

CASE 2465: Application of SKELLY
for a dual completion of its HOBBS
"N" WELL NO. 1.

- a 52 / 1 / 0.

2465

plication, Transcript,

all Exhibits, Etc.

GOVERNOR
EDWIN L. MECHEM
CHAIRMAN

State of New Mexico
Oil Conservation Commission

LAND COMMISSIONER
E. S. JOHNNY WALKER
MEMBER



STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

P. O. BOX 871
SANTA FE

January 17, 1962

Mr. Charlie White
Gilbert, White & Gilbert
P. O. Box 787
Santa Fe, New Mexico

Re: CASE NO. 2465
ORDER NO. R-2165
APPLICANT:
Skelly Oil Company

Dear Sir:

Enclosed herewith are two copies of the above-referenced
Commission order recently entered in the subject case.

Very truly yours,

A. L. Porter, Jr.
A. L. PORTER, JR.
Secretary-Director

ir/

Carbon copy of order also sent to:

Hobbs OCC x
Artesia OCC
Aztec OCC

OTHER

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE No. 2465
Order No. R-2165

APPLICATION OF SKELLY OIL COMPANY
FOR A DUAL COMPLETION, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on January 4, 1962, at Santa Fe, New Mexico, before Daniel S. Nutter, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 17th day of January, 1962, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Nutter, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Skelly Oil Company, is the owner and operator of the Hobbs "N" Well No. 1, located in Unit D of Section 8, Township 18 South, Range 35 East, NMPM, Lea County, New Mexico.

(3) That the applicant seeks permission to complete said Hobbs "N" Well No. 1 as a dual completion (conventional) in such a manner as to permit the production of oil from the Vacuum-Abo Pool and from an undesignated Drinkard pool through parallel strings of 2 1/16-inch tubing, separation of the zones to be by a packer set at a depth of approximately 8810 feet.

(4) That the mechanics of the proposed dual completion are feasible and are in accord with good conservation practices.

(5) That approval of the subject application will neither cause waste nor impair correlative rights.

-2-
CASE No. 2465
Order No. R-2165

IT IS THEREFORE ORDERED:

(1) That the applicant, Skelly Oil Company, is hereby authorized to complete its Hobbs "N" Well No. 1, located in Unit D of Section 8, Township 18 South, Range 35 East, NMPM, Lea County, New Mexico, as a dual completion (conventional) in such a manner as to permit the production of oil from the Vacuum-Abo Pool and from an undesignated Drinkard pool through parallel strings of 2 1/16-inch tubing, separation of the zones to be by a packer set at a depth of approximately 8810 feet.

PROVIDED HOWEVER, That the applicant shall complete, operate, and produce said well in accordance with the provisions of Rule 112-A of the Commission Rules and Regulations.

PROVIDED FURTHER, That the operator shall conduct packer-leakage tests upon completion and annually thereafter during the Annual Gas-Oil Ratio Test Period for the Abo zone, and at such other times as the Secretary-Director of the Commission may prescribe.

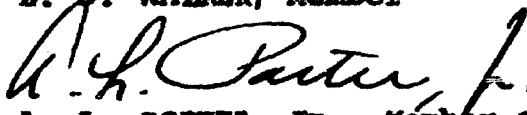
(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



EDWIN L. MECHEM, Chairman


E. S. WALKER, Member
A. L. PORTER, JR., Member & Secretary
esr/

DOCKET: EXAMINER HEARING - THURSDAY - JANUARY 4, 1962

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM
STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

The following cases will be heard before Daniel S. Nutter, Examiner, or Elvis A. Utz, as alternate examiner:

CASE 2448: (Continued)

Application of Pan American Petroleum Corporation for a pressure maintenance project, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks permission to institute a pressure maintenance project on its C. J. Holder, State Holder Oil Unit, State "CA", State Oil Unit and Gallegos Canyon Unit Leases, San Juan County, New Mexico, in the Cha Cha-Gallup Oil Pool with water injection initially to be through five wells located in Sections 8 and 16, Township 28 North, Range 13 West, and Section 23, Township 28 North, Range 12 West, and requests adoption of special rules to govern the operation of said project.

CASE 2449: (Continued)

Application of Pan American Petroleum Corporation for a pressure maintenance project, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks permission to institute a pressure maintenance project on its Navajo Tribal "H" and Gallegos Canyon Unit Leases, San Juan County, New Mexico, in the Totah-Gallup Oil Pool with water injection initially to be through five wells located in Section 35, Township 29 North, Range 13 West, Section 12, Township 28 North, Range 13 West, and Sections 13 and 24, Township 29 North, Range 14 West, and requests adoption of special rules to govern the operation of said project.

CASE 2429: (Continued)

Application of Standard Oil Company of Texas for approval of the Jurnegan Point Unit Agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Jurnegan Point Unit Agreement embracing 10,240.84 acres, more or less, of State and fee lands in Township 24 South, Ranges 24 and 25 East, Eddy County, New Mexico.

CASE 2452: (Continued)

Application of Southwest Production Company for an order pooling all mineral interests in the Basin-Dakota Gas Pool in the W/2 of Section 7, Township 30 North, Range 11 West, San Juan County, New Mexico. Interested parties include Maleta Y. Brimhall, Phoenix, Arizona, and Barbara Brimhall Burnham, Aztec, New Mexico.

CASE 2463:

Application of Amerada Petroleum Corporation for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to complete its L. M. Lambert Well No. 2, located in Unit G of Section 6, Township 20 South, Range 37 East, Lea County, New Mexico, as a dual completion (conventional) in the Grayburg and McKee zones in the Monument Field, with the production of gas from the Grayburg zone to be through a string of 1 1/2-inch tubing and the production of gas from the McKee zone to be through a parallel string of 2 3/8-inch tubing.

CASE 2464:

Application of Amerada Petroleum Corporation for a triple completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to complete its State NJ "A" Well No. 1, located in Unit A of Section 2, Township 25 South, Range 37 East, Lea County, New Mexico, as a triple completion (combination) in the McKee, Fusselman and Ellenburger zones in the North Justis Field, with the production of oil from the Fusselman and Ellenburger zones to be through tubing installed within parallel strings of 3 1/2-inch casing and the production of oil from the McKee zone to be through a parallel string of 2 7/8-inch casing, all of said casing strings to be cemented in a common well bore.

CASE 2465:

Application of Skelly Oil Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to complete its Hobbs "N" Well No. 1, located in Unit D of Section 8, Township 18 South, Range 35 East, Lea County, New Mexico, as a dual completion (conventional) in the Vacaville-Abo Pool and in an undesignated Drinkard pool, with the production of oil from both zones to be through parallel strings of 2 1/16-inch tubing.

CASE 2466:

Application of Shell Oil Company for a 320-acre non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to establish a

320-acre non-standard gas proration unit in the Eumont Gas Pool, comprising the S/2 of Section 22, Township 21 South, Range 37 East, Lea County, New Mexico, said unit to be dedicated to the Turner Well No. 7, located at an unorthodox location 1650 feet from the South line and 330 feet from the West line of said Section 22.

CASE 2467:

Application of Shell Oil Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to complete its Livingston Well No. 12, located 4620 feet from the South line and 660 feet from the East line of Section 4, Township 21 South, Range 37 East, Lea County, New Mexico, as a dual completion (tubingless) in the Drinkard and Blinebry Oil Pools, with the production of oil from both zones to be through parallel strings of 2 7/8-inch casing cemented in a common well bore.

CASE 2468:

Application of Shell Oil Company for a triple completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to complete its Livingston Well No. 11, located 3300 feet from the South line and 660 feet from the West line of Section 3, Township 21 South, Range 37 East, Lea County, New Mexico, as a triple completion (tubingless) in the Drinkard Oil, Tubb Gas and Blinebry Oil Pools, with the production of oil from the Drinkard and Blinebry zones and the production of gas from the Tubb zone to be through parallel strings of 2 7/8-inch casing cemented in a common well bore.

CASE 2469:

Application of El Paso Natural Gas Company for an order establishing special rules and regulations for the Lusk-Strawn Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order establishing special rules and regulations for the Lusk-Strawn Pool, Lea County, New Mexico, including provisions for 160-acre proration units and a limiting gas-oil ratio of 4000 to 1.

CASE 2470:

Application of J. R. Cone for a 40-acre non-standard gas proration unit and for an exception to Order No. R-1670, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of a 40-acre non-standard gas proration unit in the Blinebry Gas Pool comprising the NE/4 SE/4 of Section 21, Township 21 South, Range 37 East, Lea

County, New Mexico, said unit to be dedicated to the Anderson Well No. 2, located 1650 feet from the South line and 330 feet from the East line of said Section 21. Applicant further seeks an exception to Rule 34 (A) of the special rules and regulations for the Blinebry Gas Pool as contained in Order No. R-1670, to permit the gas produced from said Anderson Well No. 2 to be produced into a low-pressure separator only.

CASE 2471: Application of Leonard Oil Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to complete its Federal Ginsberg Well No. 8, located in Unit M of Section 31, Township 25 South, Range 38 East, Lea County, New Mexico, as a dual completion (conventional) in the Langlie-Mattix and Justis-Blinebry Pools, with the production of oil from both zones to be through parallel strings of 2 3/8-inch tubing, separation of the zones to be by a liner re-entry shoe seal assembly.

CASE 2472: Application of Newmont Oil Company for approval of a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the West Loco Hills Grayburg No. 4 Sand Unit Agreement, covering 5320 acres, more or less, in Townships 17 and 18 South, Ranges 29 and 30 East, Eddy County, New Mexico.

CASE 2473: Application of Newmont Oil Company for expansion of its Loco Hills Waterflood Project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks permission to expand its Loco Hills Waterflood Project to include the proposed West Loco Hills Grayburg No. 4 Sand Unit Area, comprising 5320 acres, more or less, in Townships 17 and 18 South, Ranges 29 and 30 East, Eddy County, New Mexico.

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Date 1-8-62

CASE 2365

Hearing Date 9 am 1-4-62
DSN @ SF

My recommendations for an order in the above numbered cases are as follows:

Approve Stally's DC-conventional as requested. Will produce undesignated Dr ^{oil} 1. ~~1.1~~ 2 1/2" ~~1/2~~ and Vacuum also oil thru parallel strings of 2 1/2" ~~1/2~~, separation of the zones by means of packer @ approx 8810. Require Packer leakage tests upon completion and annually thereafter during the GOR test period for the Abo zone.



Staff Member

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
January 4, 1962

EXAMINER HEARING

IN THE MATTER OF:

Application of Skelly Oil Company for
a dual completion, Lea County, New
Mexico. Applicant, in the above-
styled cause, seeks permission to
complete its Hobs "N" Well No. 1,
located in Unit D of Section 8,
Township 18 South, Range 35 East,
Lea County, New Mexico, as a dual
completion (conventional) in the
Vacuum-Abo Pool and in an undesig-
nated Drinkard pool, with the pro-
duction of oil from both zones to be
through parallel strings of 2 1/16-
inch tubing.

CASE NO.
2465

BEFORE:

Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

MR. NUTTER: We will call next case, 2465.

MR. WHITFIELD: Application of Skelly Oil Company for
a dual completion, Lea County, New Mexico.

MR. WHITE: If the Examiner please, Charles White of
Gilbert, White and Gilbert, Santa Fe, appearing on behalf of the

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PHONE 325-1182

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PHONE 243-6691



applicant. We have one witness at this time to be sworn.
(Witness sworn.)

ARTHUR R. BAUMGARTER,
called as a witness, having been first duly sworn, testified as
follows:

DIRECT EXAMINATION

BY MR. WHITE:

Q State your full name for the record, please?

A Arthur R. Baumgarter.

Q By whom are you employed and in what capacity?

A Skelly Oil Company, Petroleum Engineer, Hobbs, New
Mexico.

Q Have you previously testified before the New Mexico
Oil Conservation Commission as a Petroleum Engineer and have
your qualifications been of record?

A I have.

MR. WHITE: Does the Examiner recognize his qualifi-
cations?

MR. NUTTER: Yes, please proceed.

Q (By Mr. White) You are familiar with Skelly's appli-
cation in Case 2465?

A Yes, sir.

Q Will you briefly state what Skelly is seeking by the
application?

A Skelly is requesting permission to dually complete its

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Hobbs "N" Well No. 1 located in Unit D, Section 8, Township 18 South, Range 35 East, as a dual completion in the Vacuum-Abo in an undesignated Drinkard Pool with the production of oil from both zones being through parallel strings of 2 1/16-inch tubing.

(Whereupon, Applicant's Exhibit No. 1 marked for identification.)

Q Will you refer to your ownership plat, Exhibit 1, and explain it to the examiner, please?

A Exhibit 1 is a plat showing the ownership of the lease offsetting our well with the Skelly Hobbs No. 1, located in the Unit D of Section 8, Township 18 South, 35 East. This is a plat that was submitted on the application with one additional well added, the Tidewater Well in Unit A of Section 7.

Q Does it show the other wells that are drilled within the area?

A Yes.

Q Does it show who the offset operators are?

A Yes, it does.

Q Does Skelly's lease show ownership common throughout the zones?

A Yes, sir.

Q Will you give the well history and in so doing refer to your diagramatic sketch marked Exhibit 2.

(Whereupon, Applicant's Exhibit No. 2 marked for identification.)

A Exhibit 2 is a diagramatic sketch of the well as



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completed. The sketch shows the 13 3/8 inch O.D. casing set at 308 feet with cement circulated to surface; the 8 5/8 set at 3254 feet with the top of the cement at 145 feet from the surface; the 5 1/2-inch casing set at 9049 feet with the top of the cement at 1293 feet from the surface. The sketch also shows the Baker Model D production packer set approximately 8810 feet, the two strings of tubing, the tubing perforation with the short string for the production of the Drinkard, the perforations set at 8505; the perforations for the Abo set at 8817 feet. The sketch also shows the top of the Drinkard at 8103 feet, the Abo Reef being at 8,724 feet. The Drinkard perforations are from 8450 feet to 8476 feet. The Abo perforations are 8824 to 8874 feet. The well was drilled with three drillstem tests during the drilling, one being in the Drinkard, two being in the Abo Reef. After the pipe was set, the Abo was perforated, acidized with a thousand gallons and swabbed, reacidized with three thousand gallons and potential flowing 320 barrels of new oil in 16 hours, gas 341 MCF per day, giving a GOR of 710, 3/4-inch choke with the gravity 41.2.

Q I beg your pardon, you are getting into the crude characteristics. Let's refer back for a moment and give the crude characteristics of the Abo zone.

A The Abo has a 41.2 gravity and a GOR of 710.

Q Is it sour or sweet crude?

A It's a sour crude.



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Q Is there any water produced in this zone?

A No.

Q Is this zone presently being produced?

A Yes, it is. It has a top allowable of 108 barrels of oil per day.

Q Is it flowing or pumping?

A It's flowing.

Q Now, will you give the crude characteristics of the Drinkard, please?

A The Drinkard zone has a gravity of 39.9 GOR of approximately 650, and I believe it is classified as a sweet crude.

Q What corrosive inhibitors do you intend to use in the Abo?

A It will be chemically treated.

Q Do you think that will be an adequate precaution?

A Yes.

Q Do you intend to commingle these crudes?

A No, they both have tank batteries set.

Q Is the Drinkard presently on production?

A The Drinkard was perforated Baker Model D packer set at 8810 feet, it was acidized with a thousand gallons, reacidized with three thousand gallons, was reacidized at 5000, and the fourth acid job was 10,000 gallons of 19 per cent acid, swabbed at the rate of approximately 50 barrels a day with



approximately 800 feet of oil in the hole. Pumping unit was installed and presently pumping approximately 60 barrels a day. The GOR was approximately 650.

Q Is it presently being tested now?

A Right.

(Whereupon, Applicant's Exhibit No. 3 marked for identification.)

Q Will you refer to Exhibit No. 3 and explain that, please?

A Exhibit 3 is a North South cross section with the Skelly Hobbs the one on the right showing the top of the Abo Reef, and the structural relief in the oil wells in three wells north of our well showing the depth from the North to the South; also, the top of the Drinkard is shown on our well in the Shell State, DA Number two which is North offset. The exhibit also shows the perforated intervals for the four wells on there. These logs were all gamma ray sonic and correlated as a sub sea elevation at minus 4627.

(Whereupon, Applicant's Exhibit No. 4 marked for identification.)

Q Will you refer to Skelly's Exhibit 4 and explain that, please?

A Exhibit No. 4 is a structure map on the top of the Abo Reef of the wells completed in the area showing the wells connected where the cross section on the previous exhibit was made from.

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Q Mr. Baumgartner, why did you not extend the structural map down into Section No. 7?

A There have been no wells completed in that section and we have no information as to the tops and how far the formation extends.

Q How does the Skelly subject well stand structurally within the area?

A The Skelly well is the lowest sub sea well in the area being an Abo Reef at a minus 4752.

(Whereupon, Applicant's Exhibit No. 5 marked for identification.)

Q Now, will you refer to Exhibit No. 5 and explain it, please?

A Exhibit No. 5 is a Schlumberger gamma ray sonic log run on our Hobbs "N" No. 1, with the top of the formation in question, the drillstem test and the perforations in our well.

Q Does it also show the tops?

A Yes. We have correlated the tops in the area and they are shown.

Q Were Exhibits 1, 2, 3 and 4 prepared by you, or under your direction?

A Yes, they were.

Q Is Exhibit No. 5 true and accurate to your best knowledge and belief?

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A Yes, it is.

Q What are the economic advantages of this dual completion?

A From the test that we have gotten from the Drinkard, it doesn't appear to be economically feasible to drill a separate well to produce the Drinkard.

Q What would the actual cost be of drilling two wells?

A The actual cost of drilling two wells would be approximately \$246,000 but with an additional \$14,000 for the pumping installations. The cost to dual complete this well is estimated at \$163,000 with a saving somewhere around \$84,000.

Q Is it your opinion that it would be uneconomical to drill a separate well for the Drinkard?

A Yes, sir.

MR. WHITE: At this time we move for the admission of Exhibits 1 through 5.

MR. NUTTER: Skelly's Exhibits 1 through 5 will be admitted in evidence.

(Whereupon Applicant's Exhibits 1 through 5 admitted in evidence.)

MR. WHITE: That concludes our testimony.

MR. NUTTER: Does anyone have any questions of Mr. Baumgarter?

CROSS EXAMINATION

BY MR. NUTTER:

Q The lowermost drillstem in the Abo produced water, didn't it?

A Yes.

Q So you came back up the hole and got a water free



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completion?

A Yes.

Q Is there any other Drinkard production in the area?

A No, sir.

Q On your cross section Exhibit No. 4, I believe it is this northernmost well, is Phillips Petroleum Company, Santa Fe No. 63?

A Yes, I believe that's right.

Q Is that the No. 5 on Exhibit No. 1?

A Yes, and there was some confusion there when this was shown. I believe it is shown correct on Exhibit 4.

Q The number is 63 then?

A Right.

Q Was any difficulty encountered in drilling this well, Mr. Baumgarter, in maintaining a straight hole?

A Not that I remember. There was never any plug back and redrilling that I remember.

MR. NUTTER: Any further questions.

MR. PORTER: Just one, Mr. Nutter.

MR. NUTTER: Excuse me, Mr. Porter.

BY MR. PORTER:

Q To your knowledge, the Drinkard was not encountered in Shell wells to the North?

A They did not drillstem test them. Their logs as shown on Exhibit 3 may have some porosity in the zone that we have perforated.



MR. PORTER: That's all.

MR. NUTTER: Any further questions? Mr. Baumgartner may be excused. Do you have anything further, Mr. White?

MR. WHITE: That's all.

(Witness excused.)

MR. NUTTER: Does anyone have anything they wish to offer in Case 2465? We'll take that case under advisement.

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PHONE 243-6691

STATE OF NEW MEXICO)
COUNTY OF BERNALILLO) ss.

I, ADA DEARNLEY, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission, at Santa Fe, New Mexico, is a true and correct record to the best of my knowledge, skill, and ability.

IN WITNESS WHEREOF, I have affixed my hand and notarial seal this 4th day of January, 1962.

Ada Dearnley
COURT REPORTER-NOTARY PUBLIC

My commission expires:

June 19, 1963

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of case No. 2465, heard by me on 1-4, 1962.

[Signature], Examiner
New Mexico Oil Conservation Commission



NEW MEXICO OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

7-3-58

APPLICATION FOR DUAL COMPLETION

Field Name		County		Date
Vacuum Abo - Undesignated Drinkard		Lea		11/28/61
Operator		Lease		Well No.
Skelly Oil Co.		Hobbs "N"		1
Location of Well	Unit	Section	Township	Range
	D	8	18S	35E

1. Has the New Mexico Oil Conservation Commission heretofore authorized the dual completion of a well in these same pools or in the same zones within one mile of the subject well? YES _____ NO X
2. If answer is yes, identify one such instance: Order No. _____; Operator, Lease, and Well No.:

3. The following facts are submitted:	Upper Zone	Lower Zone
a. Name of reservoir	Drinkard	Abo Reef
b. Top and Bottom of Pay Section (Perforations)	8450' - 8476'	8824' - 8874'
c. Type of production (Oil or Gas)	Oil	Oil
d. Method of Production (Flowing or Artificial Lift)	Flowing	Flowing

4. The following are attached. (Please mark YES or NO)

Yes a. Diagrammatic Sketch of the Dual Completion, showing all casing strings, including size and setting, top of cement, perforated intervals, tubing strings, including diameters and setting depth, location and type of packers and side door chokes, and such other information as may be pertinent.

Yes b. Plat showing the location of all wells on applicant's lease, all offset wells on offset leases, and the names and addresses of operators of all leases offsetting applicant's lease.

No c. Waivers consenting to such dual completion from each offset operator, or in lieu thereof, evidence that said offset operators have been furnished copies of the application.*

Yes d. Electrical log of the well or other acceptable log with tops and bottoms of producing zones and intervals of perforation indicated thereon. (If such log is not available at the time application is filed, it shall be submitted as provided by Rule 112-A.)

5. List all offset operators to the lease on which this well is located together with their correct mailing address.

Shell Oil Company - Box 1858, Roswell, New Mexico

Standard of Texas - Box 1660, Midland, Texas

Fidewater Oil Company - Box 547, Hobbs, N. M.

Texas Pacific Coal & Oil - Box 1688, Hobbs, N. M.

6. Were all operators listed in Item 5 above notified and furnished a copy of this application? YES _____ NO X. If answer is yes, give date of such notification _____.

CERTIFICATE: I, the undersigned, state that I am the Dist. Supt. of the Skelly Oil Co. (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.

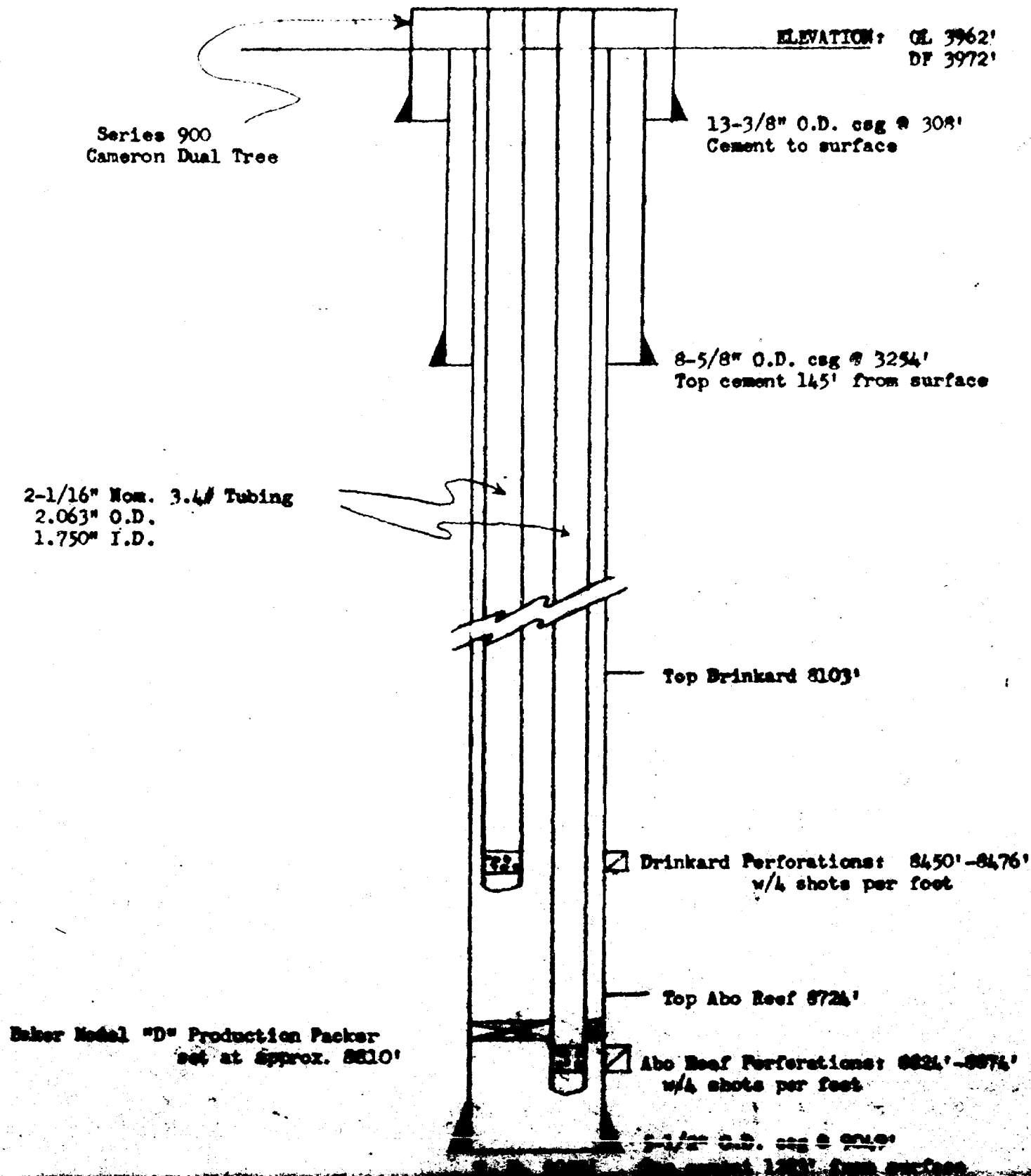
N. E. Carb
Signature

- * Should waivers from all offset operators not accompany an application for administrative approval, the New Mexico Oil Conservation Commission will hold the application for a period of twenty (20) days from date of receipt by the Commission's Santa Fe office. If, after said twenty-day period, no protest nor request for hearing is received by the Santa Fe office, the application will then be processed.
- NOTE: If the proposed dual completion will result in an unorthodox well location and/or a non-standard perforation unit in either or both of the producing zones, then separate application for approval of the same should be filed simultaneously with this application.

SKELLY OIL COMPANY

Hobbs "N" Lease
Well No. 1 330' FWL & 358' FWL
Section 8, T14S, R35E
Lea County, New Mexico

PROPOSED DUAL



SKELLY OIL COMPANY

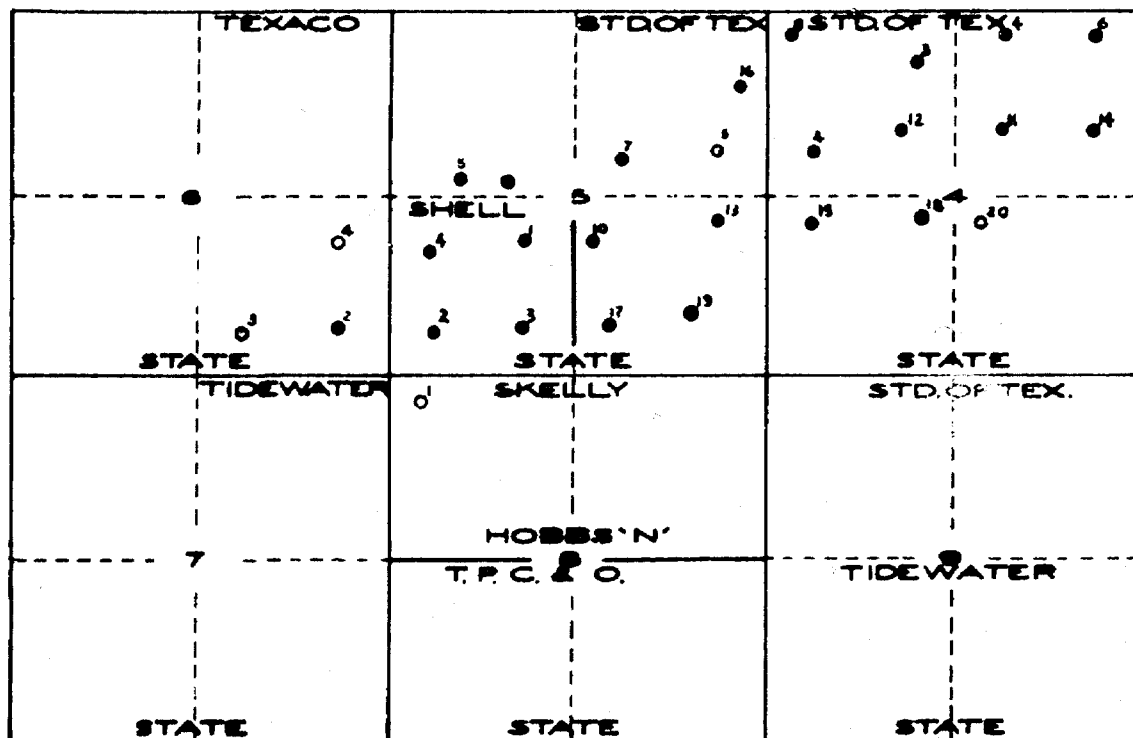
HOBBS N LEASE

SEC. 8 - T18S - R35E

LEA COUNTY NEW MEXICO

R 35 E

T
18
S



○ DRILLING WELL

○ ABO REEF WELL

SCALE: 2" = 1 MILE

2

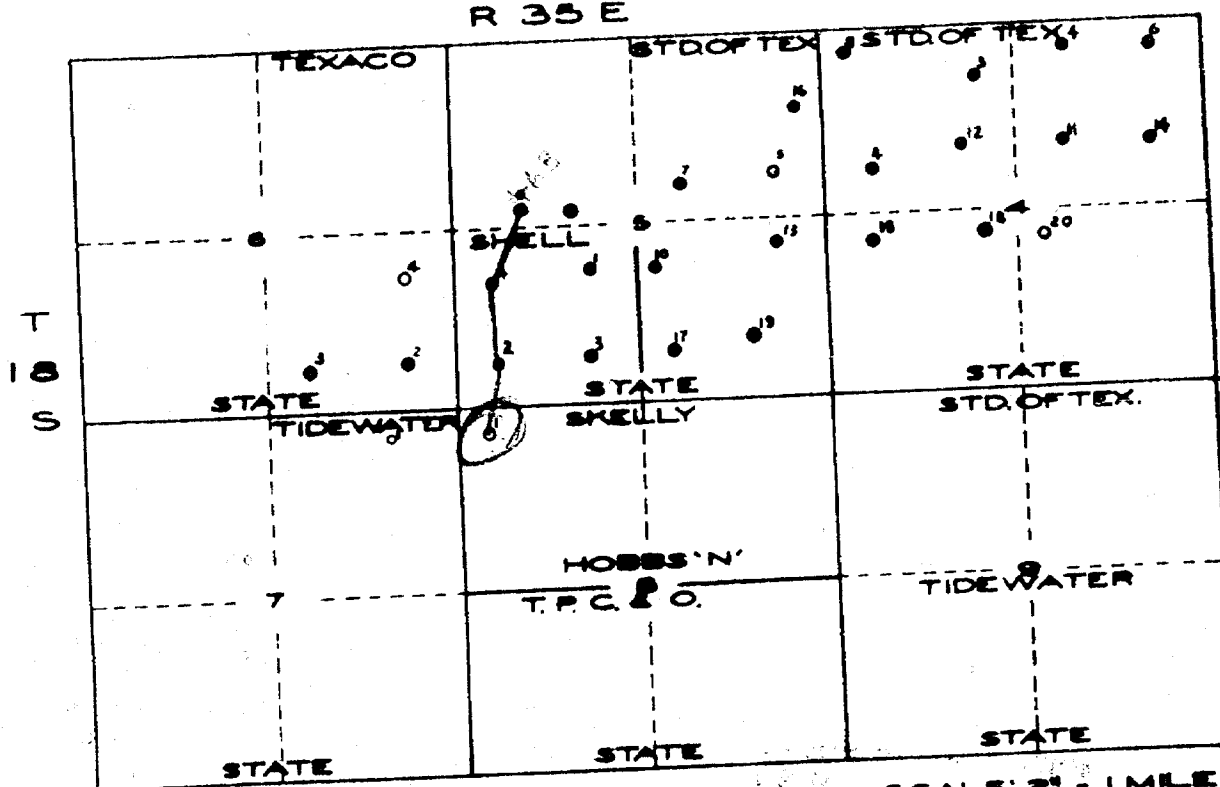
SKELLY OIL COMPANY

HQBS N LEASE

SEC. 8 - T183 - R35E

LEA COUNTY NEW MEXICO

R 35 E



SCALE: 2" = 1 MILE

- DRILLING WELL
- ABO REEF WELL

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
EXHIBIT NO. _____
CASE NO. 2462

SKELLY OIL COMPANY

EXHIBIT 2

BEFORE EXAMINER NUTTER

OIL CONSERVATION COMMISSION

EXHIBIT NO. 2

CASE NO. 2403

Hobbs "N" Lease
Well No. 1 330' FNL & 358' FNL
Section 9, T18S, R35E
Lea County, New Mexico

PROPOSED DUAL

Series 900
Cameron Dual Tree

ELEVATION: GL 3962'
DF 3972'

13-3/8" O.D. csg @ 308'
Cement to surface

8-5/8" O.D. csg @ 3254'
Top cement 145' from surface

2-1/16" Nom. 3.4# Tubing
2.063" O.D.
1.750" I.D.

Top Drinkard 3103'

Tubing perforations 8505'
Tubing set at 8542'

Drinkard Perforations: 3450'-3476'
w/4 shots per foot

Top Abo Reef 3724'

Baker Model "D" Production Packer
set at approx. 8810'

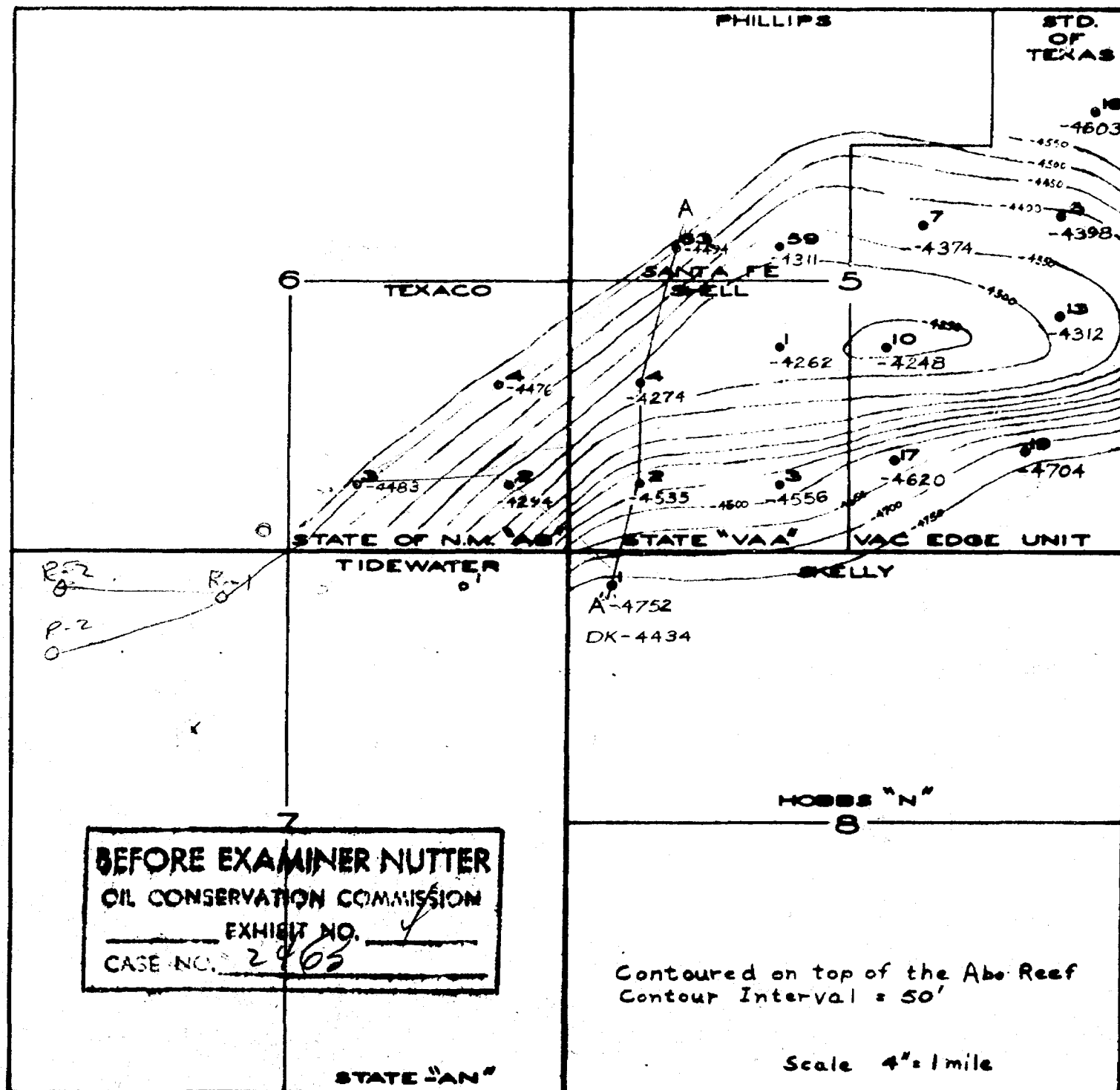
Tubing perforations 8817'
Tubing set at 8917'

Abo Reef Perforations: 8824'-8874'
w/4 shots per foot

5-1/2" O.D. csg @ 9040'
Top cement 1293' from surface

T. 9090'

EXHIBIT 4



T-18-S R-35-E

A-A' Cross-section-Exhibit #3