

CASE 1207: Shell Oil Co. Application for  
160-acre NS gas proration unit, Tubb Gas  
Pool, Lea County, Livingston #2 Well.

---

Case No.

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  
INCORPORATED  
GENERAL LAW REPORTERS  
ALBUQUERQUE, NEW MEXICO  
3-5521 5-9546

STATE OF THE  
OIL CONSERVATION COMMISSION  
HOBOCK, NEW MEXICO  
August 11, 1967

IN THE MATTER OF:

CASE 1289: Application of Shell Oil Company for the  
establishment of a 160-acre non-standard  
gas proration unit in the Tubo Gas Pool,  
Lea County, New Mexico. Applicant, in  
the above-styled cause, seeks an order  
establishing a 160-acre non-standard gas  
proration unit in the Tubo Gas Pool con-  
sisting of the 1/2 NW/4, NE/4 SW/4, and  
SW/4 SE/4 Section 1, Township 21 South,  
Range 27 East, said unit to be dedicated  
to the applicant's Livingston No. 2 Well  
located 660 feet from the South line and  
1980 feet from the East line of said  
Section 1.

Oil Conservation Commission  
Office  
1000 West Broadway,  
Hobos, New Mexico

BEFORE:

WARREN W. MANKIN, Esq. for

TRANSCRIPT OF HEARING

MR. MANKIN: Case 1289.

MR. COOLEY: Case 1289. Application of Shell Oil Company  
for the establishment of a 160-acre non-standard gas proration unit  
in the Tubo Gas Pool, Lea County, New Mexico.

MR. PALMER: I am representing Shell Oil Company, W. L.  
Palmer.

MR. COOLEY: Will you be the 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 southeast quarter of Section 3,

... is dually completed to produce gas from the ...  
Drinhard oil zone. I'd like to exhibit a ...  
shows that portion of the Tubb field in question, and outlined on  
that plat are the existing Tubb Gas production units, as outlined  
in yellow; the horizontal limits of the Tubb field in this plat are  
outlined in green, and all the wells which penetrated this horizon  
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 Slide Valve, and then the usual Tubb  
assemblies. The well has not been officially tested to the official  
potential test, because the pipe line connection has not been in-  
stalled; however, on production test, after the fracture treatment,  
the well tested gas approximately fifteen hundred thousand cubic  
*per day*  
... 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 appli-  
cation 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.

The inverted T shape of this proposed unit comprises a single basic lease in its entirety, or is it just a portion of one?

A This is just one basic lease. You will note that this basic lease includes Lots 14, and 15, which are directly north of the unit area in Section 1, and also Lot 16 and Lot 17, in Section 4.

Q This is a non-contiguous lease?

A What do you mean by non-contiguous lease?

Q Some leases in this strata are separate, I do not know from your description.

A These are all one basic lease that are separated by the section line.

MR. COOLEY: That is all I have.

BY

MR. MANKIN:

Q Mr. Palmer, you indicated a while ago, you thought the statistics from the west line was about four thousand feet. Would it not be more approximately thirty-three hundred feet? Is it not ~~one~~ <sup>the</sup> hundred and sixty feet east of the center line of the section, which would be twenty-six hundred and forty-four feet?

A That is correct.

Q Thirty-three hundred feet would be more in line than four thousand feet?

A Yes, sir, I believe you are correct.

Q There is no Tube Gas development to the north, or to the east of this particular unit, is that correct?



... testing, I am positive to the north of here, on our well.

Q To what do you account oil production in Continental's well in Lot 16, of Section 25, and in some oil production in Section 11, southeast of that, do you feel that is an oil rim, or what do you--

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

Q Then there is 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 acres that would be productive of gas?

A Yes, sir. I don't have the exact figures, but I recall 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 area. 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 well, but I know on one of these wells we had a drill-gas flow of, in excess of 1 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?

A Yes, sir.

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

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 5, 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; however, 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 105. Is it possible that you have incomplete information in order to complete Form C105?

A Yes, sir, that is correct, we haven't submitted Form C 105 because we haven't taken the official test because the pipe line

connection has not been completed. We will wait until that connection is completed so we won't have to blow the gas to the air, and then we will get our official test, and we will submit this Form C 102.

Q 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 Drinkard oil below a packer in this area without having facilities to vent the Drinkard gas to the surface?

A No. We have, all dual completions in this area are Drinkard Wells are flowing, so we haven't had any loss production from that.

Q So, you will not vent the Drinkard?

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 drill it out with your packer then?

A No, we have it set up so we can install artificial lift equipment without moving any more dual equipment.

MR. FISCHER: That is all I have.

MR. MANKIN: Any further questions of the witness?

(No response.)

MR. MANKIN: First, I believe you desire to have exhibits

MR. MANKIN: If there are no objections, the witness will be introduced in evidence. If there is nothing further, the witness may be excused. Are there any statements 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 )  
COUNTY OF BERNALILLO )

ss

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 21<sup>st</sup> day of August, 1957.

My Commission Expires  
February 7, 1961

*Robert V. Maes*  
Notary Public - Court Reporter

I do hereby certify that the foregoing is a true and correct transcript of the proceedings before the Examiner of the Oil Conservation Commission, State of New Mexico, on August 21, 1957.



SHELL OIL COMPANY

P. O. Box 1957  
Hobbs, New Mexico

July 2, 1957

Subject: Application for Approval of a 160-acre  
Non-Standard Gas Proration Unit for  
Shell Livingston No. 2, Tubb Gas Pool,  
Lea County, New Mexico

New Mexico Oil Conservation Commission  
P. O. Box 671  
Santa Fe, New Mexico

Gentlemen:

Shell Oil Company respectfully submits application for a 160-acre Non-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-S, R-37-E, to be assigned to the Shell Livingston No. 2 well which was recently recompleted as a dual Tubb 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-E 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 BOFPD 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 MCFGPD through a 16/64 inch choke with a flowing casing pressure of 1700 psi. Shell Oil Company proposes to use this well as the unit well. Shell Oil Company further proposes that that portion of the Shell


*Dev copy  
Project on  
over 1/11*

Livingston lease consisting of the S/4 of the SE/4, the NE/4 of the NW/4 and the SW/4 of the SE/4 of Section 4, T-2N-3, R-37-E be established as a non-standard 160-acre gas proration unit in exception to Rule 5 (a) of New Mexico Oil Conservation Commission Order R-986.

4. By copy of this letter of application all operators owning interests 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

  
Division Production Manager

Attachment

cc: Oil Conservation Commission  
P. O. Box 2045  
Hobbs, New Mexico

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

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

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

WILDERNESS CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

Date 8/9/57

CASE 1289

Hearing Date 9 AM @ HHS on 8/2/57  
before WWM

My recommendations for an order in the above numbered cases are as follows:

- ① OK to approve 160 acre NSP  
in Two Gas Pool  
per Rule 5(a)  
9 R-586
- ② Allow per Rule 12 of R-586

Warren M. Mante  
Staff Member  
Examiner

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF THE STATE OF NEW  
MEXICO FOR THE PURPOSE OF  
CONSIDERING:

CASE NO. 1289  
Order No. R-1035

APPLICATION OF SHELL OIL COMPANY  
FOR THE ESTABLISHMENT OF A 160-  
ACRE NON-STANDARD GAS PRORATION  
UNIT IN THE TUBE 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 20<sup>th</sup> day of August, 1957, the Commission, a quorum being present, having considered the application, the evidence 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, NE/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

AS IS HERETOFORE ORDERED.

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 proration 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.

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION



EDWIN L. MECHEM, Chairman



MURRAY E. MORGAN, Member



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



ir/

OIL CONSERVATION COMMISSION  
P. O. BOX 871  
SANTA FE, NEW MEXICO

August 22, 1957

C  
O  
P  
Y

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

Dear Sir:

We enclose a copy of Order R-1035 and Order R-1036 issued August 20, 1957, by the Oil Conservation Commission in Cases 1289 and 1290, respectively, which were heard on August 7th at Hobbs before an Examiner.

Very truly yours,

A. L. Porter, Jr.  
Secretary - Director

bp  
Encls.

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF THE STATE OF NEW  
MEXICO FOR THE PURPOSE OF  
CONSIDERING:

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

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

NUNC PRO TUNC ORDER OF THE COMMISSION

BY THE COMMISSION:

It appearing to the Commission that Order No. R-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 Order 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 9<sup>th</sup> day of  
September, 1957.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

*E. L. Mechem*

EDWIN L. MECHEM, Chairman

*M. E. Morgan*

MURRAY E. MORGAN, Member

*A. L. Porter, Jr.*

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



ir/

OIL CONSERVATION COMMISSION  
P. O. BOX 871  
SANTA FE, NEW MEXICO

September 10, 1957

C  
O  
P  
Y

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.