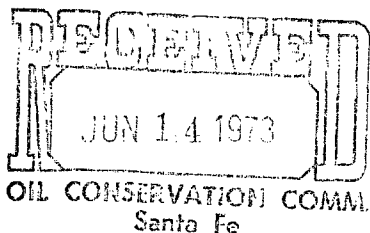




SHELL OIL COMPANY

1700 BROADWAY
DENVER, COLORADO 80202

June 12, 1973



Subject: Application of Shell Oil Company
for Approval of Unorthodox Location
in NW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 17-25N-11W,
Carson Unit, San Juan County,
New Mexico

NSL - 606

R-1670-C Rule 3

Secretary-Director
New Mexico Oil Conservation Commission
Post Office Box 2088
Santa Fe, New Mexico 87501

Attention Mr. J. E. Kapteina

Dear Sir:

*7/16 - issue effective 6/15
(waiver rec'd from all offsets)*

Enclosed herewith is Shell Oil Company's application in triplicate in the above entitled matter which we ask that you please file and expedite.

The application seeks administrative approval of an unorthodox location in the Carson Unit, San Juan County, New Mexico, pursuant to Commission Rule 104F. Copies of the application have been mailed to the offset operators described in paragraph 6 in the application. Attached with this application is the signed Waiver and Consent on behalf of Skelly Oil Company. A similar "Waiver and Consent" has been mailed to the only other offset operator, Mobil Oil Corporation, at its offices in Midland, Texas, and they have been requested to sign the Waiver and forward it directly to your office in Santa Fe, New Mexico. A copy of the application will also be mailed to the U.S.G.S. office in Farmington, New Mexico.

Administrative approval of the application at an early date will be appreciated as a completion rig is already in the field to start recompletion work on the Carson Unit 113-17 Well early in the week of June 18. If any additional information is needed, please call the undersigned at (303) 572-2446 in Denver.

Very truly yours,

D. F. Gallion
D. F. Gallion
Attorney

DFG:gec

Encl.

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF SHELL OIL)
COMPANY FOR APPROVAL OF AN UNORTHODOX LOCATION)
AND PERMISSION TO RECOMPLETE A WELL INTO THE)
BASIN DAKOTA GAS POOL IN NW $\frac{1}{4}$ SW $\frac{1}{4}$ OF SECTION 17,)
TOWNSHIP 25 NORTH, RANGE 11 WEST, WITHIN THE)
CARSON UNIT, SAN JUAN COUNTY, NEW MEXICO)

APPLICATION

SHELL OIL COMPANY respectfully shows to the Oil Conservation
Commission of the State of New Mexico as follows:

1. Applicant is a Delaware corporation qualified to do business
and doing business in the State of New Mexico.
2. Applicant is the sole working interest owner and operator under
the Unit Agreement for the Development and Operation of the Carson Unit Area,
a Federal Unit covering all horizons under the lands herein described and
other lands in San Juan County, New Mexico, which Unit Agreement was approved
by this Commission on June 22, 1956, by Order No. R-828, and by the United
States through the Secretary of the Interior on November 15, 1956.
3. Carson Unit Well 113-17 located 1980 feet from the south line
and 660 feet from the west line of Section 17, Township 25 North, Range 11
West, San Juan County, New Mexico, was drilled at an orthodox location and
completed in August 1959 as a producing oil well in the Gallup formation at
a depth of approximately 4950 feet below the surface. Subsequently the well
was converted to a water injection well and still later all operations were
suspended and remain so at this time.
4. By Commission Order No. R-1670-C dated November 4, 1960, the
Commission created a new gas pool for Dakota production designated as the
Basin Dakota Gas Pool with horizontal limits defined to include San Juan
and Rio Arriba Counties, New Mexico, with certain exceptions which do not
affect the land area covered by this application. The Order also established
a standard gas proration unit of 320 acres and provided for well locations no
nearer than 790 feet to the boundary line of the proration unit and other set-
backs not here involved.

5. Applicant desires to attempt to extend the Basin Dakota Gas Pool in the Carson Unit Area by recompleting the above described Carson Unit Well 113-17 into the Basin-Dakota Gas Pool pursuant to Commission Rule 104F. The location of Carson Unit Well 113-17 does not comply strictly with the location requirements in the special rules adopted in Order No. R-1670-C. However, Applicant believes the proposed unorthodox well location is necessary and desirable due to economic savings and environmental advantage to be realized from the use of an existing well in preference to the cost and disturbance of a new and unnecessary well.

6. Applicant is the sole operator of the Carson Unit and will operate the recompletion well. Offset operators to the gas proration unit for which an unorthodox location is sought are Skelly Oil Company, Post Office Box 1650, Tulsa, Oklahoma 74102, and Mobil Oil Corporation, 3 Greenway Plaza East, Suite 800, Houston, Texas 77046, and both have been notified of this application by certified mail.

7. Attached hereto and made a part hereof is a plat marked Exhibit "A" showing the Carson Unit Well 113-17 proposed for recompletion into the Basin Dakota Gas Pool, proposed spacing unit consisting of S $\frac{1}{2}$ of Section 17-25N-11W, ownership of all leases offsetting such proration unit, and the location and status of all wells drilled in the vicinity of the proposed recompletion.

8. Applicant believes that the approval of an unorthodox location in accordance with this application is reasonable, that it will prevent waste and the drilling of an unnecessary well, and that if the recompletion is successful, it would extend the productive limits and encourage further development of the Basin Dakota Gas Pool in the Carson Unit Area.

WHEREFORE, Applicant prays that the unorthodox location requested herein be approved administratively pursuant to Rule 104F of the Rules and Regulations of the Oil Conservation Commission, State of New Mexico, and that Applicant be permitted to recomplete the Carson Unit Well 113-17 into the Basin Dakota Gas Pool as hereinabove proposed.

Respectfully submitted,

SHELL OIL COMPANY

By


N. J. Isto

STATE OF COLORADO)
) SS.
CITY AND COUNTY OF DENVER)

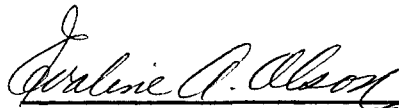
N. J. ISTO, being first duly sworn, deposes and says that he is the Rocky Mountain Division Production Manager, for Shell Oil Company, who signed the above application in its behalf; that he has read such application and knows the contents thereof; and that the matters and things therein contained are true.



Subscribed and sworn to before me this 12th day of June, 1973.

My Commission Expires:

7-27-74



Notary Public

BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

APPLICATION OF SHELL OIL COMPANY FOR)
APPROVAL OF AN UNORTHODOX LOCATION AND)
PERMISSION TO RECOMPLETE A WELL INTO)
THE BASIN DAKOTA GAS POOL IN NW $\frac{1}{4}$ SW $\frac{1}{4}$ OF)
SECTION 17, TOWNSHIP 25 NORTH, RANGE)
11 WEST, WITHIN THE CARSON UNIT, SAN)
JUAN COUNTY, NEW MEXICO)

WAIVER AND CONSENT

WHEREAS, Shell Oil Company, a Delaware corporation, either has filed or will soon file its application to the New Mexico Oil and Gas Conservation Commission in the matter styled above seeking approval of an unorthodox location and permission to recomplete into the Basin Dakota Gas Pool a well located in NW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 17, Township 25 North, Range 11 West, within the Carson Unit, San Juan County, New Mexico, and Shell Oil Company has given notice of its intention to file said application to Mobil Oil Corporation as an offset operator to the proration unit for which the unorthodox location is sought, within the purview of Commission Rule 104F;

NOW, THEREFORE, Mobil Oil Corporation, an offset operator as aforesaid, hereby waives any and all statutory and regulatory notice requirements with respect to the above described application for an unorthodox location and consents to the granting and approval of the unorthodox location and recompletion of the well as applied for by Shell Oil Company.

MOBIL OIL CORPORATION

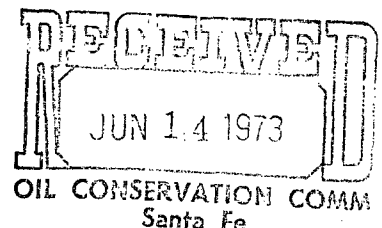
By

John E. Smith

For: J. A. Morris
Production Engineering Supervisor

Date

June 13, 1973



BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

APPLICATION OF SHELL OIL COMPANY FOR)
APPROVAL OF AN UNORTHODOX LOCATION AND)
PERMISSION TO RECOMPLETE A WELL INTO)
THE BASIN DAKOTA GAS POOL IN NW $\frac{1}{4}$ SW $\frac{1}{4}$ OF)
SECTION 17, TOWNSHIP 25 NORTH, RANGE)
11 WEST, WITHIN THE CARSON UNIT, SAN)
JUAN COUNTY, NEW MEXICO)

WAIVER AND CONSENT

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NOW, THEREFORE, Skelly Oil Company, an offset operator as afore-said, hereby waives any and all statutory and regulatory notice requirements with respect to the above described application for an unorthodox location and consents to the granting and approval of the unorthodox location and recompletion of the well as applied for by Shell Oil Company.

SKELLY OIL COMPANY




By



Date

6/8/73

LEASE OUTLINES

 Shell Full Working Interest
 Shell Part Working Interest
 Pooled (Carson Unit) Acreage

**Note: All Productive Wells
From Gallup Sandstone**

To Accompany:
Application for Unorthodox Location
Dakota Sandstone Recompletion
Shell, Carson Unit 113-17
1980' FSL & 660' FWL
NW SW Sec. 17 T25N R11W

'SHELL OIL COMPANY
' EXHIBIT "A" .

BISTI AREA
BASIN-DAKOTA GAS POOL
SAN JUAN CO., NEW MEXICO