



SHELL OIL COMPANY

NOV 24 1969

PETROLEUM BUILDING

P.O. BOX 1509

MIDLAND, TEXAS 79701

November 20, 1969

*AMK
NSL 'S -451
issue 11-24-69
R-2538 or amended
by R-2538-A*

Subject: Application of Shell Oil Company
for Administrative Approval to
Drill Six Infill Producing Wells
at Unorthodox Locations in the
East Pearl Queen Unit
Lea County, New Mexico

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention Mr. A. L. Porter, Jr., Secretary-Director

Gentlemen:

Shell Oil Company, acting as Operator of the East Pearl Queen Unit, respectfully requests administrative approval to drill six infill producing wells at unorthodox locations in the East Pearl Queen Unit, Lea County, New Mexico. The procedure whereby the drilling of such infill wells in the Unit may be approved administratively was provided by Order No. R-2538-A. The proposed unorthodox locations, all of which are in Township 19 South, Range 35 East, NMPM, Lea County, New Mexico as shown on the attached plat, are listed below:

<u>Well No.</u>	<u>Location</u>
57	2635 feet from the south line and 1325 feet from the west line of Section 34.
58	5 feet from the south and west lines of Section 22.
59	2635 feet from the south line and 1325 feet from the east line of Section 27.
60	1315 feet from the south and west lines of Section 27.
61	2635 feet from the south line and 5 feet from the east line of Section 28.
62	1315 feet from the south and west lines of Section 22

In support of this application the following facts are submitted:

(1) The East Pearl Queen Unit was approved by Order No. R-2537 in Case No. 2850 on August 7, 1963.

(2) The East Pearl Queen Unit Waterflood Project was approved by Order No. R-2538 in Case No. 2851 on the same date.

(3) The East Pearl Queen Unit was formed to increase the ultimate recovery of oil from the Pearl Queen Pool underlying the Unit.

(4) The drilling of East Pearl Queen Unit Well No. 56, an infill well, at an unorthodox location 1315 feet from the north line and 2625 feet from the west line (later amended to 1355 feet from the north line and 2475 feet from the west line) of Section 34, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico, was approved by Order No. R-2538-A in Case No. 4206 on September 8, 1969.

(5) The East Pearl Queen Unit Well No. 56 was completed on October 29, 1969 flowing 445 BOPD plus 4 BWPD with a GOR of 75. The well has produced over 4,000 barrels of oil through November 19.

(6) Amendment of Commission Order No. R-2538 to allow for administrative approval of additional infill wells at unorthodox locations as may be necessary to complete an efficient production pattern, provided said wells are no closer than 990 feet to the outer boundary of the Unit nor closer than 5 feet to any quarter-quarter section or subdivision inner boundary, and also provided that the application therefor shall be filed in accordance with Rule 701 B of the Commission Rules and Regulations, was approved by Order No. R-2538-A in Case No. 4206 on September 8, 1969.

(7) The applicant believes that the drilling of Wells No. 57, 58, 59, 60, 61 and 62 at locations midway between two producing and two injecting wells will result in recovery of oil which will not be produced by the existing wells.

(8) The proposed wells will be drilled no closer than 990 feet to the outer boundary of the East Pearl Queen Unit nor closer than 5 feet to any quarter-quarter section or subdivision inner boundary and all offsetting wells and lands are entirely within the area of the East Pearl Queen Unit.

(9) The East Pearl Queen Unit Waterflood Project maximum permissible daily allowable for November 1969 is 3,873 BOPD and the current production rate is approximately 900 BOPD.

(10) The Waterflood Project allowable will be in accordance with Statewide Rule 701 E-3.

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(11) This application is in the interest of conservation and the prevention of waste.

Yours very truly,



J. L. Mahaffey, Manager
Production Department - West
Midland Division

CAW:MC

Attachment

cc - New Mexico Oil Conservation Commission
P. O. Box 1980
Hobbs, New Mexico 88240

All Working Interest Owners
East Pearl Queen Unit