

Case No.

703

Application, Transcript,
Small Exhibits, Etc.

CASE 703: Skelly Oil Company -
Unorthodox gas proration unit -
Lingnat Gas Tool

BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO
Santa Fe, New Mexico
* * * * *

TRANSCRIPT OF PROCEEDINGS
CASE NO. 703
Regular Hearing

May 19, 1954

BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO
Santa Fe, New Mexico
May 19, 1954

IN THE MATTER OF:

Application of Skelly Oil Company for
unorthodox gas proration unit.

Case No. 703

Applicant, in the above-styled case,
seeks an order authorizing the forma-
tion of a 160-acre unorthodox gas pro-
ration unit as an exception pursuant
to provisions of Rule 7(a) of Order
R-369-A and consisting of W/2 SW/4, and
NE/4 SW/4, and NW/4 SE/4 of Section 17,
Township 23 South, Range 37 East, Lea
County, New Mexico, lying adjacent to
the present boundaries of the Langmat Gas
Pool as established in Commission Order R-264.

TRANSCRIPT OF PROCEEDINGS

MR. SELINGER: George W. Selinger, representing Skelly. We
have one witness. Mr. Max E. Curry.

MAX E. CURRY

the witness, having been first duly sworn, testified as follows:

DIRECT EXAMINATION

By MR. SELINGER:

Q State your name. A Max E. Curry.

Q You are associated with what company?

A Skelly Oil Company.

Q What capacity? A Petroleum engineer.

Q Are you familiar with Skelly Oil Company's operation in
Section 17, Township 23 south, Range 37 east?

A I am.

Q More particularly with Skelly's J. L. Staller lease?

A I am.

Q Have you testified before the Commission as an engineer?

A I have.

Q I hand you what has been marked as Exhibit 1. Is that a map of the area showing all of the wells in the immediate vicinity of the Skelly Steller lease?

A To the best of my knowledge it is.

Q I will hand you what has been marked as Skelly's Exhibit No. 2 and ask you to state whether or not that is the completion data of the well?

A It is.

Q That indicates that the well is a dual completion producing oil from the Queen and gas from the Langmat vertical limits of the Langmat?

A That is correct.

Q I will hand you what has been marked as Skelly's Exhibit 3 and ask you to state whether or not that is a diagrammatic sketch showing the completion of the well?

A It is.

Q And in compliance with Commission Order C106 issued on April 26, 1954 indicative of the dual completion, we are filing a Exhibit 4 an electric log of the well, is that correct?

A These are radioactivity logs.

Q Yes. As Exhibit 5, is that a map of the area showing the location of the gas wells in this immediate area?

A Yes, it is.

Q The proposed 160 acre unorthodox gas unit in the vertical limits of the Langmat is indicated in yellow?

A That is correct.

Q Who owns the other remaining acreage in the south half of 17?

A Sumadan Oil Corporation.

Q There is a gas well on Sumadan's unorthodox 160 acres?

A I understand their No. 6 Well has recently been recompleted as a gas well. That is located in the southeast of the southeast quarter.

Q So that at the present time in the south half of Section 17 on that 320 acres, there are now two existing gas wells?

A That is correct.

Q Within the vertical limits of the Langmat field?

A That is correct.

Q The aerial limits of the Langmat Field extends along the west line of Section 17, does it not? A It does.

Q And these two gas wells are an extension of the aerial limits of the Langmat Gas Pool, is that right? A That is correct.

Q Did you have all these exhibits made up?

A I did.

Q As Exhibit 6 we would like to file a letter from the Samedan Oil Company. We would like to offer in evidence Skelly's Exhibits 1 through 6 inclusive. That is all we have.

MR. WALKER: Any objections to these Exhibits? If not, they will be admitted. Anyone have any questions to ask of the witness? If not the witness is excused.

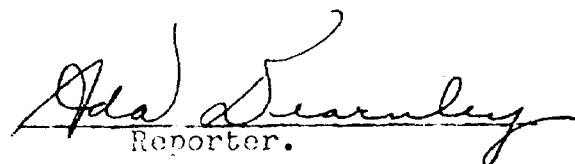
(Witness excused.)

MR. WALKER: Any further statements in this case? If not the case will be taken under advisement.

MR. SPURRIER: The next case on the docket is Case 704.

C E R T I F I C A T E

I, ADA DEARNLEY, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings in the matter of Case No. 703 was taken by me on May 19, 1954, that the same is a true and correct record to the best of my knowledge, skill and ability.


Reporter.

ADA DEARNLEY & ASSOCIATES
STENOGRAPHIC REPORTERS
ROOM 106-106-107 EL CORTEZ BLDG.
PHONES 7-9645 AND 3-9548
ALBUQUERQUE, NEW MEXICO

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF THE STATE OF NEW
MEXICO FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 703
Order No. R-479

THE APPLICATION OF SKELLY OIL
COMPANY FOR AN ORDER GRANTING
APPROVAL OF AN EXCEPTION PURSUANT
TO RULE 7 (a) OF ORDER NO. R-369-A IN
ESTABLISHMENT OF AN UNORTHODOX
GAS PRORATION UNIT OF 160 CONTIGUOUS
ACRES CONSISTING OF THE WEST HALF
SOUTHWEST QUARTER, NORTHEAST QUARTER
SOUTHWEST QUARTER AND NORTHWEST
QUARTER SOUTHEAST QUARTER OF SECTION
17, TOWNSHIP 23 SOUTH, RANGE 37 EAST,
NMPM, LEA COUNTY, NEW MEXICO ADJACENT
TO THE LANGMAT GAS POOL.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m., on May 19, 1954,
at Santa Fe, New Mexico, before the Oil Conservation Commission, herein-
after referred to as the "Commission".

NOW, on this 27th day of May, 1954, the Commission, a quorum
being present, having considered the records and testimony adduced, and
being fully advised in the premises;

FINDS:

(1) That due notice of the time and place of hearing and the purpose
thereof having been given as required by law, the Commission has jurisdiction
of this case and the subject matter thereof.

(2) That pursuant to provisions of Rule 7 (a) of Order No. R-369-A,
the Commission has power and authority to permit the formation of a gas
proration unit consisting of other than a legal quarter section after notice and
hearing by the Commission.

(3) That applicant, Skelly Oil Company, is the owner of an oil and
gas lease in Lea County, New Mexico the land consisting of other than a legal
quarter section, and described as follows, to-wit:

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM
W/2 SW/4, NE/4 SW/4, NW/4 SE/4 of Section 17

containing 160 acres, more or less.

(4) That applicant, Skelly Oil Company, has a producing well on the
aforesaid lease known as E. L. Steeler, No. 7 located 1980' from the South
line and 660' from the West line of Section 17, Township 23 South, Range 37
East.

(5) That the aforesaid well is located within one mile of the limits of the pool heretofore delineated and designated as the Langmat Gas Pool.

(6) That it is impractical to pool applicant's said lease with adjoining acreage in the South half of Section 17, Township 23 South, Range 37 East, NMPM, Lea County, New Mexico, and that the owner of adjoining acreage in said half section have not objected to the formation of the proposed proration unit of 160 acres.

(7) That unless a proration unit consisting of applicant's aforesaid acreage is permitted, applicant will be deprived of the opportunity to recover its just and equitable share of the natural gas in the Langmat Gas Pool.

(8) That creation of a proration unit consisting of the aforesaid acreage will not cause but will prevent waste, will protect correlative rights, and is necessary to prevent confiscation of applicant's property.

IT IS THEREFORE ORDERED:

(1) That the application of Skelly Oil Company for approval of an unorthodox proration unit consisting of the following described acreage

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM
W/2 SW/4, NE/4 SW/4, NW/4 SE/4 of Section 17

be and the same is hereby approved, and a proration unit consisting of aforesaid acreage is hereby created.


(2) That applicant's well, E. L. Steeler, No. 7, located in the NW/4 SW/4 of Section 17, Township 23 South, Range 37 East, NMPM, shall be granted an allowable in the proportion that the above described 160 acre unit bears to the standard or orthodox proration unit for said pool, all until further order of the Commission.

DONE at Santa Fe, New Mexico, the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


EDWIN L. MECHEM, Chairman


E. S. WALKER, Member


R. R. SPURRIER, Secretary-Member

S E A L

Case 703

MAIN OFFICE OCC

1954 APR 14 AM 9:58

Box 38, Hobbs, New Mexico

April 12, 1954

RE: IN THE MATTER OF SKELLY OIL
COMPANY'S APPLICATION FOR
APPROVAL OF AN UNORTHODOX GAS
PRORATION UNIT EMBRACING 160
CONTIGUOUS ACRES ADJACENT TO
THE PRESENT BOUNDARIES OF THE
LANGMAT GAS POOL, LEA COUNTY,
NEW MEXICO

OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO
SANTA FE, NEW MEXICO

Gentlemen:

Comes now SKELLY OIL COMPANY, a Delaware corporation with office in Tulsa, Oklahoma, hereby petitioning the New Mexico Oil Conservation Commission for approval of an unorthodox gas proration unit lying adjacent to the present boundaries of the Langmat Gas Pool, namely the $W\frac{1}{2}$ and $NE\frac{1}{4}$ of the $SW\frac{1}{4}$, and the $NW\frac{1}{4}$, $SE\frac{1}{4}$ of Sec. 17-T23S-R37E., NMPM., Lea County, New Mexico, and in support thereof does state:

1. That the petitioner is the sole owner of all oil and gas leases on the 160 acres described above and concerns but a single royalty owner.

2. That the petitioner's E. L. Steeler Well No. 7 is located 1980' from the South boundary and 660' from the West boundary of the lease and section, and is completed within the vertical limits of the Langmat Gas Pool as defined by the New Mexico Oil Conservation.

3. That the petitioner's lease is productive of gas within these limits by virtue of drill stem and production tests.

4. That the petitioner's lease and proposed unit is offset by acreage within the same half section of equal size and like configuration, all Federal land, consisting of a single lease, which could be granted an unorthodox unit, thereby taking care of all the acreage in this half section.

5. That a plat showing the above described lands and all offset properties indicating well locations and lease ownership to the best of our knowledge is hereto attached.

April 12, 1954

6. That all rules and regulations set out by the New Mexico Oil Conservation Commission have been complied with in this matter.

Wherefore, the petitioner requests that, in the interest of conservation and protection of correlative rights, the Commission grant an exception to Rule 7(a), Order ~~2-369-1~~, by which the petitioner may operate the above described lands as a single unit.

Respectfully submitted,

SKELLY OIL COMPANY

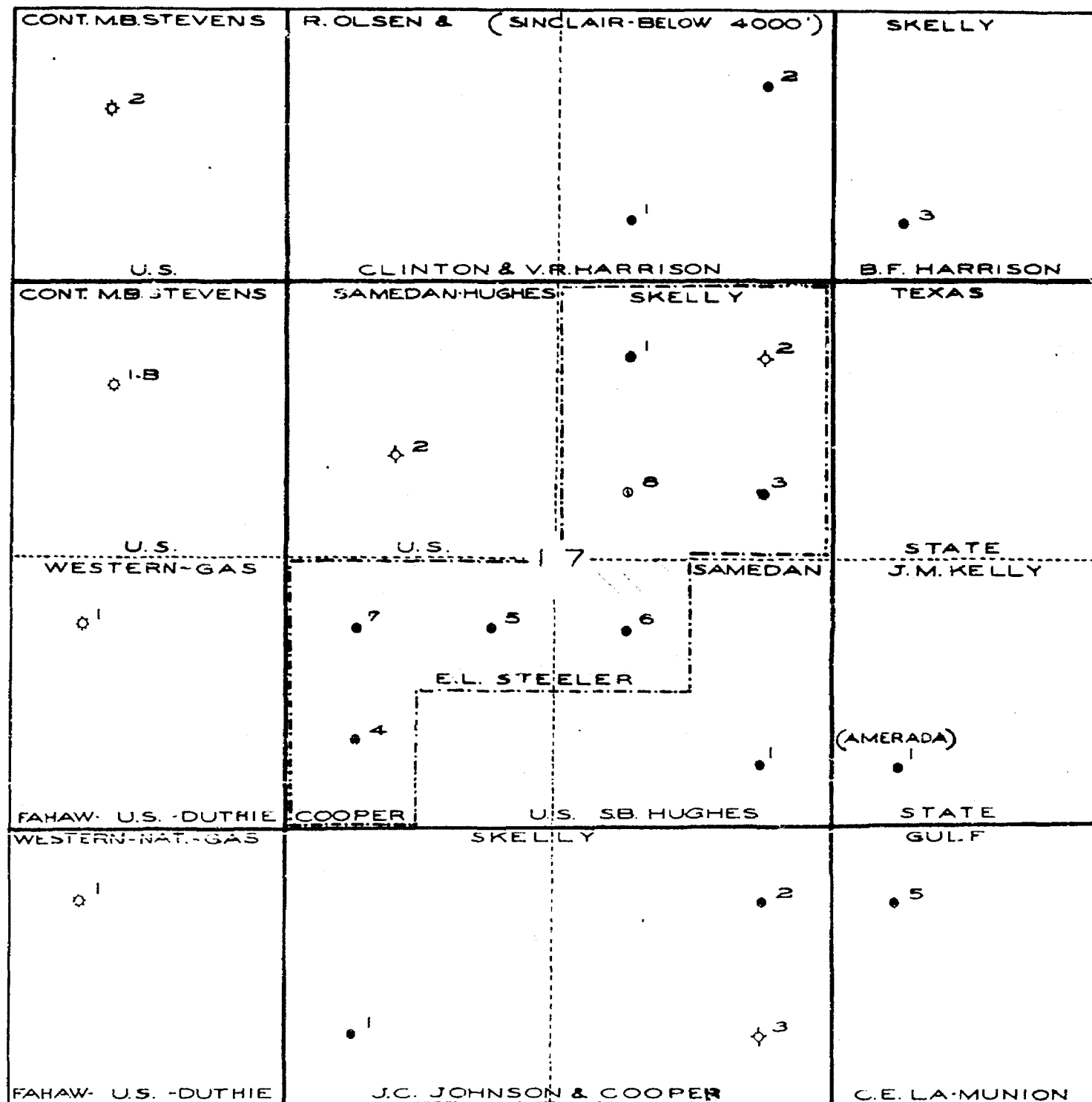

J. N. Dunlavy

JWD:MEC:m
Encl.

E.L. STEELER LEASE

SEC. 17-T23S-R37E

R 37 E





Case 702

SKELLY OIL COMPANY

MAIN OFFICE OCC

1954 APR 14 AM 9:58

Box 38, Hobbs, New Mexico

April 12, 1954

RE: IN THE MATTER OF SKELLY OIL
COMPANY'S APPLICATION FOR
APPROVAL OF AN UNORTHODOX GAS
PRORATION UNIT EMBRACING 160
CONTIGUOUS ACRES ADJACENT TO
THE PRESENT BOUNDARIES OF THE
LANGMAT GAS POOL, LEA COUNTY,
NEW MEXICO

OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO
SANTA FE, NEW MEXICO

Gentlemen:

Comes now SKELLY OIL COMPANY, a Delaware corporation with
office in Tulsa, Oklahoma, hereby petitioning the New Mexico Oil Conservation ^{W/2 SW/4}
Commission for approval of an unorthodox gas proration unit lying adjacent to ^{NE/4 SW/4}
the present boundaries of the Langmat Gas Pool, namely the ^{NW/4 SE/4} ~~W/2~~ and ~~NE/4~~ of the
~~SW/4~~, and the ~~NW/4~~, ~~SE/4~~ of Sec. 17-T23S-R37E., NMPM., Lea County, New Mexico, and
in support thereof does state:

1. That the petitioner is the sole owner of all oil and gas
leases on the 160 acres described above and concerns but a single royalty owner.

2. That the petitioner's E. L. Steeler Well No. 7 is located
1960' from the South boundary and 660' from the West boundary of the lease and
section, and is completed within the vertical limits of the Langmat Gas Pool as
defined by the New Mexico Oil Conservation.

3. That the petitioner's lease is productive of gas within
these limits by virtue of drill stem and production tests.

4. That the petitioner's lease and proposed unit is offset
by acreage within the same half section of equal size and like configuration,
all Federal land, consisting of a single lease, which could be granted an un-
orthodox unit, thereby taking care of all the acreage in this half section.

5. That a plat showing the above described lands and all off-
set properties indicating well locations and lease ownership to the best of our
knowledge is hereto attached.

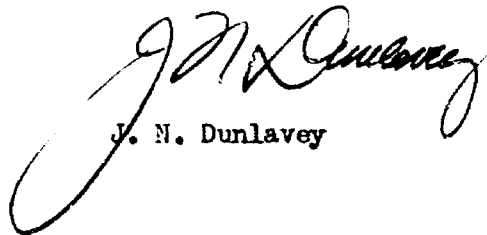
April 12, 1954

6. That all rules and regulations set out by the New Mexico Oil Conservation Commission have been complied with in this matter.

Wherefore, the petitioner requests that, in the interest of conservation and protection of correlative rights, the Commission grant an exception to Rule 7(a), Order R-369-A, by which the petitioner may operate the above described lands as a single unit.

Respectfully submitted,

SKELLY OIL COMPANY



J. N. Dunlavey

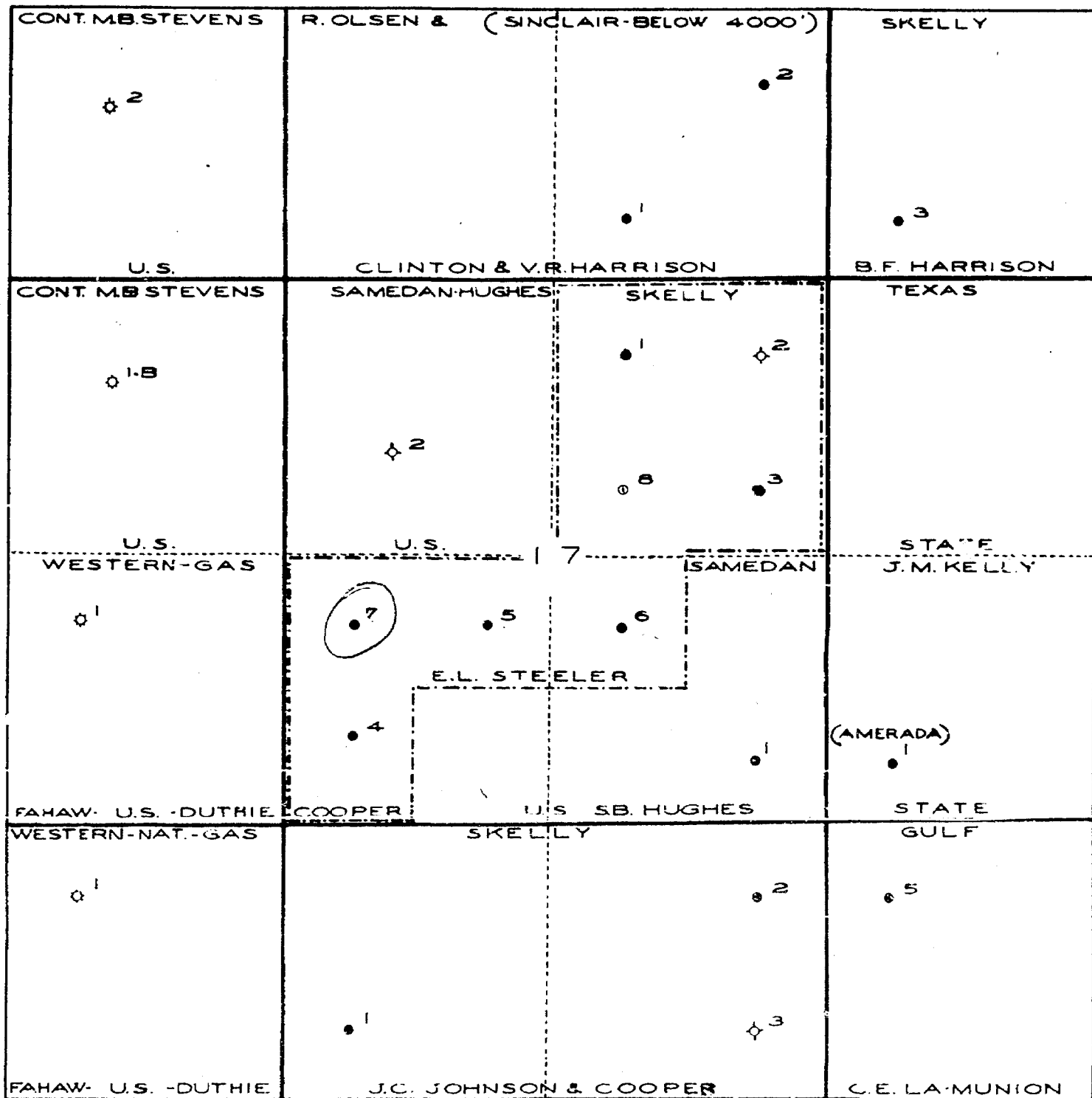
JND:MEC:m

Encl.

E.L. STEELER LEASE

SEC. 17-T23S-R37E

R 37 E



ARDMORE, OKLAHOMA
BOX 959

Case No 703
G. H. L.

April 26, 1954

Mr. George W. Selinger
Skelly Oil Company
Tulsa 2, Oklahoma

RE: Section 17-23S-37E
Langmat Gas Pool
Lea County, New Mexico

Dear Mr. Selinger:

With reference to your application to the New Mexico Oil Conservation Commission for approval of an unorthodox gas proration unit in the S/2 of the above subject section, this is to advise you that we have advised the Commission that we have no objection to the granting of the unorthodox unit. Also a copy of our letter to the Commission was sent to your Mr. J. N. Dunlavey in Hobbs, New Mexico.

Very truly yours,

SAMEDAN OIL CORPORATION

George E. Trimble
George E. Trimble

GET:jbb

cc: CSS

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
Skelly EXHIBIT No. 6
CASE 703

APR 28 1954

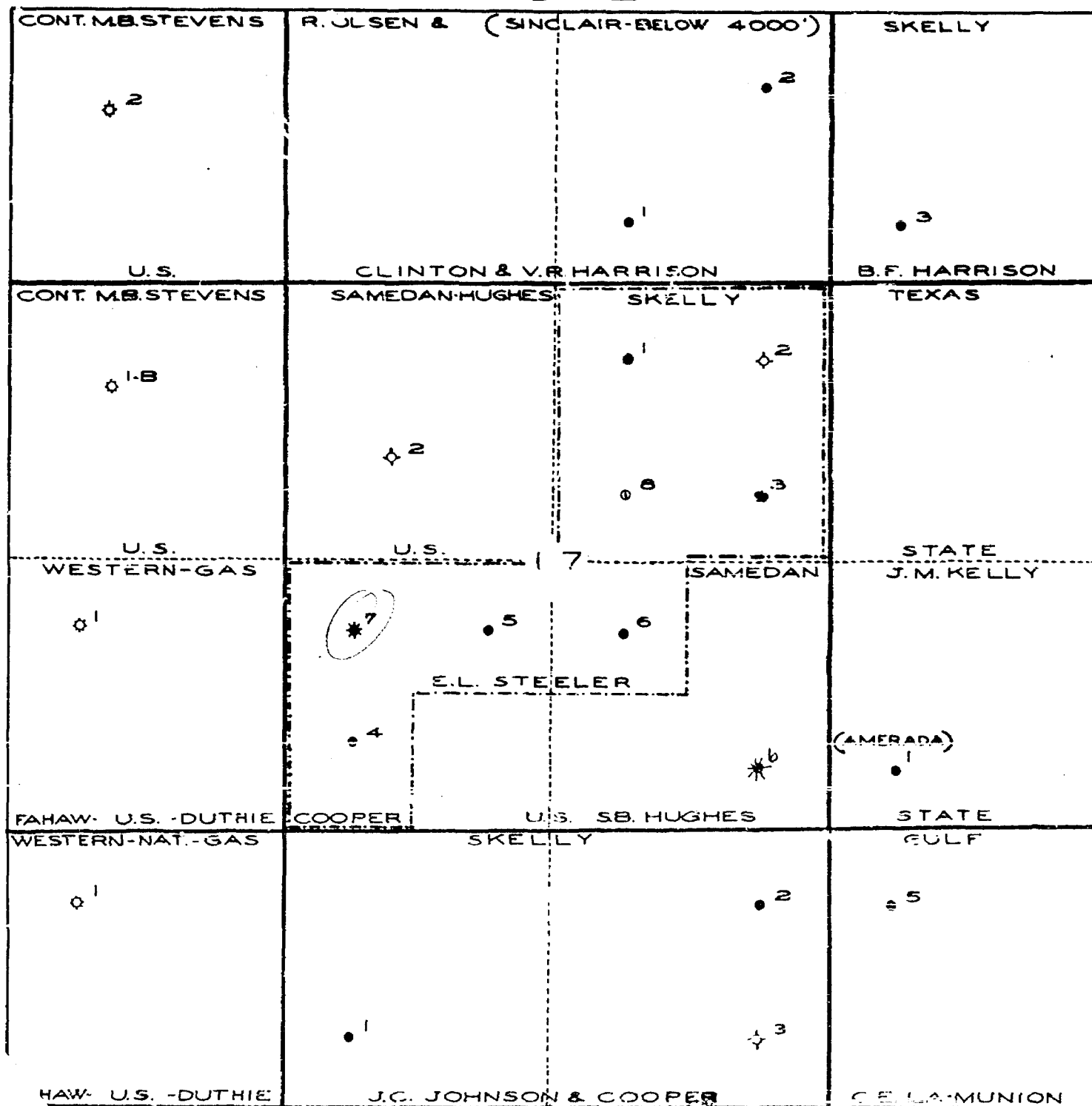
BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
Shelby H.C. No. 1
CASE 703

Case No 703
Gr #1

E.L. STEELER LEASE

SEC. 17-T23S-R37E

R 37 E



SKELLY OIL COMPANY
E. L. Steeler Lease
Well No. 7

Exhibit # 2
Case No. 703.

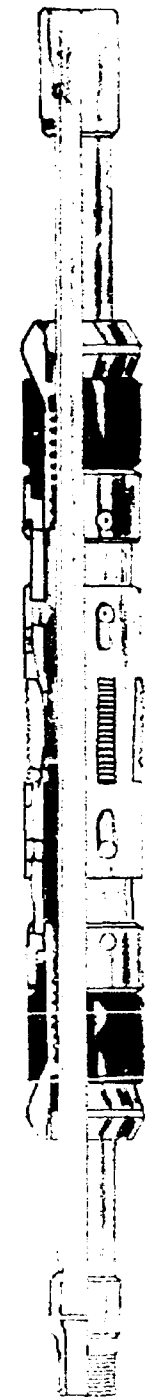
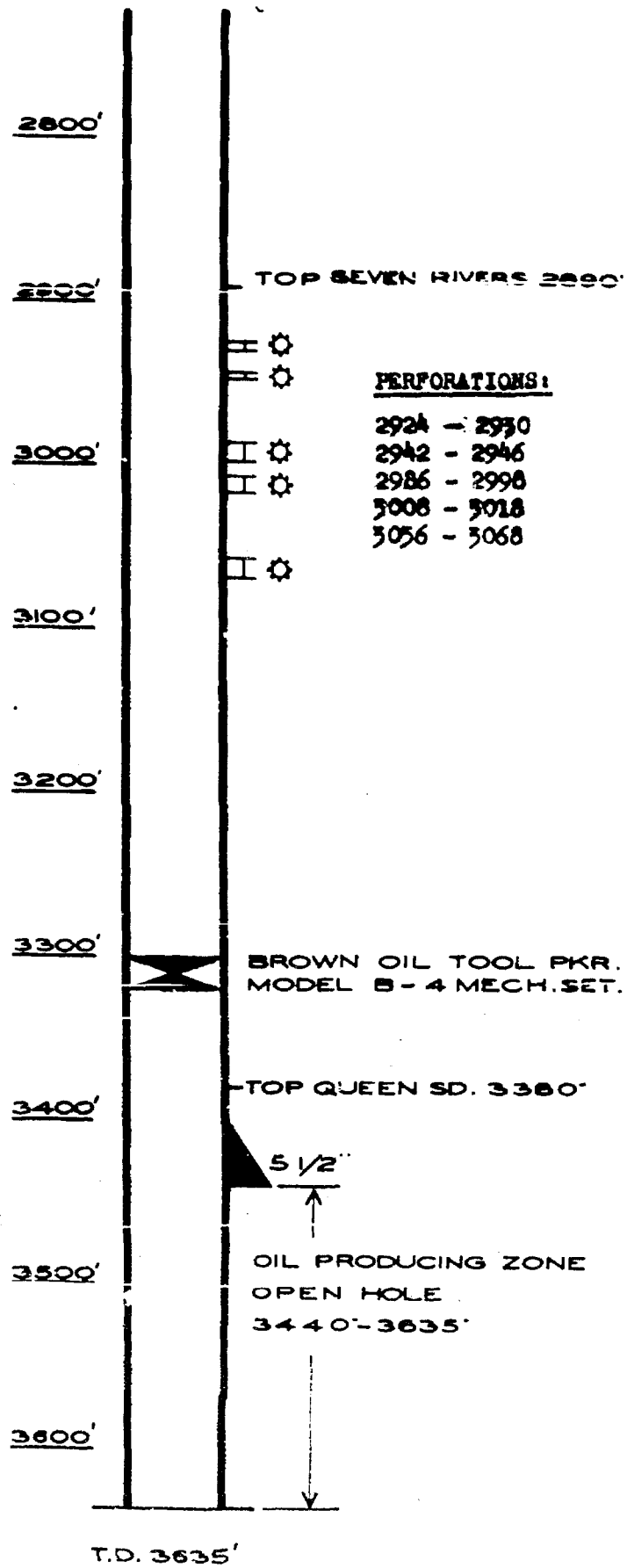
COMPLETION DATA

SKELLY OIL COMPANY'S E. L. Steeler Well No. 7 was drilled to a total depth of 3635' in the Queens Sand after setting 5 1/2" casing by the two stage method at a depth of 3440'. The open hole section, 3440' - 3635', was fractured with 6,000 gallons of Sandoil and 3750 pounds of sand. After cleaning up the well flowed 298 barrels of oil in 7 1/2 hours on a half inch choke, with a GOR of 1565:1

A Brown Model B-4 packer was set at a depth of 3300', then the casing was perforated from 2924' to 3066 at selected intervals and the perforations treated with 12,000 gallons of Sandoil and 12,000 pounds of sand. After cleaning up the gas zone then potentialled the well for 4,870 MCFPD.

The well was then shut in and pressured up, no communication was found to exist between the zones.

Case 76703
 KELLY OIL CO.
 E.L. STEELER LEASE
 SEC. 17 T. 23 S. R. 37 E.



BOT B-4
 Packer