



SHELL OIL COMPANY

P. O. Box 1957
Hobbs, New Mexico

July 9, 1957

Subject: Application for Approval of a 200-acre Non-Standard Gas Proration Unit for Shell State C No. 2, Eumont Gas Pool, Lea County, New Mexico

New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Gentlemen:

Shell Oil Company respectfully submits application for a 200-acre Non-Standard Gas Proration Unit to include the NE/4 and the NE/4 of the SE/4 of Section 24, T-21-S, R-35-E, to be assigned to the Shell State C No. 2 well which was recently recompleted as a single zone gas well in the Eumont Gas Pool. It is requested that the Commission set this matter for an examiner hearing at an early date.

The following facts are offered in support of this application:

1. Shell Oil Company is the owner and operator of the 160-acre oil and gas lease known as the Shell State C Lease and also is the owner and operator of the 40-acre oil and gas lease known as the Shell State N Lease. Both leases are in Section 24, T-21-S, R-35-E, Lea County, New Mexico as shown on the attached plat.

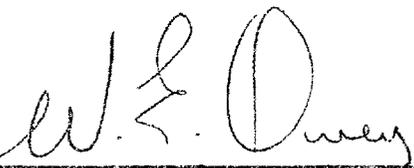
2. Shell State C No. 2, the proposed unit well, is located 1650 feet from the north line and 330 feet from the east line of Section 24, T-21-S, R-35-E, Lea County, New Mexico. This well was originally completed on July 1, 1938, to produce from the open hole interval 3786 to 3926 feet in the Eunice Oil Pool. On May 15, 1957, Shell Oil Company completed State C No. 2-A as a replacement well for the old State C No. 2 well and State C No. 2 subsequently was shut in.

3. On May 21, 1957 operations were initiated to abandon the oil zone and recomplete State C No. 2 as a single zone gas well. A bridge plug was set in the casing at 3650 feet and capped with cement to a plug back depth of 3642 feet. The Eumont gas pay was perforated in the gross interval 3306 feet to 3610 feet and the gas pay was treated through these casing perforations with 20,000 gallons of gelled lease crude carrying 20,000 pounds of sand. Although the official absolute open flow potential test has not been taken, production testing indicates the well has a capacity of approximately 3500 MCFGPD through a 28/64-inch choke with a flowing tubing pressure of 1000 psi. Shell Oil Company proposes to use this well as the unit well. Shell Oil Company further proposes that the Shell State C lease and the Shell State N lease, consisting of the NE/4 and the NE/4 of the SE/4 of Section 24, T-21-S, R-35-E be established as a non-standard 200-acre gas proration unit in exception to New Mexico Oil Conservation Commission Order R-520.

4. By copy of this letter of application all operators owning interest in the section in which the proposed unit is located and all operators within 1500 feet of the proposed unit well are notified of the intent of Shell Oil Company to form the proposed non-standard gas proration unit.

Respectfully submitted,

SHELL OIL COMPANY

By: 
Division Production Manager

Attachment

cc: Oil Conservation Commission
Box 2045
Hobbs, New Mexico

Sinclair Oil and Gas Company
Box 1470
Midland, Texas

Drilling and Exploration Company
800 San Jacinto Building
Houston 2, Texas

Amerada Petroleum Corporation
Box 2040
Tulsa, Oklahoma

Reaho Oil Corporation
1316 Mercantile Building
Dallas, Texas