

CASE 3434: Application of SHELL
for approval of the dual comple-
tion of its S. Wilson Deep Unit.

Case Number

3434

Application
Transcripts.

Small Exhibits

ETC.



SHELL OIL COMPANY

WESTERN DIVISION
P. O. BOX 1509
MIDLAND, TEXAS 79701

July 22, 1966

Subject: Shell-South Wilson Deep Unit No. 2
Grama Ridge-Morrow Gas Pool
Lea County, New Mexico

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New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico

Attention Mr. A. L. Porter, Jr.
Secretary-Director

Gentlemen:

*File
Case 3434*

Drilling of the subject well was completed on June 2, 1966. Subsequent testing indicated that the Morrow formation contained commercial quantities of gas, justifying completion in this zone. Logs of the overlying horizons also indicated that the Bone Springs formation could be oil productive. Therefore, it was decided to production test the Bone Springs formation before completing the well in the Morrow. The Bone Springs proved to be oil productive and was potentialled on June 30, 1966, for 285 barrels of oil per day. On the basis of this information, a hearing was requested to approve a dual completion of the well in the Bone Springs and Morrow formations.

Prior experience with the Bone Springs formation in other fields led us to suspect that a limited reservoir may have been encountered. Therefore, a pressure survey was run in the Bone Springs, after the production of several thousand barrels of oil, to determine the extent of the reservoir. This survey, which was completed on July 16, 1966, indicated that the Bone Springs reservoir was very limited and would be depleted rapidly. For this reason plans to dual complete the well were dropped and the hearing scheduled for July 19, 1966, was cancelled.

Our plans are now to abandon the Bone Springs formation in the subject well when it ceases to flow and complete it as a single zone Morrow gas well. We anticipate that the Bone Springs will soon be depleted and a potential of the Morrow gas formation will be submitted shortly.

Yours very truly,

J. E. R. Sheeler
J. E. R. Sheeler
Division Production Manager

State of New Mexico
Oil Conservation Commission



P. O. BOX 2088
SANTA FE

Mr. Richard Morris
Seth, Montgomery, Federici & Andrews
Attorneys at Law
Post Office Box 2307
Santa Fe, New Mexico

Re: Case No. 3434
Order No. R-3095
Applicant:
SHELL OIL COMPANY

Very truly yours,

A. L. Porter, Jr.
A. L. PORTER, Jr.
Secretary-Director

Carbon copy of order also sent to:

Hobbs OCC X

Artesia OCC_____

Aztec OCC _____

OTHER _____

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. 3434
Order No. R-3095

APPLICATION OF SHELL OIL COMPANY
FOR A DUAL COMPLETION, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m., on July 19, 1966,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 27th day of July, 1966, the Commission, a
quorum being present, having considered the record, and the
recommendations of the Examiner, and being fully advised in the
premises,

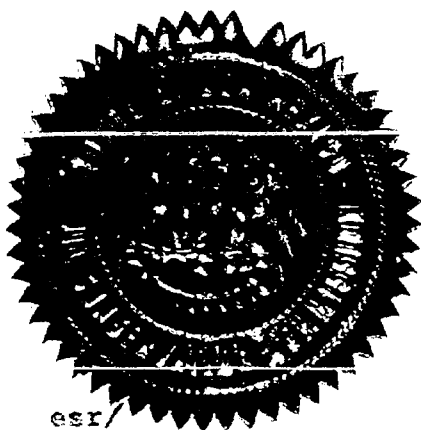
FINDS:

That the applicant's request for dismissal should be
granted.

IT IS THEREFORE ORDERED:

That Case No. 3434 is hereby dismissed.

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



STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Jack M. Campbell
JACK M. CAMPBELL, Chairman

Rayton B. Gays
RAYTON B. GAYS, Member

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

esr/

JULY 19, 1966 EXAMINER HEARING

CASE 3433: Application of Skelly Oil Company for an exception to Rule 104, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 104 C I of the Commission Rules and Regulations to permit the production of oil from two wells located less than 660 feet apart in the West Dollarhide-Drinkard Pool, Lea County, New Mexico. Applicant's Mexico "L" Well No. 18 located 1656 feet from the North line and 990 feet from the East line of Section 5, Township 25 South, Range 38 East, is presently completed in said pool, and applicant proposes to recompleate its Well No. 2, located 1980 feet from the North line and 660 feet from the East line of said Section 5 in said pool, with the assignment of a single 40-acre allowable to both wells.

CASE 3259 (Reopened):

In the matter of Case No. 3259 being reopened pursuant to the provisions of Order No. R-2929, which order established 160-acre spacing units for the Nonombre-Upper Pennsylvanian and Nonombre-Lower Pennsylvanian Pools, Lea County, New Mexico, for a period of one year. All interested parties may appear and show cause why said pools should not be developed on 40-acre or 80-acre spacing units.

CASE 3434: Application of Shell Oil Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the approval of the dual completion (conventional) of its South Wilson Deep Unit Well No. 2 located in Unit J of Section 33, Township 21 South, Range 34 East, Lea County, New Mexico, to produce oil from an undesignated Bone Springs Oil Pool and to produce gas from the Grama Ridge-Morrow Gas Pool through parallel strings of tubing.

CASE 3435: Application of Tidewater Oil Company for a capacity allowable, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the assignment of a capacity allowable to its GO State "J" Well No. 1 located in Unit H of Section 7, Township 17 South, Range 33 East, Maljamar Pool, Lea County, New Mexico. Said well offsets the waterflood project operated by Great Western Drilling Company on its Malmar Unit in said Section 7.

CASE 3436: Application of Leonard Latch for a gas injection project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a gas injection project in the Empire Yates-Seven Rivers Pool, Eddy County, New Mexico, by the injection of gas into the Yates formation through his Berry "A" Wells Nos. 11 and 26, located in Units K and O, respectively, of Section 24, Township 17 South, Range 27 East.

Docket No. 18-66

DOCKET: EXAMINER HEARING - TUESDAY - JULY 19, 1966

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

The following cases will be heard before Elvis A. Utz, Examiner, or Daniel S. Nutter, Alternate Examiner:

CASE 3428: Application of Continental Oil Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of its Eumont-Hardy Unit Area comprising 1,930 acres, more or less, of State, Federal and Fee lands in Township 20 South, Ranges 37 and 38 East, and Township 21 South, Ranges 36 and 37 East, Lea County, New Mexico.

CASE 3429: Application of Continental Oil Company for two waterflood projects, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Yates, Seven Rivers, and Queen formations, Eumont Pool, through 28 wells in its Eumont Hardy Unit. Applicant further seeks the approval of an offsetting cooperative waterflood project to be conducted on its SEMU Eumont lease by the injection of water into two wells in Section 25, Township 20 South, Range 37 East, all in Lea County, New Mexico.

CASE 3430: Application of Tenneco Oil Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of its Hess Hills Unit Area comprising 16,801 acres, more or less, of State, Federal and Fee lands in Townships 23 and 24 South, Ranges 23 and 24 East, Eddy County, New Mexico.

CASE 3431: Application of Sinclair Oil & Gas Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the approval of the dual completion of its W. H. Turner Well No. 1 located in Unit L of Section 29, Township 21 South, Range 37 East, Lea County, New Mexico, to produce oil from the Drinkard Oil Pool through 2-inch tubing and to produce oil from the Blinebry Oil Pool through the casing-tubing annulus.

CASE 3432: Application of Gulf Oil Corporation for down-hole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle in the well-bore marginal oil production from the Arrowhead Drinkard Pool and an undesignated Blinebry Pool in its Harry Leonard (NCT C) Well No. 11 located in Unit K of Section 36, Township 21 South, Range 36 East, Lea County, New Mexico.

CASE 3252 (Reopened):

In the matter of Case No. 3252 being reopened pursuant to the provisions of Order No. R-2917, which order established 640-acre spacing units for the McMillan-Morrow Gas Pool, Eddy County, New Mexico, for a period of one year after first pipeline connection in the pool. All interested parties may appear and show cause why said pool should not be developed on 320-acre spacing units.

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BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION

APPLICATION OF SHELL OIL COMPANY }
FOR APPROVAL OF A DUAL COMPLE- }
TION, LEA COUNTY, NEW MEXICO }

Case No. 3434

A P P L I C A T I O N

Comes now Shell Oil Company, by its attorneys, and applies to the New Mexico Oil Conservation Commission for approval of a dual completion in the Gramma Ridge-Morrow Gas Pool and in an undesignated Bone Springs Oil Pool, and in support of its application states:

1. Shell Oil Company is the owner and operator of the South Wilson Deep Unit Well No. 2 located in Unit "J" of Section 33, T. 21 S., R. 34 E., Lea County, New Mexico. Said well has been completed in an undesignated Bone Springs Oil Pool with perforations in the interval from 10,675 feet to 10,711 feet and in the Gramma Ridge-Morrow Gas Pool with perforations in the interval from 13,173 feet to 13,251 feet.

2. Applicant seeks approval to dually complete its said South Wilson Deep Unit Well No. 2 in such a manner as to produce oil from the undesignated Bone Springs Pool through a 2-3/8-inch string of tubing set in a dual packer at a depth of 10,600 feet, and to produce gas from the Gramma Ridge-Morrow Gas Pool through a string of 2-3/8-inch tubing set through a packer at a depth of 11,400 feet. Both strings of tubing are installed within 7-inch production casing set from the surface to a depth of 11,900 feet and within a 4-1/2-inch liner from 11,582 feet to 13,396 feet.

3. The proposed installation is in accord with good conservation practices and approval of the subject application will

DOCKET MAILED

Date 7/1/66

neither cause waste nor impair correlative rights.

WHEREFORE, Shell Oil Company requests that this application be set for hearing before the Commission or one of its examiners and that the Commission enter its order approving this application.

SETH, MONTGOMERY, FEDERICI & ANDREWS

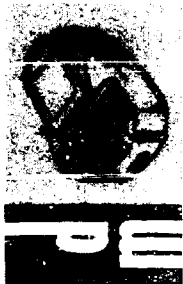
By

Richard S. Morris
Attorneys for Applicant,
Shell Oil Company

dearnley-meier reporting service, inc.

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

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BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
July 19, 1966

EXAMINER HEARING

IN THE MATTER OF: Application of Shell Oil
Company for a dual completion, Lea County,
New Mexico.

Case No. 3434

BEFORE: ELVIS A. UTZ, Examiner

TRANSCRIPT OF HEARING

dearnley-meier reporting service, inc.

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

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MR. UTZ: Case 3434.

MR. HATCH: Application of Shell Oil Company for a dual completion, Lea County, New Mexico.

MR. MORRIS: Mr. Examiner, I am Dick Morris of Seth, Montgomery, Federici and Andrews, Santa Fe, appearing for Shell Oil Company. On behalf of Shell, we request that this case be dismissed.

MR. UTZ: Case 3434 will be dismissed.

dearnley-meier accounting service, inc.

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

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STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

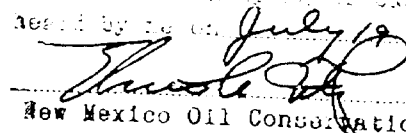
I, ADA DEARNLEY, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me; and that the same is a true and correct record of the said proceedings, to the best of my knowledge, skill and ability.

Witness my Hand and Seal this 31st day of July, 1966.


NOTARY PUBLIC

My Commission Expires:

June 19, 1967.

I do hereby certify that the foregoing is a complete and correct record of the proceedings in the Hearing before the New Mexico Oil Conservation Commission, held by me on July 19, 1966.

Reporter
New Mexico Oil Conservation Commission