

Case 1287

Ex. Hg  
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Early August



SHELL OIL COMPANY

P. O. Box 1957  
Hobbs, New Mexico

July 9, 1957

Subject: Application for Approval of a 160-acre  
Non-Standard Gas Proration Unit for  
Shell Livingston No. 2, Tubb Gas Pool,  
Lea County, New Mexico

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

Sent copy to  
Docket on  
owner 7/24/57

Gentlemen:

Shell Oil Company respectfully submits application for a 160-acre Non-Standard Gas Proration Unit to include the S/2 of the SW/4, the NE/4 of the SW/4 and the SW/4 of the SE/4 of Section 3, T-21-S, R-37-E, to be assigned to the Shell Livingston No. 2 well which was recently recompleted as a dual Tubb gas-Drinkard oil producer. It is requested that the Commission set this matter for an examiner hearing at an early date.

The following facts are offered in support of this application:

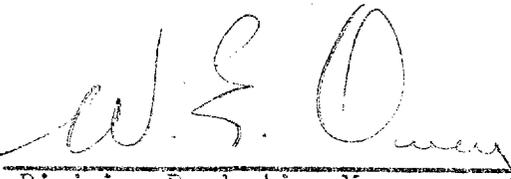
1. Shell Oil Company is the owner and operator of the oil and gas lease known as the Shell Livingston lease. This lease covers a total of 320 acres in Section 3 and 4, T-21-S, R-37-E and it is proposed to include the above described 160-acre portion of this lease in a non-standard gas proration unit to be assigned to the Shell Livingston No. 2 well as shown on the attached plat.
2. Shell Livingston No. 2, the proposed unit well, is located 660 feet from the south line and 1980 feet from the east line of Section 3, T-21-S, R-37-E, Lea County, New Mexico. This well was originally completed in March, 1950, as a Drinkard oil producer, flowing 94 BOPD on initial potential test through casing perforations 6601 to 6607 feet. New Mexico Oil Conservation Commission Order R-276 issued February 27, 1953, granted permission to dually complete Shell Livingston No. 2 as a Tubb gas-Drinkard oil producer.
3. On May 1, 1957, operations were initiated to dually complete Livingston No. 2. The casing was perforated opposite the Tubb formation in the gross interval 6185 to 6329 feet and the Tubb gas pay was treated through these casing perforations with 30,000 gallons of gelled lease crude carrying 30,000 pounds of sand. Although the official absolute open flow potential test has not been taken, production testing indicates a capacity of approximately 1500 MCFGPD through a 16/64 inch choke with a flowing casing pressure of 1700 psi. Shell Oil Company proposes to use this well as the unit well. Shell Oil Company further proposes that that portion of the Shell

Livingston lease consisting of the S/2 of the SW/4, the NE/4 of the SW/4 and the SW/4 of the SE/4 of Section 4, T-21-S, R-37-E be established as a non-standard 160-acre gas proration unit in exception to Rule 5 (a) of New Mexico Oil Conservation Commission Order R-586.

4. By copy of this letter of application all operators owning interest in the section in which the proposed unit is located and all operators within 1500 feet of the proposed unit well are notified of the intent of Shell Oil Company to form the proposed non-standard gas proration unit.

Respectfully submitted,

SHELL OIL COMPANY

By:   
Division Production Manager

Attachment

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

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

The Texas Company  
P. O. Box 1720  
Fort Worth, Texas

Aztec Oil and Gas Company  
P. O. Box 847  
Hobbs, New Mexico

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