

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. 289
ORDER NO. R-86

THE MATTER OF THE APPLICATION OF
SKELLY OIL COMPANY FOR AN ORDER
AUTHORIZING GAS-OIL DUAL COMPLETION
AND PRODUCTION OF ITS STATE "G" NO. 1
WELL, LOCATED NW/4 SE/4, SECTION 30,
TOWNSHIP 20 S, RANGE 37 E, NMPM, EUNICE
POOL, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSIONBY THE COMMISSION:

This cause having come on for hearing at 10 o'clock A. M. on the 24th of July, 1951, at Santa Fe, New Mexico before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on this 22nd of August, 1951, but effective as of the 24th day of July, 1951, the Commission having considered the record, and the testimony adduced at said hearing and being otherwise 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, of all interested parties, and the subject matter thereof.

(2) That although 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 in protecting correlative rights in New Mexico without continuing specific control over each such project.

(3) That the subject well, described in the caption hereof was completed in 1937 as an oil well producing from Grayburg-San Andres formation (3770' - 3840') passing through gas producing zones (Yates and Queen formations): That applicant proposes to test the Queen, Yates and Seven Rivers formations after running an electric log and perforate and produce only the more productive of the gas horizons.

IT IS THEREFORE ORDERED, That the applicant herein, Skelly Oil Company be and it hereby is authorized to dually complete and produce its State "G" No. 1 well located in NW/4 SE/4, Section 30, Township 20 S, Range 37 E, NMPM, Eunice Pool, Lea County, New Mexico, in such a manner that gas from either the Yates formation, or the Queen formation, or the Seven Rivers formation, which ever is determined after test to be the more productive, may be produced through the annular space between the casing and the tubing, and oil may be produced from the Grayburg-San Andres horizon (3770' - 3840') through the tubing by proper perforations and packer installations,

PROVIDED, HOWEVER, That said described Skelly State "G" No. 1 well shall be re-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, gas-gas, or oil and gas or other liquids originating from either stratum or any strata encountered in said well-bore, whether named hereinabove or not, and,

Case No. 289
Order No. R-86

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 from which production is had, and that it further be equipped with all necessary connections required to permit recording meters to be installed and used at anytime as may be required by the Commission or its inspectors or engineers in order that natural gas, oil or oil and gas from each separate stratum may be accurately measured and pressure tests and oil-gas ratios determined; and,

PROVIDED FURTHER, That Skelly Oil Company, its successors and assigns, shall make any and all tests including segregation tests, at such times and in such manner as may be 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 by the applicant and signed by all witnesses be made, one copy shall be filed in the Hobbs office of the Commission and one copy shall be filed in the Santa Fe office of the Commission within ten days after the completion date of any such test; and,

PROVIDED FURTHER, That prior to the time said Skelly State "G" No. 1 well is dually completed and produced, the Skelly Oil Company shall furnish the Commission for its approval a drawing showing the proposed method of completion together with an electric log, if then available, showing the location and extent of each separate stratum yielding production, and indicating perforations; and,

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

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 appear necessary to the Commission for the purpose of preventing waste as defined by statute or the protection of correlative rights, and, upon failure of Skelly Oil Company, its successors and assigns to comply with any requirement of this order or any subsequent 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 the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

/s/ EDWIN L. MEGHEM, Chairman

/s/ GUY SHEPARD, Member

/s/ R. R. SPURRIER, Secretary

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