

SOUTHERN UNION SUPPLY COMPANY
FIRST INTERNATIONAL BUILDING
DALLAS, TEXAS 75270

October 5, 1976

State of New Mexico
Oil Conservation Commission
P. O. Box 1980
Hobbs, New Mexico 88240

Attention: Mr. Jerry Sexton, District Director

Re: Casinghead Gas Sale
Pennzoil State #1
660' FEL & 1980' FNL
Section 18-17S-34E
Lea County, New Mexico
Wildcat(Cisco)-Proposed Vacuum (Cisco)

Dear Jerry:

The Hobbs Commission Office has assigned monthly oil allowables to the captioned well through December, assuming proper dispensation of the casinghead gas. The well was put on a production test beginning September 24, 1976, with the casinghead being flared under the 60 day time limit, from completion, due to expire October 9, 1976. Further, an exception to No-Flare Rule 306 was obtained from your office for the period October 9-19, 1976. On October 23, 1976, Cactus Drilling Company Rig #22 spudded our Gallagher "8" State #3, located in 0-8-17S-34E. This being a gas rig affords a more reasonable alternative, that of furnishing rig fuel, than flaring the gas. We estimate rig fuel usage to exceed thirty days. We plan to base load the rig with the Pennzoil State gas and supplement from an existing fuel gas connection the rig has with Phillips. In the interim period, negotiations continue with Phillips toward a firm casinghead connection. The latest gauge from the well indicated 177 Bbls/Day, ratio holding at 750 feet 3/Bbl with 100# FTP. We expect the well to ultimately go on pump.

The attached Amended C-104 is respectfully submitted for your approval.

Best regards



James G. Ellis
Chief Petroleum Engineer

JGE:mt

NEW MEXICO OIL CONSERVATION COMMISSION
REQUEST FOR ALLOWABLE
AND
AUTHORIZATION TO TRANSPORT OIL AND NATURAL GAS

Form C-104
Supersedes Old C-104 and C-110
Effective 1-1-65

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LAND OFFICE	
TRANSPORTER	OIL
	GAS
OPERATOR	
PROVATION OFFICE	

I. Operator
Southern Union Supply Company

Address
First International Building, Suite 1800 - Dallas, Texas 75270

Reason(s) for filing (Check proper box)

New Well	<input checked="" type="checkbox"/>	Change in Transporter of:		Other (Please explain)
Recompletion	<input type="checkbox"/>	Oil	<input type="checkbox"/>	Furnish Rig Fuel To Cactus Rig #22
Change in Ownership	<input type="checkbox"/>	Casinghead Gas	<input type="checkbox"/>	Drilling in 0-8-17S-34E
		Dry Gas	<input type="checkbox"/>	Gallagher "8" State #3
		Condensate	<input type="checkbox"/>	

If change of ownership give name
and address of previous owner

II. DESCRIPTION OF WELL AND LEASE

Lease Name	Well No.	Pool Name, Including Formation	Kind of Lease	State	Lease No.
Pennzoil-State	1	Wildcat - Cisco	State, Federal or Fee		L-2807
Location					
Unit Letter	H	1980	Feet From The	North	Line and 660
		Feet From The		East	
Line of Section	18	Township	17-S	Range	34-E
				NMPM,	Lea
				County	

III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

Name of Authorized Transporter of Oil	<input checked="" type="checkbox"/>	or Condensate	<input type="checkbox"/>	Address (Give address to which approved copy of this form is to be sent)
Koch Oil Company				
Name of Authorized Transporter of Casinghead Gas	<input checked="" type="checkbox"/>	or Dry Gas	<input type="checkbox"/>	Address (Give address to which approved copy of this form is to be sent)
Southern Union Supply Company				
If well produces oil or liquids, give location of tanks.	Unit	Sec.	Twp.	Pge.
	H	18	17-S	34-E
Is gas actually connected?	No		When	
			Negotiating W/Phillips	

If this production is commingled with that from any other lease or pool, give commingling order number:

IV. COMPLETION DATA

Designate Type of Completion - (X)	Oil Well	Gas Well	New Well	Workover	Deepen	Plug Back	Same Res'v.	Diff. Res'v.
X	X		X					
Date Spudded	Date Compl. Ready to Prod.	Total Depth	P.B.T.D.					
4/14/76	8/9/76	13555	13060					
Elevations (DF, RKB, RT, GR, etc.)	Name of Producing Formation	Top Oil/Gas Pay	Tubing Depth					
4128 KB 4108 GL	Cisco	11095	11015					
Perforations	Depth Casing Shoe							
11095-11104, 11111-11114, 11122-11125, 11154-11163	13555							
TUBING, CASING, AND CEMENTING RECORD								
HOLE SIZE	CASING & TUBING SIZE	DEPTH SET	SACKS CEMENT					
17-1/2	13-3/8	350	450					
11	8-5/8	4735	1400					
7-7/8	5-1/2	13555	1450					

V. TEST DATA AND REQUEST FOR ALLOWABLE (Test must be after recovery of total volume of load oil and must be equal to or exceed top allowable for this depth or be for full 24 hours)

Date First New Oil Run To Tanks	Date of Test	Producing Method (Flow, pump, gas lift, etc.)	
8/9/76	8/10-8/11/76	Flowing	
Length of Test	Tubing Pressure	Casing Pressure	Choke Size
24 hours	300	Packer	1/4"
Actual Prod. During Test	Oil - Bbls.	Water - Bbls.	Gas - MCF
	315	-0-	195

GAS WELL

Actual Prod. Test - MCF/D	Length of Test	Bbls. Condensate/MMCF	Gravity of Condensate
Testing Method (prior, back pr.)	Tubing Pressure (Shut-in)	Casing Pressure (Shut-in)	Choke Size

VI. CERTIFICATE OF COMPLIANCE

I hereby certify that the rules and regulations of the Oil Conservation Commission have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

James B. Ellis
(Signature)

Chief Petroleum Engineer

(Title)

October 5, 1976

(Date)

OIL CONSERVATION COMMISSION

APPROVED _____, 19

BY _____

TITLE _____

This form is to be filed in compliance with RULE 1104.

If this is a request for allowable for a newly drilled or deepened well, this form must be accompanied by a tabulation of the deviation tests taken on the well in accordance with RULE 111.

All sections of this form must be filled out completely for allowable on new and recompleted wells.

Fill out only Sections I, II, III, and VI for changes of owner, well name or number, or transporter, or other such change of condition.

Separate Forms C-104 must be filled for each pool in multiply completed wells.