

CASE 2946: Application of SHELL OIL
CO. for dual completion of its State
V Well No. 5, Lea County, New Mexico.

CASE No.
2946

Application,
TRANSCRIPTS,
SMALL Exhibits
ETC.

DOCKET NUMBER

SANTA FE, NEW MEXICO

5-1-61

Date 11-22-63

APPLICATION FOR MULTIPLE COMPLETIONS

(App. 2946)

Operator Shell Oil Company	County Lea	Date 11-8-63
Address P. O. Box 1858, Roswell, New Mexico	Lease State V	Well No. 5
Location Unit I	Section 27	Range 35-E
of well	Township 17-S	

1. Has the New Mexico Oil Conservation Commission heretofore authorized the multiple completion of a well in these same pools or in the same zones within one mile of the subject well? YES _____ NO X _____
2. If answer is yes, identify one such instance: Order No. _____ Operator, Lease, and Well No. _____

3. The following facts are submitted:	Upper Zone	Intermediate Zone	Lower Zone
a. Name of Pool and Formation	Vacuum-Yates		Vacuum Paddock
b. Top and Bottom of Pay Section (Perforations)	Proposed 3031-3132		6134-6171
c. Type of production (Oil or Gas)	Oil		Oil
d. Method of Production (Flowing or Artificial Lift)	Flowing		Flowing

4. The following are attached. (Please mark YES or NO)

- _____ a. Diagrammatic Sketch of the Multiple Completion, showing all casing strings, including diameters and setting depths, centralizers and/or turbolizers and location thereof, quantities used and top of cement, perforated intervals, tubing strings, including diameters and setting depth, location and type of packers and slide door checkers, and such other information as may be pertinent.
- X b. Plat showing the location of all wells on applicant's lease, all offset wells on offset leases, and the names and addresses of operators of all leases offsetting applicant's lease.
- _____ c. Waivers consenting to such multiple completion from each offset operator, or in lieu thereof, evidence that said offset operators have been furnished copies of the application.*
- _____ d. Electrical log of the well or other acceptable log with tops and bottoms of producing zones and intervals of perforation indicated thereon. (If such log is not available at the time application is filed, it shall be submitted as provided by Rule 112-A.)

5. List all offset operators to the lease on which this well is located together with their correct mailing address.

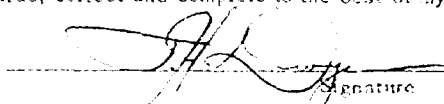
Cities Service Oil Company, Vaughn Building, Midland, Texas

Phillips Petroleum Company, P. O. Box 2105, Hobbs, New Mexico

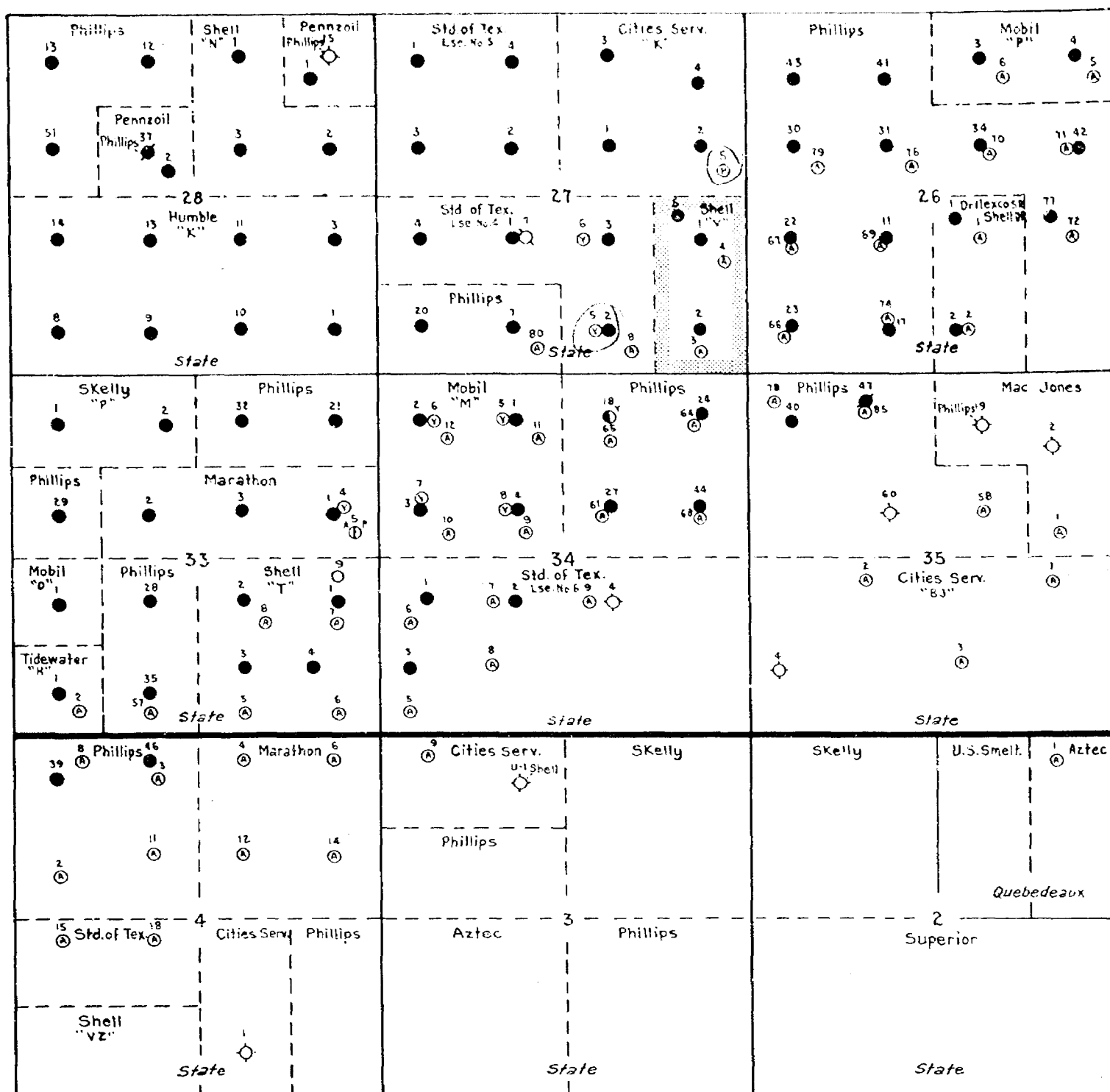
Standard Oil of Texas, P. O. Box 1660, Midland, Texas

6. Were all operators listed in Item 5 above notified and furnished a copy of this application? YES _____ NO X _____. If answer is yes, give date of such notification _____

CERTIFICATE: I, the undersigned, state that I am the Production Manager of the Shell Oil (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.


Signature

- * Should waivers from all offset operators not accompany an application for administrative approval, the New Mexico Oil Conservation Commission will hold the application for a period of twenty (20) days from date of receipt by the Commission's Santa Fe office. If, after said twenty-day period, no protest nor request for hearing is received by the Santa Fe office, the application will then be approved.
- NOTE: If the proposed multiple completion will result in an unorthodox well location and/or a non-standard perforation unit in either or both of the producing zones, then separate application for approval of the same should be filed simultaneously with this application.

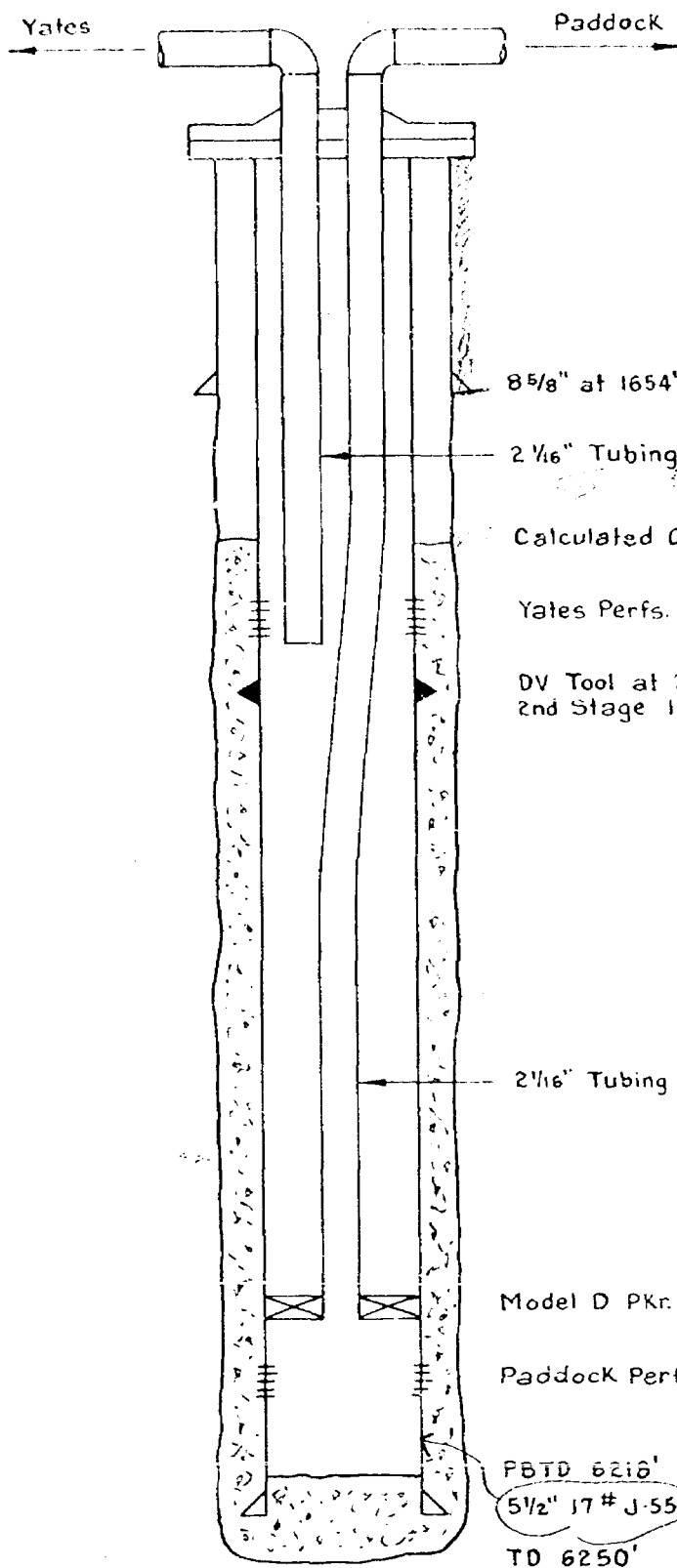


BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
Appl EXHIBIT NO. 1
CASE NO. 2946

- LEGEND**
- ⊙ Yates
 - Grayburg-San Andres
 - ⊙ Paddock
 - ⊙ Abo
 - ⊙ Proposed Dual

SHELL OIL CO.
OWNERSHIP PLAT
1"=2000'

SHELL OIL CO.
PROPOSED DUAL COMPLETION
SHELL STATE "V" 5
VACUUM FIELD
LEA CO., NEW MEX



BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
Appl EXHIBIT NO. 2
CASE NO. 2946

Note: There will be no EXAMINER HEARING in
the Second Half of December

DOCKET NO. 35-63

DOCKET: EXAMINER HEARING - WEDNESDAY - DECEMBER 4, 1963

9:00 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

The following cases will be heard before Elvis A. Utz, Examiner, or Daniel S. Nutter, Alternate Examiner:

- CASE 2945: Application of Shell Oil Company for the creation of a Devonian Gas Pool and for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the creation of a new Devonian gas pool for its Harris-Federal Well No. 1 located in Section 27, Township 23 South, Range 34 East, Lea County, New Mexico, said pool to comprise all of Sections 27, 28, 33 and 34, Township 23 South, Range 34 East, and all of Sections 3 and 4, Township 24 South, Range 34 East. Applicant further seeks the establishment of special pool rules, including a provision for 640-acre spacing units and for fixed well locations.
- CASE 2946: Application of Shell Oil Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the dual completion (conventional) of its State V Well No. 5 located in Unit I of Section 27, Township 17 South, Range 35 East, Lea County, New Mexico, to produce oil from the Vacuum-Yates and Vacuum-Paddock Pools through parallel strings of tubing.
- CASE 2947: Application of Charles B. Read for an unorthodox location, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks approval of the unorthodox location of his Bates Well No. 1 located 660 feet from the North line and 330 feet from the East line of Section 21, Township 8 South, Range 36 East, South Prairie-Pennsylvanian Pool, Roosevelt County, New Mexico.
- CASE 2948: Application of the Atlantic Refining Company for a pressure maintenance project, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the approval of a cooperative pressure maintenance project for the injection of water into the Gallup (Tocito) formation, Many Rocks-Gallup Oil Pool, San Juan County, New Mexico, by the injection of water through 13 wells located in Sections 6, 7, 8, 17 and 18, Township 31 North, Range 16 West. Applicant further seeks the designation of a project area comprising approximately 1,480 acres in the aforesaid five sections and the adoption of appropriate project rules therefor.
- CASE 2949: Application of Phillips Petroleum Company for an exception to Rule 309-A, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to produce up to a maximum of 24 production units into its Santa Fe Battery No. 14, Santa Fe Lease, Vacuum Abo Reef Pool, Lea County, New Mexico.
- CASE 2950: Application of Amerada Petroleum Corporation for the creation of a new gas pool and for the contraction of the vertical limits of an existing pool. Applicant, in the above-styled cause, seeks the creation of a Morrow-Pennsylvanian Gas Pool, Lea County, New Mexico. Said pool was discovered by applicant's S. E. Anderson "A" Well No. 1 located in Unit P of Section 19, Township 9 South, Range 35 East, and would comprise the SE/4 of Section 19, SW/4 of Section 20, NW/4 of Section 29 and the NE/4

CASE 2950 continued from page 1

of Section 30 in the aforesaid township. Applicant further seeks the contraction of the vertical limits of the South Bough-Pennsylvanian Pool to include the Bough "C" zone of the Pennsylvanian formation only.

- CASE 2951: Application of Sunray DX Oil Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Hope Unit Area comprising 3822.96 acres, more or less, of State land in Township 18 South, Range 23 East, Eddy County, New Mexico.
- CASE 2952: Application of Sunray DX Oil Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the South Hope Unit Area comprising 3778.27 acres, more or less, of State land in Township 18 South, Ranges 21 and 23 East, and Township 19 South, Range 23 East, Eddy County, New Mexico.
- CASE 2953: Application of Curtis R. Inman for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Walt Canyon Unit Area comprising 11,100.63 acres, more or less, of State, Federal and fee lands in Townships 21 and 22 South, Range 24 East, and Township 22 South, Range 25 East, Eddy County, New Mexico.
- CASE 2954: Application of Ambassador Oil Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Langlie Mattix-Penrose Sand Unit Area comprising 3,920 acres, more or less, of State, Federal and Fee lands in Township 22 South, Range 37 East, Lea County, New Mexico.
- CASE 2955: Application of Ambassador Oil Corporation for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the expansion of the existing Langlie Mattix Waterflood Project in Section 34, Township 22 South, Range 37 East, Lea County, New Mexico, by the conversion to water injection of 5 wells located in Sections 27, 33 and 34 of said township. Applicant further seeks the establishment of special rules governing further expansion and operation of the waterflood project in the Langlie Mattix-Penrose Sand Unit Area, including a provision for capacity allowables for wells in said project.

Case 2446

Heard 12-4-63

Rec. 12-5-63

1. Grant Shells request for a comment
at Dual in Vacuum-Gates Paddock
Oilpools.

Will Home is Shell. State V# 5,
2310 S + 900/E sec. 27 -175-354

Usual DC. Order.



GOVERNOR
JACK M. CAMPBELL
CHAIRMAN

State of New Mexico
Oil Conservation Commission



LAND COMMISSIONER
E. S. JOHNNY WALKER
MEMBER

P. O. BOX 871
SANTA FE

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

December 19, 1963

Re: Case No. 2945
2946
Order No. R-2623 & R-2624
Applicant:
SHELL OIL COMPANY

Mr. Richard Morris
Seth, Montgomery, Federici & Andrews
Attorneys at Law
Post Office Box 828
Santa Fe, New Mexico

Dear Sir:

Enclosed herewith are two copies of the above-referenced
Commission order recently entered in the subject case.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ir/

Carbon copy of order also sent to:

Hobbs OCC x

Artesia OCC

Antec OCC

OTHER (R-2623 to Mrs. Rhea)

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE No. 2946
Order No. R-2624

APPLICATION OF SHELL OIL COMPANY
FOR A DUAL COMPLETION, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on December 4, 1963, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 19th day of December, 1963, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, and being fully advised in the premises,

FINDS:

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

(2) That the applicant, Shell Oil Company, seeks authority to complete its State V Well No. 5, located in Unit 1 of Section 27, Township 17 South, Range 35 East, NMPM, Lea County, New Mexico, as a dual completion (conventional) to produce oil from the Vacuum-Yates and Vacuum-Paddock Pools through parallel strings of 2 1/16-inch tubing, with separation of zones by a packer set at approximately 6075 feet.

(3) That the mechanics of the proposed dual completion are feasible and in accord with good conservation practices.

(4) That approval of the subject application will prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Shell Oil Company, is hereby authorized to complete its State V Well No. 5, located in Unit 1

-2-

CASE No. 2946
Order No. R-2624

of Section 27, Township 17 South, Range 35 East, NMPM, Lea County, New Mexico, as a dual completion (conventional) to produce oil from the Vacuum-Yates and Vacuum-Paddock Pools through parallel strings of 2 1/16-inch tubing, with separation of zones by a packer set at approximately 6075 feet.


PROVIDED HOWEVER, That the applicant shall complete, operate, and produce said well in accordance with the provisions of Rule 112-A of the Commission Rules and Regulations insofar as said rule is not inconsistent with this order.

PROVIDED FURTHER, That the applicant shall take packer-leakage tests upon completion and annually thereafter during the Gas-Oil Ratio Test Period for the Vacuum-Paddock Pool.


(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

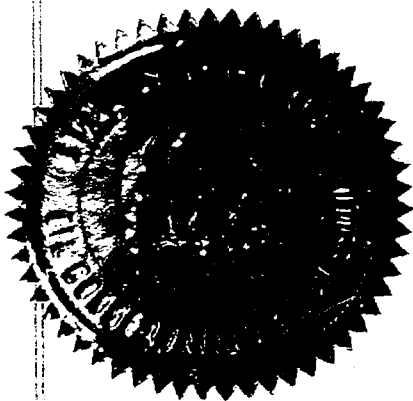
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JACK M. CAMPBELL, Chairman


E. S. WALKER, Member


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



esr/

Case 2946

NEW MEXICO OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
DEC 30 8 14 AM '63-1-56

PACKER-SETTING AFFIDAVIT
(Dual Completions)

STATE OF NEW MEXICO)
County of CHAVES) ss

M. R. Dillon, being first duly sworn according to law, upon his oath deposes and says:

That he is of lawful age and has full knowledge of the facts herein below set out.

That he is employed by Shell Oil Company in the capacity of Production Foreman and as such is its authorized agent.

That on November 14, 1963, he personally supervised the setting of a Baker Model "D" in Shell Oil Company's
(Make and Type of Packer) (Operator)
State "V" Well No. 5, located in Unit
(lease)
Letter I, Section 27, Township 17S, Range 35E, NMPM,
Lea County, New Mexico.

That said packer was set at a subsurface depth of 6075 feet, said depth measurement having been furnished by Lane Wells.

That the purpose of setting this packer was to effect a seal in the annular space between the two strings of pipe where the packer was set so as to prevent the commingling, within the well-bore, of fluids produced from a stratum below the packer with fluids produced from a stratum above the packer. That this packer was properly set and that it did, when set, effectively and absolutely seal off the annular space between the two strings of pipe where it was set in such manner as that it prevented any movement of fluids across the packer.

Shell Oil Company
She 11 Oil Co
(Company)

MR Dillon
(its Agent)

Subscribed and sworn to before me this the December day of 12, AD, 1963.

Lewis L. Garrison
Notary Public in and for the County
of Chaves

My Commission Expires February 7, 1965.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
December 4, 1963

EXAMINER HEARING

IN THE MATTER OF:

Application of Shell Oil Company for a
dual completion, Lea County, New Mexico.
Applicant, in the above-styled cause,
seeks approval of the dual completion
(conventional) of its State V Well No. 5
located in Unit I of Section 27, Township
17 South, Range 35 East, Lea County, New
Mexico, to produce oil from the Vacuum-
Yates and Vacuum-Paddock Pools through
parallel strings of tubing.

Case No. 2946

BEFORE: Elvis A. Utz, Examiner

TRANSCRIPT OF HEARING

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1162

SANTA FE, N. M.
PHONE 983-3971

ALBUQUERQUE, N. M.
PHONE 243-6691



MR. UTZ: Case 2946.

MR. DURRETT: Application of Shell Oil Company for a dual completion, Lea County, New Mexico.

MR. MORRIS: If the Examiner please, again, I am Richard Morris of Seth, Montgomery, Federici and Andrews, Santa Fe, New Mexico, appearing on behalf of the Applicant, Shell Oil Company. We'll have one witness, Mr. Dick Vassar.

(Witness sworn.)

(Whereupon, Applicant's Exhibits Nos. 1, 2, and 3 marked for identification.)

DICK VASSAR

called as a witness, having been first duly sworn on oath, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. MORRIS:

Q Please state your name and position, Mr. Vassar.

A I am Dick Vassar, Drilling Engineer with Shell Oil Company in Roswell.

Q Have you previously testified before the Oil Conservation Commission or one of its Examiners, Mr. Vassar?

A Yes, sir.

Q Are you familiar with Shell's application in this case, 2946?

A Yes, sir, I am.

Q What is it that Shell seeks by this application?

A We seek permission by this application to dual complete and produce the Vacuum-Yates and Vacuum-Paddock zones in our

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General Court Reporting Service

Suite 1120 Simms Building Albuquerque, New Mexico Phone 243-6691



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General Court Reporting Service

Suite 1120 Simms Building Albuquerque, New Mexico Phone 243-6691

State V 5 Lease in the Vacuum Field.

Q Do you have a plat showing the location of this well and the subject lease, and has that been marked as Exhibit No. 1 in this case?

A Yes, sir, it has. The plat in question shows the lease in question to be shaded with blue dots around the 80-acre section. The lease is located in the Southeast Southeast Quarter of Section 27, 17 South, 35 East. The well in question is located by the red dot in the northwest portion of this lease.

Also shown on this plat are offset wells with the leases by offset operators, with legend at the bottom identifying the particular zone in which a well is completed. The nearest Yates well is to the southwest of our V 5, and the nearest Paddock well is to the northeast, both of these being single zone completions.

Q What is the status of your Well No. 5 at the present time?

A Presently we are attempting to complete in the Yates. We have already completed in the Paddock and OPT'd it. I have the OPT information here. The Paddock flowed 307 barrels of oil per day with no water with 350 psi flowing tubing pressure on 14/64 choke with a GOR of 428 to 1.

Q Has the well been logged?

A Yes, sir, it has. Refer to Exhibit 2 which is an acoustic log showing --



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MR. UTZ: Should that be Exhibit 3?

A It should be 2, but it doesn't matter.

MR. UTZ: It's marked 3.

A On this log you'll see the formation tops as picked by the Shell geologist, and the perforations as they now exist.

Q (By Mr. Morris) Do you have anything else that you wish to point out from this log, Mr. Vassar?

A No, sir, I don't.

Q Refer to what has been marked as Exhibit No. 2. Would you state what that is and what it shows, please?

A That is a schematic diagram of the well in question. It shows the mechanical hookup. Taking the well in chronological order, we set 8-5/8 casing at 1654 feet, circulated cement to cover all fresh water sands. The pipe is set 34 feet through the base of the red beds. We drilled 7-7/8ths hole to TD of 6250 feet and ran 5-1/2 inch 17 pound J-55 casing. This was cemented in two stages, the first stage being 470 sacks of encor neat cement and the second stage with Halliburton DV tool and consisted of 180 sacks of encor neat cement. Cement volumes were calculated from a microcaliper log with ten percent excess being added for the first stage and 25 percent excess for the second stage.

The cement top calculates to be 2700 feet, which is up into the salt as required by the Commission. The perforations you see are as they now exist in the well. The tubing has not been



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run, to my knowledge. We are still attempting to complete in the Yates. The Model D packer set at 6,075 feet will effectively prevent communication between the two zones when the tubing is out of the hole by use of a flapper valve on the bottom.

We propose to flow both of these zones if the Yates is willing. The Paddock we know will flow through a 2-1/16th inch tubing and the Yates we hope will flow. In the event that the Yates does not flow, it can easily be pumped through this size tubing with very good pump efficiency at top allowable rate.

Q What are the characteristics as far as you know at this time of each of these two zones, Mr. Vassar?

A As far as I know, based on the limited development in the Paddock, this zone is a depletion type reservoir. We have a 70-hour shut-in of 2238 pounds. The zone is expected to have a life of approximately five years, of which the first two should be flowing. Reserves are now estimated at 60,000 barrels. The OPT which I gave previously is indication that it is quite a good zone.

The Yates, as I said before, is still being completed. Based on other wells in the pool it is expected to have a life of four and a half to five years and produce some 20 to 25,000 barrels of oil. A 92-hour shut-in bottom hole pressure reading of 1304 psi was obtained during a BHP survey.

Based on surrounding wells, we expect the Yates to be of gravity of 32 to 37 degrees API, with a GOR of 200 to 4100,



depending on the structural position of the well. Both of these crudes are sour. The Paddock, as I neglected to mention, has a gravity of 37.5 degrees on OPT.

Q Have you given the gravities of both zones?

A Yes.

Q Gas-oil ratios of both?

A Yes.

Q And the pressures?

A Yes.

Q Would a single zone Yates completion in this area be an economically attractive venture for Shell?

A No, sir, I don't believe that it would. We expect, based on the wells surrounding ours, we're on the very edge of the defined pool right now. We expect 20 to 25,000 barrels, as I have said, and a well cost of approximately \$35,000. This is not an attractive proposition.

Based on the information we obtain from this dual if we are granted such permission, we may possibly drill a single zone to the Yates. We felt that the risk was not worth taking in this particular case.

Q The completion that you have proposed, Mr. Vassar, is a pretty standard type of dual completion, is that correct?

A Yes, it is.

Q Were Exhibits 1 and 2 prepared by you, and was the data shown on Exhibit 3 placed there by you?

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A It was.

MR. MORRIS: We offer Exhibits 1, 2, and 3 at this time.

MR. UTZ: Without objection the Exhibits 1 through 3 will be accepted into the record of this case.

(Whereupon, Applicant's Exhibits Nos. 1, 2, and 3 received in evidence.)

MR. MORRIS: That's all I have of Mr. Vassar at this time.

CROSS EXAMINATION

BY MR. UTZ:

Q Did you give a GOR and gravity for your Paddock zone?

A Yes, I did, at different intervals. The GOR was 428 to 1, on our OPT, and the gravity was 37.5 degrees.

Q Are these both sweet crudes?

A No, sir, they are to the best of my knowledge both sour crudes.

Q As shown on your Exhibit 2, you have an open zone behind the pipe between the 5-1/2 inch from 2700 up to 1654. What zones are in this area?

A That's the salt and anhydrite.

Q There's no potable water or oil producing zones in the area?

A No, sir, there are not. The Yates is the highest, to my knowledge, oil producing zone in the Vacuum Field.

MR. UTZ: Any other questions of the witness? The



witness may be excused.

(Witness excused.)

MR. UTZ: Are there other statements in this case?

The case will be taken under advisement.

* * * *

STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

I, ADA DEARNLEY, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me, and that the same is a true and correct record of the said proceedings to the best of my knowledge, skill, and ability.

WITNESS my Hand and Seal this 12th day of December, 1963.

Ada Dearnley
NOTARY PUBLIC

My Commission Expires:

June 19, 1967.

do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 2946
heard by me on Dec. 4, 1963.
Shirley J. [Signature], Examiner
New Mexico Oil Conservation Commission

DEARNLEY, MEIER, WILKINS and CROWNOVER

General Court Reporting Service

Phone 243-6691

Albuquerque, New Mexico

Suite 1120 Simms Building



19-1	19-2	21-2	21-3	35-2
115' - 15 1/2"	125' - 15 1/2"			120' - 15 1/2"
100 SKS. CEMENT	75 SKS. CEMENT			100 SKS. CEMENT
390' - 13"	450' - 13"			450' - 13"
800' - 10"	800' - 10"	410' - 10 3/4"	420' - 10 3/4"	750' - 10"
150 SKS. CEMENT	100 SKS. CEMENT	125 SKS. CEMENT	125 SKS. CEMENT	
1145' - 8 5/8"	1164' - 8 5/8"			1150' - 8 5/8"
150 SKS. CEMENT	150 SKS. CEMENT			
3360' - 7"	3364' - 7"	3404' - 7"	3409' - 7"	3450' - 7"
150 SKS. CEMENT	OPEN HOLE	410 SKS. CEMENT	410 SKS. CEMENT	150 SKS. CEMENT
3360' - 3610'	3364' - 3610'	5 1/2" LINER 3376' - 3660'	5 1/2" LINER 3387' - 3664'	OPEN HOLE 3450' - 3702'

EXHIBIT "D"
INJECTION WELL CASING PROGRAM

DRAFT

JMD/esr

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE No. 2946

Order No. R-2634

APPLICATION OF SHELL OIL COMPANY
FOR A DUAL COMPLETION, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on December 4, 1963, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this day of December, 1963, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, and being fully advised in the premises,

FINDS:

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

(2) That the applicant, Shell Oil Company, seeks authority to complete its State V Well No. 5, located in Unit I of Section 27, Township 17 South, Range 35 East, NMPM, Lea County, New Mexico, as a dual completion (conventional) to produce oil from the Vacuum-Yates and Vacuum-Paddock Pools through parallel strings of 2 1/16-inch tubing, with separation of zones by a packer set at approximately 6075 feet.

(3) That the mechanics of the proposed dual completion are feasible and in accord with good conservation practices.

(4) That approval of the subject application will prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Shell Oil Company, is hereby authorized to complete its State V Well No. 5, located in Unit I of Section 27, Township 17 South, Range 35 East, NMPM, Lea County, New Mexico, as a dual completion (conventional) to produce oil from the Vacuum-Yates and Vacuum-Paddock Pools through parallel strings of 2 1/16 -inch tubing, with separation of zones by a packer set at approximately 6075 feet.

PROVIDED HOWEVER, That the applicant shall complete, operate, and produce said well in accordance with the provisions of Rule 112-A of the Commission Rules and Regulations insofar as said rule is not inconsistent with this order.

PROVIDED FURTHER, That the applicant shall take packer-leakage tests upon completion and annually thereafter during the Gas-Oil Ratio Test Period for the Vacuum-Paddock Pool.

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year herein-above designated.