

Continued November 24, 1964
A. L. P.

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 3139
Order No. R-2808

APPLICATION OF SHELL OIL COMPANY
FOR A DUAL COMPLETION AND A NON-
STANDARD GAS PRORATION UNIT, LEA
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on November 12, 1964, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 24th day of November, 1964, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Shell Oil Company, seeks approval of a 160-acre non-standard gas proration unit in the Tubb Gas Pool comprising the S/2 SW/4, NE/4 SW/4, and SW/4 SE/4 of Section 3, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico, to be dedicated to its Livingston Well No. 7 located in Unit V of said Section 3.

(3) That by Order No. R-1035, as amended by Order No. R-1035-A, the Commission approved a 160-acre non-standard gas proration unit in the Tubb Gas Pool comprising the above-described acreage to be dedicated to the Livingston Well No. 2 located in Unit W of said Section 3.

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(4) That due to mechanical difficulties, the Livingston Well No. 2 is no longer capable of producing a 160-acre allowable in the Tubb Gas Pool.

(5) That the proposed non-standard gas proration unit can be efficiently and economically drained and developed by the Livingston Well No. 7.

(6) That approval of the proposed non-standard gas proration unit will afford to the applicant an opportunity to produce its just and equitable share of the gas in the Tubb Gas Pool.

(7) That the applicant also seeks authority to complete its Livingston Well No. 7 as a dual completion (conventional) to produce oil from the Drinkard Pool through 2 3/8-inch tubing and to produce gas from the Tubb Gas Pool through the casing-tubing annulus, with separation of zones by a packer set at approximately 6420 feet.

(8) That the mechanics of the proposed dual completion are feasible and in accord with good conservation practices.

(9) That approval of the proposed dual completion will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That a 160-acre non-standard gas proration unit in the Tubb Gas Pool comprising the S/2 SW/4, NE/4 SW/4, and SW/4 SE/4 of Section 3, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico, is hereby established and dedicated to the Shell Oil Company Livingston Well No. 7 located in Unit V of said Section 3;

PROVIDED HOWEVER, that said unit shall not be effective until a notice of disconnection for the Livingston Well No. 2 has been filed with the Commission.

(2) That the applicant, Shell Oil Company, is hereby authorized to complete its Livingston Well No. 7 located in Unit V of Section 3, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico, as a dual completion (conventional) to produce oil from

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the Drinkard Pool through 2 3/8-inch tubing and to produce gas from the Tubb Gas Pool through the casing-tubing annulus, with separation of zones by a packer set at approximately 6420 feet;

PROVIDED HOWEVER, that the applicant shall complete, operate, and produce said well in accordance with the provisions of Rule 112-A of the Commission Rules and Regulations insofar as said rule is not inconsistent with this order;

PROVIDED FURTHER, that the applicant shall take packer-leakage tests upon completion and annually thereafter during the Gas-Oil Ratio Test Period for the Drinkard Pool.

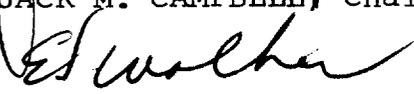
(3) That Order No. R-1035, as amended by Order No. R-1035-A, is hereby superseded.

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

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JACK M. CAMPBELL, Chairman


E. S. WALKER, Member


A. L. PORTER, Jr., Member & Secretary

S E A L

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