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NSP-349
and 2/13/57
DC-397
and 1/24/57

January 9, 1957

Subject: Application for Authority to Dually Complete The Ohio Oil Company's C. J. Saunders Well No. 1, Eumont Gas Pool, and for Approval of a 80 Acre Non-Standard Gas Proration Unit, consisting of the N/2 NW/4 Sec. 1, T-22-S, R-36-E, Lea County, New Mexico.

Mr. A. L. Porter, Jr.
New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

LHS 344
80.24 Ac

Dear Mr. Porter:

The Ohio Oil Company respectfully requests that the Oil Conservation Commission grant this application of the Ohio for authority to dually complete its C. J. Saunders Well No. 1, located in the NE/4 NW/4 of Sec. 1, T-22-S, R-36-E, Lea County, New Mexico, now producing oil from the Arrowhead Oil Pool. The Ohio desires to dually complete this well in the Eumont Gas Pool in such a manner as to produce gas through the annulus between the casing and tubing and to continue producing oil from the Arrowhead Oil Pool through the tubing. The Ohio intends to install an efficient packer between the two zones and to perform the completion so as to prevent waste in each reservoir. A schematic diagram showing the proposed method for dual completion is attached. Subsequent to the completion of the work, Ohio will present to the Commission data showing the detail completion program as well as plans for future testing which will be made regularly to determine that waste is not occurring in either reservoir.

The Ohio further respectfully requests approval under the provisions of Rule 5(b) of the Special Rules and Regulations for the Eumont Gas Pool of Order No. R-520 of a 80 acre non-standard gas proration unit, consisting of the N/2 NW/4 Sec. 1, T-22-S, R-36-E, Eumont Gas Pool, Lea County, New Mexico. The Ohio owns the oil and gas leasehold estate on the acreage included in the proposed unit and a well to be dually completed in the Eumont Gas Pool and Arrowhead Oil Pool known as C. J. Saunders No. 1, located at a point 660' FNL and 660' FEL of the proposed unit.

All acreage included in the proposed unit is reasonably presumed to be productive of gas from the Eumont Gas Pool. It is impractical to pool the Ohio's leasehold estate with adjoining acreage. Unless the proposed proration unit is formed the Ohio will be deprived of a fair opportunity to recover its just and equitable share of the natural gas in the Eumont Gas

However, the just and equitable share of the gas in the Emden Gas