



NSP-382

SHELL OIL COMPANY

Due 8/11/57

P. O. Box 1957
Hobbs, New Mexico

July 8, 1957

Subject: Application for Exception to Rule 5 (a),
Order R-520, Shell State C-1, Eumont Gas
Pool, Lea County, New Mexico.

Gentlemen:

Under provisions of Commission Order No. R-520, Rule 5 (b), delegating the Secretary-Director of the Commission authority to grant exception to the requirements of Rule 5 (a) without notice and hearing for a non-standard gas proration unit, Shell Oil Company hereby applies for an exception to the aforementioned Rule for Shell State C-1, Eumont Gas Pool.

In support of the above application the following facts are submitted:

1. Shell State C-1 is located 660 feet from the North line and 660 feet from the East line of Section 24, T-19-S, R-36-E and was originally completed an oil well in December, 1935, flowing 210 BOPD from the open-hole interval 3844 to 4069 feet.

2. On May 1, 1955, Shell Oil Company completed State C-1A as a replacement well for the State C-1 well and State C-1 was temporarily abandoned at that time.

3. On May 9, 1957, Shell Oil Company initiated operations to recomplete State C-1 as a gas well. A bridge-plug was set in the casing at 3750 feet and capped with cement to ^{well #} 3742 feet. State C-1 was perforated for Eumont gas production in the gross interval 3505 to ^{E/N 11/4} 3705 feet. The gas zone was treated with 20,000 gallons of fracture fluid. Although an official potential test has not been taken, routine production tests have indicated a capacity of approximately 900 MCFGPD thru a 16/64 inch choke with a flowing tubing pressure of 1000 psi. This indicates the well will be capable of producing at the top allowable rate.

4. The proposed non-standard gas proration unit complies with the provisions of rule No. 5 (b) of order R-520 in that:

- (a) it is composed of contiguous quarter-quarter sections,
- (b) it lies wholly within a governmental section,
- (c) it may reasonably be presumed to be productive of gas,
- (d) it's length and width does not exceed 5280 feet,
- (e) it is within the horizontal limits of the Eumont Gas Pool,

(f) and all operators owning interest within the same governmental section in which the proposed non-standard gas proration unit is situated and all operators owning interest within 1500 feet of the well to which this unit is proposed have been notified of Shell's intent to form the unit by means of a copy of this application through certified mail. In addition, each of the said operators has been sent a request for a waiver of any objections to the formation of the said unit.

5. Approval of this application for an 80-acre non-standard gas proration unit will, in the opinion of the applicant, protect relative rights and serve the best interest of conservation.

OK

Eumont Gas
per Rule 12
R 520

6. The attached plat shows the location of State C No. 1 and an outline of the proposed 80-acre gas proration unit as well as offsetting wells and gas proration units.

In view of the existence of the facts herein stated and compliance with the provisions of Rule 5 (b) of the Oil Conservation Commission's Order No. R-520, Shell Oil Company requests that the Secretary-Director of the Commission approve the non-standard gas proration unit.

Respectfully Submitted,

SHELL OIL COMPANY

By W. E. Owen
Division Manager

Attachments

A F F I D A V I T

Before me, the undersigned authority, on this day personally appeared W. E. Owen, known to me to be the person whose name is subscribed to this instrument, who, after being by me duly sworn on oath, states that he is employed by or associated with Shell Oil Company in the capacity of Division Production Manager, and that the above statements are true and correct.

Sworn and subscribed to before me on this the 8th day of July, 1957.

Reverend R. A. Davis
Notary Public in and for Lea County, New Mexico

cc: Certified Mail, Return Receipt Requested

Gulf Oil Corporation
P. O. Box 1290
Fort Worth, Texas

Phillips Petroleum Company
P. O. Box 2105
Hobbs, New Mexico

Amerada Petroleum Corporation
P. O. Box 2040
Tulsa, Oklahoma

Skelly Oil Company
P. O. Box 38
Hobbs, New Mexico

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

Sun Oil Company
P. O. Box 2792
Odessa, Texas

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

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

