

Case No.

638

Application, Transcript,
Small Exhibits, Etc.

IN
CASE 638: Skelly 40-acre unorthodox
gas proration unit, Eumont Gas Pool

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 CON-
SIDERING:

CASE NO. 638
Order No. R-433

THE APPLICATION OF SKELLY OIL
COMPANY FOR AN ORDER GRANTING
APPROVAL OF AN EXCEPTION PURSUANT
TO RULE 7 (a) OF ORDER NO. R-370-A IN
ESTABLISHMENT OF AN UNORTHODOX GAS
PRORATION UNIT OF 40 CONTIGUOUS ACRES
CONSISTING OF THE NORTHWEST QUARTER
OF THE SOUTHEAST QUARTER OF SECTION
30, TOWNSHIP 20 SOUTH, RANGE 37 EAST,
NMPM., LEA COUNTY, NEW MEXICO, IN
THE EUMONT GAS POOL.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a. m., on January 20, 1954, at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this 16th day of April, 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-370-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 20 South, RANGE 37 East, NMPM.
NW/4 SE/4 of Section 30

containing 40 acres, more or less.

(4) That applicant, Skelly Oil Company, has a producing well on the aforesaid lease known as State "G" No. 1, located 1980' from the South and East lines of Section 30, Township 20 South, Range 37 East, NMPM.

(5) That the aforesaid well was completed and in production prior to January 1, 1954, the effective date of Order No. R-370-A, and is located

within the limits of the pool heretofore delineated and designated as the Eumont Gas Pool.

(6) That it is impractical to pool applicant's said lease with adjoining acreage in the SE/4 of Section 30, Township 20 South, Range 37 East, NMPM., and that the owner of adjoining acreage in said quarter section has not objected to the formation of the proposed proration unit of 40 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 Eumont 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 20 South, RANGE 37 East, NMPM.
NW/4 SE/4 of Section 30

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

(2) That applicant's well, State "G", No. 1, located in the NW/4 SE/4 of Section 30, Township 20 South, Range 37 East, NMPM., shall be granted an allowable from January 1, 1954 in the proportion that the above described 40 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

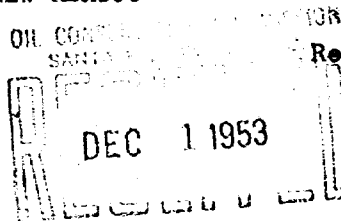

EDWIN L. MECHEM, Chairman


E. S. WALKER, Member


R. R. SPURRIER, Secretary and
Member

(SEAL)

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



Re: IN THE MATTER OF SKELLY OIL
COMPANY FOR APPROVAL OF AN
UNORTHODOX GAS UNIT EMBRACING
40 CONTIGUOUS ACRES IN THE
EUMONT GAS POOL, LEA COUNTY,
NEW MEXICO.

Gentlemen:

Comes now SKELLY OIL COMPANY, a Delaware corporation with offices in Tulsa, Oklahoma, hereby petitioning the New Mexico Oil Conservation Commission for approval of an unorthodox gas proration unit lying wholly within the limits of the Eumont Gas Pool, namely the NW $\frac{1}{4}$, SE $\frac{1}{4}$ of Section 30, T20S, R37E., N.M.P.M., Lea County, New Mexico, and in support thereof does state:

1. That the petitioner is the sole owner of all leases on the 40 acres confined by the boundaries of the NW $\frac{1}{4}$, SE $\frac{1}{4}$ of Section 30, T20S, R37E., N.M.P.M., and concerns but a single royalty owner, namely the State of New Mexico.
2. That the petitioner's State "G" well No. 1 is located 660' from each the South and East boundaries of the lease and is completed within the vertical limits of the Eumont Gas Pool as defined by the New Mexico Oil Conservation Commission.
3. That the petitioner's lease is capable of production by virtue of its past production.
4. 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.
5. That all lands described above, and contained within the limits of the proposed proration unit, lie within a single legal subdivision (quarter section) of the U. S. Public Land Survey.

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

Respectfully submitted
SKELLY OIL COMPANY

J. N. Dunlavy

SKELLY OIL COMPANY

Case No.

Exhibit No.

STANOLIND	SINCLAIR	TEXAS	GULF	PHILLIPS	TEXAS
U S	White	State	State	State	State
STANOLIND	GULF	PHILLIPS	MID CONTINENT		
U S		AMERADA "W"	GULF		
		REPALLO	GULF	#30 SKELLY "State G" State CITIES SERVICE "F"	Reeves GULF
White SHELL "K"		State	HUMBLE "D"	State	ATLANTIC FIELDS
State		State	State	State	State



SKELLY OIL COMPANY

PRODUCTION DEPARTMENT

J. S. FREEMAN
VICE PRESIDENT
E. A. JENKINS
GENERAL SUPERINTENDENT

TULSA 2. OKLAHOMA

W. P. WHITMORE
CHIEF PETROLEUM ENGINEER
G. W. SELINGER
PRORATION ATTORNEY
J. H. MCCULLOCH
CHIEF CLERK

February 5, 1954.

New Mexico Oil Conservation Commission
Mabry Hall
Santa Fe, New Mexico

Gentlemen:-

Re: Case No. 638 Sec 30-20S-37E
Eumont Gas Field.

At the January 20th hearing of our application Cities Service Oil Company representative inquired as to whether or not we had any objection to their 120 acre gas unit in the same quarter section as the subject well involved in Case No. 638 and we stated in open hearing that since there were two gas wells in the same quarter section we would have no objection to the granting of acreage assignment to both wells. This is in answer to another inquiry we have received from Cities Service and our reply herein is to be considered by the Commission in granting relief to the Cities Service Oil Co. in its State F Well No. 2 gas in Section 30-20S-37E Eumont Gas Field.

Very truly yours,

George W. Selinger
George W. Selinger.

C.C. To Cities Service Oil Co.
Box 97
Roswell, New Mexico

J.N. Dunlavey.

Case No. 638

Exhibit No. 2

SKELLY OIL COMPANY
State "G" #1
Sec. 30, T20S, R37E.

C O M P L E T I O N D A T A

SKELLY OIL COMPANY'S State "G" #1 well was completed in January, 1937, in the Grayburg formation in open hole between the 7" OD casing set at 3707' and total depth of 3840' for an initial potential of 384 BOPD.

In September, 1951, this well was perforated from 3360 - 3370', 3399 - 3405', 3408 - 3415', 3422 - 3432', 3456 - 3466' and 3485 - 3525', all in the vertical limits of the Eumont Gas Pool opposite the Queen formation. The oil and gas zones were segregated by a Lane-Wells production packer set at 3688'.

Case No. 638

Exhibit No. 1

SKELLY OIL COMPANY
State "G" #1
Sec. 30, T20S, R37E.

C O M P L E T I O N D A T A

SKELLY OIL COMPANY'S State "G" #1 well was completed in January, 1937, in the Grayburg formation in open hole between the 7" OD casing set at 3707' and total depth of 3840' for an initial potential of 384 BOPD.

In September, 1951, this well was perforated from 3360 - 3370', 3399 - 3405', 3408 - 3415', 3422 - 3432', 3456 - 3466' and 3485 - 3525', all in the vertical limits of the Eumont Gas Pool opposite the Queen formation. The oil and gas zones were segregated by a Lane-Wells production packer set at 3688'.



CITIES SERVICE OIL COMPANY

PRODUCERS-REFINERS-MARKETERS OF PETROLEUM PRODUCTS

BOX 97

HOBBS, NEW MEXICO

D. D. Bodie

Division Superintendent

January 13, 1954

Skelly Oil Company
Box 38
Hobbs, New Mexico

Attn: Mr. J. N. Dunlavey, Dist. Supt.

Dear Sir:

Cities Service Oil Company will apply to the New Mexico Oil Conservation Commission for an exception to Rule 7 (a) of Commission Order No. R-370-A on its State "F" No. 2 well completed in the Eumont Gas Pool, Lea County, New Mexico.

Attached is a plat showing the proposed assigned acreage.

Under Rule 7 (b) the Secretary of the Commission has the authority to grant exception to Rule 7 (a) of Order No. R-370-A without Notice and Hearing when certain provisions are complied with, one of these provisions being that the operator obtain the written consent in the form of a waiver from offset operators.

After a study of this area, it will be noted we stay within the legal quarter section and the other 40 acres belongs to the Skelly Oil Company, upon which they have a dual gas-oil well completed in the Eumont Gas and Eunice Oil Pools.

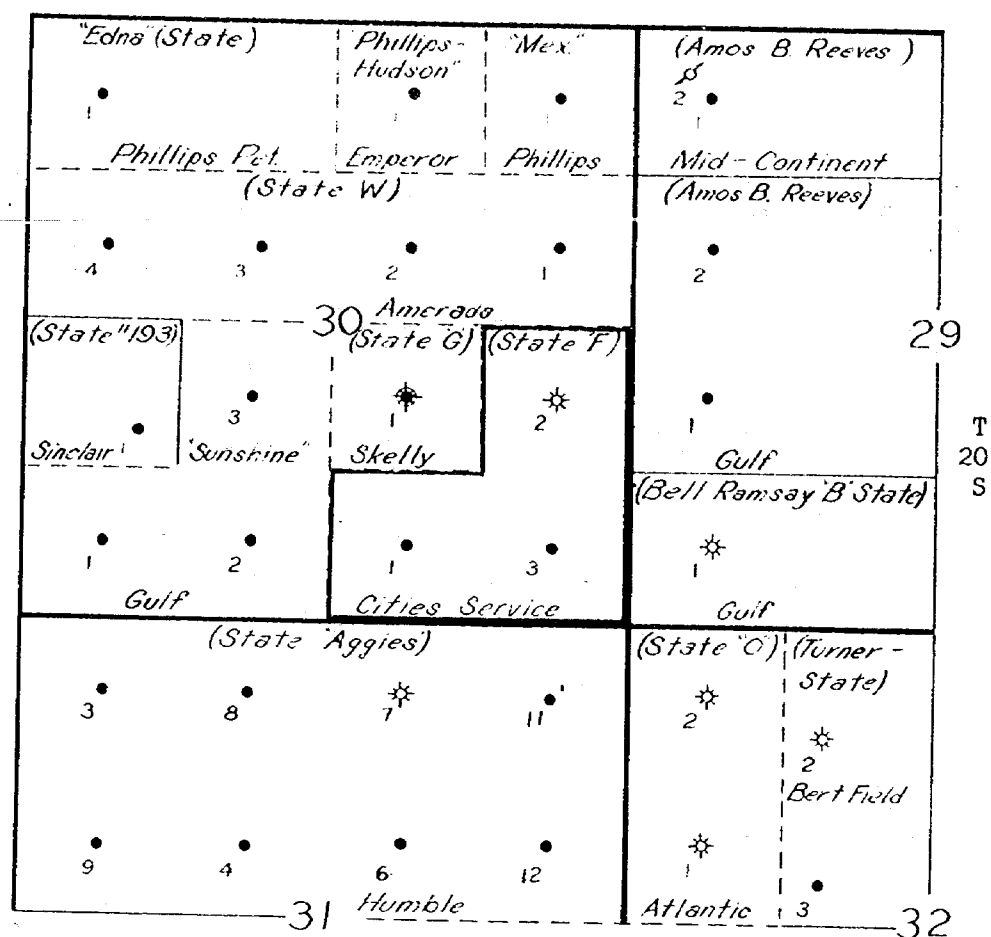
Please give this your consideration and it is hoped you will be able to give your approval to this non-standard unit.

Yours very truly,

D. D. Bodie
Division Superintendent

HSR/bjs
Attach.

PLAT SHOWING LOCATION
OF ASSIGNED ACREAGE



R - 37 - E

- Eunice Oil Pool Well
- ☆ Eumont Gas Pool Well
- ✱ Dual Eumont Oil and Eumont Gas Pool Well

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

Re: IN THE MATTER OF SKELLY OIL COMPANY) CASE
FOR APPROVAL OF AN UNORTHODOX GAS (NO
UNIT EMBRACING 40 CONTIGUOUS ACRES) 638
IN THE EUMONT GAS POOL, LEA COUNTY, (NEW MEXICO.

Gentlemen:

Comes now SKELLY OIL COMPANY, a Delaware corporation with offices in Tulsa, Oklahoma, hereby petitioning the New Mexico Oil Conservation Commission for approval of an unorthodox gas proration unit lying wholly within the limits of the Eumont Gas Pool, namely the NW $\frac{1}{4}$, SE $\frac{1}{4}$ of Section 30, T20S, R37E, N.M.P.M., Lea County, New Mexico, and in support thereof does state:

1. That the petitioner is the sole owner of all leases on the 40 acres confined by the boundaries of the NW $\frac{1}{4}$, SE $\frac{1}{4}$ of Section 30, T20S, R37E, N.M.P.M., and concerns but a single royalty owner, namely the State of New Mexico.

2. That the petitioner's State "G" well No. 1 is located 660' from each the South and East boundaries of the lease and is completed within the vertical limits of the Eumont Gas Pool as defined by the New Mexico Oil Conservation Commission.

3. That the petitioner's lease is capable of production by virtue of its past production.

4. 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.

5. That all lands described above, and contained within the limits of the proposed proration unit, lie within a single legal subdivision (quarter section) of the U. S. Public Land Survey.

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

Respectfully submitted
SKELLY OIL COMPANY

(SGD) J. N. Dunlavey

(The above described plat
on file in office of Oil
Conservation Commission in Santa Fe, New Mexico)

New Mexico Oil & Gas Eng. Comm.
Hobbs, New Mexico.
Jan. 4, 1954

my
WJK

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 CON-
SIDERING:

CASE NO. 638
Order No. R- 433

THE APPLICATION OF *Skelly Oil*
Company
FOR AN ORDER GRANTING APPROVAL
OF AN EXCEPTION ^{present} TO RULE 7 (a) OF
ORDER NO. R- 370A IN ESTABLISHMENT
OF AN UNORTHODOX GAS PRORATION
UNIT OF 40 CONTIGUOUS ACRES
CONSISTING OF NW/4 SE/4 of
Section 30, Township 20 South
Range 37 East, NMPM, Lea
County, New Mexico, in
the Cannon Gas Pool.

BY THE COMMISSION:

ORDER OF THE COMMISSION

This cause came on for hearing at 9 o'clock a. m., on *January 20,*
1954, at Santa Fe, New Mexico, before the Oil Conservation Commission, herein-
after referred to as the "Commission".

NOW, on this day of *April*, 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- 370-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 20 SOUTH, RANGE 37 EAST, NMPM.
NW/4 SE/4 of Section 30

containing *40* acres, more or less.

Order No. R- 433

(4) That applicant, Skelly Oil Company, has a producing well on the aforesaid lease known as State "G" No. 1 located 1980' from the South line and 1980' from the East line of Section 30, Township 20 South, Range 37 East, NMPM.

(5) That the aforesaid well was completed and in production prior to January 1, 1954, the effective date of Order No. R- 370A, and is located within the limits of the pool heretofore delineated and designated as the Cumont Gas Pool.

(6) That it is ^(impractical) ~~impossible~~ to pool applicant's said lease with adjoining acreage in the SE 1/4 of Section 30, Township 20 South, Range 37 East, NMPM and that the owners of adjoining acreage in said quarter section ^{has} ~~have~~ not objected to the formation of the proposed proration unit of 40 acres, ~~but have expressly consented thereto.~~

(7) That unless a proration unit consisting of applicant's aforesaid ^{its} acreage is permitted, applicant will be deprived of the opportunity to recover ~~his~~ just and equitable share of the natural gas in the Cumont 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 20 SOUTH, RANGE 37 EAST, NMPM.

NW 1/4 SE 1/4 - Section 30

be and the same

is hereby approved, and a proration unit consisting of aforesaid acreage is hereby created, ~~and approved.~~

Order No. R- 433

(2) That applicant's well, State 'B' No. 1, located in the
NW/4 SE/4 of Section 30, Township 20 South, Range 37 East, NMPM,
shall be granted an allowable from January 1, 1954 in the proportion that the above
described 40 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 and Member

(S E A L)