

INFILL DRILLING FINDINGS PURSUANT TO
SECTION 271.305(b) OF THE FEDERAL ENERGY REGULATORY
COMMISSION REGULATIONS, NATURAL GAS POLICY ACT OF 1978
AND OIL CONSERVATION DIVISION ORDER NO. R-6013-A

I.

Operator El Paso Natural Gas Co. Well Name and No. Shell State E Com Well No. 2
Location: Unit N Sec. 6 Twp. 21S Rng. 36E Cty. Lea

II.

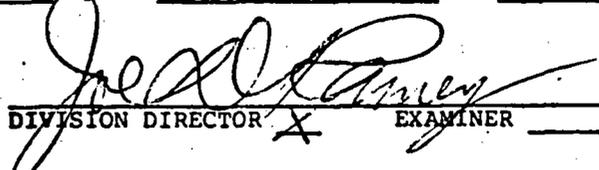
THE DIVISION FINDS:

- (1) That Section 271.305(b) of the Federal Energy Regulatory Commission Regulations promulgated pursuant to the Natural Gas Policy Act of 1978 provides that, in order for an infill well to qualify as a new onshore production well under Section 103 of said Act, the Division must find that the infill well is necessary to effectively and efficiently drain a portion of the reservoir covered by the proration unit which cannot be so drained by any existing well within that unit.
- (2) That by Order No. R-6013-A, dated February 8, 1980, the Division established an administrative procedure whereby the Division Director and the Division Examiners are empowered to act for the Division and find that an infill well is necessary.
- (3) That the well for which a finding is sought is to be completed in the Eumont Gas Pool, and the standard spacing unit in said pool is 640 acres.
- (4) That a 230.32 -acre proration unit comprising ~~the~~ Lots 9, 10, 11, 12, 13, and 14 of Sec. 6, Twp. 21S, Rng. 36E, is currently dedicated to the Shell State E Com No. 1 located in Unit J of said section.
- (5) That this proration unit is () standard (X) nonstandard; if nonstandard, said unit was previously approved by Order No. R-3327.
- (6) That said proration unit is not being effectively and efficiently drained by the existing well(s) on the unit.
- (7) That the drilling and completion of the well for which a finding is sought should result in the production of an additional 507 M MCF of gas from the proration unit which would not otherwise be recovered.
- (8) That all the requirements of Order No. R-6013-A have been complied with, and that the well for which a finding is sought is necessary to effectively and efficiently drain a portion of the reservoir covered by said proration unit which cannot be so drained by any existing well within the unit.
- (9) That in order to permit effective and efficient drainage of said proration unit, the subject application should be approved.

IT IS THEREFORE ORDERED:

- (1) That the applicant is hereby authorized to drill the well described in Section I above as an infill well on the existing proration unit described in Section II(4) above. The authorization for infill drilling granted by this order is necessary to permit the drainage of a portion of the reservoir covered by said proration unit which cannot be effectively and efficiently drained by any existing well thereon.
- (2) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on this 11th day of June, 19 80.


DIVISION DIRECTOR X EXAMINER _____

June 11, 1980

OIL CONSERVATION DIVISION
P. O. Box 2086
SANTA FE, NEW MEXICO
87501

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

ADMINISTRATIVE ORDER
NFL 18

INFILL DRILLING FINDINGS PURSUANT TO
SECTION 271.305(b) OF THE FEDERAL ENERGY REGULATORY
COMMISSION REGULATIONS, NATURAL GAS POLICY ACT OF 1978
AND OIL CONSERVATION DIVISION ORDER NO. R-6013-A

I.
Operator El Paso Natural Gas Co. Well Name and No. Shell State E Gas Well No 2
Location: Unit N Sec. 6 Twp. 21 S Rng. 36 E Cty. Lea

II.
THE DIVISION FINDS:

- (1) That Section 271.305(b) of the Federal Energy Regulatory Commission Regulations promulgated pursuant to the Natural Gas Policy Act of 1978 provides that, in order for an infill well to qualify as a new onshore production well under Section 103 of said Act, the Division must find that the infill well is necessary to effectively and efficiently drain a portion of the reservoir covered by the proration unit which cannot be so drained by any existing well within that unit.
- (2) That by Order No. R-6013-A, dated February 8, 1980, the Division established an administrative procedure whereby the Division Director and the Division Examiners are empowered to act for the Division and find that an infill well is necessary.
- (3) That the well for which a finding is sought is to be completed in the Cannon Gas Pool, and the standard spacing unit in said pool is 646 acres.
- (4) That a 230.32 -acre proration unit comprising lots 9, 10, 11, 12, 13, and 14 of Sec. 6, Twp. 21 S, Rng. 36 E, is currently dedicated to the Shell State E Gas Well No 1 located in Unit J of said section.
- (5) That this proration unit is () standard () nonstandard; if nonstandard, said unit was previously approved by Order No. R-3327.
- (6) That said proration unit is not being effectively and efficiently drained by the existing well(s) on the unit.
- (7) That the drilling and completion of the well for which a finding is sought should result in the production of an additional 507 M MCF of gas from the proration unit which would not otherwise be recovered.
- (8) That all the requirements of Order No. R-6013-A have been complied with, and that the well for which a finding is sought is necessary to effectively and efficiently drain a portion of the reservoir covered by said proration unit which cannot be so drained by any existing well within the unit.
- (9) That in order to permit effective and efficient drainage of said proration unit, the subject application should be approved.

IT IS THEREFORE ORDERED:

(1) That the applicant is hereby authorized to drill the well described in Section I above as an infill well on the existing proration unit described in Section II(4) above. The authorization for infill drilling granted by this order is necessary to permit the drainage of a portion of the reservoir covered by said proration unit which cannot be effectively and efficiently drained by any existing well thereon.

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on this _____ day of _____, 19____.

DIVISION DIRECTOR _____ EXAMINER _____

El Paso NATURAL GAS
COMPANY

P.O. BOX 1492
EL PASO, TEXAS 79978
PHONE: 915-543-2600



State of New Mexico
Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Dear Sir:

Re: Request For An Administrative Finding That The Drilling Of The El Paso Natural Gas Company Shell State E Com. No. 2, Located In Unit N, Section 6, T-21-S, R-36-E, Eumont Gas Pool, Lea County, New Mexico, Was Necessary To Effectively And Efficiently Drain A Portion Of The Reservoir Covered By The Proration Unit Which Could Not Be Effectively And Efficiently Drained By Any Existing Well Within The Proration Unit.

Pursuant to New Mexico Oil Conservation Division Order No. R-6013-A dated February 8, 1980 and §271.305(b) of the final regulations of the Natural Gas Policy Act of 1978 (NGPA), we respectfully request a finding from your office that the drilling of the El Paso Natural Gas Company Shell E. Com. No. 2 was necessary to effectively and efficiently drain a portion of the Eumont Gas Pool covered by the proration unit which could not be effectively and efficiently drained by any existing well within the proration unit. The proration unit is described as Lots 9, 10, 11, 12, 13 and 14 (comprising 230.32 acres) of Section 6, T-21-S, R-36-E, Lea County, New Mexico.

The above described non-standard proration unit was established by New Mexico Oil Conservation Commission Order No. R-3327 dated October 11, 1967. The standard proration (spacing) unit for the Eumont Gas Pool is 640 acres. Normal proration unit factors utilized for allowable purposes for this pool are based on 160 acres. We have included a copy of the field rules applicable to the subject proration unit.

The support for this finding is attached and described below.

1. NMOCC Forms C-101 and C-102 - Copies of approved application to drill and proration unit dedicated.
2. NMOCC Form C-104 - Copy of notification of well name change from Shell F State Com. No. 1 to Shell State E Com. No. 2.
3. Well Status Report - Current status of wells drilled and completed in the Eumont Gas Pool within the subject non-standard proration unit.
4. NMOCC Form C-103 - Copy of plugging report filed on the EPNG Shell State Com. C No. 9.
5. Formation Structure Map - Structure map showing the subject proration unit and the seven adjacent proration units of that portion of the Eumont Gas Pool. Contours are on the top of the Yates formation. Also shown on the map are all Eumont wells within the proration units.
6. NMOCD Letter Approving Simultaneous Dedication - Letter dated January 16, 1979 advising approval of simultaneous dedication for the two wells producing on this proration unit as both wells are at standard locations for a unit of this size.
7. Rate Decline Curves - Rate decline curves for the two producing wells on the proration unit. These curves indicate that the development of the new well on the proration unit (Shell State E Com. No. 2) has not interfered with the old well (Shell State E Com. No. 1), therefore, any and all gas produced through the new well is gas that would not otherwise be effectively and efficiently recovered. Estimated original reserves to be recovered from the new well are 507 MMcf at 15.025 psia.
8. Allowable and Production Tabulation - Monthly tabulation of the actual marginal allowable, allowable if the proration unit was non-marginal and actual production from the proration unit. This tabulation shows that the first well on the proration unit was not capable of producing a non-marginal allowable and the development of the new well still did not provide enough additional production to enable the proration unit to produce a non-marginal allowable.

Operators of proration units offsetting the unit for which this finding is sought are listed below:

Atlantic Richfield Company
Attention: Mr. David W. Sipperly
P. O. Box 1610
Midland, Texas 79702

Gulf Oil Corporation
Attention Mr. R. E. Griffith
P. O. Box 1150
Midland, Texas 79702

Shell Oil Company
Attention: Mr. B. H. Kouns
P. O. Box 1509
Midland, Texas 79702

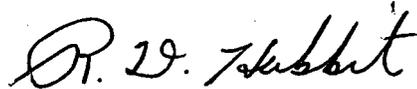
The above parties have been notified by registered mail of this request for a finding.

It should be noted that the well for which this finding is sought was spudded and completed prior to the passage of the NGPA but after February 19, 1977.

Upon the issuance of an affirmative finding regarding this well, we request that you consider our application for well classification under Section 103 of the NGPA of 1978. This application for determination was filed with your office on February 27, 1979.

Should you have any questions concerning this request for a finding and well classification, please contact the undersigned.

Very truly yours,



R. D. Habbit, Manager
Reservoir Engineering Dept.

DRBalmer:cc

Attachments

EUMONT GAS POOL
Lea County, New Mexico

Order No. R-1670, Adopting Special Rules and Regulations, in Addition to the General Rules and Regulations for Southeastern New Mexico, for the Eumont Gas Pool, Lea County, New Mexico, May 20, 1960.

(Order No. R-1670 Supersedes Order No. R-264, Creating the Eumont Gas Pool, Lea County, New Mexico, February 17, 1953, as Amended by Order No. R-264-A, November 10, 1953; Order No. R-356, Adopting Rules for Gas Wells in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico, August 28, 1953; Order No. R-370, September 28, 1953; Order No. R-371, September 28, 1953; Order No. R-370-A, November 10, 1953; Order No. R-371-A, November 10, 1953; Order No. R-370-B, December 7, 1953; Order No. R-371-B,; Order No. R-520, August 12, 1954; Order No. R-520-A, August 31, 1954; Order No. R-663, July 7, 1955; Order No. R-767, March 14, 1956; Order No. R-767-A, April 16, 1956; and Order No. R-967, April 23, 1957.)

(The Eumont Gas Pool was created February 17, 1953, and proration was instituted January 1, 1954. The Eumont Gas Pool now includes portions of the acreage once included in the Jalco and Langmat Pools (now Jalmat) and all of the acreage formerly in the Arrow and Hardy Pools.)

A. WELL LOCATION AND ACREAGE REQUIREMENTS

RULE 5(A). A standard gas proration unit in the Eumont Gas Pool shall be 640 acres.

RULE 5(B). Any well drilled to and producing from the Eumont Gas Pool, as defined herein, prior to August 12, 1954 at a location conforming with the spacing requirements effective at the time said well was drilled, shall be granted a tolerance not exceeding 330 feet with respect to the required distance from the boundary lines.

C. ALLOCATION AND GRANTING OF ALLOWABLES

RULE 8(A). The pool allowable remaining each month after deducting the total allowable assigned to marginal wells shall be allocated among the non-marginal wells entitled to an allowable in the proportion that each well's acreage factor bears to the total of the acreage factors for all non-marginal wells in the pool.

RULE 8(B). Allowables to newly completed gas wells shall commence on the date of connection to a gas transportation facility, as determined from an affidavit furnished to the Commission (Box 2045, Hobbs, New Mexico) by the purchaser, or the date of filing of Form C-104, Form C-110, and a plat (Form C-128), whichever date is the later.

G. GENERAL

RULE 22. No gas, either dry gas or casinghead gas, shall

be flared or vented from any well at any time after ninety (90) days from the date such well is completed. Any operator who desires to obtain an exception to the provisions of Rule 22 of Section I of this order shall submit to the Secretary-Director of the Commission an application for such exception with a sworn statement setting forth the facts and circumstances justifying such exception. The Secretary-Director is hereby authorized to grant such an exception whenever the granting of the exception is reasonably necessary to protect correlative rights, prevent waste, or prevent undue hardship on the applicant under all the acts and circumstances as set forth in the statement. The Secretary-Director shall either (a) grant the exception within 15 days after receipt of the application and statement or (b) thereafter set the application for hearing by the Commission at a regular monthly hearing; provided, however, that no such applicant shall incur any penalty by reason of a delay in setting the application for hearing. Notice of hearing of the application shall be published in the manner provided by law and the Rules of the Commission. If the exception is granted by the Secretary-Director, a list of such exceptions shall be distributed in the Commission's regular mailing list.

The flaring or venting of gas from any well in violation of any provision of this rule will result in suspension of any further allowable until further order of the Commission.

RULE 22(A). Within 15 days after any oil or gas well within the boundaries of the Eumont Gas Pool is connected to a gas transportation facility, the operator shall file Form C-110 designating the disposition of gas from the well.

RULE 22(B). No extraction plant processing any gas from the Eumont Gas Pool shall flare or vent such gas unless such flaring or venting is made necessary by mechanical difficulties or unless the gas flared or vented is of no commercial value.

H. MISCELLANEOUS SPECIAL POOL RULES

RULE 25. The vertical limits of the Eumont Gas Pool shall extend from the top of the Yates formation to the base of the Queen formation, thereby including all of the Yates, Seven Rivers and Queen formations.

RULE 26(A). A gas well shall mean a well producing with a gas-oil ratio in excess of 100,000 cubic feet of gas per barrel of oil.

RULE 26(B). A well producing from the Eumont Gas Pool and not classified as a gas well, as defined in Section (A) of this rule, shall be classified as an oil well.

RULE 26(C). Oil wells producing from the Eumont Gas Pool shall be allowed to produce a volume of gas each day not exceeding the daily normal unit oil allowable multiplied by 10,000; provided, however, that such well shall not be allowed to produce oil in excess of the normal unit allowable as ordered by the Commission under the provisions of Statewide Rule 505.

NEW MEXICO OIL CONSERVATION COMMISSION

Form O-101
Revised 1-14-65

REGISTRATION
 COMPANY
 OPERATOR

1A. Indicate Type of Lease
 STATE FEDERAL
 2. State Oil & Gas Lease No.
 NMB 1398-10
 7. Unit Agreement Name
 8. Part of Lease Name
 Shell "E" State Com
 9. Well No.
 1
 10. Field and Pool, or Wildcat
 Eumont
 12. County
 Lea

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work
 1b. Type of Well
 DRILL DEEPEN PLUG BACK
 OIL WELL GAS WELL OTHER
 SINGLE ZONE MULTIPLE ZONE
 2. Name of Operator
 El Paso Natural Gas Company (SEE FORM 1-104 FOR WELL NAME CHANGE)
 3. Address of Operator
 1800 Wilco Building; Midland, Texas 79701
 4. Location of Well
 UNIT LETTER N LOCATED 3566 FEET FROM THE South LINE
 1980 SECTION West TWP. 21S RGE. 36E NADON
 19. Proposed Depth 3,700
 19A. Formation Yates, Seven River, Queen
 20. Rotary or C.T. Rotary
 21. Estimated (Show whether DE, RT, etc.) 3,554 GR
 21A. Plot & Status Plug, Bond On File
 21B. Drilling Contractor Capitan Drlg. Co.
 22. Approx. Date Well Will Start Jan. 15, 1978

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12 1/4"	8 5/8"	32.0	1200	600	Surf.
7 1/2"	4 1/2"	10.5	3700	800	Surf.

Plan is to drill 12 1/4" hole to approximately 1,200', run 8 5/8" 32# csg & cmt to surface. WOC 18 hrs and test to 1000#. Drill 7 7/8" hole to TD (3700'). Run 4 1/2" 10.5# csg & cmt to surface pipe. WOC 24 hrs & tst to 1500#. Will perforate Yates, Seven Rivers & Queen zones at selected intervals. 5000# Double gated BOP equipment will be used. Brine based drilling fluids will be used after surface casing is set.

BE ABOVE SPACE DESCRIBE PROPOSED PROGRAM; IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRO-
 DUCTIVE ZONE. GIVE PRESENT PREVENTION PROGRAM, IF ANY.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

Signed C. C. Goodwin Title Adm. Prod. Services Date 12/13/77

C. C. Goodwin (This space for State Use)
 APPROVED BY [Signature] TITLE SUPERVISOR DISTRICT DATE _____
 CONDITIONS OF APPROVAL, IF ANY:

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-107
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

El Paso Natural Gas Company			Shell "E" State Com		Well No. 2
Section N	6	Township 21South	Range 36East	County Lea	
General Location of Well:					
3566 feet from the South line and		1980 feet from the West line			
Surface Elevation 3554.1	Producing Formation Yates, Seven River, Queen		Pool Eumont	Dedicated Acreage: 228 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or machine marks on the plat below.

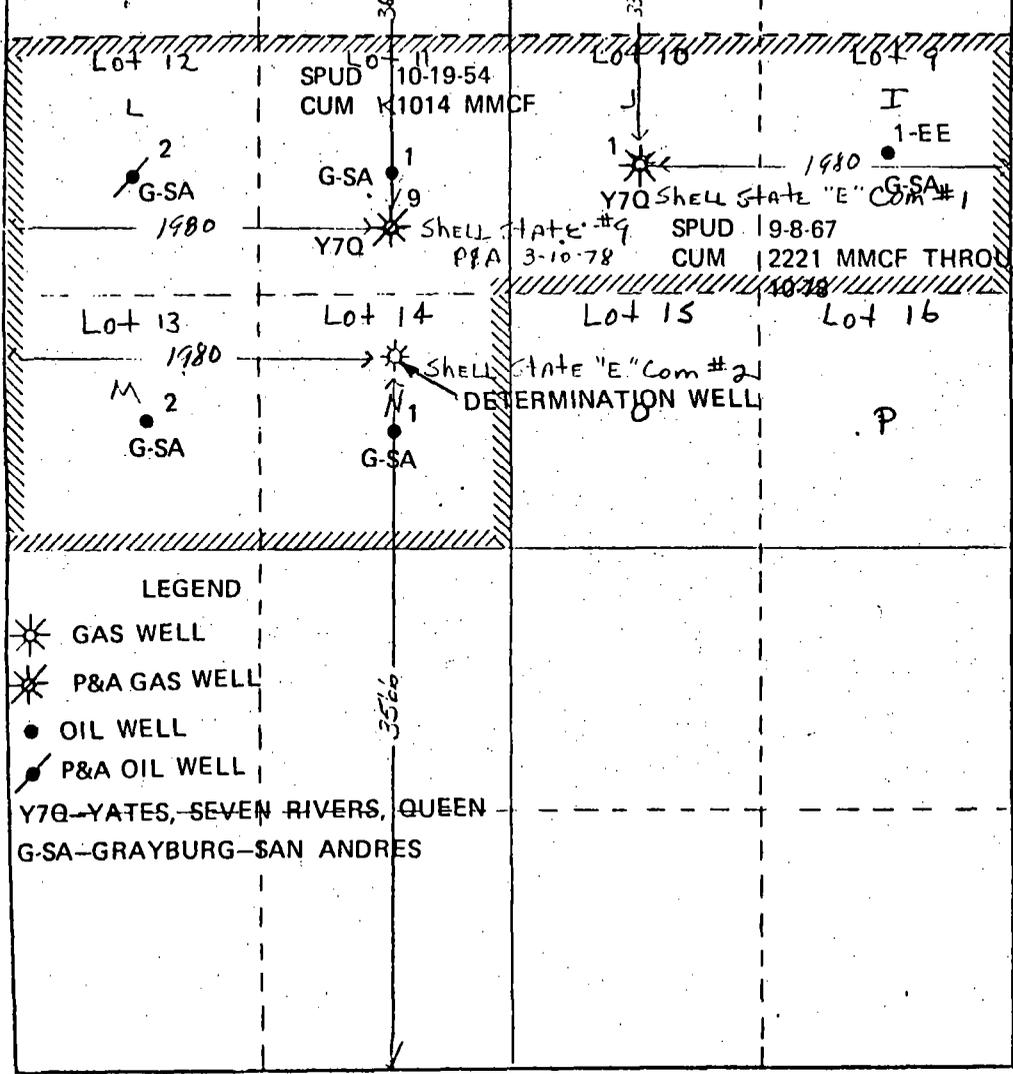
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

[Signature]
Name: _____
Administrator of Prod Svs

Location: _____
El Paso Natural Gas Co.

Company: _____
January 19, 1979

Date: _____

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

December 6, 1977

Date Surveyed: _____
Truman Gaskin
Registered Professional Engineer
and/or Land Surveyor

2126

Certificate No. _____



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SANTA FE

FILE

U.S.G.S.

LAND OFFICE

TRANSPORTER OIL GAS

OPERATOR

PRORATION OFFICE

MEXICO OIL CONSERVATION COMMISSION
 REQUEST FOR ALLOWABLE
 AND
 AUTHORIZATION TO TRANSPORT OIL AND NATURAL GAS

Form C-104
 Supersedes Old C-104 and C-110
 Effective 1-1-65

El Paso Natural Gas Company

Address

1800 Wilco Bldg. Midland, TX 79701

Reason(s) for filing (check proper box)

New Well Change in Transporter of: Oil Dry Gas Well Name Change from Shell "F" State Com #1

Recompletion Castinghead Gas Condensate Other (Please explain)

Change in Ownership

If change of ownership give name and address of previous owner

DESCRIPTION OF WELL AND LEASE

Lease Name: Shell "E" State Com Lease No.: Lease No. Well No.: 2 Pool Name, including Formation: Eumont-Yates Kind of Lease: State, Federal or Fee State

Location

Unit Letter: N 3566 Feet From The South Line and 1980 Feet From The West

Line of Section: 6 Township: 21-S Range: 36-E, NMPM, Lea. County

DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

Name of Authorized Transporter of Oil or Condensate Address (Give address to which approved copy of this form is to be sent)

Name of Authorized Transporter of Castinghead Gas or Dry Gas Address (Give address to which approved copy of this form is to be sent)

El Paso Natural Gas Company 1800 Wilco Bldg. Midland, TX 79701

If well produces oil or liquids, give location of tanks. Unit Ser. Twp. Rge. Is gas actually connected? When

Yes 7/21/78

If this production is commingled with that from any other lease or pool, give commingling order number:

COMPLETION DATA

Designate Type of Completion - (X)

Oil Well	Gas Well	New Well	Workover	Deepen	Plug Back	Same Resv.	Diff. Resv.
	X	X					

Date Spud/ed: 3/25/78 Date Compl. Ready to Prod.: 7/10/78 Total Depth: 3713 P.B.T.D.: 3065

Elevations (DF, RKB, RT, GR, etc.): 3556 Name of Producing Formation: Yates-Sandstone Top Oil/Gas Pny: 2946 Tubing Depth: 2918

Perforations: 2946-2996 Depth Casing Shoe

TUBING, CASING, AND CEMENTING RECORD

HOLE SIZE	CASING & TUBING SIZE	DEPTH SET	SACKS CEMENT
11	8 5/8	1205.00	550 SX C1 "C"
7 7/8	4 1/2	3710.49	1035 SX C1 "C"
7 7/8	2 3/8	2918.35	

TEST DATA AND REQUEST FOR ALLOWABLE OIL WELL (Test must be after recovery of total volume of load oil and must be equal to or exceed top allowable for this depth or be for full 24 hours)

Date First New Oil Run To Tanks	Date of Test	Producing Method (Flow, pump, gas lift, etc.)	
Length of Test	Tubing Pressure	Casing Pressure	Choke Size
Actual Prod. During Test	Oil-Bbls.	Water-Bbls.	Gas-MCF

GAS WELL

Producing Method (pitot, back pr.)	Length of Test	Bbls. Condensate/MMCF	Gravity of Condensate
Back Pressure	4 1/2	326.2	NA
	Tubing Pressure	326.2	Choke Size
	250.2		3/8

CERTIFICATE OF COMPLIANCE

I hereby certify that the rules and regulations of the Oil Conservation Commission have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Ch. Gardner
 (Signature)
 Administrator of Production Services
 (Title)
 January 18, 1979
 (Date)

OIL CONSERVATION COMMISSION

APPROVED _____, 19____

BY _____

TITLE _____

This form is to be filed in compliance with RULE 1104. If this is a request for allowable for a newly drilled or deepened well, this form must be accompanied by a tabulation of the deviation tests taken on the well in accordance with RULE 1111. All sections of this form must be filled out completely for allowable on new and recompleted wells. Fill out only Sections I, II, III, and VI for changes of owner, well name or number, or transporter, or other such change of condition. Separate Forms C-104 must be filed for each pool in multiply completed wells.

WELL STATUS REPORT

I. Well Name & Number: EPNG Shell State C Com. No. 9

Location: 3620' FNL & 1980' FWL, Section 6, T-21-S,
R-36-E, Lea County, New Mexico

Pool Name: Eumont Gas Pool

Spud Date: 10-19-54

Completion Date: 11-6-54

Cumulative Production: 994 MMcf @ 15.025 psia
1,014 MMcf @ 14.73 psia

Current Rate of Production: Zero

Plug and Abandonment Date: 3-10-78

II. Description and Status:

As is indicated above, the well was completed in 1954 and produced efficiently until 1960 when water production began to hamper gas productivity, eventually killing the well. In October, 1960, a workover was conducted in an attempt to shut off the water.

An open hole caliper was run which indicated possible cement sluff from behind the pipe into the producing open hole section. An under reamer was run and the open hole section from 3368' to 3505' was cleaned out.

The well was plugged back to 3471' and the open hole section from 3368' to 3471' was treated with 2,000 gallons of acid.

After workover, the well was placed back on production but produced only small volumes of gas. The well was subsequently shut in and temporarily abandoned and as indicated above, permanently plugged and abandoned on March 10, 1978.

WELL STATUS REPORT

- I. Well Name & Number: EPNG Shell State E Com. No. 1
(Formerly Shell Oil Company State E No. 2)

Location: 3300' FNL & 1980' FEL, Section 6, T-21-S,
R-36-E, Lea County, New Mexico

Pool Name: Eumont Gas Pool

Spud Date: 7-10-36

Recompletion Date: 10-31-67

Current Rate of Production: 39 Mcf/D @ 15.025 psia (April, 1980)

II. Description and Status:

As stated above, the well is currently producing from the Eumont Gas Pool at a rate of 39 Mcf/D. The well was initially drilled by Shell Oil Company and completed in the Eunice Grayburg oil pool. It produced oil from the Eunice Grayburg Pool through April, 1965 and cumulative production prior to depletion was 261,185 barrels.

El Paso Natural Gas Company acquired the well in September, 1967 and plugged back and recompleted in the Eumont Gas Pool. The well was selectively perforated from 2718' to 3495'. This entire 777' interval was acidized and treated with 20,000 gallons of jelled brine and 20,000 pounds of sand and was potentialized for an AOF of 7710 Mcf/D.

The well was then placed on production. During the latter part of 1977, production had declined to approximately 200 to 300 Mcf/D. Inasmuch as the well was not capable of making its allowable for the acreage assigned (230.32 acres), it was decided that the well be either worked over or an additional well be drilled.

After reviewing the records, noting the age of the well and the large interval perforated, it was concluded that a workover would not be successful. Subsequently, an application to drill an additional well on the proration unit was filed with your office.

This application to drill dated 12-13-77 was subsequently approved by your Hobbs district office and the second well (Shell F State Com. No. 1, later changed to Shell State E Com. No. 2) was spudded on 3-25-78 and completed on 5-10-78 in the Eumont Gas Pool.

WELL STATUS REPORT

I. Well Name & Number: EPNG Shell State E Com. No. 2
(Formerly EPNG Shell F State Com. No. 1)

Location: 3566' FSL & 1980' FWL, Section 6, T-21-S,
R-36-E, Lea County, New Mexico

Pool Name: Eumont Gas Pool

Spud Date: 3-25-78

Completion Date: 7-10-78

Current Rate of Production: 473 Mcf/D @ 15.025 psia (April, 1980)

II. Description and Status:

The subject well was drilled as a second well on an existing non-standard proration unit in an effort to produce the unit's non-marginal allowable from the Eumont Gas Pool.

This well was necessary to effectively and efficiently drain the proration unit as the existing well was not in a condition that was conducive to a successful workover.

1011
F172

Form C-103
Supersedes Old
C-102 and C-103
Effective 1-1-65

NEW MEXICO OIL CONSERVATION COMMISSION

COPIES RECEIVED		
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FE		
FILE		
U.S.G.S.		
LAND OFFICE		
OPERATOR		

5a. Indicate Type of Lease
State Fee

5. State Oil & Gas Lease No.
NMB-1400-6

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR.
USE "APPLICATION FOR PERMIT -" (FORM C-101) FOR SUCH PROPOSALS.)

1. OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER- Plug and Abandonment	7. Unit Agreement Name
2. Name of Operator El Paso Natural Gas Company	8. Farm or Lease Name Shell State
3. Address of Operator 1800 Wilco Bldg. Midland, Texas 79701	9. Well No. "C" - Con #9
4. Location of Well UNIT LETTER <u>K</u> <u>3620</u> FEET FROM THE <u>North</u> LINE AND <u>1980</u> FEET FROM THE <u>West</u> LINE, SECTION <u>6</u> TOWNSHIP <u>21-S</u> RANGE <u>36-E</u> NMPM.	10. Field and Pool, or Wildcat Eumont Queen
15. Elevation (Show whether DF, RT, GR, etc.) 3555.5' GL	12. County Lea

16. Check Appropriate Box To Indicate Nature of Notice, Report or Other Data
NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF:

PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input checked="" type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	OTHER <input type="checkbox"/>	CASING TEST AND CEMENT JOBS <input type="checkbox"/>	OTHER <input type="checkbox"/>

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

3/8/78: MOL and RUPU. Set BOP. Ran tbg to 3461'.

3/9/78: Mix 10 sxs bentonite + 80# paper in 40 barrels water and pumped down tbg @ 3 BPM. Brk circ w/full returns. Spot 75 sxs Cl "C" cmt w/2% CaCl + 12 1/2# gilsonite @ 3461'. Pull 25 stands and SDFN to WOC.

3/10/78: RI w/tbg and tag TOC @ 2852'. Mixed 20 sxs bentonite and loaded hole. Pld tbg to 1212' and spot 15 sxs Cl "C" cmt (1212'-1112'). Pld tbg to 90' and circ 10 sxs Cl "C" to surf. Cut off wellhead and welded on plate and P&A marker. Clean location. P&A as of 3/10/78.

18. I hereby certify that the information above is true and complete to the best of my knowledge and belief.

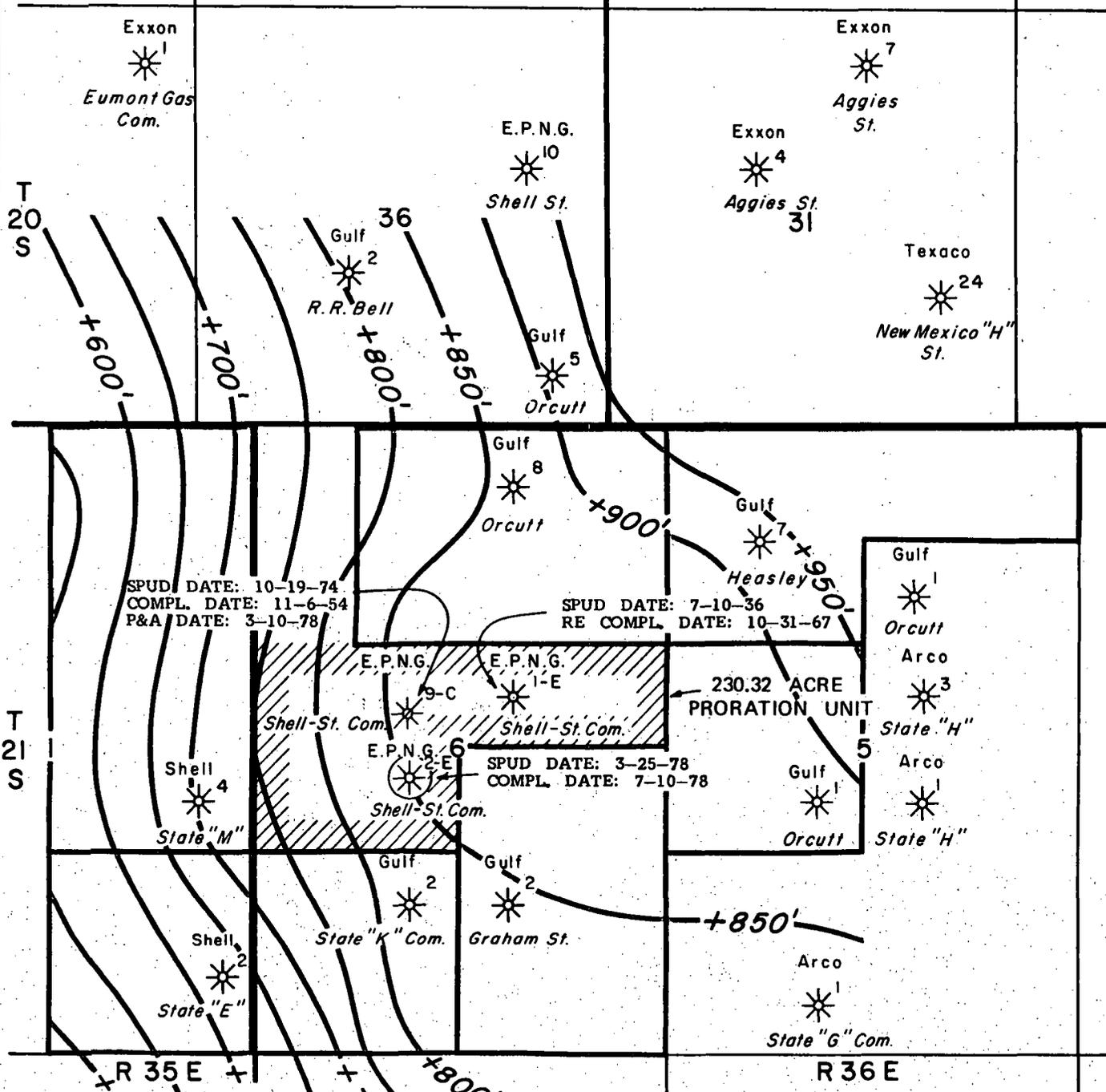
SIGNED J. J. Lent Jr. TITLE Production Engineer DATE 3/20/78

APPROVED BY M. H. Crowland TITLE OIL & GAS INSPECTOR DATE APR 21 1978

CONDITIONS OF APPROVAL, IF ANY:

R 36 E

R 37 E



T 20 S

T 21 S

SPUD DATE: 10-19-74
 COMPL. DATE: 11-6-54
 P&A DATE: 3-10-78

SPUD DATE: 7-10-36
 RE COMPL. DATE: 10-31-67

SPUD DATE: 3-25-78
 COMPL. DATE: 7-10-78

230.32 ACRE
 PRORATION UNIT

R 35 E

R 36 E

El Paso Natural Gas Company

EUMONT GAS POOL
 YATES, 7/RIVERS, QUEEN RESERVOIR
 LEA COUNTY, NEW MEXICO

CONTOUR INTERVAL = 50'

- * GAS WELL (EUMONT)
- *_D DUAL GAS WELL
- * P & A GAS WELL
- ◇ DRY HOLE
- ⊗ DETERMINATION WELL



STRUCTURE MAP
 SUBSEA TOP OF YATES FORMATION

DATE: MAY 1980



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

PROPRATION DEPT.
RECD. JAN 17 1979

JERRY APODACA
GOVERNOR

NICK FRANKLIN
SECRETARY

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

January 16, 1979

El Paso Natural Gas Co.
P. O. Box 1492
El Paso, Texas 79978

Attention: H. L. Kendrick

Re: Simultaneous Dedication, Shell
"E" State Com No. 1 and Shell
"F" State Com No. 1, Eumont Gas
Pool

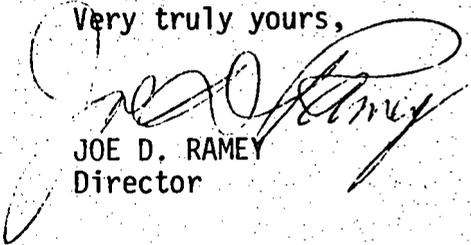
Gentlemen:

Reference is made to your letter dated November 27, 1978, wherein you have requested simultaneous dedication for two wells, namely your Shell "E" State Com Well No. 1, located in Unit J, and your Shell "F" State Com Well No. 1, located in Unit N, Section 6, Township 21 South, Range 36 East, NMPM, Eumont Gas Pool, Lea County, New Mexico. Your proposal is to dedicate these two wells to the 230-acre previously approved non-standard proration unit comprising all of Lots 9, 10, 11, 12, 13, and 14 of said Section 6.

Inasmuch as these two wells are both at standard locations for a unit of this size, your request for simultaneous dedication is hereby approved.

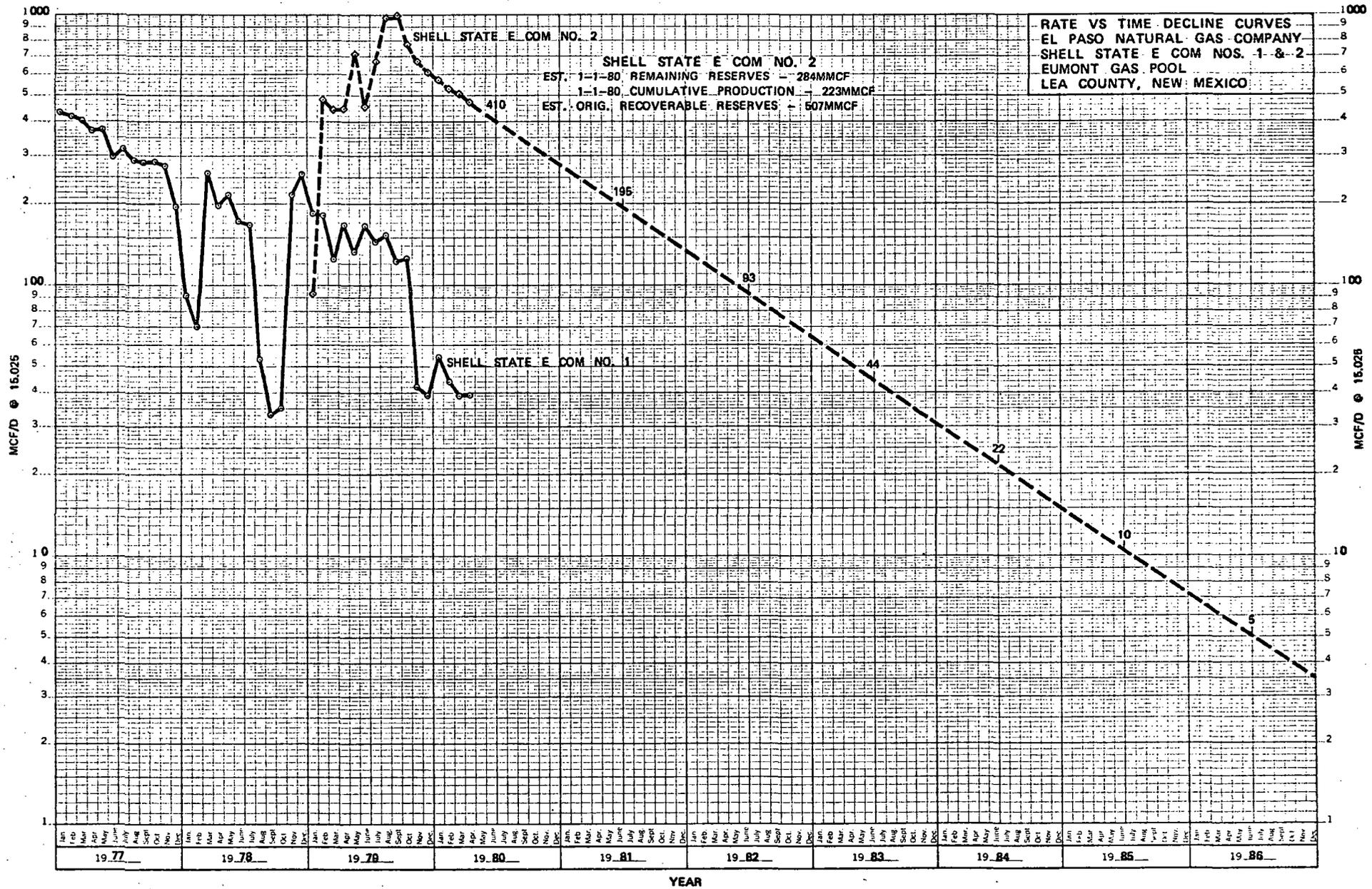
It will be necessary, however, for one or both of the wells to be re-named and renumbered inasmuch as both wells on a simultaneously dedicated unit must bear the same lease name.

Very truly yours,


JOE D. RAMEY
Director

JDR/DSN/og

cc: Oil Conservation Division - Hobbs
Gas Proration Section - Santa Fe



YEAR

SCHEDULE OF ALLOWABLES AND PRODUCTION
 EL PASO NATURAL GAS CO. SHELL STATE E COM NOS. 1 AND 2
 PRORATION UNIT - LOTS 9, 10, 11, 12, 13 AND 14 SECTION 6, T-21-S, R-36-E (230.32 ACRES)
 EUMONT GAS POOL, LEA COUNTY, NEW MEXICO

(Gas Volumes @ 15.025 psia & 60° F)

Month, Year	Actual Marginal Allowable Mcf	Non-Marginal Allowable Mcf	Production					
			Shell St. E Com No. 1		Shell St. E Com No. 2		Total	
			Mcf	Mcf/D	Mcf	Mcf/D	Mcf	Mcf/D
January, 1977	17912	44594	13321	430	*	*	13321	430
February, 1977	14419	61631	11618	415	*	*	11618	415
March, 1977	13321	74642	12409	400	*	*	12409	400
April, 1977	11618	40564	11113	370	*	*	11113	370
May, 1977	12409	28275	11551	373	*	*	11551	373
June, 1977	11113	20769	8929	298	*	*	8929	298
July, 1977	11551	20177	9828	317	*	*	9828	317
August, 1977	8929	21450	8925	288	*	*	8925	288
September, 1977	9828	20757	8488	283	*	*	8488	283
October, 1977	8925	25717	8834	285	*	*	8834	285
November, 1977	8488	25139	8243	275	*	*	8243	275
December, 1977	8834	33381	6020	194	*	*	6020	194
TOTAL	137347	417096	119279				119279	
AVERAGE				327				327
January, 1978	8243	40473	2864	92	*	*	2864	92
February, 1978	6020	36241	1968	70	*	*	1968	70
March, 1978	2864	55782	7993	258	*	*	7993	258
April, 1978	1968	55841	5921	197	*	*	5921	197
May, 1978	7993	52981	6676	215	*	*	6676	215
June, 1978	5921	42839	5151	172	*	*	5151	172
July, 1978	6676	41554	5161	166	*	*	5161	166
August, 1978	10302	39913	1655	53	*	*	1655	53
September, 1978	5161	39784	1004	33	*	*	1004	33
October, 1978	1655	42672	1099	35	*	*	1099	35
November, 1978	-	44557	6502	217	*	*	6502	217
December, 1978	1099	47516	7971	257	*	*	7971	257
TOTAL	57902	540153	53965				53965	
AVERAGE				148				148
January, 1979	6502	47571	5709	184	2871	93	8580	277
February, 1979	7971	40385	5076	181	13469	481	18545	662
March, 1979	8580	45024	3853	124	13650	440	17503	564
April, 1979	18545	41742	5007	167	13297	443	18304	610
May, 1979	17503	38993	4092	132	22184	716	26276	848
June, 1979	18304	36678	4948	165	13677	456	18625	621
July, 1979	26276	39265	4452	144	21221	684	25673	828
August, 1979	18625	39265	4708	152	30115	971	34823	1123
September, 1979	25673	39519	3643	121	29835	995	33478	1116
October, 1979	34823	41244	3871	125	23880	770	27751	895
November, 1979	33478	40261	1271	42	19933	664	21204	706
December, 1979	27751	43467	1210	39	18832	608	20042	647
TOTAL	244031	493414	47840		222964		270804	
AVERAGE				131		611		742
January, 1980	21204	41919	1678	54	17579	567	19257	621
February, 1980	20042	35598	1274	44	15348	529	16622	573
March, 1980	19257	37863	1195	39	15592	503	16787	542
April, 1980	16622	34975	1182	39	14200	473	15382	512
4 Month TOTAL	77125	150355	5329		62719		68048	
4 Month AVERAGE				44		518		562

* 1st Production January, 1979



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

BRUCE KING
GOVERNOR
LARRY KEHOE
SECRETARY

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88240
(505) 393-6161

May 19, 1980

TO: R. L. Stamets

FROM: Jerry Sexton
Supervisor, District I

RE: Ordering Xerox Supplies

Do we have enough left in our budget to order the following Xerox supplies before the prices go up.

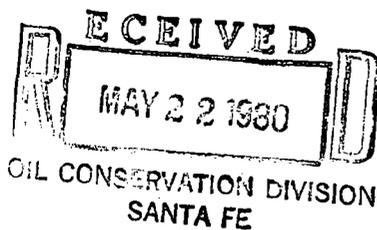
Toner for 7000 Copier - 14 Cartons (56 lbs.) @ \$29.08 = 407.12

Toner for 3100 Copier - 4 Cartons (8 lbs.) @ \$28.10 = 112.40

Developer Beads for 7000 Copier - 1 Carton @ \$74.90

Developer for 3100 Copier - 4 Cartons @ \$25.80 = 103.20

TOTAL 697.62



El Paso NATURAL GAS
COMPANY



P.O. BOX 1492
EL PASO, TEXAS 79978
PHONE: 915-543-2600

May 19, 1980

State of New Mexico
Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Dear Sir:

Re: Request For An Administrative Finding That The Drilling Of The El Paso Natural Gas Company Shell State E Com. No. 2, Located In Unit N, Section 6, T-21-S, R-36-E, Eumont Gas Pool, Lea County, New Mexico, Was Necessary To Effectively And Efficiently Drain A Portion Of The Reservoir Covered By The Proration Unit Which Could Not Be Effectively And Efficiently Drained By Any Existing Well Within The Proration Unit.

Pursuant to New Mexico Oil Conservation Division Order No. R-6013-A dated February 8, 1980 and §271.305(b) of the final regulations of the Natural Gas Policy Act of 1978 (NGPA), we respectfully request a finding from your office that the drilling of the El Paso Natural Gas Company Shell E. Com. No. 2 was necessary to effectively and efficiently drain a portion of the Eumont Gas Pool covered by the proration unit which could not be effectively and efficiently drained by any existing well within the proration unit. The proration unit is described as Lots 9, 10, 11, 12, 13 and 14 (comprising 230.32 acres) of Section 6, T-21-S, R-36-E, Lea County, New Mexico.

The above described non-standard proration unit was established by New Mexico Oil Conservation Commission Order No. R-3327 dated October 11, 1967. The standard proration (spacing) unit for the Eumont Gas Pool is 640 acres. Normal proration unit factors utilized for allowable purposes for this pool are based on 160 acres. We have included a copy of the field rules applicable to the subject proration unit.

The support for this finding is attached and described below.

1. NMOCC Forms C-101 and C-102 - Copies of approved application to drill and proration unit dedicated.
2. NMOCC Form C-104 - Copy of notification of well name change from Shell F State Com. No. 1 to Shell State E Com. No. 2.
3. Well Status Report - Current status of wells drilled and completed in the Eumont Gas Pool within the subject non-standard proration unit.
4. NMOCC Form C-103 - Copy of plugging report filed on the EPNG Shell State Com. C No. 9.
5. Formation Structure Map - Structure map showing the subject proration unit and the seven adjacent proration units of that portion of the Eumont Gas Pool. Contours are on the top of the Yates formation. Also shown on the map are all Eumont wells within the proration units.
6. NMOCC Letter Approving Simultaneous Dedication - Letter dated January 16, 1979 advising approval of simultaneous dedication for the two wells producing on this proration unit as both wells are at standard locations for a unit of this size.
7. Rate Decline Curves - Rate decline curves for the two producing wells on the proration unit. These curves indicate that the development of the new well on the proration unit (Shell State E Com. No. 2) has not interfered with the old well (Shell State E Com. No. 1), therefore, any and all gas produced through the new well is gas that would not otherwise be effectively and efficiently recovered. Estimated original reserves to be recovered from the new well are 507 MMcf at 15.025 psia.
8. Allowable and Production Tabulation - Monthly tabulation of the actual marginal allowable, allowable if the proration unit was non-marginal and actual production from the proration unit. This tabulation shows that the first well on the proration unit was not capable of producing a non-marginal allowable and the development of the new well still did not provide enough additional production to enable the proration unit to produce a non-marginal allowable.

Operators of proration units offsetting the unit for which this finding is sought are listed below:

Atlantic Richfield Company
Attention: Mr. David W. Sipperly
P. O. Box 1610
Midland, Texas 79702

Gulf Oil Corporation
Attention Mr. R. E. Griffith
P. O. Box 1150
Midland, Texas 79702

Shell Oil Company
Attention: Mr. B. H. Kouns
P. O. Box 1509
Midland, Texas 79702

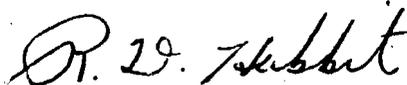
The above parties have been notified by registered mail of this request for a finding.

It should be noted that the well for which this finding is sought was spudded and completed prior to the passage of the NGPA but after February 19, 1977.

Upon the issuance of an affirmative finding regarding this well, we request that you consider our application for well classification under Section 103 of the NGPA of 1978. This application for determination was filed with your office on February 27, 1979.

Should you have any questions concerning this request for a finding and well classification, please contact the undersigned.

Very truly yours,



R. D. Habbit, Manager
Reservoir Engineering Dept.

DRBalmer:cc

Attachments

EUMONT GAS POOL
Lea County, New Mexico

Order No. R-1670, Adopting Special Rules and Regulations, in Addition to the General Rules and Regulations for Southeastern New Mexico, for the Eumont Gas Pool, Lea County, New Mexico, May 20, 1960.

(Order No. R-1670 Supersedes Order No. R-264, Creating the Eumont Gas Pool, Lea County, New Mexico, February 17, 1953, as Amended by Order No. R-264-A, November 10, 1953; Order No. R-356, Adopting Rules for Gas Wells in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico, August 28, 1953; Order No. R-370, September 28, 1953; Order No. R-371, September 28, 1953; Order No. R-370-A, November 10, 1953; Order No. R-371-A, November 10, 1953; Order No. R-370-B, December 7, 1953; Order No. R-371-B,; Order No. R-520, August 12, 1954; Order No. R-520-A, August 31, 1954; Order No. R-663, July 7, 1955; Order No. R-767, March 14, 1956; Order No. R-767-A, April 16, 1956; and Order No. R-967, April 23, 1957.)

(The Eumont Gas Pool was created February 17, 1953, and proration was instituted January 1, 1954. The Eumont Gas Pool now includes portions of the acreage once included in the Jalco and Langmat Pools (now Jalmat) and all of the acreage formerly in the Arrow and Hardy Pools.)

A. WELL LOCATION AND ACREAGE REQUIREMENTS

RULE 5(A). A standard gas proration unit in the Eumont Gas Pool shall be 640 acres.

RULE 5(B). Any well drilled to and producing from the Eumont Gas Pool, as defined herein, prior to August 12, 1954 at a location conforming with the spacing requirements effective at the time said well was drilled, shall be granted a tolerance not exceeding 330 feet with respect to the required distance from the boundary lines.

C. ALLOCATION AND GRANTING OF ALLOWABLES

RULE 8(A). The pool allowable remaining each month after deducting the total allowable assigned to marginal wells shall be allocated among the non-marginal wells entitled to an allowable in the proportion that each well's acreage factor bears to the total of the acreage factors for all non-marginal wells in the pool.

RULE 8(B). Allowables to newly completed gas wells shall commence on the date of connection to a gas transportation facility, as determined from an affidavit furnished to the Commission (Box 2045, Hobbs, New Mexico) by the purchaser, or the date of filing of Form C-104, Form C-110, and a plat (Form C-128), whichever date is the later.

G. GENERAL

RULE 22. No gas, either dry gas or casinghead gas, shall

be flared or vented from any well at any time after ninety (90) days from the date such well is completed. Any operator who desires to obtain an exception to the provisions of Rule 22 of Section I of this order shall submit to the Secretary-Director of the Commission an application for such exception with a sworn statement setting forth the facts and circumstances justifying such exception. The Secretary-Director is hereby authorized to grant such an exception whenever the granting of the exception is reasonably necessary to protect correlative rights, prevent waste, or prevent undue hardship on the applicant under all the acts and circumstances as set forth in the statement. The Secretary-Director shall either (a) grant the exception within 15 days after receipt of the application and statement or (b) thereafter set the application for hearing by the Commission at a regular monthly hearing; provided, however, that no such applicant shall incur any penalty by reason of a delay in setting the application for hearing. Notice of hearing of the application shall be published in the manner provided by law and the Rules of the Commission. If the exception is granted by the Secretary-Director, a list of such exceptions shall be distributed in the Commission's regular mailing list.

The flaring or venting of gas from any well in violation of any provision of this rule will result in suspension of any further allowable until further order of the Commission.

RULE 22(A). Within 15 days after any oil or gas well within the boundaries of the Eumont Gas Pool is connected to a gas transportation facility, the operator shall file Form C-110 designating the disposition of gas from the well.

RULE 22(B). No extraction plant processing any gas from the Eumont Gas Pool shall flare or vent such gas unless such flaring or venting is made necessary by mechanical difficulties or unless the gas flared or vented is of no commercial value.

H. MISCELLANEOUS SPECIAL POOL RULES

RULE 25. The vertical limits of the Eumont Gas Pool shall extend from the top of the Yates formation to the base of the Queen formation, thereby including all of the Yates, Seven Rivers and Queen formations.

RULE 26(A). A gas well shall mean a well producing with a gas-oil ratio in excess of 100,000 cubic feet of gas per barrel of oil.

RULE 26(B). A well producing from the Eumont Gas Pool and not classified as a gas well, as defined in Section (A) of this rule, shall be classified as an oil well.

RULE 26(C). Oil wells producing from the Eumont Gas Pool shall be allowed to produce a volume of gas each day not exceeding the daily normal unit oil allowable multiplied by 10,000; provided, however, that such well shall not be allowed to produce oil in excess of the normal unit allowable as ordered by the Commission under the provisions of Statewide Rule 505.

REGISTRATION
NO. _____
FILE NO. _____
DATE OF REG. _____
NAME OF OFFICE _____
OPERATOR _____

A. Indicate Type of Lease
STATE FEDERAL
B. State Oil & Gas Lease No.
NMB 1398-10
7. Unit Agreement Name
8. Firm or Lease Name
Shell "E" State Com
9. Well No.
1
10. Field and Pool, or Willent
Eumont
12. County
Lea

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

To. Type of Work
a. Type of Well DRILL DEEPEN PLUG BACK
b. Well C&G OTHER
c. Single Zone Multiple Zone
Operator El Paso Natural Gas Company (SEE FORM 1-104 FOR WELL NAME CHANGE)
Address of Operator 1800 Wilco Building; Midland, Texas 79701
d. Location of Well INIT LETTER N LOCATED 3566 FEET FROM THE South LINE
1980 West LINE OF SEC. 6 TWP. 21S RGE. 36E RANGE
19. Proposed Depth 3,700
19A. Formation Yates, Seven River, Queen
20. Rotary or C.T. Rotary
21. Well Log (Show whether DF, RE, etc.) 3,554 GR
21A. Well & Status Plug, Bend On File
21B. Drilling Contractor Capitan Drlg. Co.
22. Approx. Date Work will start Jan. 15, 1978

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12 1/4"	8 5/8"	32.0	1200	600	Surf.
7 1/2"	4 1/2"	10.5	3700	800	Surf.

Plan is to drill 12 1/4" hole to approximately 1,200', run 8 5/8" 32# csg & cmt to surface. WOC 18 hrs and test to 1000#. Drill 7 7/8" hole to TD (3700'). Run 4 1/2" 10.5# csg & cmt to surface pipe. WOC 24 hrs & test to 1500#. Will perforate Yates, Seven Rivers & Queen zones at selected intervals. 5000# Double gated BOP equipment will be used. Brine based drilling fluids will be used after surface casing is set.

BE ABOVE SPACE IN SQUARE. IF RESPONSE IN OTHER NAME IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRO-
DUCTIVE ZONE. GIVE PERCENT PRODUCTION PROGRAM, IF ANY.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

Signed C. C. Croftwin Title Adm. Prod. Services Date 12/13/77

C. C. Croftwin
(This space for State Use)

APPROVED BY [Signature] TITLE SUPERVISOR DISTRICT DATE _____

CONDITIONS OF APPROVAL, IF ANY:

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAN

Form O-107
Supersedes O-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

El Paso Natural Gas Company			Shell "E" State Com		Well No. 2
Section 6	Township 21South	Range 36East	County Lea		
Well Location of Well:					
3566	feet from the South	line on 1	1980	feet from the West	line
3554.1	Producing Formation Yates, Seven River, Queen		Pool Eumont	Dedicated Acreage 228 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatching marks on the plat below.

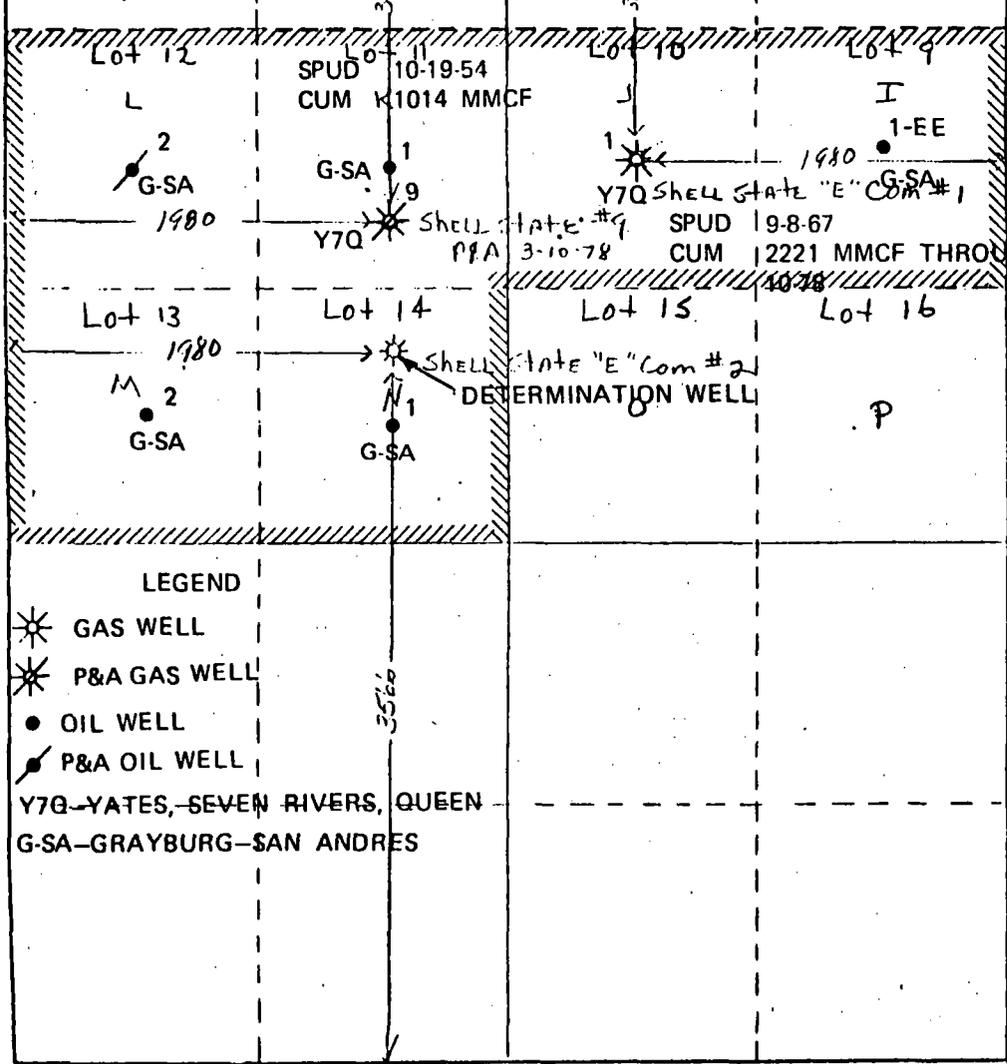
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

[Signature]
Name: _____
Administrator of Prod Svs

Position: _____
El Paso Natural Gas Co.

Company: _____
January 19, 1979

Date: _____

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

December 6, 1977
Date Surveyed

Truman Gaskin
Registered Professional Engineer
and/or Land Surveyor

2126
Certificate No.

WELL STATUS REPORT

I. Well Name & Number: EPNG Shell State C Com. No. 9

Location: 3620' FNL & 1980' FWL, Section 6, T-21-S,
R-36-E, Lea County, New Mexico

Pool Name: Eumont Gas Pool

Spud Date: 10-19-54

Completion Date: 11-6-54

Cumulative Production: 994 MMcf @ 15.025 psia
1,014 MMcf @ 14.73 psia

Current Rate of Production: Zero

Plug and Abandonment Date: 3-10-78

II. Description and Status:

As is indicated above, the well was completed in 1954 and produced efficiently until 1960 when water production began to hamper gas productivity, eventually killing the well. In October, 1960, a workover was conducted in an attempt to shut off the water.

An open hole caliper was run which indicated possible cement sluff from behind the pipe into the producing open hole section. An under reamer was run and the open hole section from 3368' to 3505' was cleaned out.

The well was plugged back to 3471' and the open hole section from 3368' to 3471' was treated with 2,000 gallons of acid.

After workover, the well was placed back on production but produced only small volumes of gas. The well was subsequently shut in and temporarily abandoned and as indicated above, permanently plugged and abandoned on March 10, 1978.

WELL STATUS REPORT

I. Well Name & Number: EPNG Shell State E Com. No. 1
(Formerly Shell Oil Company State E No. 2)

Location: 3300' FNL & 1980' FEL, Section 6, T-21-S,
R-36-E, Lea County, New Mexico

Pool Name: Eumont Gas Pool

Spud Date: 7-10-36

Recompletion Date: 10-31-67

Current Rate of Production: 39 Mcf/D @ 15.025 psia (April, 1980)

II. Description and Status:

As stated above, the well is currently producing from the Eumont Gas Pool at a rate of 39 Mcf/D. The well was initially drilled by Shell Oil Company and completed in the Eunice Grayburg oil pool. It produced oil from the Eunice Grayburg Pool through April, 1965 and cumulative production prior to depletion was 261,185 barrels.

El Paso Natural Gas Company acquired the well in September, 1967 and plugged back and recompleted in the Eumont Gas Pool. The well was selectively perforated from 2718' to 3495'. This entire 777' interval was acidized and treated with 20,000 gallons of jelled brine and 20,000 pounds of sand and was potentialized for an AOF of 7710 Mcf/D.

The well was then placed on production. During the latter part of 1977, production had declined to approximately 200 to 300 Mcf/D. Inasmuch as the well was not capable of making its allowable for the acreage assigned (230.32 acres), it was decided that the well be either worked over or an additional well be drilled.

After reviewing the records, noting the age of the well and the large interval perforated, it was concluded that a workover would not be successful. Subsequently, an application to drill an additional well on the proration unit was filed with your office.

This application to drill dated 12-13-77 was subsequently approved by your Hobbs district office and the second well (Shell F State Com. No. 1, later changed to Shell State E Com. No. 2) was spudded on 3-25-78 and completed on 5-10-78 in the Eumont Gas Pool.

WELL STATUS REPORT

I. Well Name & Number: EPNG Shell State E Com. No. 2
(Formerly EPNG Shell F State Com. No. 1)

Location: 3566' FSL & 1980' FWL, Section 6, T-21-S,
R-36-E, Lea County, New Mexico

Pool Name: Eumont Gas Pool

Spud Date: 3-25-78

Completion Date: 7-10-78

Current Rate of Production: 473 Mcf/D @ 15.025 psia (April, 1980)

II. Description and Status:

The subject well was drilled as a second well on an existing non-standard proration unit in an effort to produce the unit's non-marginal allowable from the Eumont Gas Pool.

This well was necessary to effectively and efficiently drain the proration unit as the existing well was not in a condition that was conducive to a successful workover.

NEW MEXICO OIL CONSERVATION COMMISSION

COPIES RECEIVED	
CONTRIBUTION	
FE	
FILE	
U.S.G.S.	
LAND OFFICE	
OPERATOR	

5a. Indicate Type of Lease
State Fee

5. State Oil & Gas Lease No.
NMB-1400-6

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER - Plug and Abandonment	7. Unit Agreement Name
2. Name of Operator El Paso Natural Gas Company	8. Farm or Lease Name Shell State
3. Address of Operator 1800 Wilco Bldg. Midland, Texas 79701	9. Well No. "C" - Com #9
4. Location of Well UNIT LETTER <u>K</u> <u>3620</u> FEET FROM THE <u>North</u> LINE AND <u>1980</u> FEET FROM THE <u>West</u> LINE, SECTION <u>6</u> TOWNSHIP <u>21-S</u> RANGE <u>36-E</u> NMPM.	10. Field and Pool, or Wildcat Eumont Queen
15. Elevation (Show whether DF, RT, GR, etc.) 3555.5' GL	12. County Lea

16. Check Appropriate Box To Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

SUBSEQUENT REPORT OF:

PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input checked="" type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	OTHER <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>	

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

- 3/8/78: MOL and RUPU. Set BOP. Ran tbg to 3461'.
- 3/9/78: Mix 10 sxs bentonite + 80# paper in 40 barrels water and pumped down tbg @ 3' BPM. Brk circ w/full returns. Spot 75 sxs Cl "C" cmt w/2% CaCl + 12 1/2# gilsonite @ 3461'. Pull 25 stands and SDFN to WOC.
- 3/10/78: RI w/tbg and tag TOC @ 2852'. Mixed 20 sxs bentonite and loaded hole. Pld tbg to 1212' and spot 15 sxs Cl "C" cmt (1212'-1112'). Pld tbg to 90' and circ 10 sxs Cl "C" to surf. Cutoff wellhead and welded on plate and P&A marker. Clean location. P&A as of 3/10/78.

18. I hereby certify that the information above is true and complete to the best of my knowledge and belief.

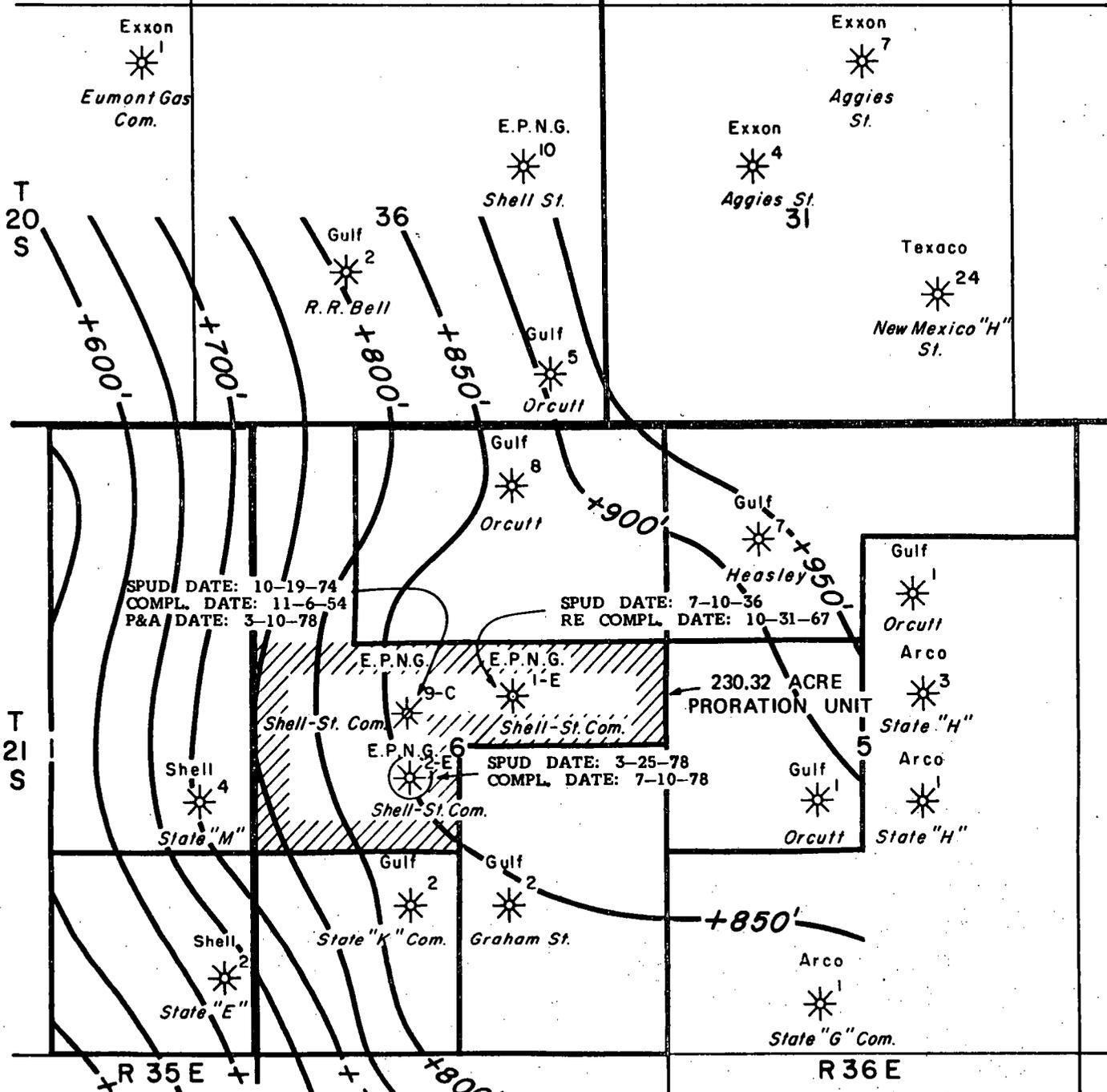
SIGNED J. J. Lent Jr. TITLE Production Engineer DATE 3/20/78

APPROVED BY M. H. Crossland TITLE OIL & GAS INSPECTOR DATE April 11 1978

CONDITIONS OF APPROVAL, IF ANY:

R 36 E

R 31 E



SPUD DATE: 10-19-74
 COMPL. DATE: 11-6-54
 P&A DATE: 3-10-78

SPUD DATE: 7-10-36
 RE COMPL. DATE: 10-31-67

SPUD DATE: 3-25-78
 COMPL. DATE: 7-10-78

230.32 ACRE
 PRORATION UNIT

STRUCTURE MAP
 SUBSEA TOP OF YATES FORMATION

El Paso Natural Gas Company

EUMONT GAS POOL
 YATES, 7/RIVERS, QUEEN RESERVOIR
 LEA COUNTY, NEW MEXICO

CONTOUR INTERVAL = 50'

- * GAS WELL (EUMONT) ⊗ DETERMINATION WELL
- *_D DUAL GAS WELL
- * P & A GAS WELL
- ⊕ DRY HOLE



SCALE IN FEET

DATE: MAY 1980



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

REGISTRATION DEPT.
RECD **JAN 17 1979**

JERRY APODACA
GOVERNOR

NICK FRANKLIN
SECRETARY

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

January 16, 1979

El Paso Natural Gas Co.
P. O. Box 1492
El Paso, Texas 79978

Attention: H. L. Kendrick

Re: Simultaneous Dedication, Shell
"E" State Com No. 1 and Shell
"F" State Com No. 1, Eumont Gas
Pool

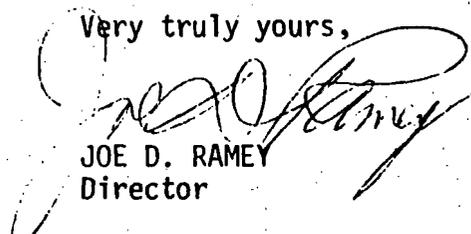
Gentlemen:

Reference is made to your letter dated November 27, 1978, wherein you have requested simultaneous dedication for two wells, namely your Shell "E" State Com Well No. 1, located in Unit J, and your Shell "F" State Com Well No. 1, located in Unit N, Section 6, Township 21 South, Range 36 East, NMPM, Eumont Gas Pool, Lea County, New Mexico. Your proposal is to dedicate these two wells to the 230-acre previously approved non-standard proration unit comprising all of Lots 9, 10, 11, 12, 13, and 14 of said Section 6.

Inasmuch as these two wells are both at standard locations for a unit of this size, your request for simultaneous dedication is hereby approved.

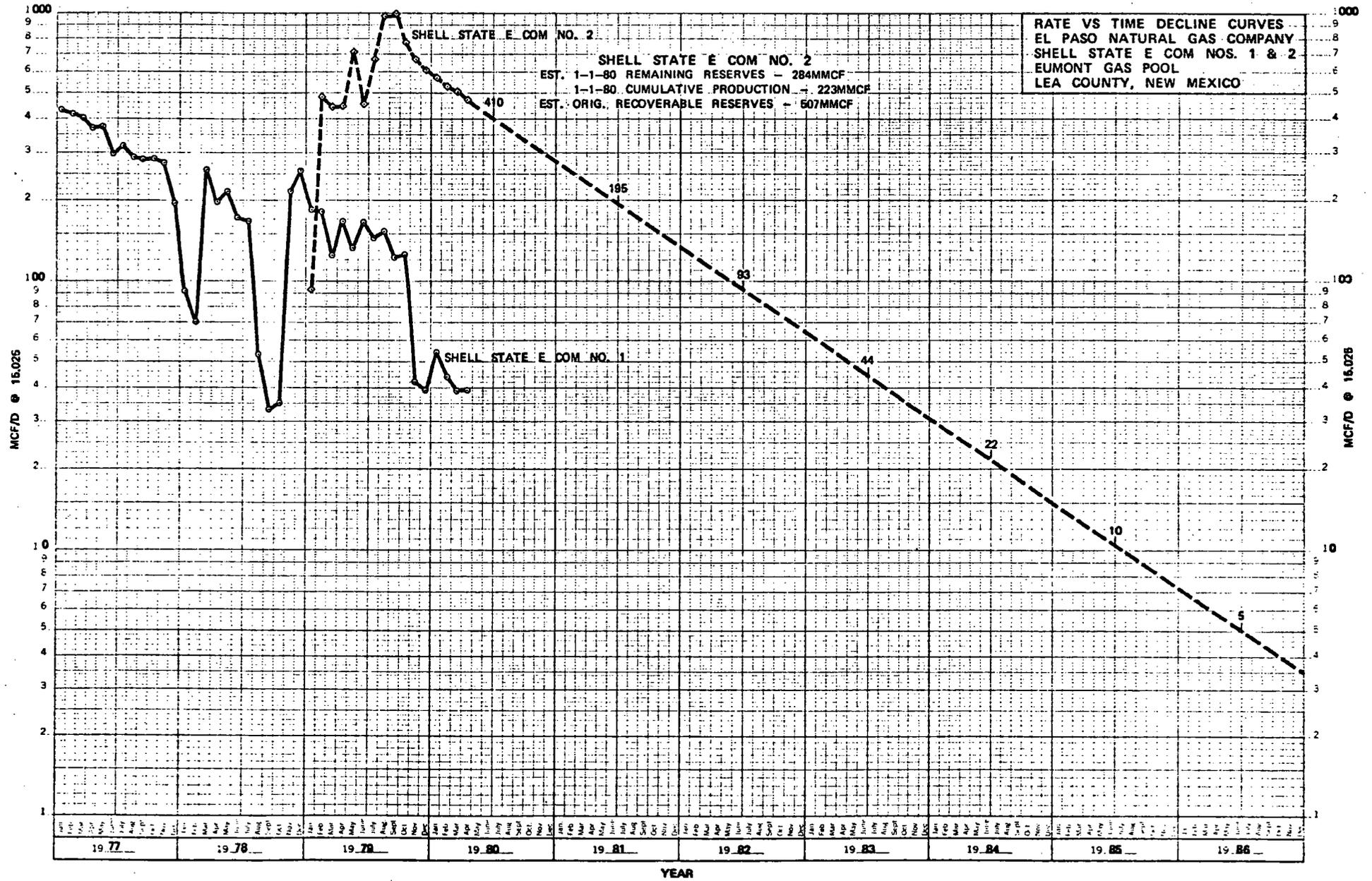
It will be necessary, however, for one or both of the wells to be re-named and renumbered inasmuch as both wells on a simultaneously dedicated unit must bear the same lease name.

Very truly yours,


JOE D. RAMEY
Director

JDR/DSN/og

cc: Oil Conservation Division - Hobbs
Gas Proration Section - Santa Fe



YEAR

SCHEDULE OF ALLOWABLES AND PRODUCTION
 EL PASO NATURAL GAS CO. SHELL STATE E COM NOS. 1 AND 2
 PRORATION UNIT - LOTS 9, 10, 11, 12, 13 AND 14 SECTION 6, T-21-S, R-36-E (230.32 ACRES)
 EUMONT GAS POOL, LEA COUNTY, NEW MEXICO

(Gas Volumes @ 15.025 psia & 60° F)

Month, Year	Actual Marginal Allowable Mcf	Non-Marginal Allowable Mcf	Production					
			Shell St. E Com No. 1		Shell St. E Com No. 2		Total	
			Mcf	Mcf/D	Mcf	Mcf/D	Mcf	Mcf/D
January, 1977	17912	44594	13321	430	*	*	13321	430
February, 1977	14419	61631	11618	415	*	*	11618	415
March, 1977	13321	74642	12409	400	*	*	12409	400
April, 1977	11618	40564	11113	370	*	*	11113	370
May, 1977	12409	28275	11551	373	*	*	11551	373
June, 1977	11113	20769	8929	298	*	*	8929	298
July, 1977	11551	20177	9828	317	*	*	9828	317
August, 1977	8929	21450	8925	288	*	*	8925	288
September, 1977	9828	20757	8488	283	*	*	8488	283
October, 1977	8925	25717	8834	285	*	*	8834	285
November, 1977	8488	25139	8243	275	*	*	8243	275
December, 1977	8834	33381	6020	194	*	*	6020	194
TOTAL	137347	417096	119279				119279	
AVERAGE				327				327
January, 1978	8243	40473	2864	92	*	*	2864	92
February, 1978	6020	36241	1968	70	*	*	1968	70
March, 1978	2864	55782	7993	258	*	*	7993	258
April, 1978	1968	55841	5921	197	*	*	5921	197
May, 1978	7993	52981	6676	215	*	*	6676	215
June, 1978	5921	42839	5151	172	*	*	5151	172
July, 1978	6676	41554	5161	166	*	*	5161	166
August, 1978	10302	39913	1655	53	*	*	1655	53
September, 1978	5161	39784	1004	33	*	*	1004	33
October, 1978	1655	42672	1099	35	*	*	1099	35
November, 1978	-	44557	6502	217	*	*	6502	217
December, 1978	1099	47516	7971	257	*	*	7971	257
TOTAL	57902	540153	53965				53965	
AVERAGE				148				148
January, 1979	6502	47571	5709	184	2871	93	8580	277
February, 1979	7971	40385	5076	181	13469	481	18545	662
March, 1979	8580	45024	3853	124	13650	440	17503	564
April, 1979	18545	41742	5007	167	13297	443	18304	610
May, 1979	17503	38993	4092	132	22184	716	26276	848
June, 1979	18304	36678	4948	165	13677	456	18625	621
July, 1979	26276	39265	4452	144	21221	684	25673	828
August, 1979	18625	39265	4708	152	30115	971	34823	1123
September, 1979	25673	39519	3643	121	29835	995	33478	1116
October, 1979	34823	41244	3871	125	23880	770	27751	895
November, 1979	33478	40261	1271	42	19933	664	21204	706
December, 1979	27751	43467	1210	39	18832	608	20042	647
TOTAL	244031	493414	47840		222964		270804	
AVERAGE				131		611		742
January, 1980	21204	41919	1678	54	17579	567	19257	621
February, 1980	20042	35598	1274	44	15348	529	16622	573
March, 1980	19257	37863	1195	39	15592	503	16787	542
April, 1980	16622	34975	1182	39	14200	473	15382	512
4 Month TOTAL	77125	150355	5329		62719		68048	
4 Month AVERAGE				44		518		562

* 1st Production January, 1979