

The Ohio Oil Co.

P. O. BOX 532
MIDLAND, TEXAS
July 14, 1958

This copy was made and the other was sent to Hobbs office.

*MSP. 440
to DC. 643
Ref. Sure July 16, 1958*

Re: Application for Authority to Dual Complete The Ohio Oil Company's State McDonald A/C 2 Well No. 11, Arrowhead Oil Pool, for Approval of the Location as a Current Gas Pool Well and for Revision of Existing Standard Gas Production Unit Creating One 160-Acre Unit and One 480-Acre Unit, Current Gas Pool, within Section 13, T-22-S, R-36-E, Lea County, New Mexico.

New Mexico Oil Conservation Commission
P. O. Box 571
Santa Fe, New Mexico

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

Gentlemen:

The Ohio Oil Company respectfully requests that the Oil Conservation Commission grant this application of The Ohio for authority to dual complete its State McDonald A/C 2 Well No. 11, located in the NE 1/4 NE 1/4 of Section 13, T-22-S, R-36-E, Lea County, New Mexico, now producing oil from the Arrowhead Oil Pool. The Ohio desires to dual complete this well in the Current Gas Pool in such a manner as to produce gas through the annulus between the casing and tubing and to continue producing oil from the Arrowhead Oil Pool through the tubing. The Ohio intends to install an efficient packer between the two zones and to perform the completion so as to prevent waste in each reservoir. A schematic diagram showing the proposed method for dual completion is attached. Subsequent to the completion of the work, The Ohio will present to the Commission data showing the detail completion progress as well as plans for future testing which will be made regularly to determine that waste is not occurring in either reservoir.

The Ohio further respectfully requests that, contingent upon the success of the proposed dual completion, the Commission cancel the 640-acre Current Gas Production Unit (Section 13, T-22-S, R-36-E) presently assigned to our State McDonald A/C 2 Well No. 26 and subdivide said 640 acres into two non-standard Gas Production Units as described below:

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A 150-acre non-standard Gas Production Unit in the Eumont Gas Pool consisting of the NE/4 of Section 13, T-22-S, R-35-E, Lea County, New Mexico, on which is located the State McDonald A/C 2 Well No. 11 which we are proposing to dual with the present Arrowhead Oil Zone. This well is located 110 feet from the north and east lines of Section 13, and was completed in the Arrowhead Oil Pool prior to the effective date of Order R-570 in Case No. 673.

A 640-acre non-standard Gas Production Unit in the Eumont Gas Pool consisting of the SW/4 and NW/2 of Section 13, T-22-S, R-35-E, Lea County, New Mexico, on which is located the State McDonald A/C 2 Well No. 25, which is presently a gas well in the Eumont Gas Pool with a 640-acre Standard Gas Production Unit assigned to it. This well is located 100 feet from the south and east lines of Section 13.

Approval of the location of each of the wells for the purpose of production from the respective units described above is also requested.

The Ohio owns the oil and gas leasehold estate on the acreage included in the proposed units and the two wells which are described above. The entire acreage covered by these two proposed units falls within the limits of the Eumont Gas Pool and is reasonably presumed to be production of gas from that pool.

Unless the proposed dual completion, well locations and revision of production units are approved, the Ohio will be denied its fair opportunity to produce its just and equitable share of the natural gas in the Eumont Gas Pool. Our Well No. 11 was selected for this proposed dual completion because it is the highest well structurally in the NE/4 of Section 13, and it is the only well that contains large enough casing (7" O.D.) to permit the running of another casing string inside of it. The proposed completion in the Eumont Gas Zone will increase the life of this well to an extent where the life of the present casing may be exceeded. The use of Well No. 11 will permit us to remedy this situation, if it should occur. The granting of the relief sought by this application will protect correlative rights and will not cause, but will prevent waste.

A plat is attached hereto which indicates the location of the proposed units, the wells, and the location of the surrounding tracts. A copy of this application with diagram and plat attached has been sent by registered mail to each of the operators named on the attached list.

The Ohio therefore requests that the Commission grant the necessary authority for the dual completion and, contingent upon unsuccessful dual completion of Well No. 11, that the Commission approve the location of the wells, cancel the existing standard unit and create the two non-standard production units as described above, all without further notice or hearing and pursuant to the provisions of the applicable rules and regulations.

New Mexico Oil Conservation Commission

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Each and all of the foregoing statements are true and correct.

Yours very truly,

THE OIL COMPANY

By

Geo. S. Hillis, District Manager

THE STATE OF TEXAS
COUNTY OF MIDLAND

Subscribed and sworn to before me, and authenticated by me, by Geo. S. Hillis, on this 14th day of July, A. D. 1938, in County of Midland, State of Texas, my hand and seal of this office.

Notary Public in and for
Midland County, Texas

OFFSHORE OPERATORS TO
THE GULF OIL COMPANY
STATE MIDLAND AND LA FAYETTE
COUNTY, NEW MEXICO

American Petroleum Corporation
P. O. Box 312
Midland, Texas

Continental Oil Company
P. O. Box 42
Midland, New Mexico

Gulf Oil Corporation
P. O. Box 2167
Midland, New Mexico

Humble Oil and Refining Company
P. O. Box 2347
Midland, New Mexico

N. G. Penrose, Inc.
1018 N. Lincoln
Midland, New Mexico

Rowan Oil Company
P. O. Box 98
Midland, New Mexico

Shuttliff Oil Company
P. O. Box 1502
Midland, Texas

Standard Oil and Gas Company
P. O. Box 1470
Midland, Texas

Texas Pacific Coal and Oil Company
P. O. Box 4007
Midland, Texas

Western Natural Gas Company
823 Midland Tower
Midland, Texas

THE OHIO OIL COMPANY
 State Petroleum A/C 2 Well No. 11
 Proposed Gas Completion
 Eumont Gas - Arrested Oil

5/8" Csg. 263'
 Cemented w/ 175 Sks

Arrested Oil
 Eumont Gas

Eumont Gas zone
 Approx. Csg. Depth
 3450' - 3500'

Production Interval
 at approx. 3500'

7" Csg. 4 X 32'
 Cemented w/ 500 Sks

2 2 1/2" Csg.

Arrested Gas - Eumont Gas

Plug back location

THE OHIO OIL COMPANY
STATE McDONALD A/C 2 LEASE
LEA COUNTY, NEW MEXICO

100-Acre Proposed Eumont Gas Production
Unit
100-Acre Proposed Eumont Gas Production

MAIN OFFICE OCC
OIL CONSERVATION COMMISSION

1958 JUL 30 AM 8 20 48
HOBBS, NEW MEXICO

Date July 28, 1958

OIL CONSERVATION COMMISSION
BOX 871
SANTA FE, NEW MEXICO

Re: Proposed NSP 440
Proposed NSL

Gentlemen:

I have examined the application dated 7/17/58
for the Ohio Oil Co. State McDonald A/c 2 #26 13-22-36
Operator Lease and Well No. S-T-R

and my recommendations are as follows:

O.K.---E.F.E.

O.K.---J.W.R.

Yours very truly,

OIL CONSERVATION COMMISSION



Engineer
Oil & Gas Inspector