROM THE
SOUTH LINE AND 1880 FEET FROM THE
WEST LINE OF SECTION 11, TOWNSHIP
19 SOUTH, RANGE 36 EAST, NMPM, LEA
COUNTY, NEW MEXICO. SAID WELL TO BE
COMPLETED AS A GAS WELL FROM EITHER
THE UPPER QUEEN OR SEVEN RIVERS ZONES
AND AS AN OIL WELL FROM THE LOWER
QUEEN IN THE EUMONT GAS POOL. APPLICANT
FURTHER SEEKS AN ORDER ESTABLISHING A
160 ACRE NON-STANDARD GAS PRORATION
UNIT COMPRISING THE SW/4 OF SECTION 11,
TOWNSHIP 19 SOUTH, RANGE 36 EAST, NMPM,
LEA COUNTY, NEW MEXICO.

ORDER OF DISMISSAL

BY THE COMMISSION:

This cause came on for hearing at 10 o'clock a.m. on
April 25, 1956, at Hobbs, New Mexico, before Warren W. Mankin,
Examiner duly appointed by the Oil Conservation Commission of New
Mexico in accordance with Rule 1214 of the Rules and Regulations
of the New Mexico Oil Conservation Commission.

NOW, on this 18th day of June 1956, the Commission,
a quorum being present, having considered the application and the
evidence adduced and the recommendations of the Examiner, Warren
W. Mankin, and being fully advised in the premises,

FINDS:

(1) That due notice having been given as required by
law, the Commission has jurisdiction of this cause and the subject
matter thereof.

(2) That applicant, Humble Oil & Refining Company by
letter dated June 6, 1956 has requested that the Commission dismiss
the application for a dual completion and non-standard gas proration
unit in the Eumont Gas Pool as the applicant's well is now being
completed as a single oil well completion from the lower Queen
formation of the Eumont Gas Pool.

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Order No. R-625

IT IS THEREFORE ORDERED:

That the application of Humble Oil and Refining Company in which an order was requested to dually complete and form a 160 acre non-standard gas proration unit of the SW/4 in its New Mexico State "AO" Well No. 1, located 660 feet from the South line and 1980 feet from the West line of Section 11, Township 19 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico be and the same is hereby dismissed.

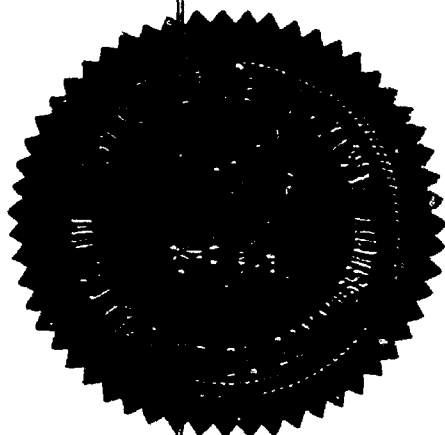
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

John F. Simms
JOHN F. SIMMS, Chairman

E. B. Walker
E. B. WALKER, Member

A. L. Porter, Jr.
A. L. PORTER, Jr., Member & Secretary



ir/

MAIN OFFICE
1956 JUN 11 AM 8:30
HUMBLE OIL & REFINING COMPANY

MIDLAND, TEXAS

June 6, 1956

J. W. HOUSE

Case No. 1064

Re: Dual Completion New Mexico State "AO"
Well No. 1, SW/4 Section 11, T-19-S,
R-36-E, Lea County, New Mexico

New Mexico Oil Conservation Commission
Box 871
Santa Fe, New Mexico

Gentlemen:

Reference is made to our application dated April 27, 1956, in which we requested that we be granted a permit to dual complete our New Mexico State "AO" Well No. 1 as a gas well from either the upper Queen or Seven Rivers, and as an oil well from the lower Queen. This application was heard under Case No. 1064.

It now appears that our well will be completed as a single zone completion, thereby we would like to request that our application for a dual completion permit be cancelled. All offset operators are being furnished a copy of this letter.

Yours very truly,

HUMBLE OIL & REFINING COMPANY

J. W. HOUSE,
Division Superintendent

By: *H. P. Holloway*
Asst. Div. Superintendent

AJT/se

Copies furnished:

Atlantic Refining Company
Box 871
Midland, Texas

Shell Oil Company
Box 1957
Hobbs, New Mexico

Tide Water Associated Oil Company
Attention: Mr. J. B. Holloway
Box 1404
Houston, Texas

Amerada Petroleum Corp.
Attn: R. S. Christie
Box 2040
Tulsa, Oklahoma

Gulf Oil Corp.
Box 2167
Hobbs, New Mexico

HUMBLE OIL & REFINING COMPANY

MIDLAND, TEXAS

April 27, 1956

J. W. HOUSE

AMENDED APPLICATION

Re: Dual Completion New Mexico State "AO"
Well No. 1, SW/4 Section 11, T-19-S,
R-36-E, Lea County, New Mexico

New Mexico Oil Conservation Commission
Box 871
Santa Fe, New Mexico

Gentlemen:

Humble Oil & Refining Company respectfully requests that we be granted a permit to dual complete our New Mexico State "AO" Well No. 1, as a gas well from either the upper Queen or Seven Rivers and an oil well from the lower Queen in the Eumont Pool. In support of this application we submit the following information:

1. New Mexico State "AO" Well No. 1 will be located 660 feet from the South line and 1980 feet from the West line of Section 11, T-19-S, R-36-E, Lea County, New Mexico.
2. Well has been drilled to a total depth of 4308 feet.
3. The lower Queen is perforated for oil production from 4192 - 4236 feet and 4248 - 4284 feet. This section will produce as an oil well through the tubing.
4. The upper Queen will be perforated from 3910 - 3950 feet. Should this section produce oil, then it will produce with the lower Queen, but should this section be gas, then it will produce through the casing as the gas section of the dual completion.
5. The Seven Rivers will be perforated for gas production from 3640 - 3660 feet.
6. A packer will be set so as to segregate the producing intervals.
7. The dual completion of this well will be in the interest of conservation and the mechanics of the dual completion are feasible and practical.

New Mexico Oil Conservation Commission
April 27, 1956
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8. The non-standard gas proration unit will be described as the SW/4 of Section 11, T-19-S, R-36-E.
9. Said proration unit lies wholly within a single governmental section and consists of contiguous quarter-quarter sections.
10. The entire proposed unit may be reasonably presumed to be productive of gas.
11. The length or width of said unit does not exceed 5280 feet.
12. Copies of this application have been furnished to all offset operators by certified mail.
13. Attached is a diagrammatic sketch and location plat. Form C-128 was furnished with original application.

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

Yours very truly,

HUMBLE OIL & REFINING COMPANY

J. W. HOUSE,
Division Superintendent

By: *H P Henoley*
Asst. Div. Superintendent

Sworn to and subscribed before me this 27th day of April 1956.

SHIRLEY L. ELMER
Notary Public in and for Midland County

HUMBLE OIL & REFINING COMPANY

MIDLAND, TEXAS

April 27, 1956

J. W. HOUSE

Atlantic Refining Company
Box 871
Midland, Texas

Amerada Petroleum Corporation
Attention: Mr. R. S. Christie
Box 2040
Tulsa, Oklahoma

Gulf Oil Corporation
Box 2167
Hobbs, New Mexico

Shell Oil Company
Box 1957
Hobbs, New Mexico

Tide Water Assoc. Oil Co.
Attention: Mr. J. B. Holloway
Box 1404
Houston, Texas

Gentlemen:

Please find attached a copy of Humble Oil & Refining Company's amended application to dual complete New Mexico State "AO" Well No. 1, Eumont Pool, Lea County, New Mexico.

This application is furnished you as an offset operator in compliance with Commission rules and regulations.

Yours very truly,

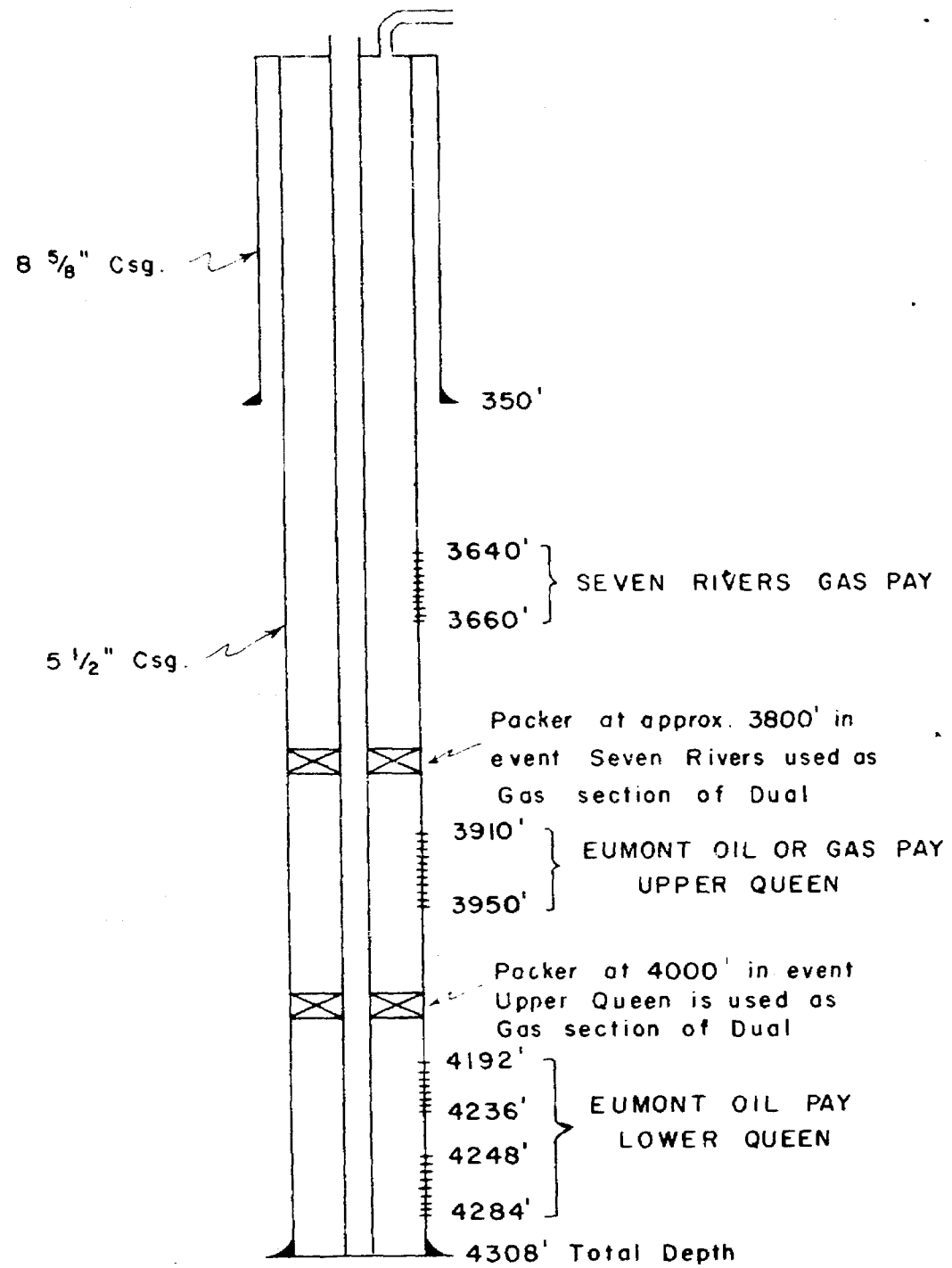
HUMBLE OIL & REFINING COMPANY

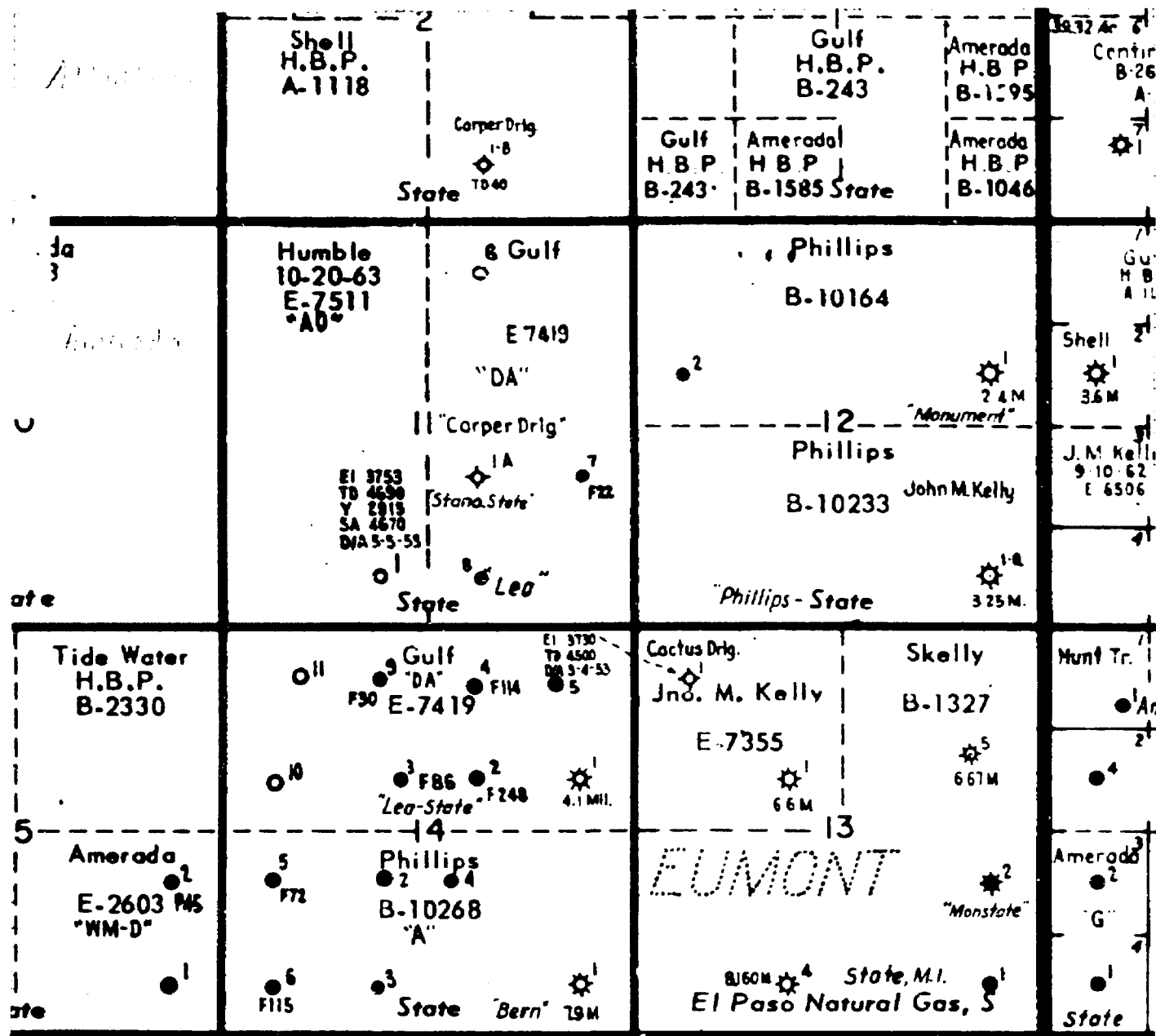
J. W. HOUSE,
Division Superintendent

By: *H. L. Hensley*
Asst. Div. Superintendent

AJT/se
Attachment

SCHEMATIC DIAGRAM OF PROPOSED DUAL COMPLETION HUMBLE - NEW MEXICO STATE "AO"

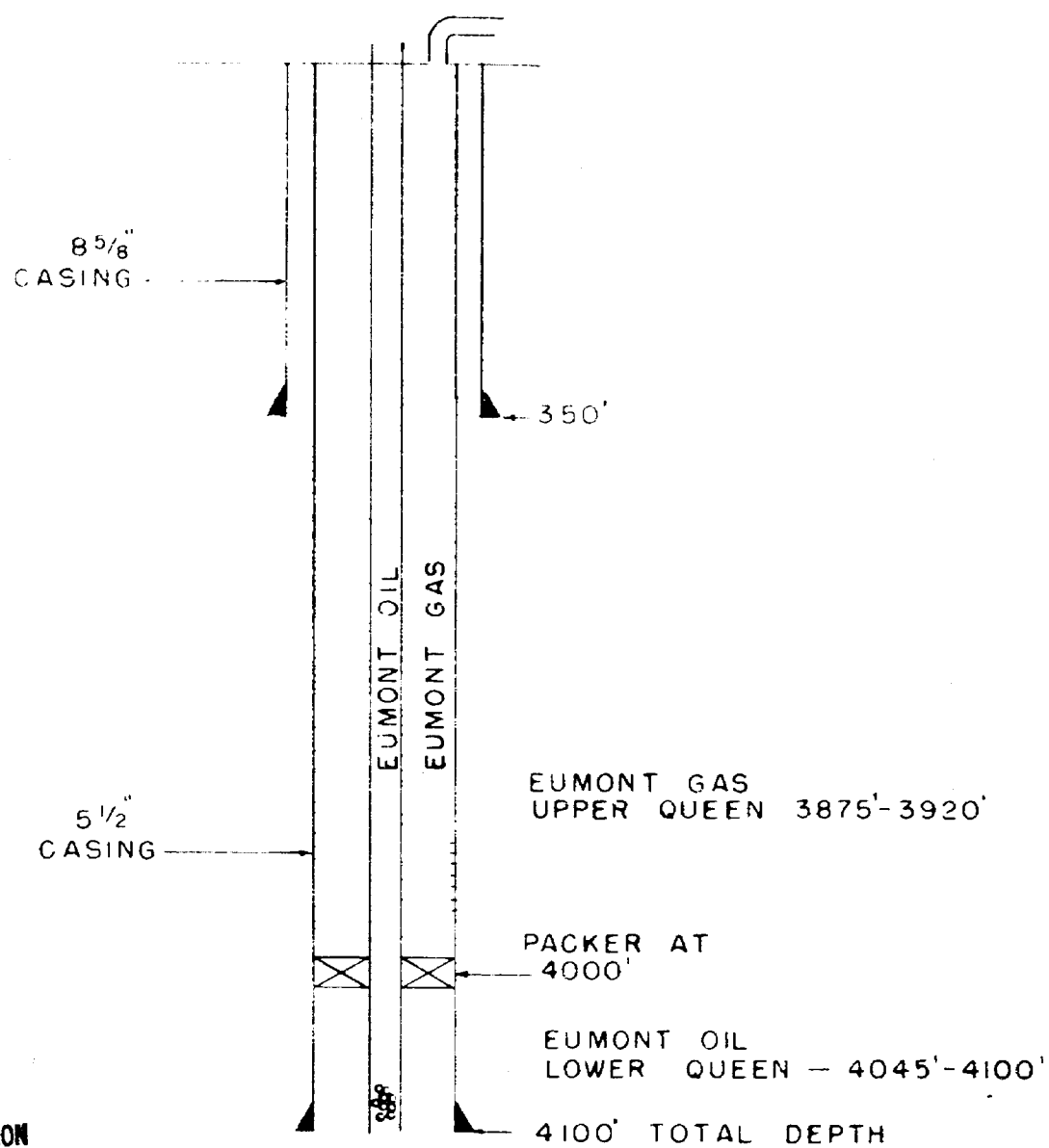




HUMBLE OIL & REFINING COMPANY EXHIBIT NO. 1

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
James E. Martin
CASE 1064

SCHEMATIC DIAGRAM OF PROPOSED DUAL COMPLETION
HUMBLE - NEW MEXICO STATE "A0"



BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
Smith EXHIBIT No. 2
CASE 1064

EX-3

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
EXHIBIT No. 4
CASE *Humble*

HUMBLE OIL & REFINING COMPANY EXHIBIT
Eumene Gas Pool - Incomplete List

COMPANY	Lease & Well No.	Location	Producing Section	Date	Order No.
GULF OIL CORPORATION					
	J. W. Smith No. 5	NW/4 NE/4; 34-10S-30E	Upper Queen - gas Lower Queen - Oil	3-9-56	DC-179
	Arnold Ramsay D-3	SE/4 NW/4; 33-21S-30E	Yates, 7 Rivers-gas Queen - Oil	11-3-55	DC-218
	Arnold "C" No. 8	Loc 2; 6-21S-30E	Upper Queen-gas Lower Queen-oil	11-10-55	DC-230
	Ramsay "A" 15	SE/4 NW/4; 27-21S-30E	Yates, 7 Rivers-gas Queen - oil	12-22-55	DC-200
SKELLY OIL COMPANY					
	Mexico "W" 4	Loc 1; 2-21S-30E	Yates - gas 7 Rivers - oil	7-4-55	DC-102
SUPERIOR OIL COMPANY					
	State No. 1-175	NE/4 NE/4; 11-21S-30E	Middle Yates-gas Lower Yates -oil	8-23-55	DC-239
AMERADA PETROLEUM CORPORATION					
	Federal "D" No. 5	SW/4 SW/4; 28-20S-30E	Queen-Oil	3-13-55	DC-187
	State WE-B No. 3	SE NW; 1-21-55	Lower Yates & 7 Rivers - gas Upper Queen-oil		DC-187
	L. W. White No. 1	SE/4 SE/4; 34-20S-30E	Lower Yates & Upper 7 Rivers-gas Middle 7 Rivers-oil		DC-146
	State WE "F" 1	Loc 14; 1-21S-30E	Yates & 7 Rivers-gas Middle 7 Rivers- oil		DC-138
	State WE "E" 1	NE/4 NE/4 SW/4 13-21S-30E	Lower Yates & 7 Rivers-gas Middle 7 Rivers - Oil		DC-156
	State WE "A" 2	NE NW/4; 12-21S-30E	7 Rivers-oil 7 Rivers & Yates - gas		DC-78
	Federal "D" 5	SW/4 SW/4; 28-20S-30E	Queen -oil		DC-187
CHARM OIL COMPANY					
	Gulf State No. 1	SE SW; 1-21S-30E	Upper 7 Rivers-gas Lower 7 Rivers-oil	9-24-54	DC-164

COMPANY

<u>Lease & Well No.</u>	<u>Location</u>	<u>Producing Section</u>	<u>Date</u>	<u>Order No.</u>
DRILLING & EXPLORATION COMPANY				
Endura 4 I	NE/4 SE/4; 12-21S-35E	7 Rivers - gas Upper Queen - oil		DC-122
State "F" N. 3	NE/4 SW/4; 10-21S-30E	Yates & 7 Rivers-gas Upper Queen - oil		DC-148
CITIES SERVICE OIL COMPANY				
State "C" 3	NE/4 SW/4; 16-22S-35E	Yates & 7 Rivers-gas Queen-Oil		DC-120

CLASS OF SERVICE
This is a fast message unless its deferred character is indicated by the proper symbol.

WESTERN UNION TELEGRAM

W. P. MARSHALL, President

SYMBOLS
DL=Day Letter
NL=Night Letter
LT=International Letter Telegram

The filing time shown in the date line on domestic telegrams is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination.

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NEW MEXICO OIL CONSERVATION COMMISSION ATTN A L PORTER
PO BOX 871 SANTA FE NMEX

STANOLIND OIL AND GAS CO RESPECTFULLY REQUESTS THAT HUMBLE OIL AND REFINING COMPANYS APPLICATION IN CASE 1064 BE DENIED. ALTHOUGH STANOLIND IS NOT AN OFFSET OPERATOR, WE ARE OPERATORS IN OTHER AREAS OF THE EUMONT POOL AND HAVE CONSISTENTLY OPPOSED DUAL COMPLETIONS WITHIN THE VERTICAL LIMITS OF THE EUMONT POOL. IT IS OUR POSITION THAT SIMULTANEOUS DEDICATION OF ACREAGE FOR THE PRODUCTION OF OIL AND GAS FROM THE EUMONT PAY DOES NOT RESULT IN EQUITABLE WITHDRAWALS FROM THE POOL. FURTHERMORE, THE GRANTING OF SUCH DUAL COMPLETIONS RESULTS IN A VIOLATION OF CORRELATIVE RIGHTS OF THOSE OPERATORS WHO DO NOT HAVE SUCH COMPLETIONS. IT IS FURTHER REQUESTED THAT THIS TELEGRAM BE READ INTO THE RECORD AT THE HEARING ON CASE 1064.

STANOLIND OIL AND GAS CO C L KELLEY ROSWELL NEW MEXICO

STANOLIND OIL AND GAS COMPANY

Roswell, New Mexico
March 26, 1956

File: E-38-986.510.1

Subject: Application of Humble
Oil and Refining Company
for Permission to Dually
Complete Their State "AO"
No. 1 in the Eumont Oil
Pool and Eumont Gas Pool

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

Attention: Mr. W. B. Macey

Gentlemen:

This has reference to the letter prepared by Humble Oil and Refining Company dated March 13, 1956, which transmitted their application to you for permission to dually complete their New Mexico State "AO" No. 1, located in the SW/4 Section 11-19-36, Lea County, New Mexico, as a Eumont gas well and a Eumont oil well. A copy of their application was submitted to Stanolind Oil and Gas Company as an offset operator.

Our records indicate that Stanolind no longer owns the working interest in any leases in this area. Although Stanolind is not an offset operator, we are operators in other areas of the Eumont Pool and have consistently opposed dual completions within the vertical limits of the Eumont Pool. Our position in this matter has not changed. We do not believe that simultaneous dedication of acreage for the production of oil and gas from the Eumont pay results in equitable withdrawals from the Eumont Pool. It is Stanolind's position that the granting of such dual completions results in a violation of the correlative rights of those operators who do not have dual completions for the simultaneous production of oil and gas from the designated Eumont Pool.

In light of the above discussion, we urge that the Commission deny Humble's application for the dual completion of their State "AO" No. 1 within the Eumont Pool.

Yours very truly,

STANOLIND OIL AND GAS COMPANY


C. L. Kelley
District Superintendent

GWE/ms

HUMBLE OIL & REFINING COMPANY

MIDLAND, TEXAS

March 13, 1956

J. W. HOUSE

New Mexico Oil Conservation Commission
Box 371
Santa Fe, New Mexico

Re: Dual Completion
New Mexico State "AC" Well No. 1
S.W. 1/4, Section 11, T-19-S, R-36-E,
Lea County, New Mexico

Gentlemen:

Humble Oil & Refining Company respectfully requests that we be granted a permit to dual complete our New Mexico State "AC" Well No. 1 as a gas well from the upper Queen in the Monument Pool and as an oil well from the lower Queen in the Monument Pool. In support of this application we submit the following information:

1. New Mexico State "AC" Well No. 1 will be located 600 feet from the south line and 1930 feet from the west line of Section 11, T-19-S, R-36-E, Lea County, New Mexico.
2. Well will be drilled to a total depth of approximately 4100 feet and a string of 5 1/2 inch casing set on bottom.
3. The lower Queen will be perforated for oil production from an approximate interval of 4045-4100 feet. This section will produce as an oil well through the tubing.
4. The upper Queen will be perforated for gas production at an approximate interval of 3875-3920 feet. This section will produce as a gas well through the casing.
5. A packer will be set so as to segregate the producing intervals.
6. The dual completion of this well will be in the interest of conservation and the mechanics of the dual completion are feasible and practical.
7. The non-standard gas proration unit will be described as the SW 1/4 of Section 11, T-19-S, R-36-E.
8. Said proration unit lies wholly within a single governmental section and consists of continuous quarter-quarter sections.
9. The entire proposed unit may be reasonably presumed to be productive of gas.
10. The length or width of said unit does not exceed 520 feet.

New Mexico Oil Conservation Commission
March 13, 1956
Page 2

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

12. Attached is a diagrammatic sketch, Form O-124, and location plat.

We request that the Oil Conservation Commission issue the necessary order permitting the dual completion of said well and permitting the assignment of a non-standard gas production unit.

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

Yours very truly,

MIDLAND OIL & REFINING COMPANY

J. M. HOUSE
Division Superintendent

By H. L. Hensley
H. L. Hensley
Asst. Div. Superintendent

Sworn to and subscribed before me this the 13th day of March 1956.

Shirley J. Elmer SHIRLEY J. ELMER
Notary Public in and for
Midland County, Texas

COPY

HUMBLE OIL & REFINING COMPANY

March 13, 1956

Stanolind Oil & Gas Company
 X Box 999
 Hobbs, New Mexico

Gulf Oil Corporation
 X Box 2167
 Hobbs, New Mexico

Shell Oil Company
 X Box 1957
 Hobbs, New Mexico

Sinclair Oil & Gas Company
 X Box 1470
 Hobbs, New Mexico

Tide Water Associated Oil Company
 Attn: J. B. Holloway
 Box 1404
 Houston, Texas

Amerasia
Atlantic

J. E. Simmons

Gentlemen:

Attached is Humble Oil & Refining Company's application to the Oil Conservation Commission of New Mexico for permission to drill complete New Mexico State "200" Well No. 1 as a Eminent gas well from the upper Queen and as a Eminent oil well from the lower Queen. The non-standard gas proration unit to be assigned will be described as the SW/4 of Section 11, T-19-S, R-36E, Lea County, New Mexico.

This application is submitted to you as an offset operator in compliance with Commission rules and regulations.

Yours very truly,

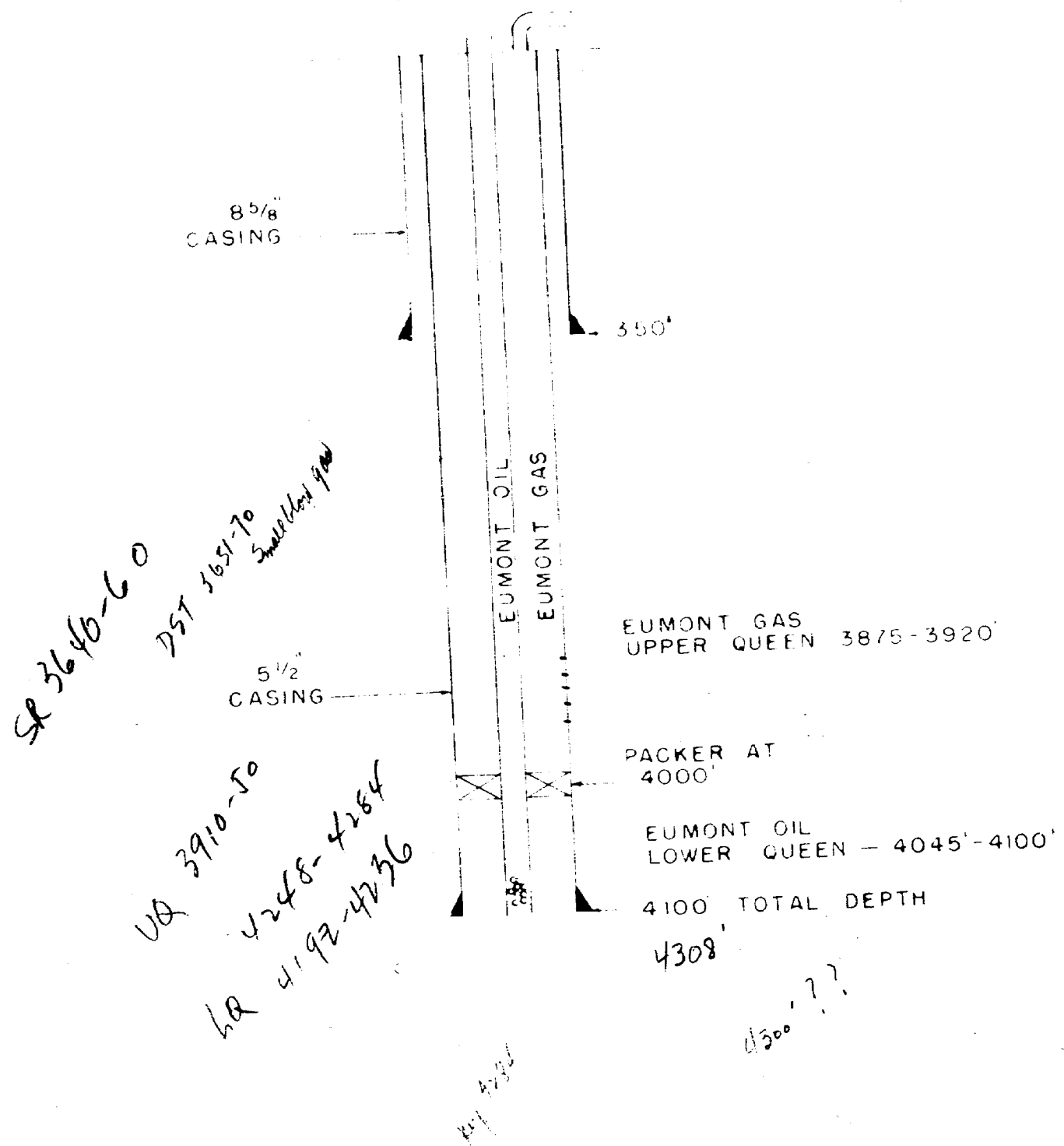
HUMBLE OIL & REFINING COMPANY

J. W. HOUSE
 Division Superintendent

By *H. L. Hensley*
 H. L. Hensley
 Asst. Div. Superintendent

AJT:jfg
 Attachment

SCHEMATIC DIAGRAM OF PROPOSED DUAL COMPLETION HUMBLE - NEW MEXICO STATE "AO"



NEW MEXICO
OIL CONSERVATION COMMISSION

Form C-128

Well Location and/or Gas Production Plat

Date 3-12-56

Operator HUMBLE OIL & REFINING

Lease NEW MEXICO STATE "A0"

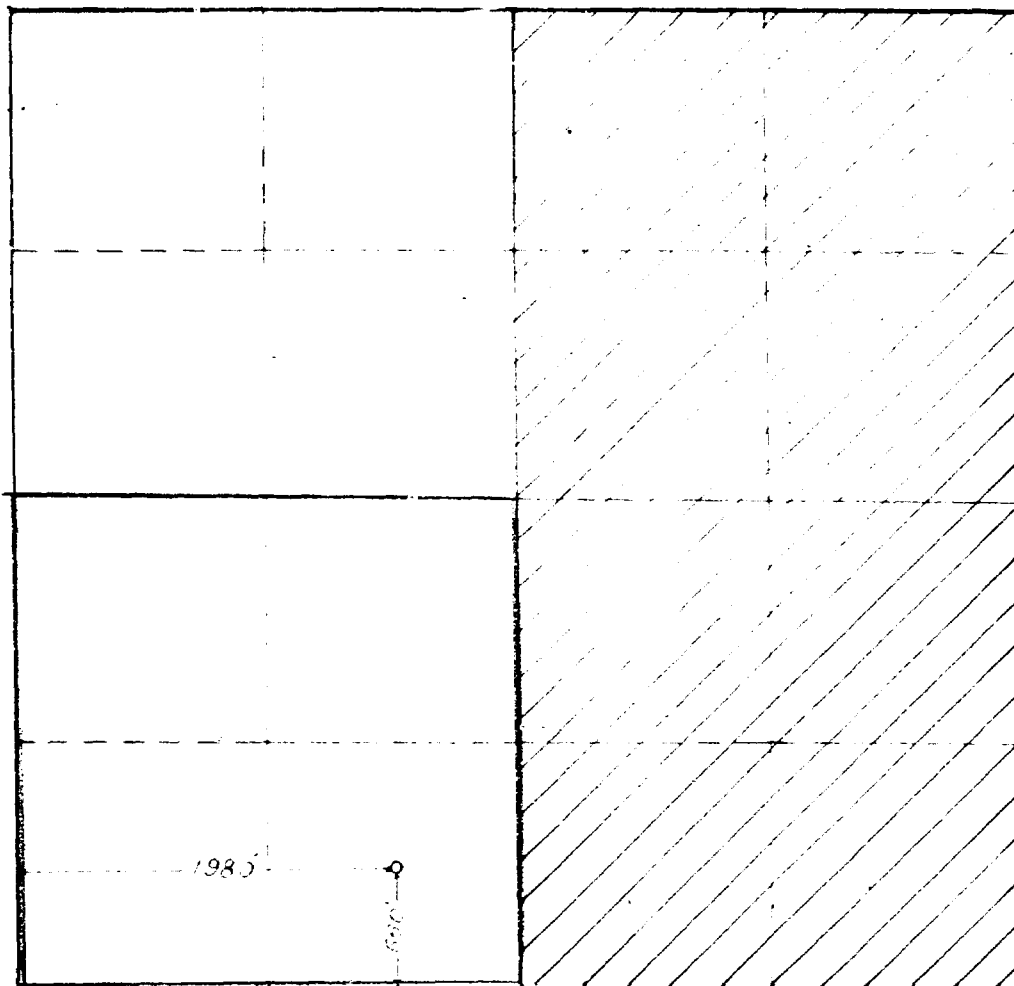
Well No. 1 Section 11 Township 19-S Range 36-E NMPM

Located 660 Feet From SOUTH Line, 1980 Feet From WEST Line,

LEA County, New Mexico. G. L. Elevation _____

Name of Producing Formation UPPER-QUEEN Pool EUMONT GAS Dedicated Acreage 160

(Note: All distances must be from outer boundaries of Section.)



1. Is this Well a Dual Comp.? Yes No
2. If the answer to Question 1 is yes, are there any other dually completed wells within the dedicated acreage? Yes No

Name N. P. Henoley
Position ASSISTANT DIVISION SUPERINTENDENT
Representing HUMBLE OIL & REFINING CO.
Address BOX 1600 MIDLAND, TEXAS

This is to certify that the above plat was prepared from field notes of actual surveys made by me or under my supervision and that the same are true and correct to the best of my knowledge and belief.

Date Surveyed 3-12-56
E. T. Shaban
Registered Professional Engineer and/or
Land Surveyor

W-A-2059

NEW MEXICO
OIL CONSERVATION COMMISSION

Form C-128

Well Location and/or Gas Proration Plat

Date 3-12-56

Operator HUMBLE OIL & REFINING CO Lease NEW MEXICO STATE "AO"

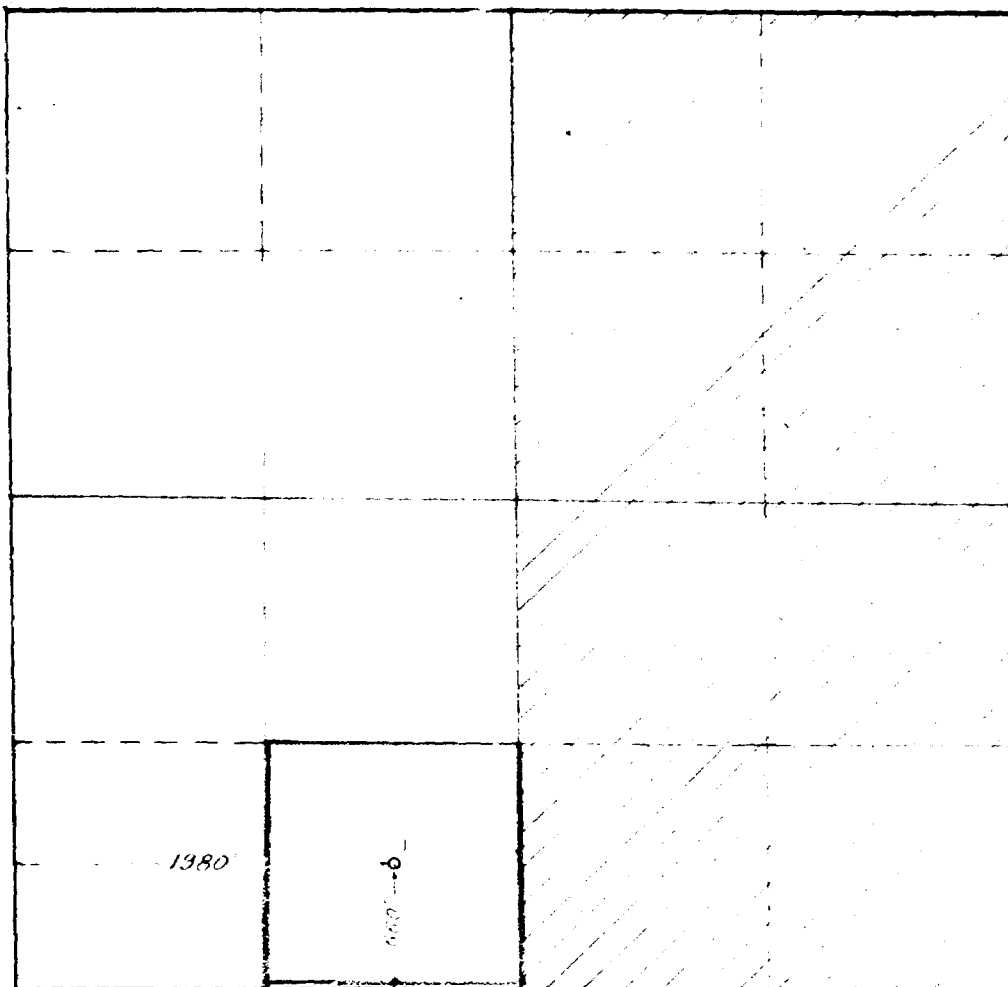
Well No. 1 Section 11 Township 19-S Range 36-E NMPM

Located 660 Feet From SOUTH Line, 1980 Feet From WEST Line,

LEA County, New Mexico G. L. Elevation

Name of Producing Formation LOWER QUEENS Pool EUMONT-OIL Dedicated Acreage 40

(Note: All distances must be from outer boundaries of Section)



SCALE: 1"=1000'

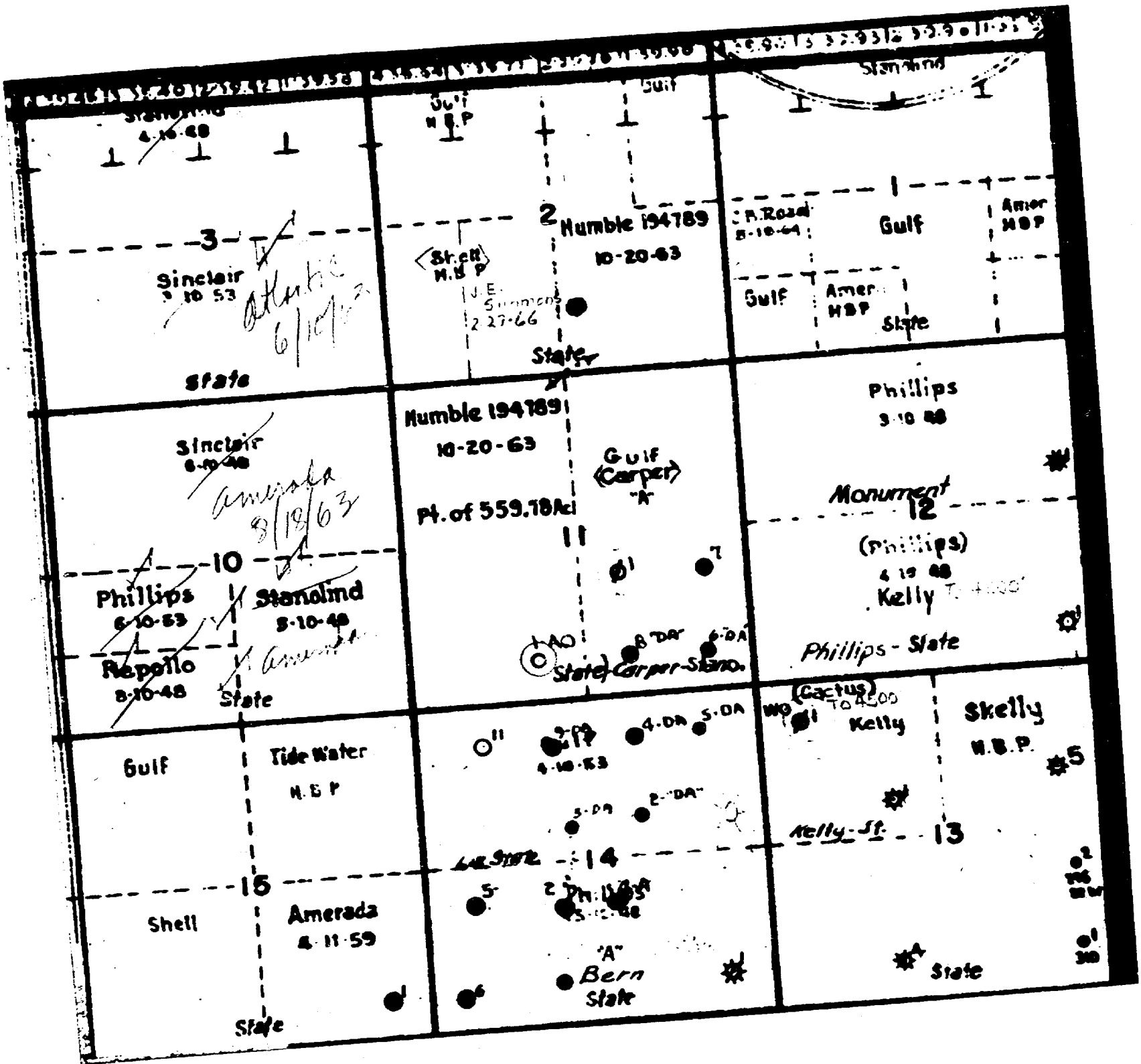
1. Is this Well a Dual Comp.? Yes No
2. If the answer to Question 1 is yes, are there any other dually completed wells within the dedicated acreage? Yes No

This is to certify that the above plat was prepared from field notes of actual surveys made by me or under my supervision and that the same are true and correct to the best of my knowledge and belief.

Name A. L. Hensley
Position ASSISTANT DIVISION SUPERINTENDENT
Representing HUMBLE OIL & REFINING CO.
Address BOX 1600 MIDLAND, TEXAS

Date Surveyed 3-12-56
E. T. Shahan
Registered Professional Engineer and/or
Land Surveyor

W-A-2058



GENERAL OFFICES
120 BROADWAY NEW YORK

MAIL OFFICE 900

AMERADA PETROLEUM CORPORATION
BEACON BUILDING
P. O. BOX 2040
TULSA 2, OKLA.

April 9, 1956

New Mexico Oil Conservation Commission
Box 871
Santa Fe, New Mexico

Gentlemen:

We have been notified Humble Oil & Refining Company has filed an application to dually complete its New Mexico State "AO" Well No. 1 in the SW/4, Section 11-T19S-R36E, Lea County, New Mexico.

This is to advise Amerada Petroleum Corporation has no objection to the requested dual completion and the assignment of a non-standard gas proration unit to the subject well.

Yours very truly,

R. S. Christie

R. S. Christie

RSC:mt

cc: Mr. J. W. House
Humble Oil & Refining Company
Humble Building
Midland, Texas

ATLANTIC

THE ATLANTIC REFINING COMPANY
INCORPORATED - 1950
MAIN OFFICE 000 PETROLEUM PRODUCTS

1955 APR 16 PM 1:27 April 3, 1956

DOMESTIC PRODUCING DEPARTMENT
WEST TEXAS-NEW MEXICO REGION

PETROLEUM LIFE BLDG
MAILING ADDRESS
P. O. BOX 871
MIDLAND, TEXAS

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

Gentlemen:

Humble Oil & Refining Company has given notification of a request for a permit to dually complete their New Mexico State "AD" Well No. 1 in the SW/4 of Section 11, T-19-S, R-36-E, Lea County, New Mexico, as a Eumont gas well in the Upper Queen and as a Eumont oil well from the Lower Queen. The Atlantic Refining Company does not object to such dual completion of this well.

Yours very truly,

THE ATLANTIC REFINING COMPANY

R. E. Howard

R. E. Howard
Regional Petroleum Engineer

cc: Humble Oil & Refining Company
Attn: Mr. J. W. House
P. O. Box 1600
Midland, Texas

COPY

HUMBLE OIL & REFINING COMPANY

March 27, 1936

Atlantic Refining Company
Box 871
Midland, Texas

Amesuda Petroleum Corporation
Attention: Mr. R. S. Christie
Box 2840
Tulsa, Oklahoma

Gentlemen:

Please find attached a copy of Humble's application to the Oil Conservation Commission of New Mexico for a permit to dually complete New Mexico State "AO" Well No. 1 as a Steam gas well from the Upper Queen and as a Steam Oil Well from the Lower Queen.

The non-standard gas production unit to be assigned will be described as the SW/4 of Section 11, T-19-S, R-36-E, Lea County, New Mexico. You will note that the application is dated March 13, but due to an out of date map, we failed to notify you as one of the offset operators.

If you have no objection to our request for dual completion permit, your letter to the Conservation Commission stating same would be greatly appreciated.

Yours very truly,

HUMBLE OIL & REFINING COMPANY

COPY ORIGINAL SIGNED: J. W. HOUSE

By J. W. HOUSE
Division Superintendent

AJT:jfg
Attachment

HUMBLE OIL & REFINING COMPANY

NOTEGRAM

To N. M. Oil Conservation Commission
MAIN OFFICE OCC

Date March 28, 1956

From Humble Oil & Refining Company
Midland, Texas MES APR 22 AM 8:46

Per telephone conversation March 26 with our Mr. H. L. Hensley, we have notified the offset operators that we originally failed to notify by furnishing them a copy of our application to dual complete New Mexico State "AO" Well No. 1. A copy of our letter is attached.

J. W. HOUSE

*Case #
on 4/25/70
objection by Standard*