

Case No.

240

Application, Transcript,
Small Exhibits, Etc.

December 8, 1950

Mr. A. L. Porter, Jr.
Oil Conservation Commission
P. O. Box 1545
Hobbs, New Mexico

Dear Mr. Porter:

We enclose herewith, signed copy of Order No. R-36, issued in connection with Case No. 240, heard in Santa Fe, New Mexico, on November 21, 1950.

Very truly yours,

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

R. R. Spurrier
Secretary-Director

RRS:bw
encl.

December 8, 1950

Mr. Vilas P. Sheldon
Carper Building
Artesia, New Mexico

Dear Mr. Sheldon:

We enclose herewith, signed copy of Order No. R-36, issued in connection with Case No. 240, heard in Santa Fe, New Mexico, on November 21, 1950.

Very truly yours,

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

R. R. Spurrier
Secretary-Director

RRS:bw
encl.

DOMESTIC SERVICE	
Check the class of service desired; otherwise this message will be sent as a full rate telegram	
FULL RATE TELEGRAM	SERIAL
DAY LETTER	NIGHT LETTER

WESTERN UNION

1208

INTERNATIONAL SERVICE	
Check the class of service desired; otherwise this message will be sent at the full rate	
FULL RATE	DEFERRED
CODE	NIGHT LETTER

W. P. MARSHALL, PRESIDENT

NO. WDS.-CL. OF SVC.	PD. OR COLL.	CASH NO.	CHARGE TO THE ACCOUNT OF	TIME FILED
			OIL CONSERVATION COMMISSION	

Send the following message, subject to the terms on back hereof, which are hereby agreed to

Case 240

SANTA FE, NEW MEXICO
NOVEMBER 10, 1930

MR. R. S. BLUM
OIL CONSERVATION COMMISSION
P. O. BOX 1545
MOROS, NEW MEXICO

APPROVE ISSUER AND SHELTON C-110 AND C-104 FOR WELL 2310 FT. ~~2310 FT.~~
FROM NORTH AND 990 FT. FROM WEST. SECTION 33-23S-37E. PHONE TEXAS-
NEW MEXICO PIPE LINE COMPANY.

OIL CONSERVATION COMMISSION/STURTER

STRAIGHT WIRE

DOMESTIC SERVICE	
Check the class of service desired; otherwise this message will be sent as a full rate telegram	
FULL RATE TELEGRAM	SERIAL
DAY LETTER	NIGHT LETTER

WESTERN UNION

1206

INTERNATIONAL SERVICE	
Check the class of service desired; otherwise this message will be sent at the full rate	
FULL RATE	DEFERRED
CODE	NIGHT LETTER

W. P. MARSHALL, PRESIDENT

NO. WORDS-CL. OF SYO.	PD. OR COLL.	CASH NO.	CHARGE TO THE ACCOUNT OF	TIME FILED
			OIL CONSERVATION COMMISSION	

Send the following message, subject to the terms on back hereof, which are hereby agreed to

Case 240

SANTA FE, NEW MEXICO
NOVEMBER 10, 1950

MR. VILAS P. SHELDON
CAMPER BUILDING
ARTESIA, NEW MEXICO

COPY OF WIRE SENT TO R. S. BLYNN, OIL CONSERVATION COMMISSION HOBBS, NEW MEXICO;
APPROVE RESLER AND SHELDON C-110 AND C-104 FOR WELL 2310 FT. FROM NORTH AND
990 FT. FROM WEST. SECTION 33-238-37E. PHONE TEXAS-NEW MEXICO PIPE LINE
COMPANY.

OIL CONSERVATION COMMISSION/SPURRIER

STRAIGHT WIRE

Hearing -

October 16, 1950

Mr. Vilas P. Sheldon
Carper Building
Artesia, New Mexico

Dear Mr. Sheldon:

This is in reply to your letter of October 4.

Since this well is apparently nothing more nor less than a dual completion, a hearing is indicated and if an application submitted in triplicate, is received in this office before October 22, your case may be heard on November 11, 1950.

Very truly yours,

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

R. R. Spurrier
Secretary-Director

RBS:bw

*Hearing
Nov 21*

VILAS P. SHELDON

CONSULTING GEOLOGIST AND REGISTERED LAND SURVEYOR
VALUATIONS, APPRAISALS, GEOLOGICAL REPORTS, SURVEYS

CARPER BUILDING
ARTESIA, NEW MEXICO

October 4, 1950

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

RECEIVED
OCT 6 - 1950

Graham
Mr. Richard Spurrier,
Oil Conservation Commission,
Santa Fe, New Mexico.

Dear Mr. Spurrier:

Resler and Sheldon have recently acquired a 280 acre lease in the N 1/2 of Section 33, Township 23 South, Range 37 East, which places it within the Mattix Oil Pool. One well located 990' East of the West, and 2310' South of the North lines of the Section has produced dry gas for over ten years and such gas is currently being taken by the El Paso Natural Gas Company under regular dry gas contract.

The gas is produced from 3450' to 3472' in depth and comes from a sand located in the top of the Queen formation. A production string of 7" casing is set at 3350' and cemented with 150 sacks. It is quite probable that oil production can be developed from other Queen sand zones between the depths of 3510' and 3630'. We propose to deepen the well to a depth of 3630' and to attempt completion as an oil producer.

It is presumed that it will be necessary to have a special hearing before the Commission to secure permission to make a dual completion, although there is some doubt in my mind concerning the regulations as in this case both sands are in the Queen formation. I am therefore writing you this letter and should a hearing be indicated, we will appreciate your setting a date and handling the necessary advertisements. Also, it will be appreciated if you will advise what sort of information the Commission will want.

It is our proposal to make the dual completion by setting a packer on 2" tubing, the packer being set between 3480' and 3490'. The oil will be produced through the 2" tubing and the gas will be produced from the annulus between the 2" and the 7" Casing.

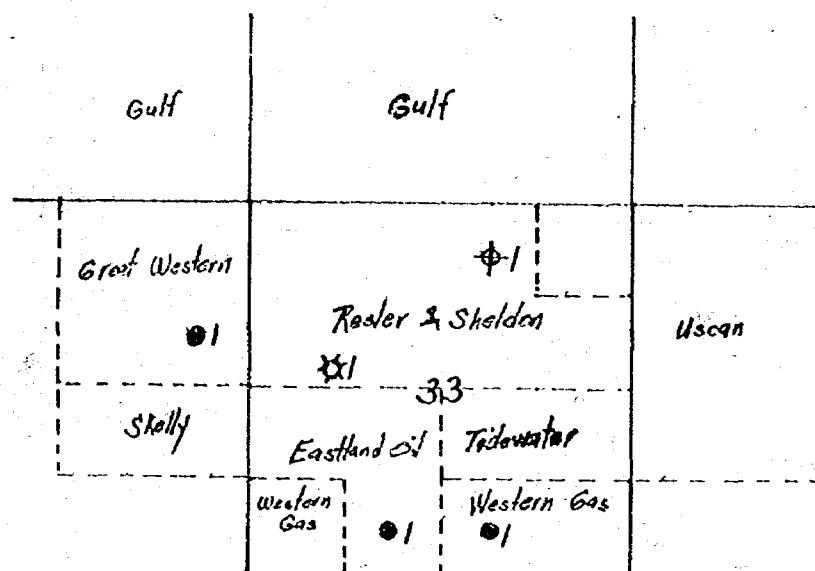
Yours very truly,

Vilas P. Sheldon
VILAS P. SHELDON

Plot showing Resler and Sheldon Farming Lease

Section 33, Township 23 South, Range 37 East and the adjacent lease owners and also the well in the immediate area.

This lease is on patented land and the royalty is not owned by either the State of New Mexico or the United State of America.



NOTE:

The Great Western well in Section 32, and the Eastland Oil Company and Western Gas Company in Section 33, produce oil from identical sands as those from which we propose to develop oil production in the Resler and Sheldon well.

NOTICE OF PUBLICATION
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

The State of New Mexico by its Oil Conservation Commission hereby gives notice pursuant to law and the Rules and Regulations of said Commission promulgated thereunder, of the following public hearing to be held November 21, 1950, beginning at 10:00 O'clock A.M. on that day in the City of Santa Fe, New Mexico, in the Capitol (Hall of Representatives).

STATE OF NEW MEXICO TO:

All named parties in the following cases and notice to the public:

Case 237

In the matter of the application of the New Mexico Oil Conservation Commission upon its own motion to establish a well spacing pattern for each of the presently designated gas pools in the Counties of San Juan and Rio Arriba, State of New Mexico, producing or capable of producing from the following formations:

1. Pictured Cliffs sandstone (except Kutz Canyon-Fulcher Basin)
2. Mesaverde formation (except Blanco)
3. Any of the Pennsylvanian formations.

Case 238

In the matter of the application of Shell Pipe Line Corporation to amend for the purpose of clarification, Rule 503 (e) and Rule 503 (f) of Order No. 850, being the Rules and Regulations of the New Mexico Oil Conservation Commission, in order that the same may be construed as covering underruns and overruns, etc.

Case 239

In the matter of the application of Humble Oil and Refining Company and Magnolia Petroleum Company for permission to inject water for secondary recovery of oil from certain marginal wells in the Grayburg reservoir, Penrose-Skelly pool on the Humble Oil and Refining Company's J. L. Greenwood Lease and the Brunson-Argo lease of Magnolia Petroleum Company, in said pool, located as follows:

J. L. Greenwood Lease: S/2 Sec. 9, Twp. 22S, R. 37E, Lea County, New Mexico.
Brunson-Argo Lease: NE/4 Sec. 9, Twp. 22S, R. 37E, and NW/4 Sec. 10, Twp. 22S, R. 37E, Lea County, New Mexico.

Case 240

In the matter of the application of Resler and Shelden for authority to dually complete a well located 2310 ft. south of the north line and 990 ft. east of the west line of Sec. 33, Twp. 23S, R. 37E, Lea County, New Mexico.

Case 241

In the matter of the New Mexico Oil Conservation Commission upon its own motion upon the recommendation of the Southeastern New Mexico Nomenclature Committee for the creation of new pools, as follows:

Twp. 21S, R. 37E, N.M.P.M.
SW/4 Section 2
SE/4 Section 3
NE/4 Section 10
NW/4 Section 11

the same to be classified as an oil pool and named NORTH BRUNSON (Ellenburger).

Twp. 128, R. 37E, N.M.P.M.
S/2 Section 13
N/2 Section 24

the same to be classified as an oil pool and named GLADIOLA (Devonian),
and for the extension of certain heretofore created pools as follows:

Extend the Grayburg-Jackson pool, Eddy County, New Mexico, by
changing the present boundaries to include the N/2 Section 7, Twp. 17S,
R. 31E, N.M.P.M.

Extend the boundaries of the Watkins Pool, Eddy County, New Mexico so
as to include the E/2 of Sec. 36, Twp. 18S, R. 31E for Queen production.

Extend the boundaries of the Turkey Track-Seven Rivers pool in Eddy
County, New Mexico, so as to include the SE/4 Sec. 9, S/2 Sec. 10, N/2 Sec.
15, NE/4 Sec. 16, all in Twp. 19S, R. 29E, N.M.P.M.

Extend the boundaries of the Maljamar-Paddock pool in Lea County, New
Mexico, so as to include therein S/2 Sec. 17, NE/4 Sec. 20, in Twp. 17S, R.
32E, N.M.P.M.

Extend the existing boundaries of the Corbin pool in Lea County, to
include therein the SE/4 Sec. 33, and the SW/4 Sec. 34, in Twp. 17S, R. 33E,
N.M.P.M.

Extend the boundaries of the Madine pool in Lea County, New Mexico, so
as to include therein the S/2 Sec. 14, Twp. 19S, R. 33E, N.M.P.M.

Extend the North Drinkard pool in Lea County, New Mexico, so as to
include therein the NE/4 Sec. 10, T. 21S, R. 37E, N.M.P.M.

Extend the Drinkard pool in Lea County, New Mexico, so as to include
therein the E/2 Sec. 23, Twp. 21S, R. 37E, N.M.P.M.

Extend the South Leonard pool in Lea County, New Mexico so as to
include therein the E/2 of Sec. 23, Twp. 26S, R. 37E, N.M.P.M.

Extend the boundary of the Langlie-Hattix pool in Lea County, New
Mexico, so as to include therein the SW/4 Sec. 25 and NW/4 Sec. 36 of Twp.
24S, R. 37E, N.M.P.M.

Case 242

In the matter of the application of Continental Oil Company for an order
approving the unit agreement of the Texas Hill Unit Area, Eddy County, New
Mexico, comprising 13,800.43 acres more or less, situated in Townships 21,
22 and 23 north, Range 21 east, N.M.P.M. and in accordance with plat
attached to said application.

GIVEN under the seal of the Oil Conservation Commission of New Mexico, at
Santa Fe, New Mexico, on October 27, 1950.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

R. R. Spurrer
R. R. SPURRER, SECRETARY

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. 240
ORDER NO. R-36

IN THE MATTER OF THE APPLICATION OF
RESLER AND SHELDON FOR AUTHORITY
TO DUALY COMPLETE A WELL LOCATED
2310 FT. SOUTH OF THE NORTH LINE
AND 990 FT. EAST OF THE WEST LINE
OF SECTION 33, TOWNSHIP 23 SOUTH,
RANGE 37 EAST, N.M.P.M., IN THE
LANGLIE-MATTIX POOL, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 10:00 o'clock a.m. on November 21, 1950, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on this 6th day of December, 1950, but effective as of November 21, 1950, the Commission having considered the record and the testimony presented by the applicant at said hearing,

FINDS:

1. That due public notice having been given as required by law, the Commission has jurisdiction of this cause, the persons and subject matter thereof.
2. That although recent experiments tend to show that mechanical packers and other devices are ordinarily available for engineeringly successful dual or multiple completions of oil and gas wells, the Commission is unconvinced of the soundness of such dual/multiple completions as a general practice in New Mexico without specific controls over each such project.
3. That the subject well is an old well, having produced gas commercially for more than ten years from (Queen) 3415 ft.-3472 ft.
4. That as a result of recent re-working and deepening operations, oil was found between 3510 ft.-3620 ft. in the Queen formation.

IT IS THEREFORE ORDERED:

That effective November 21, 1950, the applicant herein, Resler and Sheldon, be and they hereby are authorized to dualy complete and produce its well located 2310 ft. south of the north line and 990 ft. east of the west line of section 33, Twp. 23 south, R. 37 east, N.M.P.M., Lea County, New Mexico, in such a manner that gas from the Queen formation (3415'-3472') may be produced through the annular space between the casing and tubing, and oil from the Queen formation (3510'-3620'), through the tubing by proper perforations and installation of proper packer or packers:

PROVIDED, HOWEVER that said subject well shall be completed, and thereafter produced, in such a manner that there will be no commingling within the well bore, either within or outside the casing, of gas, oil or oil and gas produced from the two separate strata, and,

PROVIDED FURTHER that said well for dual completion and production shall be equipped in such a way that reservoir pressures may be determined separately for each of the two specified strata and further, be equipped with all necessary connections required to permit recording meters to be installed and used at any time as may be required by the Commission or its representatives, in order that natural gas, oil, or oil and gas from each separate stratum may be accurately measured and the gas-oil ratio thereof determined; and,

PROVIDED FURTHER that the operator shall make any and all tests, including segregation tests, but not excluding other tests and/or determinations at any convenient time and in such manner as deemed necessary by the Commission. The original and all subsequent tests shall be witnessed by a representative of the Commission and by representatives of offset operators, if any there be, at their election, and the results of each test properly attested to by the applicants herein, and all witnesses, and shall be filed with the Commission within ten days after the completion of any such test; and,

PROVIDED FURTHER that prior to the time said well is multiply or dually completed the applicants shall supply the Commission for its approval a drawing showing the proposed method and manner of completion, together with an electrical log showing the location and extent of each separate stratum yielding production, and the proposed perforations; and,

PROVIDED FURTHER that upon the dual completion of the subject well, the applicants shall submit to the Commission a diagrammatic sketch of the mechanical installation which was actually used to produce the seal between the zones or strata, and a special report of production, gas-oil ratio and reservoir pressure determinations of each producing zone or stratum immediately following completion.

IT IS FURTHER ORDERED that jurisdiction of this case is hereby retained by the Commission for such further order or orders as may seem necessary to the Commission for the purpose of preventing waste under definition of the statutes or in protecting correlative rights, and upon failure of applicants to comply with any requirement of this Order, the Commission may terminate the authority hereby granted upon proper notice and hearing.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

THOMAS J. MABRY, CHAIRMAN

Guy Sheard
GUY SHEARD, MEMBER

R. R. Spurrier
R. R. SPURRIER, SECRETARY

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF RESLER AND SHELDON FOR APPROVAL
OF A MULTIPLE ZONE COMPLETION IN
SECTION 33, TOWNSHIP 23 SOUTH,
RANGE 37 EAST, LEA COUNTY,
NEW MEXICO.

TO THE HONORABLE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO:

The Petitioners, Dale Resler and Vilas P. Sheldon operating as Resler and Sheldon, herein appearing by Vilas P. Sheldon of Artesia, New Mexico, hereby make application for an order approving a multiple zone completion for a well located 2310' South of the North line and 990' East of the West line of Section 33, Township 23 South, Range 37 East, Lea County, New Mexico; said well to produce gas from the annulus between the 2" EUE tubing and the 7" casing; and to produce oil through the 2" EUE tubing from a depth below 3490', and in support thereof respectfully states as follows:

1. That the well for which permission is requested for a multiple zone completion was drilled in 1938 and completed at a depth of 3481' as a gas well, the gas being produced from a Queen sand between the depths of 3415' and 3472'

2. That gas from such well has been sold as dry gas since the completion of the well, and that El Paso Natural Gas Company has a connection to the well and drew gas from such well up to the time that workover operations on the well were started. That El Paso Natural Gas Company did purchase gas from the well in September of 1950.

3. That workover operations were started on this well on September 28th, 1950, the well being deepened to 3620'. Oil was found between 3510' and 3620'. A string of 2" EUE tubing with a Lane Wells control-head formation packer was run, the packer being set between 3480' and 3490'. Testing indicated an effective seal and the well is capable of flowing oil through the tubing, and the producing ability of the gas sand above the formation

packer is relatively unchanged.

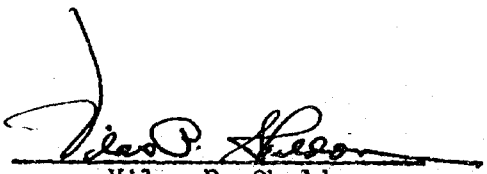
4. That the production and sale of gas by this well is a matter of long precedent and that the conditions concerning gas production have not been changed.

5. That nearby wells; namely the Eastland Oil Company, Davis #1 in the SE 1/4 SW 1/4, and the Western Gas Company, Davis #1 in the SW 1/4 SE 1/4, both in Section 33, Township 23 South, Range 37 East, have produced oil for a number of years, and that the formation from which said wells produce oil is the same formation that produces oil in the well that we herewith seek authority to make a multiple zone completion.

6. That the packer installation has perfected a seal between the two zones.

In consideration of the foregoing statements, your Petitioner respectfully requests that the Commission give notice as required by the rules and regulations of the Commission; that a hearing on this matter be held; that the Petitioner be permitted to offer proof of the facts herein stated, and that the Commission make the following finding and order, to wit:

A. That the Commission find that the subject well has produced and sold dry gas for over ten years, that the well has been deepened and re-completed in such manner as to leave unchanged the gas producing zones, that, through 2" EUE tubing the well is capable of producing oil from the same formation that produces oil in nearby oil wells; that the gas well and the oil well are separated by a packer; therefore executing an order authorizing a multiple zone completion in the location as herein stated.

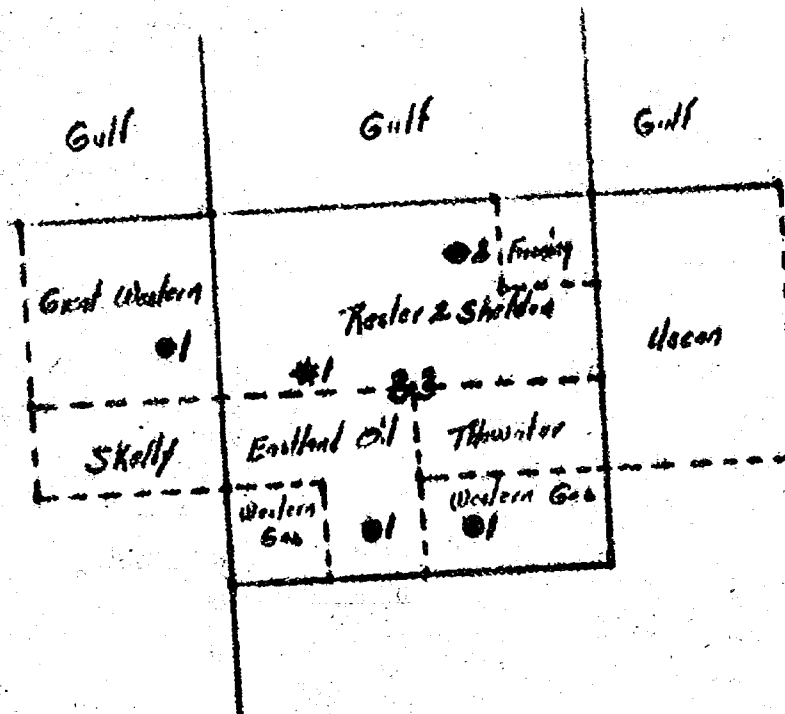

Vilas P. Sheldon
Representative of Resler and Sheldon

Dated: October 20th, 1950.

Plot showing Resler and Sheldon Fanning Lease

Section 33, Township 23 South, Range 37 East and the adjacent lease owners and also the well in the immediate area.

This lease is on patented land and the royalty is not owned by either the State of New Mexico or the United States of America.



NOTE:
The Great Western well in Section 32, and the Eastland Oil Company and Western Gas Company in Section 33, produce oil from identical sands as those from which we propose to develop oil production in the Resler and Sheldon well.

Telegram: ○

CC Sutton

L. S. Blynn

approve Reeder & Sutton
C-110 & C-104 for well 2310'
from north & 990' from west
Sec 33 - 235 - 37 E. Phone Texas -
N.M. Pipe Line Co.
RS

LEA

Mid-Continent Petroleum Corp

U. D. Sawyer "B" #1

660 N/L 1980 W/L

Sec. 34, T.9 S, R.36 E ()

C-101 5-11-48