



CITIES SERVICE OIL COMPANY

PRODUCERS-REFINERS-MARKETERS OF PETROLEUM PRODUCTS

BARTLESVILLE
OKLAHOMA

February 13, 1951

Mar 20 hearing

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

Enc 261

Attention: Mr. R. R. Spurrier, Secretary

Dear Dick:

Enclosed herewith are four copies of the application of the Cities Service Oil Company requesting authorization to dual complete and produce from the McKee Sand of the Simpson zone and the Ellenberger Lime reservoirs its State "S" #3 and State "S" #4 wells or as an alternative to transfer the allowables of the separate reservoirs between these two wells.

It is my understanding that the Tide Water Associated Oil Company has filed a similar application pertaining to their lease offsetting the Cities Service "S" lease to the North. If this matter can be set at the same time and place as the Tide Water application, the handling of similar matters would be materially expedited and all pertinent facts would be developed at the same time for the Commission's consideration.

Will you kindly advise me as to the time the application is set for hearing and also whether or not it will be heard with the Tide Water case.

With kindest personal regards, I am

Yours very truly,

CITIES SERVICE OIL COMPANY

By *R. E. Adams*

R. E. Adams
Proration Engineer

REA:mb

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF THE)
CITIES SERVICE OIL COMPANY TO DUAL COMPLETE)
AND PRODUCE ITS STATE "S" NO. 3 AND NO. 4)
WELLS LOCATED IN THE S/2 NW/4 SECTION 15,)
T-21-S, R-37-E, BRUNSON-HARE FIELDS, LEA)
COUNTY, NEW MEXICO, IN THE MCKEE SAND AND)
ELLENBERGER LIME COMMON SOURCES OF SUPPLY,)
OR TO AUTHORIZE THE TRANSFER OF ALLOWABLES)
BETWEEN SAID WELLS IN SAID COMMON SOURCES)
OF SUPPLY.)

A P P L I C A T I O N

Comes now the Cities Service Oil Company, a Corporation, and respectfully shows to the Commission as follows:

1. That applicant is the owner of an oil and gas lease described as the S/2 NW/4 Section 15, T-21-S, R-37-E, Brunson-Hare Fields, Lea County, New Mexico.

2. That applicant's State "S" Well No. 3 located 75 feet North and 75 feet East of the Center of the SE/4 NW/4 of Section 21 has been drilled to a total depth of 8034 feet in the Ellenberger Lime, top of which was encountered at 7725 feet and now is being completed in that reservoir through perforations from 7860-7900 feet and 7960-8000 feet. That in initial testing this well has produced through a 32/64" choke at the rate of 331 barrels of oil per day with a gas-oil ratio of 1135 cu. ft. per barrel. That in the drilling of said well the McKee Sand of the Simpson zone was found from 7467-7575 feet. That on a drill stem test from 7454-7530 feet in the McKee Sand the well flowed at the rate of 99 barrels of oil per hour with a gas-oil ratio of 968 cu. ft. per barrel. That the McKee Sand and Ellenberger Lime are separate common sources of supply separated by impermeable shale and lime in excess of 150 feet in thickness.

3. That applicant's State "S" Well No. 4 located 100 feet East of the Center of the SW/4 NW/4 of Section 21 is in the process of drilling with the McKee Sand of the Simpson zone and the Ellenberger Lime common sources of supply as its objectives. That current information indicates that these reservoirs will be commercially productive in said well.

4. That applicant proposes to install a packer, of approved mechanical design, in the interval between the base of the McKee Sand and the top of the Ellenberger Lime, in each of said State "S" Wells Nos 3 and 4, so as to produce the Ellenberger Lime reservoir through the tubing and the McKee Sand reservoir through the annulus between the tubing and casing. That said two common sources of supply can be separately produced through the same well bore, simultaneously or intermittently, by the use of such approved mechanical devices which will prevent any commingling of fluids therefrom or migration thereof between the reservoirs.

5. That the production of these two reservoirs by this means and in this manner will tend to prevent waste; increase the ultimate recovery of the respective reservoirs; protect correlative rights; prevent the drilling of unnecessary wells, and utilize to the fullest extent materials made critical by the demand of additional wells for the defense effort, and other war production projects, all to the benefit of your applicant, other producers, royalty owners and the State of New Mexico.

6. That and in the event this Commission finds that the dual completion of applicant's State "S" No. 3 and No. 4 Wells is impractical and/or infeasible as herein proposed, it is respectfully requested that transfer of allowables be authorized so that one well may produce from the McKee Sand with an allowable commensurate to that of two 40 acre units and that the other well produce from the Ellenberger with an allowable also commensurate to that of two 40 acre units. That before such allowable transfer be authorized the productive ability of each of said reservoirs in each of said wells be tested to the satisfaction of this Commission.

7. That applicant believes and so represents to this Commission that preferably the dual completion of wells in the McKee and Ellenberger reservoirs, or in the alternative the transfer of allowables between said wells in said reservoirs would not result in reservoir waste or impair correlative rights but would establish additional immediately producible reserves of oil with a minimum expenditure of critical material, and is in the best interests of the nation's preparedness program.

8. That a plat is attached hereto marked as Exhibit "A" showing the location of all wells on applicant's lease, and all offset wells on offset leases.

WHEREFORE, Applicant prays that this cause be docketed and set for hearing, that notice thereof be given as required by law, and that upon such hearing an order be promulgated authorizing the dual completion of the States "S" No. 3 and No. 4 wells of applicant so as to produce the McKee Sand of the Simpson zone and the Ellenberger Lime through the same well bore, or, in the alternative, a transfer of allowables be authorized so as to produce one well from the McKee Sand and the other from the Ellenberger Lime each being situated on 80 acre units with allowables commensurate to the unit size.

Dated: February 13, 1951

CITIES SERVICE OIL COMPANY

BY

R. E. Adams
R. E. ADAMS
PRORATION ENGINEER

Carl
Newton