

log in for hearing

Gulf Oil Corporation

ROSWELL PRODUCTION DISTRICT

W. A. Shellishear
DISTRICT MANAGER
F. O. Mortlock
DISTRICT EXPLORATION
MANAGER
M. I. Taylor
DISTRICT PRODUCTION
MANAGER
G. A. Price
DISTRICT SERVICES MANAGER

P. O. Drawer 669
Roswell, New Mexico

September 9, 1960

Oil Conservation Commission
State of New Mexico
Post Office Box 871
Santa Fe, New Mexico

Re: Application for Approval to Dual Complete Federal-Mills Well No. 1 in Allison (Penn.) and Undesignated Abo Oil Pools, and Approval to Commingle Production between these Pools and Approval of ACT System on Gulf's Federal-Mills Lease, NW/4 Section 11, T-9-S, R-36-E, Lea County, New Mexico

Gentlemen:

Gulf Oil Corporation herewith makes application for exception to the applicable rules and regulations of the New Mexico Oil Conservation Commission to: (1) dual complete Federal-Mills Well No. 1 between the Allison (Penn.) Oil Pool and an Undesignated Abo Oil Pool encountered in this well; (2) commingle crude produced from these pools; and, (3) install and operate ACT equipment to handle these crudes.

Gulf will seek exception to NMOCC Rules 303, which prohibits the commingling of oil between pools, and to NMOCC Rule 309 (a), which requires measurement of oil in tanks before such oil is transported from the lease, and to NMOCC Rule 112-A, which requires a hearing to dual complete a well if such well is the first in the pool.

The following facts are offered in support of this application:

- (a) Applicant is the owner and operator of the Federal-Mills Lease which consists of the NW/4 of Section 11, T-9-S, R-36-E, Lea County, New Mexico. Well No. 1 on this lease is located 660 feet from the north line and 1,980 feet from the west line of said Section 11.
- (b) The 13-3/8" OD casing in Gulf's Federal-Mills Well No. 1 was set at 375 feet and the cement circulated; 9-5/8" OD casing was set at 4,208 feet and the cement circulated; 7" OD casing was set at 9,670 feet and cemented with 1,653 sacks of cement. The top cement is at 4,015 feet. Applicant has perforated the 7" casing opposite an undesignated Abo oil zone from 8,970 to 8,990 feet. The Pennsylvanian interval is the open hole interval 9,670 - 9,703 feet.
- (c) If approved, the subject well will be dually completed as shown on the diagrammatic sketch attached hereto. The two zones will be separated by means of a Baker Model "DA" packer set at approximately 9,655 feet which is capable of withstanding any differential in pressure expected to be encountered between the two producing formations.



- (d) There is no diversity of royalty ownership underlying the above described lease.
- (e) Applicant proposes to commingle Abo production with Pennsylvanian production after separately metering each zone. Production from the two Pennsylvanian wells will be allocated on the basis of monthly tests.
- (f) The proposed ACT installation will have adequate facilities for all required tests and will result in efficient accounting of crude oil transferred to the pipeline gathering system.
- (g) The granting of this application is in the interest of conservation and will protect correlative rights.
- (h) By copy of this letter all offset operators and the pipeline concerned are notified of this application.

Gulf Oil Corporation respectfully requests that these matters be set for hearing.

Respectfully submitted,

GULF OIL CORPORATION

By: W. A. Shellshear
W. A. Shellshear

FWM:hs
Attachment

cc: Oil Conservation Commission
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Hobbs, New Mexico

Socony-Mobil Oil Company, Inc.
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Midland, Texas

Socony-Mobil Oil Company, Inc.
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