

CASE 3035: Application of SHELL
for a non-standard gas proration
unit, Lea County, New Mexico.

CASE No.

3035

Application,
TRANSCRIPTS,
SMALL Exhibits
ETC.

GOVERNOR
JACK M. CAMPBELL
CHAIRMAN

State of New Mexico
Oil Conservation Commission



LAND COMMISSIONER
C. B. JOHNNY WALKER
MEMBER

P. O. BOX 871
SANTA FE

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

July 8, 1964

Mr. Richard S. Morris
Seth, Montgomery, Federici & Andrews
Attorneys at Law
Post Office Box 2307
Santa Fe, New Mexico

Re: Case No. 3035
Order No. R-2733
Applicant:
Shell Oil Company

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.

A. L. PORTER, Jr.
Secretary-Director

lr/

Carbon copy of order also sent to:

Hobbs OCC x

Artesia OCC

Astec OCC

OTHER

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BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION

APPLICATION OF SHELL OIL COMPANY }
FOR APPROVAL OF A NON-STANDARD }
GAS PRORATION UNIT, TUBB GAS }
POOL, LEA COUNTY, NEW MEXICO }

Case No. 3035

A P P L I C A T I O N

Comes now the Shell Oil Company and applies to the New Mexico Oil Conservation Commission for approval of a 320-acre non-standard gas proration unit in the Tubb Gas Pool comprising the $S\frac{1}{2}$ of Section 22, T.21S., R.37E., Lea County, New Mexico, and in support of its application states:

1. Shell Oil Company is the owner and operator of the $S\frac{1}{2}$ of Section 22, T.21S., R.37E., Lea County, New Mexico.

2. At the present time Wells Nos. 2 and 3, located respectively in the $NW\frac{1}{4}SW\frac{1}{4}$ and the $NW\frac{1}{4}SE\frac{1}{4}$ of said Section 22, are both dually completed in the Tubb Gas Pool and Drinkard Oil Pool.

3. Shell Oil Company proposes to abandon the Tubb Gas Zone of said Well No. 3 and dually complete said well in the Blinebry Pools.

4. Shell Oil Company proposes to dedicate the entire $S\frac{1}{2}$ of said Section 22, comprising 320 acres, to the Tubb Gas Zone of Well No. 2.

5. The working and royalty interests in the $S\frac{1}{2}$ of said Section 22 in the $SE\frac{1}{4}$ of said Section 22 are identical with the working and royalty interests in the $SW\frac{1}{4}$ of said Section 22.

6. Approval of the subject application will neither cause waste nor impair correlative rights.

WHEREFORE, Shell Oil Company requests that this application be set for hearing before the Commission, or one of its

Examiners, and that an order be entered approving this application.

SETH, MONTGOMERY, FEDERICI & ANDREWS

By Richard B. Morris
P. O. Box 2307
Santa Fe, New Mexico

Attorneys for Shell Oil Company

DOCKET MAILED

Date 4-17-64
PC

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 CON-
SIDERING:

CASE NO. 747
Order No. R-519

THE APPLICATION OF TRINITY PRODUCTION
COMPANY FOR AN ORDER GRANTING APPROVAL
OF AN EXCEPTION PURSUANT TO RULE 7 (a) OF
ORDER NO. R-373-A IN ESTABLISHMENT OF AN
UNORTHODOX GAS PRORATION UNIT OF 240
CONTIGUOUS ACRES CONSISTING OF NW/4, AND
W/2 NE/4 OF SECTION 21, TOWNSHIP 21 SOUTH,
RANGE 37 EAST, NMPM, IN THE TUBB GAS POOL.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m., on July 15, 1954, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on this 12th day of August, 1954, the Commission, a quorum being present, having considered the records and testimony adduced, and being fully advised in the premises,

FINDS:

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

(2) That pursuant to provisions of Rule 7 (a) of Order No. R-373-A, the Commission has power and authority to permit the formation of a gas proration unit consisting of other than a legal quarter section after notice and hearing by the Commission.

(3) That applicant, Trinity Production Company, is the owner of an oil and gas lease in Lea County, New Mexico, the land consisting of other than a legal quarter section, and described as follows, to-wit:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
NW/4 and W/2 NE/4 of Section 21

containing 240 acres, more or less.

Order No. R-519

(4) That applicant, Trinity Production Company, has a producing well on the aforesaid lease known as Weatherly No. 1-E, located 2080 feet from the north line and 1920 feet from the east line of Section 21, Township 21 South, Range 37 East.

(5) That the aforesaid well was completed and in production prior to January 1, 1954, the effective date of Order No. R-373-A, and is located within the limits of the pool heretofore delineated and designated as the Tubb Gas Pool.

(6) That it is impractical to pool applicant's said lease with adjoining acreage in the NE/4 of Section 21, Township 21 South, Range 37 East, NMPM, and that the owners of adjoining acreage in said quarter sections have not objected to the formation of the proposed proration unit of 240 acres.

(7) That unless a proration unit consisting of applicant's aforesaid acreage is permitted, applicant will be deprived of the opportunity to recover its just and equitable share of the natural gas in the Tubb Gas Pool.

(8) That creation of a proration unit consisting of the aforesaid acreage will not cause but will prevent waste and will protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the application of Trinity Production Company for approval of an unorthodox proration unit consisting of the following described acreage:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
NW/4 and W/2 NE/4 of Section 21

be, and the same hereby is approved, and a proration unit consisting of the aforesaid acreage is hereby created.

(2) That applicant's well, Weatherly No. 1-E, located in the SW/4 NE/4 of Section 21, Township 21 South, Range 37 East, NMPM, shall be granted an allowable from January 1, 1954, in the proportion that the above-described 240-acre unit bears to the standard orthodox proration unit for said pool, all until further order of the Commission.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

E. S. WALKER, Member

W. B. MACEY, Member and Secretary

S E A L

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 CON-
SIDERING:

CASE NO. 782
Order No. R-545

THE APPLICATION OF THE OHIO OIL
COMPANY FOR AN ORDER GRANTING
APPROVAL OF AN EXCEPTION PURSUANT
TO RULE 7 (a) OF ORDER NO. R-373-A IN
ESTABLISHMENT OF AN UNORTHODOX GAS
PRORATION UNIT OF 320 CONTIGUOUS ACRES
CONSISTING OF N/2 OF SECTION 11, TOWNSHIP
22 SOUTH, RANGE 37 EAST, NMPM, LEA
COUNTY, NEW MEXICO, IN THE TUBB GAS POOL.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a. m., on October 20, 1954, at Hobbs, New Mexico, before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this 17th day of November, 1954, the Commission, a quorum being present, having considered the records and testimony adduced, and being fully advised in the premises;

FINDS:

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

(2) That pursuant to provisions of Rule 7 (a) of Order No. R-373-A, the Commission has power and authority to permit the formation of a gas proration unit consisting of other than a legal quarter section after notice and hearing by the Commission.

(3) That applicant, The Ohio Oil Company, is the owner of an oil and gas lease in Lea County, New Mexico the land consisting of other than a legal quarter section, and described as follows, to-wit:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
N/2 of Section 11

containing 320 acres, more or less.

(4) That applicant, The Ohio Oil Company has a producing well on the aforesaid lease known as Ohio Lou Worthan Well No. 9, located 1905' from the North line and 440' from the West line of Section 11, Township 22 South, Range 37 East.

(5) That the aforesaid well is located within the limits of the pool heretofore delineated and designated as the Tubb Gas Pool.

(6) That the aforesaid well was completed and in production as an oil well producing from the Drinkard Oil Pool prior to January 1, 1954, the effective date of Order No. R-373-A; that thereafter the applicant plugged back out of the Drinkard Oil Pool, having been authorized by Commission Order DC-60-A, dated June 1, 1954, to dually complete the said well so as to produce gas from both the Blinebry and Tubb Gas Pools; that applicant has been producing from both the Blinebry and Tubb Gas Pools since on or about June 28, 1954.

(7) That it is impracticable to pool applicant's said lease with adjoining acreage in the said Section 11, and that the owners of adjoining acreage in said quarter sections have not objected to the formation of the proposed proration unit of 320 acres, consented thereto.

(8) That unless a proration unit consisting of applicant's aforesaid acreage is permitted, applicant will be deprived of the opportunity to recover its just and equitable share of the natural gas in the Tubb Gas Pool.

(9) That creation of a proration unit consisting of the aforesaid acreage will not cause but will prevent waste and will protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the application of the Ohio Oil Company for approval of an unorthodox proration unit consisting of the following described acreage

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
N/2 Section 11

is hereby approved, and a proration unit consisting of aforesaid acreage is hereby created.

(2) That applicant's well, Ohio Lou Worthan No. 9, located in the SW/4 NW/4 of Section 11, Township 22 South, Range 37 East, NMPM, shall be granted an allowable from June 28, 1954, in the proportion that the above described 320 acre unit bears to the standard or orthodox proration unit for said pool, all until further order of the Commission.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Signed by: Edwin L. Mechem, Chairman; E. S. Walker, Member; W. B. Macey,
Secretary and Member

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182

SANTA FE, N. M.
PHONE 983-3971

ALBUQUERQUE, N. M.
PHONE 243-6691

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

APRIL 29, 1964

EXAMINER HEARING

IN THE MATTER OF: Application of Shell Oil
Company for a non-standard gas proration unit,
Lea County, New Mexico.

Case No. 3035

BEFORE: Elvis A. Utz, Examiner

TRANSCRIPT OF HEARING

MR. UTZ: Case 3035.

MR. DURRETT: Application of Shell Oil Company for a
non-standard gas proration unit, Lea County, New Mexico.

MR. MORRIS: Mr. Examiner, I am Richard Morris, of
Seth, Montgomery, Federici Andrews, Santa Fe, New Mexico, appear-
ing on behalf of the Applicant. We will have one witness in this

Case, Mr. Vick King. I ask that he be sworn.

MR. UTZ: All right.

(Witness sworn.)

MR. MORRIS: I would like to have this marked as
Applicant's Exhibit Number One.

(Whereupon, Applicant's Exhibit
Number One was marked for identification.)

VICTOR L. KING,

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

DIRECT EXAMINATION

BY MR. MORRIS:

Q Mr. King, please state your name, and by whom you
are employed, and what position, and where you are located?

A My full name is Victor L. King, Junior. I am an
exploration engineer with Shell Oil Company in Roswell, New Mexico.

Q Have you previously testified before the Commission or
one of its Examiners?

A No, I have not.

Q Would you briefly state your education and your
experience in the oil business?

A I have a B.S. Degree in geology from Lamar State College,
and a M.A. in geology from the University of Texas. I have been
employed by Shell for the past seven years.



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ALBUQUERQUE, N. M.
PHONE 243-6691

Q Are you familiar with various aspects of this case and of Shell's application?

A Yes, I am.

Q What is it that Shell seeks by this application, Mr. King?

A We are seeking approval of a 320 acre proration unit for Tubb Gas Pool, to be dedicated to our Turner Number 2; the 320 acres comprising of Section 22, 21, 37 and Well Number 2 is located in the Northwest Quarter of the ~~Southeast~~ ^{Southwest} Quarter of Section 22.

Q All right. All of this is as shown on what has been marked as Exhibit Number One in this case?

A That's correct.

Q Referring further to that Exhibit, would you point out the features of it, please?

A The Turner lease comprises 320 acres presently developed in the Tubb Gas Pool by two wells, Turner Two and Three, and is so indicated with a green circle. Each well has 160 acres dedicated to the well. Further, there are other producing horizons on the lease, being the Drinkard and the Bronson and Blinebry.

Q Now, both the Number Two well and the Number Three well, encircled in green are producing Tubb Wells at this time?

A That's correct.

Q And what is your proposal?

A The reasons for this request is to permit the use of Turner



Three, the Eastern well, for a Blinebry Oil drainage point. We intend to dually complete Turner Three in the Drinkard and Blinebry Oil Pools, and produce it, as I say, the purpose is to produce the Blinebry which is not at the present developed on that tract.

Q Is this well now completed in the Tubb?

A This well is now completed in the Tubb and the Drinkard.

Q Both Number Two and Number Three are dual completions in the Tubb and Drinkard?

A That's correct.

Q As I understand, you are going to take the Number Three Well and shut in the Tubb and dual it in the Blinebry so it will -- Number Three will become a Blinebry and Drinkard Well?

A That's correct.

Q And then to maintain the position in this 320 acres, you are asking permission to expand the proration unit to be dedicated to the Number Two well and make that a full 320 acre unit?

A That's correct. We feel that this request will -- approval of it will permit immediate development to the Blinebry without causing any underground waste of the Tubb due to pressure depletion and drainage.

Q If this application is approved, Mr. King, and the 320



acre gas unit is established and dedicated to the Number Two well, will the Number Two well be able to make a 320 acre allowable?

A The Number Two well, yes. The answer to your question is yes. The March calculated overflow of potential in the well indicated 3.9 million cubic feet per day, and I believe the average 320-acre Tubb gas allowable will be in the order of 700 MCF per day, so that well has plenty of capacity and is well capable of producing a 320 acre allowable.

Q Now, primarily, what has given rise to this application, is that you want to establish Blinebry production in the area of your Number Three well?

A That's correct.

Q Now, have you explored any other alternatives to accomplishing this result in other wells or by other means?

A Yes. We have. The basic question, I believe, is what is the most, the best way to develop the Blinebry oil without indicating waste or impairing any correlative rights, and other, such as drilling in another well or dually completing an existing well in another location. We feel that both of these alternatives are impractical, however. Due to the marginal nature of the Blinebry and of the Tubb Gas which would be grossly detrimental of that production for the life of the Blinebry.

Q Would it be possible to triple complete any of these?

A It is not mechanically feasible, we believe, triple



complete any of these wells.

Q Is it economically feasible to drill another well in this area for Blinebry or Tubb production?

A No, sir. The cost would have to be born by the Tubb, since it is the poorest of the two zones, and the well cost would far exceed the value to be gained from the Tubb production during the life of the Blinebry.

Q Mr. King, on the points of protection of correlative rights, what is the ownership of working interest of royal interest of royal interest and overriding royalty interests in the southeast quarter of this section, and in the Southwest Quarter of the Section?

A I think, there are no overriding royalties, working interest is held by Shell entirely, and royal interest is undivided throughout the entire lease.

Q So, by expanding the Tubb proration unit, letting all of the Tubb production of this South half of 22 be produced by the Number Two well, you are not going to be violating any ones correlative rights?

A No, sir, I don't think so. The Tubb wells characteristically exhibit very similar pressures, and a well with 160 acres is draining about that amount, and a 320-acre well should also drain 320 acres. Adjoining leases adjoining Tubb Gas Units should not be anyway have their correlative rights endangered by



this unit. Due to this pressure uniformity, their share of the gas should remain unchanged.

Q Do you have any further conclusions you wish to make concerning this Application?

A Only to say this: That approval of this request will, in my opinion, prevent loss of Tubb recovery from this lease, prevent the unnecessary capital expenditure which cannot be justified for a new well, and in effect will protect our correlative rights to the top production on this tract.

MR. MORRIS: In this regard, Mr. Examiner, we would like to call the attention of the Commission to Order Number R-545 and R-519, which have established gas proration units in the Tubb gas Pool in excess of 160 acres. One of those orders establishes a 240-acre unit and the other one a 320-acre unit, comprising a half a Section similar to what we are proposing here. We offer at this time Exhibit Number One into evidence and that completes our presentation up to this point.

MR. UTZ: Exhibit Number One will be entered into the record in this case.

(Whereupon, Applicant's Exhibit Number One was admitted into evidence.)

CROSS EXAMINATION

BY MR. UTZ:

Q Mr. King, the standard spacing unit in the Tubb is 160



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PHONE 243-6691

acres is it not?

A That is the purpose of this request to make it excepted to this.

Q Do you know of any order, either of the Commission where they found that one well will actually drain clear of 120 acres?

A I know of no such interference tests conducted. The only evidence that I have to offer in support of that is somewhat of a back door type, and that is the pressures are similar throughout the Tubb, and that this is true when a well has a 40-acre proration unit or a 320-acre unit. Actually, interference between wells, tests of that nature, I am not aware of.

Q So, the only priority in this case is the fact that through these two orders which have been cited here, the Commission has approved larger than 160 acres?

A That's right.

Q These orders are quite underlined?

A Yes, sir. I am sorry, sir, I don't know the dates of them.

Q They are quite old?

A They are after 1954, but I don't know whether -- I don't know the exact date.

MR. UTZ: Are there any other questions of the witness?



MR. MORRIS: Just one question along those lines.

REDIRECT EXAMINATION

BY MR. MORRIS:

Q Mr. King, in your opinion, if this application is approved by the Commission, will Well Number Two be able to efficiently and effectively drain and develop this 320 acre proration unit?

A Yes, it will.

MR. MORRIS: Thank you.

MR. DURRETT: I have a question, please.

RECROSS EXAMINATION

BY MR. DURRETT:

Q Mr. King, I was out during your qualifications, are you a petroleum engineer or geologist?

A My formal training has been in geology. I did have a minor in petroleum engineering from the University of Texas. And I have been employed by Shell for seven years as an exploration engineer, so that I feel like I am a little of both.

Q A little of both?

A Yes, sir.

Q Have you calculated a drainage radius for this well Number Two, you have proposed, dedication of this well to?

A Drainage radius?

Q Yes.

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A No, sir, I have not.

Q Are you of the opinion that this well, being located in the Northwest Quarter of the Southwest Quarter of Section 22, will drain this South half of Section 22 without draining offset acreage in Section 21 and Section 15?

A Yes, for this reason: That pressure declined, the field is going to go on regardless of the location of the well. And my opinion there, is that pressure communication is that good; and that the 320-acre proration unit for Turner Two will in no way impair the ultimate recovery of gas from the offsetting acreage to the Tubb gas well, operated by the adjoining operator here. That it will drain 320-acres as efficiently as the location of each of these two wells which are now in existence on 160-acre units.

Q Do you think that this well will drain only in possibly an easterly direction, southeasterly direction will not drain to the West and Northwest?

A I think that the well which has a 160-acre allowable will still produce as much gas as it would have, regardless of what happens to the allowable; that in quite the opposite, if we cannot produce the Tubb gas now being produced in Turner Three, that, due to this pressure decline, which will go on, that we will actually lose gas production, during the life of the Blinebry. After the completion of the Blinebry we will be able to



once again go back to the Tubb because the interim will result in loss of Tubb production. And with the 320-acre allowable we will maintain our fair share of the recovery.

Q If there are other operators in the Pool that have acreage which is larger than 160 acres and one well on it or one well that they want to produce on it, you would suggest that they be given an allowable proportionate to the acreage they have because the drainage between wells will justify everybody getting a fair share in the long run?

A I would hate to expand my knowledge of the situation beyond what I have requested here. Certainly I think, each situation needs to be evaluated on its own merits of various interests in the tracts and various pay developments in different parts of the field which, I think, would have a direct bearing on that.

Q Thank you.

MR. UTZ: Mr. King, at the spacing of 320 acres, you wouldn't have any problem, would you?

A That's correct, sir.

MR. UTZ: Are there any other questions?

MR. WOLF: Continental would like to make a statement in the Case.

MR. UTZ: We will have statements quite shortly.

MR. UTZ: Are there any other questions? The witness

may be excused.

(Witness excused.)



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PHONE 243-6691

MR. UTZ: We will have statements at this time.

MR. WOLF: John Wolf representing Continental Oil Company, Hobbs, New Mexico. We operate property both to the west and to the south of the proposed unit and Continental does not oppose the 320-acre spacing. If drainage is so proved by Shell or others, probably this will result in a series of similar Hearings by Continental and others. We all are faced with similar problems. We feel that if drainage is proved by Shell, a similar provision applicable to all wells in the Tubb Gas Pool should be forthcoming.

MR. UTZ: Would you suggest a set spacing here?

MR. WOLF: This is the next logical step.

MR. MORRIS: Mr. Examiner --

MR. UTZ: Yes, sir.

MR. MORRIS: As my witness, Mr. King applicably put it, each case should be examined on its own merits. In this case, we are not seeking merely to shut down the Tubb well, and expand the proration unit, but we have other factors that militate that this be done in order to give some incentive to convert wells in this multipay area to their most beneficial use. Here we have a well that can be, Number Three Well that can be most beneficially used, as for Blinbry production rather than Tubb production. And it just so happens that we can, by our proposal, transfer the allowable in a sense to the Number Two and



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enlarge the proration unit and accomplish a dual result. This certainly would not be the situation in every other case that might be merged in this area, and we ask that individual consideration be given to our case.

MR. UTZ: Are there any further statements?

The case will be taken under advisement.

* * * * *

STATE OF NEW MEXICO)
) ss.
COUNTY OF BERNALILLO)

I, CHARLES FLOYD WALKER, 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 of Office, this 29th day of June, 1964.

Charles Floyd Walker
NOTARY PUBLIC

My Commission Expires:

March 25, 1968.

I do hereby certify that the foregoing is a true and correct copy of the original as the same appears in the records of the New Mexico Oil Conservation Commission.

Charles F. Walker
Notary Public for the State of New Mexico
3035
64



I N D E X

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E X H I B I T S

<u>NUMBER</u>	<u>MARKED FOR IDENTIFICATION</u>	<u>OFFERRED</u>	<u>ADMITTED</u>
Exhibit "1"	2	7	7



DOCKET: EXAMINER HEARING - WEDNESDAY - APRIL 29, 1964

ROOM - 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 3015 (Continued from the March 25, 1964 Examiner Hearing):

Application of Lone Star Producing Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the dual completion (conventional) of its Atlantic State Well No. 1 located in Unit G of Section 30, Township 17 South, Range 36 East, Lea County, New Mexico, to produce oil from an undesignated San Andres Pool and from undesignated Abo Detritus through parallel strings of 2-3/8 inch tubing.

CASE 3024 (Continued from the April 8, 1964 Examiner Hearing):

Application of Deane H. Stoltz for approval of a non-standard unit, a dual completion, and commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a non-standard 80-acre unit in the North Bagley-Wolfcamp Pool comprising the SW/4 NE/4 and NW/4 SE/4 of Section 22, Township 11 South, Range 33 East, Lea County, New Mexico, approval of the dual completion (conventional) of its Deane H. Stoltz State 262 Well No. 1, located in Unit G of said Section 22, to produce oil from the North Bagley-Wolfcamp Pool through 1 1/4-inch tubing and to produce oil from the North Bagley-Upper Pennsylvanian Pool through the casing-tubing annulus by means of a hydraulic pump and authority to commingle production from the North Bagley-Wolfcamp and North Bagley-Pennsylvanian Pools into a common tank battery, computing production from the North Bagley-Upper Pennsylvanian Pool by the subtraction method.

CASE 3016 (Continued from the March 25, 1964 Examiner Hearing):

Application of Texaco, Inc. for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of special pool rules, including a provision for 80-acre proration units, for the Vacuum Upper-Pennsylvanian Pool in Sections 25 and 36, Township 17 South, Range 34 East, Lea County, New Mexico.

CASE 3031: Application of Continental Oil Company to revise the vertical limits of the Blinebry Oil Pool and Terry Blinebry Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order extending the vertical limits of the Blinebry Oil Pool and Terry Blinebry Pool to encompass all of the Blinebry formation, Lea County, New Mexico.

CASE 3032: Application of Robert G. Hanagan for force-pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order force-pooling all mineral interests in the Indian Hills-Upper Pennsylvanian Gas Pool underlying all of Section 32, Township 21 South, Range 24 East, Eddy County, New Mexico.

CASE 3033: Application of Cherry Brothers and Cabot Corporation for the creation of a new oil pool and for special temporary pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new oil pool for Lower Wolfcamp production for its Austin State Well No. 1, located in Unit F of Section 19, Township 14 South, Range 36 East, Lea County, New Mexico, and for the establishment of temporary pool rules therefor, including a provision for 80-acre oil proration units.

CASE 3034: Application of Shell Oil Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Langlie-Mattix Pool by the injection of water into the Queen and Grayburg formations through nine wells in Sections 14 and 23, Township 24 South, Range 37 East, Lea County, New Mexico.

CASE 3035: Application of Shell Oil Company for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 320-acre non-standard gas proration unit comprising the S/2 of Section 22, Township 21 South, Range 37 East, Tubb Gas Pool, Lea County, New Mexico, to be dedicated to its Turner Well No. 2, located in Unit L of said Section 22.

CASE 3036: Application of Curtis J. Little for a pressure maintenance project, San Juan, County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pressure maintenance project in the Gallup formation underlying its Navajo Indian Lease in Sections 21, 22, 27 and 28, Township 32 North, Range 17 West, Many Rocks Gallup Oil Pool, San Juan County, New Mexico. Initial injection will be through three wells located in Units D and O of Section 27 and Unit I of Section 28. Applicant further seeks the promulgation of special rules governing the operation of said project.

Case 3035

Heard 4/24/64

Rec. 4/30/64

1. Denise Shall the 320 acre unit requested on grounds that the spacing in the pool is 160 Ac. If units greater than 160 are granted then the pool spacing should be changed.

There have been larger units denied in this pool since R-545-R-512 & R596A

Shall

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. 3035
Order No. R-2733

APPLICATION OF SHELL OIL COMPANY
FOR A NON-STANDARD GAS PRORATION
UNIT, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on April 29, 1964, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 8th day of July, 1964, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, 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 approval of a 320-acre non-standard gas proration unit in the Tubb Gas Pool comprising the S/2 of Section 22, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico, to be dedicated to its Turner Well No. 2, located in Unit L of said Section 22.

(3) That the applicant has not established that the subject well can efficiently and economically drain and develop the proposed non-standard unit.

(4) That the applicant has not established that approval of the subject application will either prevent waste or protect correlative rights.

(5) That the subject application should be denied.

-2-

CASE No. 3035

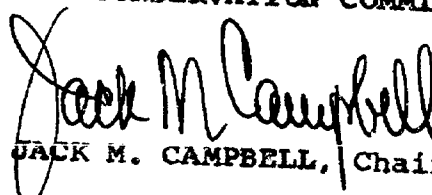
Order No. R-2733

IT IS THEREFORE ORDERED:

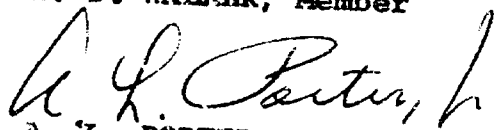
- (1) That the subject application is hereby denied.
- (2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

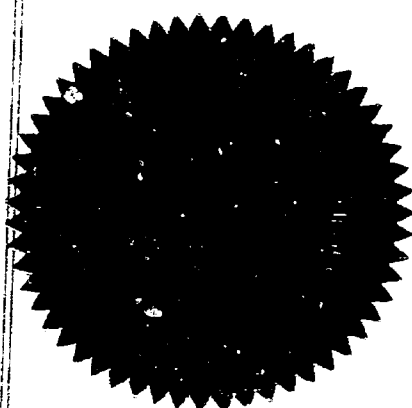
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JACK M. CAMPBELL, Chairman


E. S. WALKER, Member


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



esr/

DRAFT

JMD/esr

July 1, 1964

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:

CF Subj. non-standard
gas proration
unit - denied

CASE No. 3035

Order No. R-2733

APPLICATION OF SHELL OIL COMPANY
FOR A NON-STANDARD GAS PRORATION
UNIT, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

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Elvis A. Utz.

NOW, on this _____ day of July, 1964, the Commission,
a quorum being present, having considered the testimony, the record,
and the recommendations of the Examiner, and being fully advised
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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 approval
of a 320-acre non-standard gas proration unit in the Tubb Gas
Pool comprising the S/2 of Section 22, Township 21 South, Range
37 East, NMPM, Lea County, New Mexico, to be dedicated to its
Turner Well No. 2, located in Unit L of said Section 22.

(3) That the applicant has not established that the
subject well can efficiently and economically drain and develop
the proposed non-standard unit.

(4) That the applicant has not established that approval of the subject application will either prevent waste or protect correlative rights.

(5) That the subject application should be denied.

IT IS THEREFORE ORDERED:

(1) That the subject application is hereby denied.

(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.