160-acre NS gas proration unit, Tubb Gas Pool, Lea County, Livingston #2 Well.

Casa Mo.

1289

Application, Transcript,
Small Exhibits, Etc.

BEFORE THE OIL CONSERVATION COMMISSION HOBBS, NEW MEXICO

IN THE MATTER OF:

Case 1289

TRANSCRIPT OF PROCEEDINGS

August 7, 1957

DEARNLEY - MEIER & ASSOCIATES
INCORPGRATED
GENERAL LAW REPORTERS
ALBUQUERQUE, NEW MEXICO
3-6691 5-9546

bordo d TMd CEL CONGERVATION COMMISSION HOBBOR, NUMBER 1500 Sugast .. 1997

IN THE MATTER OF:

CASE 1989:

Application of Shell Ola Company for the establishment of a 160-acre non-standard gas promition unit in the Tubo Gas Fool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order establishing a 160-acre non-standard gas promation unit in the Tubo Gas Pool consisting of the 1/2 NN/4, NE/1 NN/4, and SW/4 Pd/4 Section J. Township 21 Coutt, Rung, 37 Mest, stid unit to be decleated to the applicant's livingston Me. 2 Nell located 660 feet from the South line and 1980 feet from the East line of said Section 3.

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BEFORE:

WARREN W. MANKIN, SASTO DE

TRANSCAIPT OF HALLENG

MR. MANKIN: Cose 100;.

MA. CCOLEY: Case 1259. Application of Shell Cil Company

for the establishment of a 160-core nun-standurd gas promition unit

in the Tubb Gas Pool, hes County, New Mexico.

MR. PALMER: I am representing their Oct Company, ... k.

Palmer.

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INCORPORATED
GENERAL LAW REPORTERS
ALBUQUERQUE - SANTA FE
3-6691 2-1869

ma. Count. witness?

MR. PALMER: Yes.

(Witness sworn.)

A. K. PALMER

a witness on behalf of Shell Oil Company, having been first duly sworn, testified as follows:

DIRECT EXAMINATION

BY MR. COOLEY:

- Q Will you please state your name and position for the record?
- A A. K. Palmer, District Exploration Engineer, of Shell, here in Hobbs.
- Q Mr. Palmer, would you please state for the Examiner your educational background of what experience you have had in this field?
- A I graduated from Louisiana University with a B. S. Degree in Industrial Engineering, in 1948, and have been employed by Shell as an engineer for something over nine years.

MR. COOLEY: Are the witness's qualifications acceptable?

MR. MANKIN: They are, proceed.

A In this application we request approval for the non-standard gas proration unit in the Tubb Gas Pool, on the Shell-Livingston Lease, and the units we are requesting, include the south half of the southwest quarter, the northeast quarter of the southwest quarter, and the southwest quarter of the southwest quarter of Section 3,

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is dually completed to promuce This will be a like addition on the Drinhard oil zone. Tid ilke it solution sanistica, post, which shows that portion of the Table Medd in question, and enthined or that plat are the existing TubGas promotion units, as outlined in yellow; the horizontal limits of the Tub? field in this plat are outlined in green, and all the wells which penetrated Wils howiden are shown, and the contours on this map are contours on top of the Tubb zone. As Exhibit 2, I have a log of the wells here, which shows the pertinent formation tops. The perforations opposite the Tubb Gas zone are written on the log. The procedure followed in completing this well was moreorless standard procedure, where the well was perforated, fracture treated, and then dual completion equipment was installed to consist of, principally of a packer, Model L Packer, and a Garrett Blide Valve, and then the usual Tubo assemblies. The well has not been officially tested to the official potential test, because the pipe line connection has not been installed; however, on production test, after the fracture treatment the well tested gas approximately fifteen hundred thousand cubic Millardies, and 16/64 inch choke, FCP, 1700 PSI. The capacity the well will be producing at the present time is a hundred and sixty allowable rate.

All of the off-set operators were notified of Shell's application by a carbon copy of the application that was sent to the Commission MR. COOLEY: Does that conclude your testimony?

MR. PALMER: Yes.

- Q (By Mr. Cooley) Mr. Palmer, does the proposed non-standard gas proration unit in the Tubb Gas Pool consist of all or portions of one basic lease?

 A Yes, sir.
- Q And are the ownership and working interest and royalty interest there common throughout?
 - A Yes, sir, they are all common.
- Q The proposed unit well is located in the southwest quarter of the southeast quarter of Section 3, outlined in red, in Exhibit 1?
- A Yes, sir, that is correct. Of course, you will note that that is a--I think that description is correct.
- Q How far is it from the unit well to the western most boundaries of the proposed unit?
 - A I would have to estimate --
 - Q (Interrupting) Approximately?
- A (Continuing) -- that, about, approximately four thousand feet.
- Q You feel that a well in the Tubb Gas Pool area, the drainage would extend four thousand feet?
- A I would think so. You will note that there are Tubb Gas wells located by Pan American, to the west of our proposed boundary that is shown here. The Tubb Gas Pool has been proven productive beneath all of the requested unit area.

STATE OF THE STATE

The Inverted Toxis, e of this proposed unit somprises a pringle basis lease in its environty, or is it just a portion of one i

- basic lease includes Lets 14, and 15, which are directly north of the unit area in Section 5, and also let 16 and 16t 7, in decilon 4.
 - Q This is a non-contiguous lease!
 - A What do you mean by man-equivilation leads:
- 1 Some leases in this atrait. We separate, I see some from your description.
- A These are all one basic loans that are separated by the section line.

MR. COOLEY: That is all I have.

BY MR. MANKIN:

- Q Mr. Paimer, you indicated a while ugo, you thought the statistics from the west line was about four thousand feet. Mould it not be more approximately thirty-three hundred feet? Is it not the hundred and sixty feet each of the conter line of the section, which would be twenty-six hundred and forty-four feet;
 - A That is correct.
- % Thirty-three hundred feet would be \mathbf{m} re in line than four thousand feet?
 - A Yes, sir, I believe you are correct.
- Q There is no Tubb Gas development to the north, or to the east of this particular unit, is that correct(

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teading, I am positive to the menth of here, on ear well...

To what do you account on production in Continentalis 3 well in Not 15, or Section 25, and in some of production in Section 11, southeast of that, do you feel that is an oil rim, or what do you-

A (Interrupting) Might possibly as an oil rim. That was the conclusion reached, I believe, by the conmittee that looked into this sometime ago.

Q Then there in every reason to believe that the acreage to the west of the well, and to the northwest is involved in this six hundred and sixty leves that would be productive of gust

when we were drilling that, we had a strong flowing drill test on the Livingston No. 6 well. I believe that is in the upper portion of our Inverted T. Shape Unit trea. When we were drilling either our Taylor-Glen 3 Well, or Taylor-Glen 4, which is in Lot 3 of section 3, I don't recall the specific weat, but I know on one of these wells we had a drill-gue flow of, in exceeds of a million cubic feet a day during drilling up there.

Q So that every zone that is in the six hundred and sixty acre is productive of gas?

Q And of course the locations of this area is calculated to be a hundred and sixty some non-standard unit. Geologically it is a non-standard unit, and is it actually confined to any quarter

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section:

- A That is right, but of course, the non-standard unit is a hundred and sixty acre unit which forms a square, located on a quarter of Section 3, I believe.
- Q You gave a while ago an unofficial test of a well that was a million and a half as the test, or was that fifty million?
 - A A million and a half.
 - Q A million and a half as an unofficial test?
 - A Fifteen hundred thousand.

MR. MANKIN: Any further questions of this witness?

MR. COOLEY: No.

BY MR. FISCHER:

Q I didn't get Mr. Mankin's question on these Tubb Oil Wells producing to the east, south, and southwest. Do you anticipate, Mr. Palmer, that you might get oil in your proposed perforated intervals in any particular well?

A No, I do not think so; nowever, we have produced no oil on our tests to date, and as I said, we have drill-stem tests on a hundred and twenty acres of this hundred and sixty acres, but that doesn't mean we could recover any oil.

- Q I notice those wells were recorded when you submitted Form C 102, but you have not submitted Form C 103. Is it possible that you have incomplete information in order to complete Form C103?
- A Yes, sir, that is correct, we haven't submitted Florm 0 103 because we haven't taken the official test because the pipe line

is completed so we won't have to blow the gap to the air, and then we will get our official test, and we will submit this Form C 10).

- 3 This dual completion of this well, will it be a single string of tubing:
 - A That is correct.
- Q Will you experience any loss in production of prinkard oil below a packer in this area without maving facilities to vent the prinkard gas to the surface:
- A No. We have, all dual completions in this area are prinkard Wells are flowing, so we haven't had any loss production from that.
 - Q So, you will not vent the Drinkardy
- A Well, when it becomes --if it becomes necessary to produce the Drinkard Formation by artificial lift, we have installed two and a half inch tubing, and we probably will try to pump that through, one is--or we will vent the gas through--one is to prevent the gas from locking.
 - Q You will have to drike it but with your packer then?
- A No, we have it set in so we can install artificial lift equipment without moving and above in a equipment.
 - MR. FISCHER: That is all I maye.
 - MA. MARTEM: day darsher questions of the witness'
 - (No respense.)
 - M. M.MIN: First, I believe you desire to have subibits

mi a tatan ing it is sufficient

MAL NUMBER: If there are no objections there two skillbide will be introduced in evidence. If there is nothing durawar, the witness may be excused. The there any otherents to be made in this case:

(No response.)

MR. MANKIN: If not, we will take the case under advisement. (Witness excused.)

STATE OF NEW MEXICO

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COUNTY OF BERNALILLO)

I, ROBERT V. MAES, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify the foregoing and attached Transcript of Proceedings before the Oil Conservation Commission Examiner, for the State of New Mexico was reported by me in stenotype and reduced to typewritten transcript by me, and that same is a true and correct record to the best of my knowledge, skill and ability.

WITNESS my Hand and Seal this 37 day of August, 1957.

Notary Public - Court Reporter

My Commission Expires **February** 7, 1961

do hereby certify that the foregoing is o 2 a**.⊅**. Jayar go • • Š the proceed.... the Ex. or lating of Cast No. 1 who wast New action oil Conservation Consission



SHELL OIL COMPANY

P. O. Jan 1959 Mobbs, list Le dico

July 9, 3057

bridged: Application for Approval of a 160-acre

I on-Stendard Gas Proration Unit for Shell Livingston No. 2, Thib Gas Pool

Lea Country here wastical

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

Gentlemen:

Shell Oil Company respectfully submits application for a life-acre Hon-Standard Gas Proration Unit to include the S/2 of the SW/4, the NE/4 of the SW/4 and the SW/4 of the SE/4 of Section 3, T-21-3, R-37-2, to be assigned to the Shell Livingston No. 2 well which was recently recompleted as a dual Turb gas-Drinkard oil producer. 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 oil and gas lease known as the Shell Livingston lease. This lease covers a total of 320 acres in Section 3 and 4, T-21-S, R-37-A and it is proposed to include the above described 160-acre portion of this lease in a non-standard gas proration unit to be assigned to the Shell Livingston No. 2 well as shown on the attached plat.
- 2. Shell Livingston No. 2, the proposed unit well, is located 660 feet from the south line and 1980 feet from the east line of Section 3, T-21-S, R-37-E, Lea County, New Mexico. This well was originally completed in March, 1950, as a Drinkard oil producer, flowing 94 BOPD on initial potential test through casing perforations 6601 to 6607 feet. New Mexico Oil Conservation Commission Order R-276 issued February 27, 1953, granted permission to dually complete Shell Livingston No. 2 as a Tubb gas-Drinkard oil producer.
- 3. On May 1, 1957, operations were initiated to dually complete Livingston No. 2. The casing was perforated opposite the Tubb formation in the gross interval 6185 to 6329 feet and the Tubb gas pay was treated through these casing perforations with 30,000 gallons of gelled lease crude carrying 30,000 pounds of sand. Although the official absolute open flow potential test has not been taken, production testing indicates a capacity of approximately 1500 MOFGPD through a 16/64 inch choke with a flowing casing pressure of 1700 psi. Shell Gil Company proposes to use this well as the unit well. Shell Oil Company further proposes that that portion of the Shell

Divingston lease consisting of the 3/2 of the 33/4, the 33/4 of the 33/4 of the 38/4 of Section A, Talk-3, 3-37-the satisfication is a non-shoulder 160-acre gas promation unit in exception to Suke 5 (4) of New Tanks 612 Conservation Commission Order 8-985.

4. By copy of this letter of application all operators avoing interest in the section in which the proposed unit is located and all a carbons within 1500 feet of the proposed unit well are sowified of the indent of the proposed unit well are sowified of the indent of the proposed near standard pas provables with.

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ec: Oil Concertation Consission P. O. Box 2045 Hobbs, Hew Schoo

> Continental Oil Company P. O. Box 427 Hobbs, New Mexico

The Texas Company P. O. Box 1720 Fort Morth, Texas

Aztec Oil and Gas Company P. O. Box 847 Hobbs, New Mexico

SANTA FE, NEW MEXICO

	Date 8/9/57
CASE /289 My recommendations for an order	Hearing Date 9 tm @ House on 8/7/5 in the above numbered cases fre as follows:
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(2) allow per x	Trubb Gas Corl per lule 5/a) lule 12 7 R-586

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DEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL COMBERVATION COMMISSION OF THE STATE OF NEW CONSIDERING:

CASE NO. 1289 Order No. R-1035

APPLICATION OF SHELL OIL COMPANY FOR THE ESTABLISHMENT OF A 160-ACRE MON-STANDARD GAS PROPATION UNIT IN THE TUBB GAS POOL, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on August 7, 1957, at Hobbs, New Mexico, before Warren W. Mankin, 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 20th day of August, 1957, the Commission, a quorum being present, having considered the application, the avidence adduced and the recommendations of the Examiner, Warren W. Mankin, and being fully advised in the premises,

FINDS:

- (1) That due 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, is the owner and operator of an oil and gas lease known as the Livingston Lease, a portion of which consists of the S/2 SW/4, ME/4 SW/4, and the SW/4 SE/4 of Section 3, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico.
- (3) That the applicant is the owner and operator of the Livingston No. 2 Well, located 660 feet from the South line and 1980 feet from the East line of said Section 3.
- (4) That the applicant proposes to dedicate the above-described acreage to its said Livingston No. 2 Well.
- (5) That the establishment of the proposed non-standard gas proration unit will not cause waste nor impair correlative rights.

-2-Case No. 1289 Order No. R-1035

AL TO LEMENTE VALUE VALUE ALD.

- 1. That the application of Shell Oil Company for a 160-acre non-standard gas proration unit in the Tubb Gas Pool, consisting of the S/2 SW/4, NE/4 SW/4, and the SW/4 SE/4 of Section 3, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico. Said unit to be dedicated to the applicant's Livingston No. 2 Well located in the SW/4 SE/4 of said Section 3.
- 2. That the said Livingston No. 2 Well be designated as the unit well and that the same be granted an allowable in the proportion that the above-described acreage bears to the standard provation unit for the Tubb Gas Pool, subject to the provisions of Rule 12 of the Special Rules and Regulations for the Tubb Gas Pool as set forth in Order R-586.

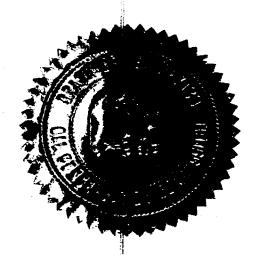
DOME at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

EDWIN L. MECHEN, Chairman

MURRAY E. MORGAN, Member

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



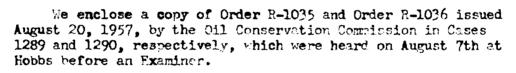
P. D. BOX 871 SANTA FE, NEW MEXICO

August 22, 1957

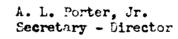


Mr. E. K. Palmer Shell Oil Company P.O. Box 1957 Hobbs, New Mexico

Dear Sir:



Very truly yours,



bp Encls.

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE CIL CONSERVATION COMMASSION OF THE STATE OF NEW MEXICO FOR THE PURPOSE OF CONSIDERING:

CASE NO. 1289 Order No. R-1035-A

APPLICATION OF SHELL CIL COMPANY FOR THE ESTABLISHMENT OF A 160-ACRE NON-STANDARD GAS PRORATION UNIT IN THE TUBB GAS POGL, LEA COUNTY, NEW MEXICO.

NUNC PRO TUNC ORDER OF THE COMMISSION

BY THE COMMISSION:

It appearing to the Commission that Order No. 3-1035, dated August 20, 1957, does not correctly state the intended order of the Commission in one particular as a result of clerical error,

IT IS THEREFORE ORDERED:

That Paragraph (1) of Grder R-1035 be corrected to read as follows:

"1. That the application of Shell Oil Company for a 160-acre non-standard gas proration unit in the Tubb Gas Pool, consisting of the S/2 SW/4, NE/4 SW/4, and the SW/4 SE/4 of Section 3, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico, be and the same is hereby granted. Said unit to be dedicated to the applicants' Livingston No. 2 Well located in the SW/4 SE/4 of said Section 3."

DONE at Santa Fe, New Mexico, on this $g^{\frac{1}{2}}$ day of September, 1957.

STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

EI huch

MURRAY E. MORGAN, Member

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

DIL CONSERVATION COMMISSION

BANTA FE, NEW MEXICOL

P. O. BOX 871

September 10, 1957



Mr. E. K. Palmer Shell Oil Company P.O. Box 1957 Hobbs, New Mexico

Dear Sir:



We enclose a copy of Order R-1035-A issued September 9, 1957, by the Oil Conservation Commission in Case 1289.

Very truly yours,



A. L. Porter, Jr. Secretary - Director

bp Encl.