

NS P-746
30 days
Add "MQD" State Well No. 3
shall not be produced while this
order is in effect.
Due 2/28

990/W
330/S

SHELL OIL COMPANY

MAIN OFFICE OCC

WESTERN DIVISION
P. O. BOX 1509
MIDLAND, TEXAS 79704

JAN 27 AM 8:03

January 24, 1966

Subject: Application for Non-Standard Gas Proration Unit, Shell "MQD" State No. 4 Section 17, T-16-S, R-32-E, Mesa-Queen Pool, Lea County, New Mexico

990/W
1650/S

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

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

Gentlemen:

We hereby submit application and request administrative approval, under the provisions of Order No. R-2935, Rule 3, of the Special Rules and Regulations for the Mesa-Queen Pool, of the formation of an 80-acre non-standard gas proration unit consisting of the W/2 of SW/4 of Section 17, T-16-S, R-32-E. This unit is for our "MQD" State Well No. 4 located 1650 feet from the south line and 990 feet from the west line of Section 17, T-16-S, R-32-E, Lea County, New Mexico.

The proposed 80-acre non-standard gas proration unit will consist of the SW/4 of SW/4 of Section 17, which is currently assigned to our "MQD" State No. 3, a temporarily abandoned Mesa-Queen well.

In support of our request, we submit that the proposed unit conforms with the requirements of Rule 3 in all respects as follows:

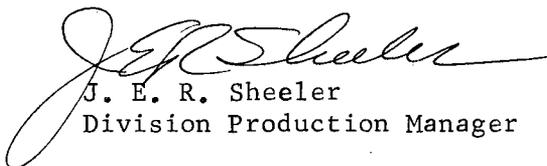
1. Proposed non-standard gas proration unit consists of contiguous quarter-quarter sections.
2. Proposed non-standard gas proration unit lies wholly within a single governmental quarter section.
3. The entire proposed non-standard gas proration unit may be reasonably presumed to be productive of gas.

4. Copies of this application are being sent by Certified Mail to all offset operators.

A plat is attached hereto showing to the best of our knowledge the proposed unit, the location of the "MQD" State Well No. 4 and other wells on the Lease, and offset wells and ownership thereof.

It is further requested that the allowable gas production and actual gas production for wells "MQD" State number 3 and 4 be aggregated for the months of July through December 1965 for purposes of determining the current allowable status for the non-standard gas unit hereby requested. The period for aggregation which is requested conforms with balancing dates as set forth in Rule No. 12 of Order R-2935 and is the first such period following the adoption of those rules by the Commission. A tabulation of actual and allowable gas production for each of the wells and the aggregate for the two wells is attached. This tabulation indicates that the total gas production from the requested non-standard 80-acre proration unit for the six-month period is under produced by 6824 MCF. Therefore, we request that a full 80-acre gas allowable be established for our "MQD" State No. 4 well effective January 1, 1966, and that we be given permission to return it to production status immediately.

Yours very truly,



J. E. R. Sheeler
Division Production Manager

Attachment

cc: New Mexico Oil Conservation Commission - Hobbs

Copies sent by Certified Mail to:

Cactus Drilling Corporation
P.O. Box 2068
Hobbs, New Mexico 88240

Paul DeCleva
740 West 5th
Ft. Worth, Texas

Tidewater Oil Company
P.O. Box 547
Hobbs, New Mexico 88240

Mr. R. A. Dean
Room 823 - Midland Tower
Midland, Texas 79701

Sinclair Oil Company
P.O. Box 1470
Midland, Texas 79701

<u>Month</u>	<u>Gas Prod.</u> <u>MCF</u>	<u>Allowable</u> <u>Gas Prod.</u> <u>MCF</u>	<u>Production</u> <u>Over</u> <u>(Under)</u>	<u>Cumulative</u> <u>Production</u> <u>Over</u> <u>(Under)</u>
<u>"MQD" State #3</u>				
1965				<i>S.O.P.</i>
July	1296	5735	(4439)	(4439) <i>48733</i>
August	0	5735	(5735)	(10174) <i>48733</i>
September	0	5550	(5550)	(15724)
October	1576	5890	(4314)	(20038) <i>Druff to the</i>
November	0	5850	(5850)	(25888)
December	0	6200	(6200)	(32088)

<u>"MQD" State #4</u>				
1965				
July	11471	5735	5736	5736
August	16753	5735	11018	16754
September	13046	5550	7496	24250
October	6719	5890	829	25079
November	6811	5850	961	26040
December	5424	6200	185	26225 <i>25264</i>

80-Acre Non-Standard Unit ("MQD" #3 and "MQD" #4)

1965				
July	12767	11470	1297	1297
August	16753	11470	5283	6580
September	13046	11100	1946	8526
October	8295	11780	(3485)	5041
November	6811	11700	(4889)	152
December	5424	12400	(6976)	(6824)

Janey talked to Joe & he agrees we should not change retroactive a 40 Acre allowable for the #3 well as it was temp. abandoned. The 80 Acre NSP for the #4 would be effective 3-1-66 then, 80 Acre allowable likewise

Talked to Sheeler & Jack Hollnicks of Shell. agreeable to Janey & Edins. Route for 80 A NSP.

ED