

OIL CONSERVATION COMMISSION

BOX 2045

HOBBS, NEW MEXICO

DATE January 27, 1956

MR. W. B. MACEY  
OIL CONSERVATION COMMISSION  
BOX 871  
SANTA FE, NEW MEXICO

RE:  
PROPOSED NSP 234  
PROPOSED NSL \_\_\_\_\_

Dear Mr. Macey:

I have examined the application dated 1/17  
for the Humble New Mexico State M #4-C 19-22-37  
Operator Lease and Well No. S-T-R

and my recommendations are as follows:

This is OK, however, the well should make a lot of oil - C. M. Rieder

~~I recommend that the well be classified as an oil and gas well, and~~  
as a gas well, however, I want to point out that the Humble M #5 and 6, Amarada  
in 2, which are offset wells, are completed in the same zone. The January al-  
lowables are 11, 15 and 33 BOPD, all with relatively low GORs.

It is possible that the producing GOR will be less than 100,000-1, de-  
pending on the manner in which the well is produced. It is also probable that  
the well will often produce more than the oil allowable, this depending on the  
manner in which the transporter takes the gas.

A zone behind the casing seems to be well-developed and should be productive  
of dry gas with no fluids. This zone could be developed and the well made a dual  
completion. If the application is denied, or the acreage reduced on the bases of  
the #5 and 6 wells, it is possible that the operator might examine this possibility.  
I can see no objection to the possible dedication of the SE/4 of Sec. 18 and N/2  
of Sec. 19 to the #4 well, although #6 is located in a more favorable position. It  
would be of considerably more benefit, economically, not only to the operator but  
to the royalty owner. This is not considering the value of the gas in the lower  
zones for pressure maintenance and as a gas lifting medium.

If this application is approved, it is suggested that the order state  
that should the incidental oil exceed the normal unit allowable, the production  
be curtailed. —R. F. Montgomery

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C. M. Rieder  
Engineer