

BEFORE THE OIL CONSERVATION COMMISSION

OF THE STATE OF NEW MEXICO
SANTA FE, 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 COMMISSIONBY 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 22nd 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 37 E, 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

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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 off-set 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 and 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

/s/ EDWIN L. MECHEM, Chairman

/s/ GUY SHEPARD, Member

/s/ R. R. SPURRIER, Secretary

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