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EDWIN L. MECHEM  
CHAIRMAN

State of New Mexico  
Oil Conservation Commission

LAND COMMISSIONER  
E. S. JOHNNY WALKER  
MEMBER



STATE GEOLOGIST  
A. L. PORTER, JR.  
SECRETARY - DIRECTOR

P. O. BOX 871  
SANTA FE

February 22, 1962

Mr. Oliver Seth  
Seth, Montgomery, Federici & Andrews  
Box 328  
Santa Fe, New Mexico

Re: CASE NO. 2314  
ORDER NO. R-2191  
APPLICANT:  
Shell Oil Company

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Very truly yours,

A. L. PORTER, Jr.  
Secretary-Director

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Carbon copy of order also sent to:

Hobbs OCC      x  
Artesia OCC       
Aztec OCC     

OTHER Mr. Jack Campbell  
Mr. Clarence Hinkle

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

February 22, 1962

Mr. Ben Howell  
Vice President  
El Paso Natural Gas Company  
P. O. Box 1492  
El Paso, Texas

DUCKET MAILED

Date 2/8/63

Dear Mr. Howell:

Enclosed is a copy of Order No. R-2191, entered in Case No. 2314, which involved an application by Shell Oil Company to allow one of its wells in the Jalmat Gas Pool to remain classified as a gas well with a gas-oil ratio below 100,000 to 1.

It will be noted from Finding No. 3 of this order that the subject well will behave properly as a gas well when produced at a rate not exceeding 1000 MCFPD. Shell's application was denied on the ground that no relief is needed so long as the well is produced at such rate.

El Paso Natural Gas Company's cooperation is needed if this well is to be produced at a more or less constant rate, since this solution necessarily varies from the normal method of producing Jalmat gas wells. El Paso's cooperation will be greatly appreciated by the Commission and, I am sure, by Shell Oil Company also.

Very truly yours,

RICHARD S. MORRIS  
Attorney

RSM/esr  
Enclosure

cc: Mr. Oliver Seth  
Attorney for Shell Oil Company  
P. O. Box 828  
Santa Fe, New Mexico

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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. 2314  
Order No. R-2191

APPLICATION OF SHELL OIL COMPANY  
FOR AN EXCEPTION TO THE GAS-OIL  
RATIO PROVISIONS OF RULE 26(A),  
ORDER NO. R-1670, LEA COUNTY,  
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on June 28, 1961 and January 24, 1962, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 22nd day of February, 1962, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, 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 an exception to the gas-oil ratio provisions of Rule 26(A), Order No. R-1670, to permit its State Well No. 1-A, located 380 feet from the North line and 380 feet from the West line of Section 36, Township 24 South, Range 36 East, NMPM, Lea County, New Mexico, to remain classified as a gas well in the Jalmat Gas Pool, with a gas-oil ratio below 100,000 to 1.

(3) That the evidence presented at the hearings of this matter reflects that the above-described State Well No. 1-A would not produce liquids and the gas-oil ratio would be greater than 100,000 to 1 when the said well was produced at a rate not exceeding 1000 MCFPD.

(4) That the application in this case should be denied.

(5) That the applicant should be required to produce the above-described State Well No. 1-A at a daily rate not to exceed

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CASE No. 2314  
Order No. R-2191

1000 MCFPD, subject to the well's status and its assigned monthly allowable; that the operator should report to the Commission the producing gas-oil ratio of said well for the period covering the first six months of 1962 and for each six-month period thereafter; and that, in the event any such six-month report reflects a gas-oil ratio of less than 100,000 to 1, the operator should appear and show cause why said well should not be reclassified as an oil well.

IT IS THEREFORE ORDERED:

(1) That the application of Shell Oil Company for an exception to the gas-oil ratio provisions of Rule 26(A), Order No. R-1670, to permit its State Well No. 1-A, located 380 feet from the North line and 380 feet from the West line of Section 36, Township 24 South, Range 36 East, NMPM, Lea County, New Mexico, to remain classified as a gas well in the Jalmat Gas Pool, with a gas-oil ratio below 100,000 to 1 be and the same is hereby denied.

(2) That the applicant is hereby directed to produce the above-described State Well No. 1-A at a daily rate not to exceed 1000 MCFPD; subject to the well's status and its assigned monthly allowable.

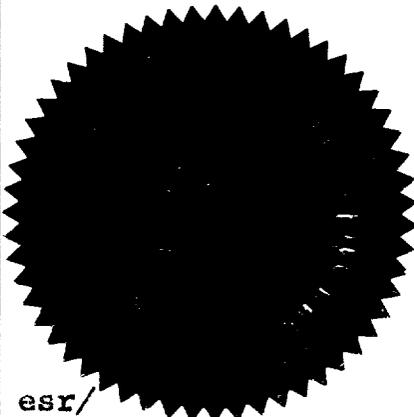
(3) That the operator shall report to the Commission the producing gas-oil ratio of said well for the period covering the first six months of 1962 and for each six-month period thereafter.

(4) That in the event any such six-month report reflects a gas-oil ratio of less than 100,000 to 1, the operator shall appear and show cause why said well should not be reclassified as an oil well.

(5) 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



*E. L. Mechem*  
EDWIN L. MECHEM, Chairman

*E. S. Walker*  
E. S. WALKER, Member

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

esr/