

To: Hobbs OCC



SHELL OIL COMPANY

NSP-488
2:45

P. O. Box 845
Roswell, New Mexico

April 17, 1959

Subject: Nonstandard Gas Proration Unit
Eumont Gas Pool, Lea County, New Mexico

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

Gentlemen:

Under the provisions of Order R-520, Rule 5 (b), Shell Oil Company requests administrative approval for the enlargement of the existing 160-acre Nonstandard Eumont Gas Proration Unit being the NE/4 Section 20-21S-36E, to include the SE/4 Section 20. The proposed 320-acre Nonstandard Gas Proration Unit, being the E/2 of Section 20-21S-36E, would be dedicated to Shell et al Devonian-State 1, located 1980' FN & EIs of Section 20, the well now producing on the existing unit.

Shell et al Devonian-State 1 was recompleted from a single zone oil well to a gas/oil dual producer in September 1953 and produced in that manner until January 10, 1956, at which time the oil zone was temporarily abandoned. Devonian-State 1 continues to produce Eumont gas from the casing/tubing annulus. Agreements have been executed by the Gulf Oil Corporation, Standard Oil Company of Texas, The Atlantic Refining Company and Shell Oil Company whereby all the working interest owners in the E/2 of Section 20-21S-36E agree to pool the Eumont gas right for production from Devonian-State 1. All of the royalty interest in the E/2 Section 20 is owned by a one party, the State of New Mexico.

In support of this application, the following is offered:

1. The proposed 320-acre Nonstandard Gas Proration Unit consists of contiguous quarter-quarter sections.
2. The proposed 320-acre Nonstandard Gas Proration Unit lies wholly within a single governmental section.
3. The entire proposed 320-acre Nonstandard Gas Proration Unit may reasonably be presumed to be productive of gas.
4. The length nor width of the proposed 320-acre Nonstandard Gas Proration Unit does not exceed 5280 feet.
5. Shell et al Devonian-State 1 has adequate capacity to produce at the estimated 320-acre allowable rate.

New Mexico Oil Conservation Commission

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6. The attached plat shows the location of the proposed 320-acre Gas Proration Unit, existing gas proration units, and Eumont gas producers.
7. All operators owning interest within 1500 feet of Shell et al Devonian-State 1 have been furnished a copy of this application by Certified Mail (return receipts are attached) and waivers have been requested from each of them for the proposed unit enlargement.

In view of the above facts, Shell Oil Company respectfully submits this application and requests the New Mexico Oil Conservation Commission to issue an order enlarging the existing 160-acre gas proration dedicated to Shell et al Devonian-State 1 to comprise 320-acres being the E/2 Section 20-21S-36E, N.M.P.M. Survey, Lea County, New Mexico.

Very truly yours,



P. A. Dennie
Division Production Manager

RCC:mlp

Attachments

cc: See Attached List

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

Atlantic Refining Company
P. O. Box 6640
Roswell, New Mexico

Cities Service Oil Company
P. O. Box 868
Roswell, New Mexico

Continental Oil Company
825 Petroleum Building
Roswell, New Mexico

El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas

Gulf Oil Corporation
P. O. Drawer 669
Roswell, New Mexico

Humble Oil & Refining Company
P. O. Box 2347
Hobbs, New Mexico

Skelley Oil Company
P. O. Box 38
Hobbs, New Mexico

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