



SHELL OIL COMPANY

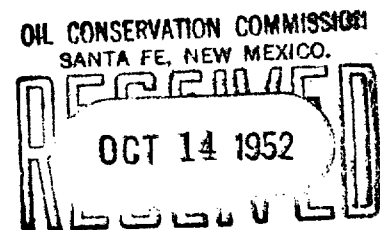
THIS LETTER IS FROM OUR
FIELD OFFICE

AT Box 1957
Hobbs, New Mexico

October 7, 1952

Case 434
Subject: Application to Dually Complete
Shell State M-4 Eunice Field,
Lea County, New Mexico as a
Yates-Seven Rivers (Gas)-Grayburg
(Oil) Well

Oil Conservation Commission
State of New Mexico
Santa Fe, New Mexico



Gentlemen:

By means of this application the Shell Oil Company wishes to state the following:

(a) That Shell State M-4, located in Lot 16 of Section 1, T-21-S, R-35-E, was completed in July, 1937 at a total depth of 3865 feet. The appended Exhibit A shows the location of this and all other wells on the Shell State M lease together with the locations of all offset wells.

(b) That the said well was completed as an oil well producing from the interval 3830-3838 feet in the Grayburg formation after having been drilled through the Yates-Seven Rivers gas productive interval extending from approximately 3000 feet to 3600 feet. The appended Exhibit B is a type log of the Eunice-Monument area. It is planned to run a radio-active survey of Shell State M-4 during the dual completion operation and a copy of the log will be filed with the Commission.

(c) That the applicant proposes to (1) perforate the 7-inch casing opposite the Yates-Seven Rivers gas-productive horizons and (2) set a Baker retainer production packer at approximately 3730 feet in the 5-inch casing liner. The exact interval(s) to be perforated will be selected after the above-mentioned radio-active survey has been completed.

(d) That the applicant proposes to dually complete the said well to produce oil from the Grayburg formation through the tubing and gas from the Yates-Seven Rivers formation through the 7-inch casing. The manner and method of the proposed dual completion are shown on Exhibit C.

(e) That the granting of this application for permission to produce dually oil from the Grayburg formation and gas from the Yates-Seven Rivers formation is in the interests of conservation and the protection of correlative rights.

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(f) That the applicant will do such things as may be required of it by the New Mexico Oil Conservation Commission in the maintenance of separation of production from said two horizons.

(g) That the manner and method of the proposed dual completion is mechanically feasible and practical.

Therefore, the Shell Oil Company requests that the Oil Conservation Commission set a certain day upon which this application may be heard and after said hearing to grant permission in order that the applicant may dually complete Shell State M-4 so that oil from the Grayburg formation may be produced through the tubing and gas from the Yates-Seven Rivers formation through the casing.

Respectfully submitted,

SHELL OIL COMPANY



BY: C. R. Bickel