

Case 398

June 20, 1952

Oil Conservation Commission
Santa Fe, New Mexico

Gentlemen:

By means of this application the Shell Oil Company wishes to state the following:

a) That Shell Argo 3, located in the NE $\frac{1}{4}$ of the SW $\frac{1}{4}$ of Section 15-21S-37E, was completed in April 1948 at a total depth of 6645 feet. The appended Exhibit A shows the location of this and all other wells on the Argo lease together with the locations of all offset wells.

b) That the said well was completed as an oil well producing from the interval 6494-6645 feet in the Drinkard formation after having been drilled through the Blinebry gas productive interval extending from approximately 5543 to 5695 feet. These data are depicted on the appended Exhibit B.

c) That the applicant proposes to (1) perforate the 5 1/2-inch casing opposite the Blinebry gas-productive horizons and (2) set a Baker production packer at approximately 6450 feet in the 5 1/2-inch casing.

d) That the applicant proposes to dually complete the said well to produce oil from the Drinkard formation through the tubing and gas from the Blinebry formation through the 5 1/2-inch casing. The manner and method of the proposed dual completion are shown on Exhibit C.

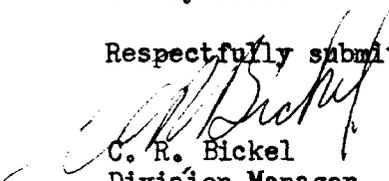
e) That the granting of this application for permission to produce dually oil from the Drinkard formation and gas from the Blinebry formation is in the interests of conservation and the protection of correlative rights.

f) That the applicant will do such things as may be required of it by the New Mexico Oil Conservation Commission in the maintenance of separation of production from said two horizons.

g) That the manner and method of the proposed dual completion is mechanically feasible and practical. No corrosion problems are anticipated as the hydrogen sulfide content of the Blinebry gas has been tested to be approximately 0.001 per cent and no carbon dioxide has been found in this gas.

Therefore, the Shell Oil Company requests that the Oil Conservation Commission set a certain day upon which this application may be heard and after said hearing to grant permission in order that the applicant may dually complete Argo 3 so that oil from the Drinkard formation may be produced through the tubing and gas from the Blinebry formation through the casing.

Respectfully submitted,


C. R. Bickel
Division Manager
Shell Oil Company
Hobbs, New Mexico