

Case No.

288

Application, Transcript,  
Small Exhibits, Etc.

NOTICES OF PUBLICATION

Santa Fe New Mexican  
Hobbs News-Sun

CASE 288

July 6 1951  
July 7 1951

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. 288  
ORDER NO. R-85

THE MATTER OF APPLICATION OF  
SKELLY OIL COMPANY FOR AN ORDER  
AUTHORIZING GAS-OIL DUAL COMPLETION  
AND PRODUCTION OF ITS STATE "M" WELL  
NO. 3, LOCATED NE/4 SW/4 SECTION 32,  
TOWNSHIP 24 S, RANGE 37 E, NMPM  
LANGLIE-MATTIX POOL, LEA COUNTY,  
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 10 o'clock a. m. on July 24, 1951, at Santa Fe, New Mexico before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on this 22 day of August, 1951, but effective as of July 24, 1951, the Commission having considered the record and the testimony adduced at said hearing,

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

(2) That although recent experiments show that mechanical packers and other devices are ordinarily available for successful dual gas-oil and gas-gas completions, the Commission is unconvinced of the soundness of such dual completions in preventing waste, and protecting correlative rights in New Mexico without continuing specific control over each such project.

(3) That the subject well was recently completed in the oil section of Seven Rivers - Queen formation (3425'-3450') drilling through the gas section of the Yates formation (3015'-3185').

IT IS THEREFORE ORDERED: That effective July 24, 1951, the applicant herein, Skelly Oil Company, be, and it hereby is authorized to dually complete and produce its State "M" No. 3 well located in the NE/4 SW/4 Section 32, Township 24 S, Range 37E, NMPM, Lea County, New Mexico in such a manner that gas from the Yates formation (3015'-3185') may be produced through the annular space between the casing and tubing, and oil from the Seven Rivers - Queen formation (3425'-3550' approximately) through the tubing by proper perforations and packer installations;

PROVIDED, HOWEVER, That said Skelly State "M" No. 3 well shall be completed and thereafter produced in such a manner that there will be no commingling within the well-bore either within or outside the casing of gas, oil, or gas and oil, or other liquid originating from either stratum or any strata, and,

PROVIDED FURTHER, That said well for dual completion and production purposes shall be equipped in such a way that reservoir pressures may be determined separately for each of the two separate formations, and further be equipped with all necessary connections required to permit recording meters to be installed and used at any time as may be required by the Commission or its inspectors in order that natural gas, oil, or oil and gas from each separate formation may be accurately measured and the gas-oil ratio determined, and,

PROVIDED FURTHER, That Skelly Oil Company, its successors and assigns, shall make any and all tests including segregation tests but not excluding other tests and determinations at any convenient time and in such reasonable manner as deemed necessary by the Commission. The original and all subsequent tests shall be witnessed by an inspector or engineer of the Commission and by representatives of offset operators, if any there be, at their election, and duplicate reports of results of each test, properly attested to by the applicant herein and signed by all witnesses, shall be made and filed, one with the Commission in the Hobbs, New Mexico office and one in the Santa Fe, New Mexico office, within ten days after the completion of any such test; and,

PROVIDED FURTHER, That prior to the time said well is dually completed and produced, the applicant, Skelly Oil Company, shall furnish the Commission for its approval a drawing showing the proposed method or manner of completion together with an electric log showing the location and extent of each separate stratum yielding production and indicating the perforations, and,

PROVIDED FURTHER, That upon the actual dual completion of the subject well the Skelly Oil Company shall submit to both the Hobbs and Santa Fe, New Mexico offices of the Commission, a diagrammatic sketch of this mechanical installation which was actually used to produce the seal between the zones or strata, and a special report of production, gas-oil ratio of the oil zone and reservoir pressure of the gas zone immediately following completion, and,

IT IS FURTHER ORDERED, That jurisdiction of this case be and it hereby is retained by the Commission for such further order or orders as may seem necessary to the Commission for the purpose of preventing waste or protecting correlative rights, and upon failure of applicant-operator to comply with any requirement of this order or any subsequent reasonable order issued hereunder, then, and in that event the Commission may terminate the authority hereby granted after due notice and hearing.

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

*Edwin L. Mechem*  
EDWIN L. MECHEM, Chairman

*Guy Shepard*  
GUY SHEPARD, Member

*R. R. Spurrer*  
R. R. SPURRIER, Secretary

SEAL



# SKELLY OIL COMPANY

PRODUCTION DEPARTMENT

J. S. FREEMAN  
VICE PRESIDENT

E. A. JENKINS  
GENERAL SUPERINTENDENT

TULSA 2, OKLAHOMA

June 22, 1951

W. P. WHITMORE  
CHIEF PETROLEUM ENGINEER  
G. W. SELINGER  
PRORATOR ATTORNEY  
J. H. McCULLOCH  
CHIEF CLERK

*July 24 hearing*  
Oil Conservation Commission  
State of New Mexico  
Box 871  
Santa Fe, New Mexico

Gentlemen:

1. We are herewith attaching original and two copies of application for permission to dual complete our State "M" Well No. 3 for oil production from the Seven Rivers-Queen pay, and gas from the Yates formation in the Langlie-Mattix Field, Lea County, New Mexico.

2. Also another application for dual completion of our State "G" Well No. 1 to produce oil from the Grayburg-San Andres pay, and gas from the Yates or Queen formation in the Eunice Field, Lea County, New Mexico.

3. Also another application for dual completion of our Van Etten Well No. 9 located in the Monument Field, Lea County, New Mexico, so as to produce gas from the Queen formation and gas from the Yates formation.

We would appreciate your having these three matters set for the same time and, if possible, at the next hearing which date we believe to be Tuesday, July 24. Please advise if these matters will be heard at that time.

Yours very truly,

*George W. Selinger*  
George W. Selinger

GWS:dd

cc: Mr. Dunlavey

*No. 600  
attest to dual  
MCC (7/24/51)*

BEFORE THE OIL CONSERVATION COMMISSION OF THE  
STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF )  
SKELLY OIL COMPANY FOR A SPECIAL ORDER )  
AUTHORIZING DUAL COMPLETION FOR OIL AND )  
GAS PRODUCTION FROM ITS STATE "M" WELL )  
NO. 3, LOCATED IN THE NE/4 SW/4 SECTION )  
32, TOWNSHIP 24 SOUTH, RANGE 37 EAST, )  
LANGLIE-MATTIX FIELD, LEA COUNTY, NEW )  
MEXICO. )

CASE NO. 788

ORDER NO. \_\_\_\_\_

APPLICATION

Comes now Skelly Oil Company, Tulsa, Oklahoma, and alleges and states the following:

1. That it recently completed its State "M" No. 3 Well in the center of the NE/4 SW/4 Section 32-24S-37E, as a dual well producing oil from the Seven Rivers-Queen pay through the tubing from approximate depths of 3425' to 3550', and gas from the Yates Formation through perforations 3015' to 3185'.

2. That said well was drilled to a total depth of 3550' and completed in December 1939, and recently recompleted and tested gas in the Yates Formation as a dual completion by the setting of a Baker production packer at 3390' in the 7" casing and landed anchor below packer with standing valve in packer.

3. That the granting of this application for permission to produce oil from the Seven Rivers-Queen pay through the tubing and gas from the Yates Formation through the casing annulus is in the interest of conservation and the protection of correlative rights.

4. That applicant will do such things as may be required of it by this Commission in the maintenance of separation of production from said two horizons.

5. That such method of producing from both horizons is mechanically feasible and practical.

Wherefore applicant prays that this Commission set this application for a day certain to be heard after the giving of notice as required by law and its orders, rules and regulations, and that after said hearing that it

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SKELLY OIL COMPANY FOR A SPECIAL ORDER )  
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GAS PRODUCTION FROM ITS STATE "M" WELL )  
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3. That the granting of this application for permission to produce oil from the Seven Rivers-Queen pay through the tubing and gas from the Yates Formation through the casing annulus is in the interest of conservation and the protection of correlative rights.
4. That applicant will do such things as may be required of it by this Commission in the maintenance of separation of production from said two horizons.
5. That such method of producing from both horizons is mechanically feasible and practical.

Wherefore applicant prays that this Commission set this application for a day certain to be heard after the giving of notice as required by law and its orders, rules and regulations, and that after said hearing that it grant such relief as requested herein and for such other orders, rules and regulations as it may deem necessary in order to promote conservation by the prevention of waste thereof and protect the correlative rights of this applicant.

Respectfully submitted,

SKELLY OIL COMPANY

By: George W. Selinger

George W. Selinger

*Skelly Ec. 2*  
*Case 28*  
STATE "M" No. 3

Original Completion

Location: NE/4 SW/4 Sec. 32 24S - 37E

Date Commenced: October 31, 1939

Date Completed: December 1, 1939

Total Depth: 3550'  
9-5/8" casing set @ 1183' w/200 sx.  
7" " " @ 3415' w/200 sx.  
2" tubing " @ 3484'

Acid Treatments: Jan. 7, 1939 2000 gal.  
Jan. 8, 1939 5000 "  
Sept. 7, 1949 1000 "

Initial Potential Flow: 378 barrels, 11½ hours, 48/64" choke

Dual Completion Record

Date Commenced: May 12, 1951

Date Completed: June 13, 1951

Baker Packer Set @ 3390

Perforations in Yates: 3015'-30'  
3030'-90'  
3095'-3110'  
3175'-3185'

Potential Test: Acidized perforations w/500 gallons acid and gas  
measured 2,300 MCF per day.



BEFORE THE  
OIL CONSERVATION COMMISSION  
STATE OF NEW MEXICO

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TRANSCRIPTION OF HEARING

CASE NO. 288

27 July 1951  
(DATE)

Original

E. E. GREESON  
ADA DEARNLEY  
COURT REPORTERS  
BOX 1302  
PHONE 2-4547  
ALBUQUERQUE, NEW MEXICO

BEFORE THE  
OIL CONSERVATION COMMISSION

July 24, 1951

CASE NO. 288: Skelly Oil Company's application for approval of an oil-gas dual completion of its State "K" Well No. 3, NE SW Section 32, Township 24 S, Range 37 E, NMPL, Langlie-Mattie pool, Lea County, New Mexico.

MR. SHEPARD: The next case is No. 288.

(Mr. Graham reads the Notice of Publication.)

A. F. HOLLAND,

having been first duly sworn, testified as follows:

DIRECT EXAMINATION

By MR. SELINGER:

Q State your name.

A A. F. Holland.

Q What is your position with Skelly Oil Company?

A An engineer in the production department.

Q Mr. Holland, have you heretofore testified before the New Mexico

Oil Conservation Commission as an engineer?

A I have.

Q Are you familiar with the conditions surrounding the applicant's State "K" No. 3 well, located in the NE $\frac{1}{4}$  of the SW $\frac{1}{4}$  of Section 32, Township 24S, Range 37 E, Lea County?

A Yes, sir, in a general way I am familiar with that location.

Q And are you likewise generally familiar with the area surrounding that particular well?

A Yes, sir, I am.

Q I will hand you what has been designated as Skelly Exhibit No. 1 and ask you to state what that exhibit indicates.

A That exhibit is a plat of the area surrounding the Skelly State "M" No. 3 well in the Langlie-Mattix pool. The area colored in yellow is that acreage operated by Skelly Oil Company. The well circled in red is the well that Skelly asks a dual completion order.

Q Does that exhibit also indicate as nearly up to date as possible the location, approximate location, of oil and gas wells?

A It does to the best of our knowledge, indicate such wells.

Q I hand you what has been designated as Skelly Exhibit 2. Does that give the actual data concerning this particular well?

A This exhibit shows the pertinent information at the time of original completion of the well in October 1949, and the subsequent dual completion which occurred in the month of June 1951.

Q That indicates initially the well produced 378 barrels in eleven and a half hours through a <sup>64</sup>4 3/4 inch choke, is that correct?

A That is the initial potential test on that well.

Q And with respect to the dual gas completion, it indicates the approximate gas measurement of two million three hundred thousand after acidation?

A Yes, sir, that is correct.

Q I will hand you what has been marked as Skelly Exhibit 3 and ask you to state what that is.

A That is a photostat of a portion of a Lane-Wells radio-activity log for the Skelly State "M" No. 3, showing thereon the perforations in the 7 inch casing in the Yates zone; showing the casing setting depth and the interval below the casing from which oil from the Seven Rivers zone is produced.

Q Does that also indicate the setting of the packer at 3,390?

A The packer setting depth is noted on the log..

Q And indicated in red are the perforations in the Yates gas formation, is that right?

A Yes, that is correct.

Q I now hand you this Skelly Exhibit 4, and ask you to state what that is.

A That is a diagrammatic sketch showing the method of effecting the dual separation in the Skelly State "M" No. 3 well.

Q And it indicates the perforations in the Yates and the production of the oil from the Seven Rivers.

A Production of gas from the Yates is from perforations noted on the sketch.

Q With a top of 3,050 to a bottom of 3,185.

A That is correct. And oil is produced below the 7 inch casing from the interval 3,415 feet to a total depth of 3,550 feet.

Q And you request the Commission to give the applicant permission to dually complete the present oil well so as to

produce gas from the Yates section?

A Yes, that is the request.

MR. SELINGER: I believe that is all.

MR. SHEPARD: In Case 289, 288 and 293 you have the same witness?

MR. SELINGER: Yes.

MR. SHEPARD: The record will show that the witnesses have been sworn and the notices read and you may combine them and we will proceed.

STATE OF NEW MEXICO )  
COUNTY OF BERNALILLO ) ss.

I HEREBY CERTIFY that the foregoing and attached transcript of proceedings before the Oil Conservation Commission is a true and correct record of the same to the best of my knowledge, skill and ability; that the hearing in Case No. 288 was held on July 24, 1951.

DATED at Albuquerque, New Mexico, this 31 day of July, 1951.

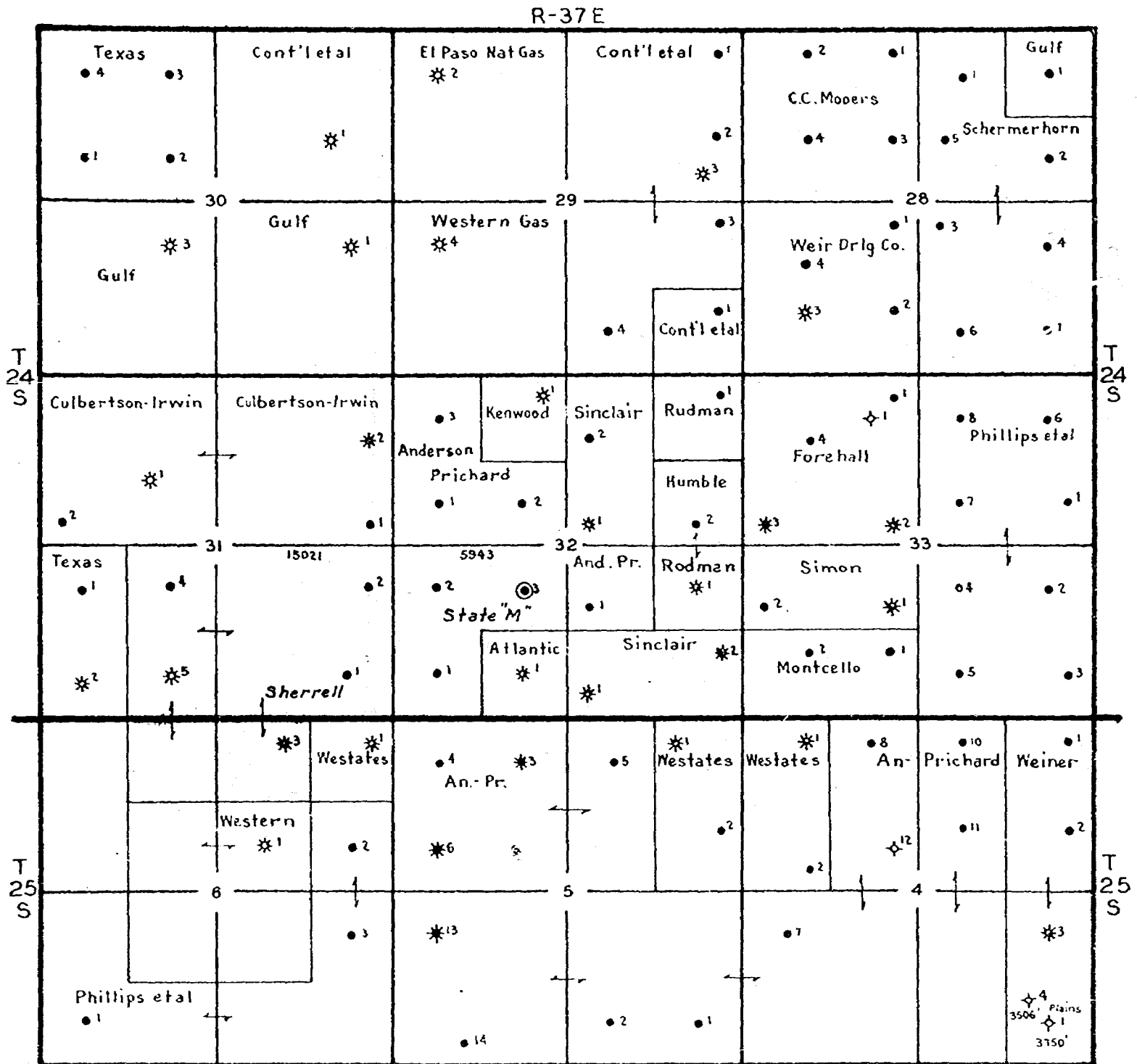
G. L. Gueson  
REPORTER

My Commission expires: 8-4-52



DATE \_\_\_\_\_

LEA COUNTY NEW MEXICO  
— LANGLEIE-MATTIX



R-37E

SCALE 1"=2000'

EXHIBIT I Case 285

STATE "M" No. 3

Original Completion

Location: NE/4 SW/4 Sec. 32 24S - 37E

Date Commenced: October 31, 1939

Date Completed: December 1, 1939

Total Depth: 3550'  
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|                  |               |           |
|------------------|---------------|-----------|
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Dual Completion Record

Date Commenced: May 12, 1951

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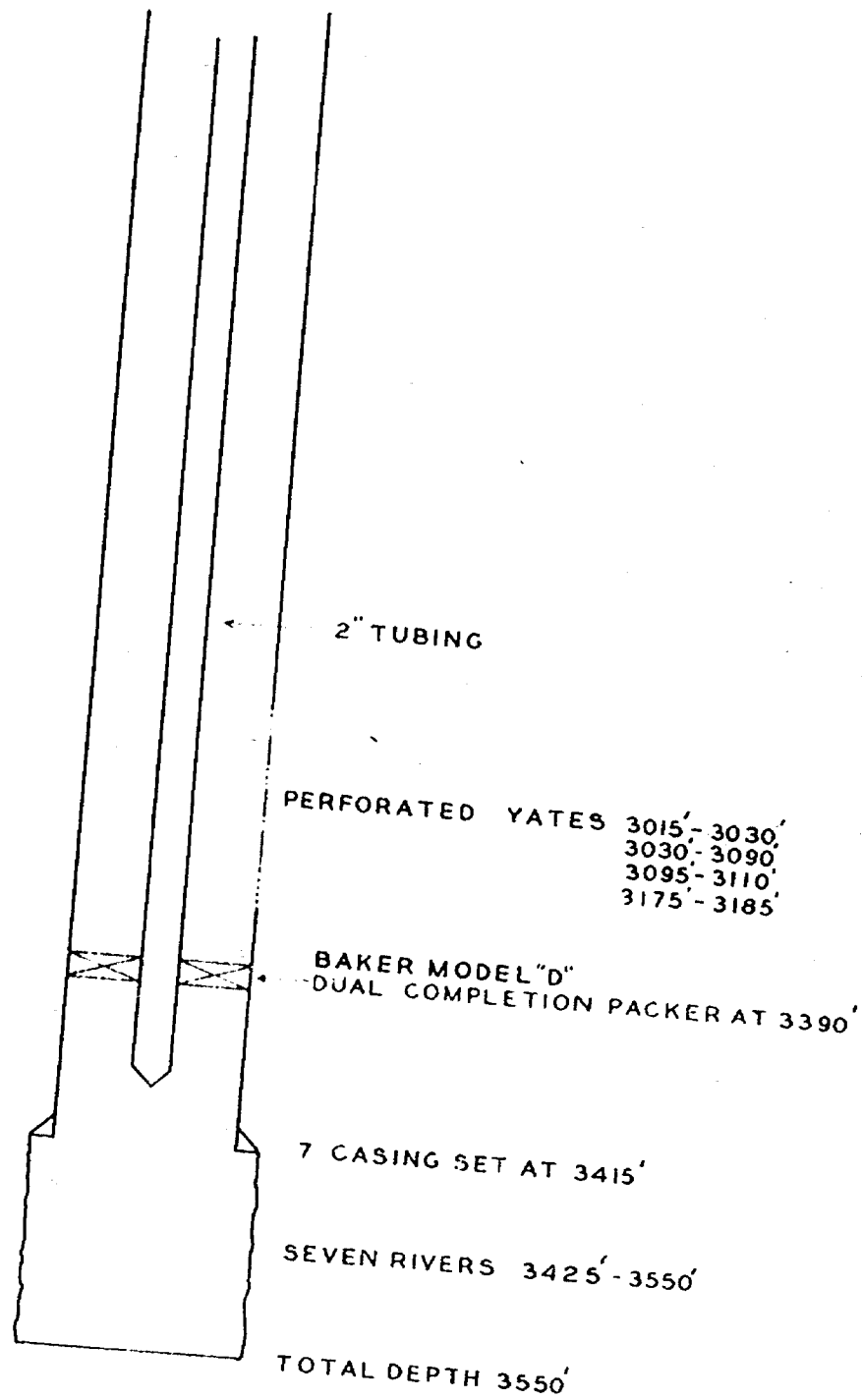
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3175'-3185'

Potential Test: Acidized perforations w/500 gallons acid and gas  
measured 2,300 MCF per day.

EXHIBIT 2, CASE 288



STATE "M" NO. 3



STATE "G" NO. 1

