



MAIN OFFICE OF
SHELL OIL COMPANY

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P. O. Box 1957
Hobbs, N. M.

NSP-393

QW 9/18/57

August 14, 1957

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

Application for a 160-acre Non-Standard
Gas Proration Unit in Exception to Rule
5 (a), Order R-520, Shell Foster 2,
Eumont Gas Pool, Lea County, New Mexico.

Gentlemen:

Under provisions of Commission Order No. R-520, Rule 5 (b), delegating the Secretary-Director of the Commission authority to grant exception to the requirements of Rule 5 (a) without notice and hearing for a non-standard gas proration unit, Shell Oil Company hereby applies for an exception to the aforementioned Rule for Shell Foster 2, Eumont Gas Pool.

In support of the above application the following facts are submitted:

1. Shell Foster 2 is located 660 feet from the South line and 1650 feet from the East line of Section 34, T-19-S, R-36-E, and was originally completed an oil well in February, 1939, flowing 90 MOPD from the open-hole interval 3702 to 3953 feet.

2. On January 22, 1957, Shell Oil Company completed Foster 2-A as a replacement well for the Foster 2 well and Foster 2 was temporarily abandoned at that time.

3. On May 16, 1957, Shell Oil Company initiated operations to recomplete Foster 2 as a gas well. Pea gravel was dumped from total depth 3953 feet up to 3740 feet. The hole was then plugged back with Hyaronite from 3740 feet up to 3694 feet (casing shoe is at 3702 feet). Foster 2 was perforated for Eumont gas production in the interval 3634 to 3690 feet. The gas zone was treated with 20,000 gallons of fracture fluid. Although an official test has not been taken, routine production tests have indicated a capacity of approximately 900 MOPD thru a 16/64 inch choke with a flowing tubing pressure of 900 psi. This indicates the well will be capable of producing at the top allowable rate.

4. The proposed non-standard gas proration unit complies with the provisions of Rule No. 5 (b) of Order R-520 in that:

- (a) it is composed of contiguous quarter-quarter sections,
- (b) it lies wholly within a governmental section,
- (c) it may reasonably be presumed to be productive of gas,
- (d) it's length and width does not exceed 5280 feet,
- (e) it is within the horizontal limits of the Eumont Gas Pool,

(f) and all operators owning interest within the same governmental section in which the proposed non-standard gas proration unit is situated and all operators owning interest within 1500 feet of the well to which this unit is proposed have been notified of Shell's intent to form the unit by means of a copy of this application through certified mail.

5. Approval of this application for a 160-acre non-standard gas proration unit will, in the opinion of the applicant, protect relative rights and serve the best interest of conservation.

6. The attached plat shows the location of Foster No. 2 and an outline of the proposed 160-acre gas proration unit, as well as offsetting wells and gas proration units.

In view of the existence of the facts herein stated and compliance with the provisions of Rule 5 (b) of the Oil Conservation Commission's Order No. R-520, Shell Oil Company requests that the Secretary-Director of the Commission approve a 160-acre non-standard gas proration unit for Shell Foster 2, consisting of the S/2 of the SE/4 and the S/2 of the SW/4 of Section 34, T-19-S, R-36-E, Ramont Field, Lea County, New Mexico.

Respectfully Submitted,

SHELL OIL COMPANY

By W. E. Owen
Division Manager

Attachments

A F F I D A V I T

Before me, the undersigned authority, on this day personally appeared W. E. Owen, known to me to be the person whose name is subscribed to this instrument, who, after being by me duly sworn on oath, states that he is employed by or associated with Shell Oil Company in the capacity of Division Production Manager, and that the above statements are true and correct.

Sworn and subscribed to before me on this the 14th day of August, 1957



Doris L. Garrison
Notary Public in and for Lea County, New Mexico
My Commission Expires February 7, 1961

cc: Certified Mail, Return Receipt Requested

Gulf Oil Corporation
P. O. Box 1290
Fort Worth, Texas

Amerada Petroleum Corporation
P. O. Box 2040
Tulsa, Oklahoma

Resler & Shelton
Carper Building
Artesia, New Mexico

Continental Oil Company
P. O. Box 427
Hobbs, New Mexico

cc: New Mexico Oil Conservation Commission
P. O. Box 2045
Hobbs, New Mexico