

MAIN OFFICE OCC

SHELL OIL COMPANY

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Hobbs, N. M.

August 24, 1957

New Mexico Oil Conservation Commission Subject:
P. O. Box 871
Santa Fe, New Mexico

Application for a 160-acre Non-Standard
Gas Production Unit in Exception to Rule
5 (a), Order R-520, Shell Foster 2,
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 production unit, Shell Oil Company hereby applies for an exception to the aforementioned Rule for Shell Foster 2, Eumont Gas Pool.

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

1. Shell Foster 2 is located 660 feet from the South line and 1650 feet from the East line of Section 34, R-19-S, R-36-E, and was originally completed an oil well in February, 1939, flowing 90 BOPD from the open-hole interval 3702 to 3953 feet.

2. On January 22, 1957, Shell Oil Company completed Foster 2-A as a replacement well for the Foster 2 well and Foster 2 was temporarily abandoned at that time.

3. On May 16, 1957, Shell Oil Company initiated operations to recomplete Foster 2 as a gas well. Pea gravel was dumped from total depth 3953 feet up to 3740 feet. The hole was then plugged back with Hydromite from 3740 feet up to 3694 feet (casing shoe is at 3702 feet). Foster 2 was perforated for Eumont gas production in the interval 3634 to 3690 feet. The gas zone was treated with 20,000 gallons of fracture fluid. Although an official 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 900 psi. This indicates the well will be capable of producing at the top allowable rate.

4. The proposed non-standard gas production 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 production 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.