

Case Number

4511

Application  
Transcripts.

Small Exhibits

ETC.

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
March 17, 1971

EXAMINER HEARING

IN THE MATTER OF:

Application of Skelly Oil  
Company for a non-standard  
gas proration unit, Lea County,  
New Mexico.

)  
)  
)  
) Case No. 4511  
)  
)  
)

BEFORE: Daniel S. Nutter, Examiner.

TRANSCRIPT OF HEARING

dearnley-meier

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS  
209 SIMMS BLDG. • P.O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO



dearnley-meier

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS  
 209 SIMMS BLDG., P.O. BOX 1092, PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO 87103  
 FIRST NATIONAL BANK BLDG. EAST • ALBUQUERQUE, NEW MEXICO 87108

1 MR. NUTTER: Call Case No. 4511.

2 MR. HATCH: Application of Skelly Oil Company for  
 3 a non-standard gas proration unit, Lea County, New Mexico.

4 MR. JACOBS: If the Commission please, appearing on  
 5 behalf of Skelly Oil Company, Ronald Jacobs. We have one  
 6 witness I would like to have sworn, please.

7 (Witness sworn.)

8 (Whereupon, Applicant's Exhibits 1 through 3 were  
 9 marked for identification.)

10 O. B. STUCKEY,

11 having been first duly sworn, testified as follows:

12 DIRECT EXAMINATION

13 BY MR. JACOBS:

14 Q Will you state your name, by whom you are employed and  
 15 in what capacity?

16 A O. B. Stuckey, with Skelly Oil Company in Midland, Texas,  
 17 senior production engineer.

18 MR. NUTTER: How do you spell your last name?

19 THE WITNESS: S-t-u-c-k-e-y.

20 Q (By Mr. Jacobs) Mr. Stuckey, are you familiar with the  
 21 operation of the Baker "B" Well No. 7 and the Baker "B"  
 22 Well No. 15, which is the subject matter of this hearing  
 23 in Case 4511?

24 A I am.

25 Q I direct your attention to what has been marked for

dearnley-meier

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS  
 209 SIMMS BLDG. • P.O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO 87103  
 FIRST NATIONAL BANK BLDG. EAST • ALBUQUERQUE, NEW MEXICO 87108

1 identification as Exhibit No. 1, appears to be a plat.  
 2 Will you relate to the Examiner what this exhibit is and  
 3 what it purports to show?

4 A This plat shows the acreage presently assigned to Baker  
 5 "B" No. 7 -- No. 15, which is outlined in yellow and  
 6 this is the acreage which we propose to assign to Baker  
 7 "B" No. 7 upon recompletion.

8 Q For the record, Mr. Stuckey, would you relate the  
 9 description of that 240 acres?

10 A This 240 acres is the southwest quarter of Section 10 and  
 11 the east half of the southeast quarter. Correction,  
 12 that is the west half of the southeast quarter.

13 Q So, the description is the west half, southeast quarter  
 14 and the southwest quarter of Section 10. Now, the Well  
 15 No. 15, which is shown on the plat as a twin to No. 7,  
 16 was originally completed in what zones?

17 A It was originally completed as a dual well in the Blinebry  
 18 Gas and the Tubb Gas zones.

19 Q Now, Well No. 7, what was its original completion?

20 A It was originally completed in the Drinkard zone.

21 Q Now, what does Skelly Oil Company propose to do with  
 22 regard to these two wells?

23 A With regard to Baker "B" 15, we propose to plug and  
 24 abandon the Tubb zone in this well and affect a single  
 25 completion in the Blinebry Gas zone.

dearnley-meier

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS  
 209 SIMMS BLDG. • P.O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO 87103  
 FIRST NATIONAL BANK BLDG. EAST • ALBUQUERQUE, NEW MEXICO 87108

- 1 Q So, you are going to eliminate half of this dual  
 2 completion, the Tubb, right?
- 3 A That's right.
- 4 Q What else?
- 5 A And then with Baker "B" No. 7, we propose to plug off  
 6 the Drinkard completion and affect a Tubb Gas completion  
 7 in this well.
- 8 Q So, Well No. 7, after this work is done, will be a single  
 9 completion in the Tubb and Well No. 15 will be a single  
 10 completion in the Blinebry, is that correct?
- 11 A That is correct.
- 12 Q Directing your attention to what has been marked for  
 13 identification as Exhibit No. 2, would you relate to the  
 14 Examiner what this exhibit is and what it purports to  
 15 show?
- 16 A This exhibit is a diagrammatic sketch showing the proposed  
 17 completion for Baker "B" No. 7 in which the Drinkard zone  
 18 will be plugged off, the Tubb interval perforated and a  
 19 packer installed at approximately 5850 for a single Tubb  
 20 Gas completion.
- 21 Q Directing your attention to what has been marked for  
 22 identification as Exhibit No. 3, would you relate to the  
 23 Examiner what this exhibit is, what it purports to show?
- 24 A This exhibit is a log section of the Baker "B" No. 7  
 25 showing the intervals from the top of the Blinebry at

dearnley-meier

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS  
 209 SIMMS BLDG. • P.O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO 87103  
 FIRST NATIONAL BANK BLDG. EAST • ALBUQUERQUE, NEW MEXICO 87108

1 5415, top of the Tubb at 5917 and the top of the  
 2 Drinkard, 6364, with the T. D. of the well being 6498, I  
 3 believe, near as I can determine.

4 Q Now, Mr. Stuckey, this is the Well No. 7 that will be  
 5 the single completion in the Tubb zone, is that correct?

6 A That is correct.

7 Q Were Exhibits 1, 2 and 3 prepared by you or under your  
 8 supervision?

9 A They were prepared under my supervision.

10 MR. JACOBS: Mr. Examiner, we offer Exhibits 1, 2  
 11 and 3 into evidence.

12 MR. NUTTER: Skelly Exhibits 1, 2 and 3 will be  
 13 admitted in evidence.

14 MR. JACOBS: Mr. Examiner, I think I might point out  
 15 that by Order No. 590 in February 25, 1955, the Commission  
 16 granted permission to dually complete Well No. 15 in the Tubb  
 17 and in the Blinebry. By Order No. R-590-A, entered the 20th  
 18 of April, 1955, the Commission established non-standard gas  
 19 units for this 240 acres for the Tubb and for the Blinebry.

20 The last paragraph of Order 590-A stated that the  
 21 Applicants Well Baker "B" 15, gave the location, shall be  
 22 granted an allowable in proportion that the 240 acre unit  
 23 bears to the standard or orthodox proration unit for the  
 24 respective pools.

25 Now, what we are seeking here is to change the

dearnley-meier

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS  
 209 SIMMS BLDG., P.O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO 87103  
 FIRST NATIONAL BANK BLDG. EAST • ALBUQUERQUE, NEW MEXICO 87108

1 permitted well for the Tubb from Well No. 15, which was  
 2 originally part of a dual, to Well No. 7, which would be a  
 3 single. As far as I can see, the only real reason that we  
 4 have to come for hearing is that the paragraph three of Order  
 5 590-A specifically refers to Well No. 15.

6 The Commission has already established by that  
 7 Order non-standard units for both the Tubb and the Blinebry,  
 8 so to the extent necessary, we would request that Order 590-A  
 9 be amended so as to allow Well No. 7 to be the permitted well  
 10 for the Tubb zone.

11 MR. NUTTER: Mr. Jacobs, you may be aware that  
 12 subsequent to the issuance of this and maybe a couple of  
 13 other units in the Blinebry and/or Tubb Pools with acreage  
 14 greater than the prescribed 160 acres, that subsequent to  
 15 that, the Commission has denied several applications because  
 16 the finding on the pool rules says that one well will drain  
 17 150 acres. It doesn't say it will drain 240 acres.

18 Now, perhaps there is an assumption here that the  
 19 Well No. 15 has been shown to be capable of draining 240  
 20 acres, but, we don't have any evidence here today that Well  
 21 No. 7 will.

22 MR. JACOBS: All right. Then, let me inquire of  
 23 the witness. Mr. Stuckey, are you familiar with the proposed  
 24 completion in the Well No. 7, the well that is proposed to be  
 25 the producing well for the Tubb zone?

dearnley-meier

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS  
 209 SIMMS BLDG. • P.O. BOX 1092 • PHONE 243-0091 • ALBUQUERQUE, NEW MEXICO 87103  
 FIRST NATIONAL BANK BLDG. EAST • ALBUQUERQUE, NEW MEXICO 87108

1 THE WITNESS: Yes, sir.

2 MR. JACOBS: Do you have an opinion based on the  
 3 information available to you and the studies you have made  
 4 whether or not one well, particularly Well No. 7, will  
 5 adequately and efficiently and economically produce the  
 6 recoverable gas from underneath 240 acres on this lease?

7 THE WITNESS: It is my opinion that it will.

8 CROSS EXAMINATION

9 BY MR. NUTTER:

10 Q What is that based on, Mr. Stuckey?

11 A A comparison of the well logs of the Baker "B" 15 and  
 12 the Baker "B" 7 indicates that completions in each of  
 13 these wells should essentially be equivalent.

14 Q Why is the "B" 15 being added in the Tubb zone at this  
 15 time?

16 A Because of mechanical problems.

17 Q What is the problem?

18 A The problem is a communication problem.

19 Q You have developed leakage between the Blinebry and the  
 20 Tubb, is that it?

21 A Yes, sir.

22 Q This was indicated on a packer leakage test?

23 A Indicated on a packer leakage test.

24 Q What is being done to remedy that situation, then? You  
 25 mentioned that that well would be plugged and abandoned



dearnley-meier

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS  
 204 SIMMS BLDG. • P.O. BOX 1092 • PHONE 243-6891 • ALBUQUERQUE, NEW MEXICO 87103  
 FIRST NATIONAL BANK BLDG. EAST • ALBUQUERQUE, NEW MEXICO 87108

1 in the Tubb. What is your proposal there to correct the  
 2 communications? How are you going to do the work?

3 A We are proposing to squeeze off the Tubb zone.

4 Q You think your communication is in back of the pipe?

5 A In back of the pipe and we abandon Tubb zone, eliminate  
 6 that problem.

7 Q When you squeeze those perforations, that cement should  
 8 come up in there?

9 A Yes, sir.

10 Q What is the status of Well No. 15 at this time in the  
 11 Tubb Gas Pool? Is it a non marginal well, is it a  
 12 marginal well?

13 A It is a top allowable producer.

14 Q On a 240 acre allowable?

15 A Yes, sir.

16 Q Now, have you actually perforated this No. 7 yet?

17 A No, sir.

18 Q So, you don't have a potential on it in the Tubb?

19 A We do not have a potential on it as yet.

20 MR. NUTTER: Are there any other questions of the  
 21 witness? He may be excused.

22 (Witness excused.)

23 MR. NUTTER: Do you have anything further, Mr.  
 24 Jacobs?

25 MR. JACOBS: No, sir.

MR. NUTTER: Does anyone have anything they wish  
to offer in Case No. 4511?

We will take the case under advisement.

# I N D E X

## WITNESS

## PAGE

O. B. STUCKEY

Direct Examination by Mr. Jacobs

2

Cross Examination by Mr. Nutter

7

## E X H I B I T S

Applicant's Exhibits 1 through 3

2

dearnley-meier

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS  
209 SIMMS BLDG. • P.O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO 87103  
FIRST NATIONAL BANK BLDG. EAST • ALBUQUERQUE, NEW MEXICO 87108

dearnley-meier

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS  
 209 SIMMS BLDG. • P.O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO 87103  
 FIRST NATIONAL BANK BLDG. EAST • ALBUQUERQUE, NEW MEXICO 87108

1 STATE OF NEW MEXICO )  
 ) ss  
 2 COUNTY OF BERNALILLO )

3 I, GLENDA BURKS, Court Reporter in and for the County  
 4 of Bernalillo, State of New Mexico, do hereby certify that  
 5 the foregoing and attached Transcript of Hearing before the  
 6 New Mexico Oil Conservation Commission was reported by me;  
 7 and that the same is a true and correct record of the said  
 8 proceedings to the best of my knowledge, skill and ability.  
 9

10 Glenda Burks  
 Court Reporter

21  
 22 I do hereby certify that the foregoing is  
 23 a complete and correct transcript of the proceedings in  
 24 the case of 4511  
 25 3/17 1971  
Glenda Burks  
 Court Reporter



# OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO  
P. O. BOX 2088 - SANTA FE  
87501

GOVERNOR  
BRUCE KING  
CHAIRMAN

LAND COMMISSIONER  
ALEX J. ARMJO  
MEMBER

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

March 31, 1971

Re: Case No. 4511  
Order No. R-4123  
Applicant:  
Skelly Oil Company

Mr. Ronald J. Jacobs  
Skelly Oil Company  
Post Office Box 1650  
Tulsa, Oklahoma 74102

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.  
Secretary-Director

ALP/ir

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. 4511  
Order No. R-4123

APPLICATION OF SKELLY OIL COMPANY  
FOR A NON-STANDARD GAS PRORATION  
UNIT, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on March 17, 1971, at Santa Fe, New Mexico, before Examiner Daniel S. Mutter.

NOW, on this 30th day of March, 1971, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, 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 Order No. R-590-A, dated April 20, 1955, created non-standard gas proration units in the Tubb and Blinbry Gas Pools, Lea County, New Mexico, comprising, as to each pool, the following described acreage:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM  
Section 10: SW/4 and W/2 SE/4

(3) That each of the above-described non-standard gas proration units was dedicated to the Skelly Oil Company, Baker "B" Well No. 15, a dual completion in the Tubb and Blinbry Gas Pools, located 1830 feet from the South line and 2130 feet from the East line of said Section 10.

-2-

CASE NO. 4511  
Order No. R-4123

(4) That the applicant, Skelly Oil Company, now seeks authority to dedicate the 240-acre non-standard gas proration unit in the Tubb Gas Pool to its Baker "B" Well No. 7 located 1980 feet from the South line and 1980 feet from the East line of said Section 10.

(5) That due to mechanical difficulties encountered in said Well No. 15, the applicant proposes to plug and abandon the Tubb zone in the well and to recomplete said Well No. 7 as a single completion in the Tubb zone.

(6) That the entire non-standard proration unit is productive of gas from the Tubb formation and that the entire non-standard proration unit can be efficiently and economically drained and developed by said Well No. 7.

(7) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the Tubb Gas Pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That effective April 1, 1971, Commission Order No. R-590-A is hereby amended to permit Skelly Oil Company to dedicate the 240-acre non-standard gas proration unit in the Tubb Gas Pool created by Order No. R-590-A to its Baker "B" Well No. 7 located 1980 feet from the South line and 1980 feet from the East line of Section 10, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico.

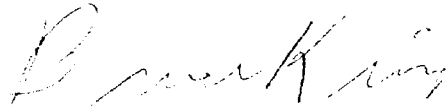
(2) That the operator of said Well No. 7 shall file an amended Form C-102, in accordance with Commission Rule 1102, with the Hobbs Office of the Commission on or before April 1, 1971, dedicating the above-described acreage to the subject well.

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


-3-  
CASE NO. 4511  
Order No. R-4123

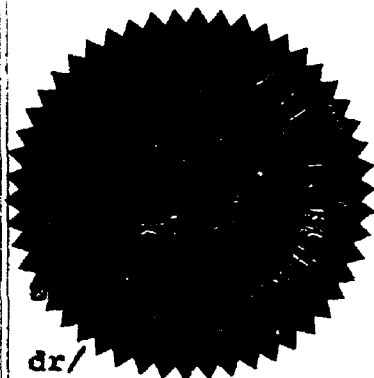
DONE at Santa Fe, New Mexico, on the day and year herein-  
above designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

  
BRUCE KING, Chairman

  
ALEX J. ARMILJO, Member

  
A. L. PORTER, Jr., Member & Secretary



dr/

WHITE, GILBERT, KOCH & KELLY  
GILBERT, WHITE AND GILBERT

ATTORNEYS AND COUNSELORS AT LAW

LINCOLN BUILDING

SANTA FE, NEW MEXICO 87501

CARL H. GILBERT (1891-1963)

L. C. WHITE

WILLIAM W. GILBERT

SUMNER S. KOCH

WILLIAM BOOKER KELLY

JOHN F. MCCARTHY, JR.

KENNETH BATEMAN

BENJAMIN PHILLIPS

March 2, 1971

POST OFFICE BOX 787  
TELEPHONE 982-4301  
(AREA CODE 505)

New Mexico Oil Conservation Commission  
State Land Office Building  
Santa Fe, New Mexico 87501

Attention: Mr. Pete Porter

Re: Application of Skelly Oil Company for  
Amendment of Order R-590-A  
and  
Application for Non-Standard Gas Unit,  
Tubb Gas Pool, Baker "B" Well # 7,  
Lea County, New Mexico

Gentlemen:

The above application was submitted for administrative approval, and has been set down for hearing on March 17, 1971 before an Examiner. The undersigned herewith enters his formal appearance as local counsel for Skelly Oil Company in the above application.

The hearing itself will be handled by Attorney Ronald J. Jacobs, resident attorney for Skelly Oil Company who is a member of the Oklahoma Bar.

Very truly yours,

*L. C. White*  
L. C. WHITE

LCW:cc

cc: Ronald J. Jacobs  
Attorney  
Law Department  
Skelly Oil Company  
P. O. Box 1650  
Tulsa, Oklahoma 74102

*file - case 4511*



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  
CONSIDERING:

CASE NO. 801  
Order No. R-590

THE APPLICATION OF SKELLY OIL  
COMPANY FOR AN ORDER GRANTING  
PERMISSION TO DUALY COMPLETE  
ITS BAKER "B" WELL NO. 15 IN THE  
BLINEBRY GAS POOL AND THE TUBB  
GAS POOL, AND TO ESTABLISH A 240  
ACRE NON-STANDARD GAS PRORATION  
UNIT CONSISTING OF THE SW/4 AND  
THE W/2 SE/4 OF SECTION 10, TOWNSHIP  
22 SOUTH, RANGE 37 EAST, NMPM, LEA  
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a. m. on December 16, 1954,  
at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter referred  
to as the "Commission".

NOW, on this 25th day of February 1955, the Commission, a quorum being  
present, having considered the evidence 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 the applicant, Skelly Oil Company, is owner of an oil and gas  
lease in Lea County, New Mexico, the land consisting of:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM  
SW/4, W/2 SE/4 of Section 10

containing 240 acres, more or less, lying within the horizontal limits of the Blinebry  
and Tubb Gas Pools.

(3) That additional testimony and evidence are necessary with regard to the formation of a proration unit in excess of 160-acres in either the Blinebry or Tubb Gas Pools, to enable the Commission to render a decision on this portion of the application.

(4) That the mechanics of the proposed dual completion as outlined by applicant are feasible and in good practice.

IT IS THEREFORE ORDERED:

(1) That the portion of the case concerned with the formation of a non-standard gas proration unit in the Tubb and Blinebry Gas Pools be, and the same hereby is, reopened for hearing before the Commission.

(2) That said hearing shall be held at Santa Fe, New Mexico, on March 16, 1955, at which time and place additional testimony and evidence will be received in this cause.

IT IS FURTHER ORDERED:

That the applicant herein, Skelly Oil Company, be and it hereby is authorized to dually complete and produce its Baker "B" Well No. 15, located in the NW/4 SE/4 of Section 10, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico, in such a manner that the gas from the Tubb formation of the Tubb Gas Pool may be produced through the tubing from below the packer, and the gas from the Blinebry formation of the Blinebry Gas Pool may be produced through a second string of tubing from perforations above the packer; by proper perforation of the casing, and the installation of a suitable down-hole packer and suitable surface wellhead equipment for separating, and maintaining the separation of the gas from the Blinebry zone and the gas from the Tubb zone.

PROVIDED, HOWEVER, That upon the actual dual completion of such subject well applicant shall submit to the District Office of the Commission in which the subject well is located Form C-103, Form C-104, Form C-110 and Form C-122 outlining the information required on these forms by existing Rules and Regulations.

PROVIDED, HOWEVER, That subject 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 and gas, or oil produced from either or both of the separate strata, and

PROVIDED FURTHER, That said subject well for dual completion and production shall be equipped in such a way that reservoir pressures may be determined separately for each of the two specified strata, 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 representatives, in

order that natural gas, oil, or oil and gas from each separate stratum may be accurately measured and the gas-oil ratio thereof determined, and

PROVIDED FURTHER, That the operator applicant shall make any and all tests, including segregation tests, but not excluding other tests and/or determinations at any convenient time and in such manner as deemed necessary by the Commission; the original and all subsequent tests shall be witnessed by representatives of offset operators, if any there be, at their election, and the results of each test properly attested to by the applicant herein and all witnesses, and shall be filed with the Commission within ten (10) days after the completion of such test, and,

PROVIDED FURTHER, That upon the actual dual completion of such subject well, applicant shall submit to the Commission a diagrammatic sketch of the mechanical installation which was actually used to complete and produce the seal between the strata, and a special report of production, gas/oil ratio and reservoir pressure determination of each producing zone or stratum immediately following completion.

IT IS FURTHER ORDERED: That jurisdiction of this cause is hereby retained by the Commission for such further order or orders as may seem necessary or convenient for the prevention of waste and/or protection of correlative rights; upon failure of applicant to comply with any requirement of this order after proper notice and hearing, the Commission may terminate the authority hereby granted and require applicant or its successors and assigns to limit its activities to regular single-zone production in the interests of conservation.

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

JOHN F. SIMMS, Chairman

E. S. WALKER, Member

W. B. MACEY, Member and Secretary

S E A L

ir

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  
CONSIDERING:

CASE NO. 801  
Order No. R-590-A

THE APPLICATION OF SKELLY OIL  
COMPANY FOR AN ORDER GRANTING  
PERMISSION TO DUALY COMPLETE ITS  
BAKER "B" WELL NO. 15, IN THE BLINEBRY  
GAS POOL AND THE TUBB GAS POOL, AND  
TO ESTABLISH A 240-ACRE NON-STANDARD  
GAS PRORATION UNIT CONSISTING OF THE  
SW/4, AND W/2 SE/4 OF SECTION 10, TOWN-  
SHIP 22 SOUTH, RANGE 37 EAST, NMPM,  
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a. m. on December 16, 1954, and March 16, 1955, at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this 20th. day of April, 1955, the Commission, a quorum being present, having considered the evidence 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 the applicant, Skelly Oil Company, is the owner of an oil and gas lease in Lea County, New Mexico, the land consisting of:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM  
SW/4, W/2 SE/4 of Section 10

containing 240 acres more or less, lying within the horizontal limits of the Blinebry and Tubb Gas Pools.

(3) That applicant, Skelly Oil Company, has a well on the aforesaid lease known as the Baker "B" Well No. 15, located 1830' from the south line and 2130' from the east line of Section 10, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico.

(4) That on February 25, 1955, the Commission entered Order No. R-590 which granted permission to dually complete said well in the Blinebry and Tubb Gas Pools, and said order remanded that portion of the application dealing with the formation of the non-standard gas proration unit for rehearing on March 16, 1955.

(5) That pursuant to the provisions of Rule 7 (a) of Order No. R-372 A and Order R-373-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.

(6) That the above-described 240-acre lease is productive of gas from the Blinebry and Tubb Gas Pools.

(7) That it is impractical to pool applicant's said lease with adjoining acreage in the Blinebry or Tubb Gas Pools, and owners of adjoining acreage in said area have not objected to formation of the proposed proration unit.

(8) 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 natural gas from the Tubb and Blinebry Gas Pools.

(9) That the creation of a proration unit consisting of applicant's aforesaid acreage will not cause but will prevent waste and will protect correlative rights.

IT IS THEREFORE ORDERED:

1. That the application of the Skelly Oil Company for approval of a non-standard gas proration unit in the Tubb Gas Pool, consisting of the following described acreage:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM  
SW/4, W/2 SE/4 of Section 10

containing 240 acres, more or less, be and the same is hereby approved, and a proration unit comprising the aforesaid acreage is hereby created in the Tubb Gas Pool.

2. That the application of Skelly Oil Company for approval of a non-standard gas proration unit in the Blinebry Gas Pool consisting of the following described acreage:

Order No. R-590-A

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM  
SW/4, W/2 SE/4 of Section 10

containing 240 acres, more or less, be and the same is hereby approved, and a 240-acre proration unit comprising the aforesaid acreage is hereby created in the Blinebry Gas Pool.

3. That applicant's well, Baker "B" Well No. 15, located in the NW/4 SE/4 of Section 10, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico, shall be granted an allowable in the proportion that the above 240-acre unit bears to the standard or orthodox proration unit for the respective pools, all until further order of the Commission.

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

JOHN F. SIMMS, Chairman

E. S. WALKER, Member

W. B. MACEY, Member and Secretary

S E A L

/tr

CASE 4511: Application of Skelly Oil Company for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-590-A to permit the rededication of the 240-acre non-standard gas proration unit in the Tubb Gas Pool authorized in said order to its Baker "B" Well No. 7 located 1980 feet from the South and East lines of Section 10, Township 22 South, Range 37 East, Lea County, New Mexico, in lieu of its Well No. 15 located in the same quarter-quarter section.

CASE 4300: (Reopened):  
In the matter of Case No. 4300 being reopened pursuant to the provisions of Order No. R-3917, which order established 640-acre spacing units for the Sand Dunes-Atoka Gas Pool, Eddy County, New Mexico, for a period of one year. All interested parties may appear and show cause why said pool should not be developed on 320-acre spacing units.

CASE 4512: Application of Union Oil Company of California for rededication of acreage and a non-standard proration unit, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks approval for the establishment of a non-standard oil proration unit comprising the NW/4 SE/4 and the SW/4 NE/4 of Section 17, Township 8 South, Range 38 East, Roosevelt County, New Mexico, by the rededication of acreage to its Federal 17 A Well No. 1 located in the NW/4 SE/4 of said Section 17.

CASE 4513: Southeastern New Mexico nomenclature case calling for the extension, creation and abolishment of certain pools in Lea, Eddy, Chaves and Roosevelt Counties, New Mexico:

(a) Create a new pool in Lea County, New Mexico, classified as an oil pool for Pennsylvanian production and designated as the South Buffalo-Pennsylvanian Pool. The discovery well is King Resources Company Kimo Sabe No. 1 located in Unit J of Section 16, Township 19 South, Range 33 East, NMPM. Said pool would comprise:


TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM  
SECTION 16: SE/4

(b) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the Grandi Ranch-Atoka Gas Pool. The discovery well is the Byron M. McKnight Grandi Ranch No. 1 located in Unit J of Section

Wed II 15

1830 FSL  
2130 FEL

Shell ✱ <sup>4</sup>	Amarada ✱ <sup>4</sup>	Sunray ✱ <sup>1</sup> E. Owen Pan Am.	Gulf ✱ <sup>5</sup>	Humble ✱ <sup>13</sup>
✱ <sup>1</sup> Skelly	H. Corrigan ✱ <sup>1</sup> Atlantic	Eva Owen ✱ <sup>3</sup> Cities Service	Mark ✱ <sup>6</sup> B.A. Wilbanks	✱ <sup>20</sup> ✱ <sup>21</sup> 2
"Sticher" A Texas Pacific ✱ <sup>5</sup>	R.L. Brunson ✱ <sup>1</sup> Mobil	✱ <sup>3</sup> Brunson "B" Mobil	Brunson "C" Gulf	✱ <sup>23</sup> New Mexico "S" Marathon
Elliott B-9	Brunson	✱ <sup>6</sup> Brunson Arg4	Eaves ✱ <sup>5</sup>	✱ <sup>9</sup> ✱ <sup>11</sup> Lou Worham
Humble	Skelly ✱ <sup>15</sup>	✱ <sup>1</sup> Amble	Shell ✱ <sup>5</sup>	Mobil ✱ <sup>4</sup>
J.L. Greenwood	Baker "B"	A.B. Baker	Thomas Long	S.E. Long
Gulf ✱ <sup>5</sup>	Texas Pacific ✱ <sup>4</sup> E.W. Walder	Congco ✱ <sup>1</sup> ✱ <sup>15</sup>	Gulf ✱ <sup>3</sup>	✱ <sup>14</sup>
16 R.E. Cole		15 Congco ✱ <sup>3</sup>	Hugh ✱ <sup>14</sup> Samedan	Samedan ✱ <sup>14</sup>
		Elliott B-15	Parks	Parks "A"

ABANDONED TUBB ONLY 

#10 orig camp, Co BQ - The last  
#7 " " " " " " " " " "  
#11 orig paper by H. L. G. 1968  
#12 orig paper by H. L. G. 1968

BEFORE EXAMINER  
CONSERVATION CO.  
SKELLY EXHIBIT NO.  
4511

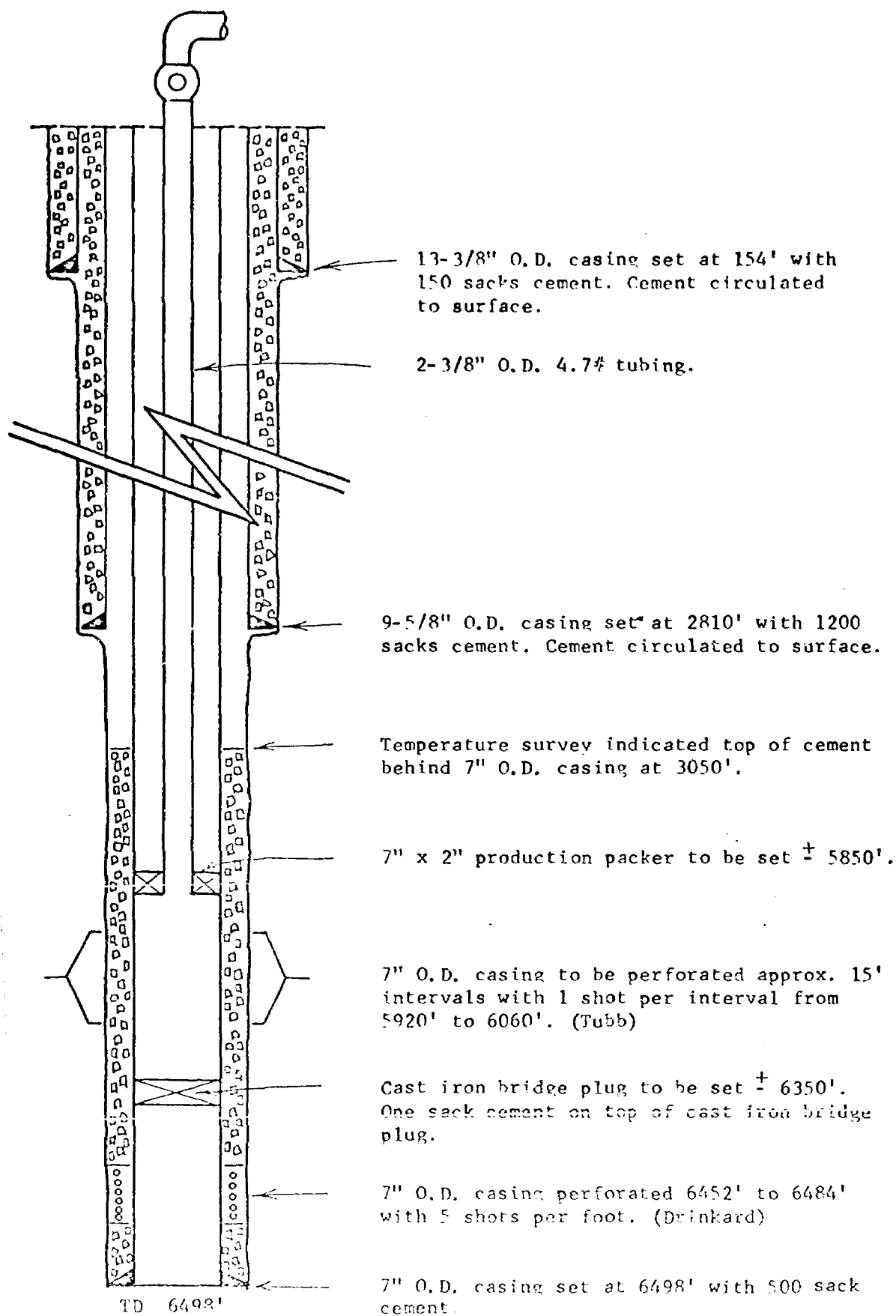
CONSERVATION COMMITTEE

SKELLY EXHIBIT NO 1

4511



DIAGRAMMATIC SKETCH SHOWING PROPOSED COMPLETION INSTALLATION  
 BAKER "B" WELL NO. 7  
 1980' FSL AND 1980' FEL, SECTION 10, T-22-S, R-37-E, LEA COUNTY, NEW MEXICO



SKETCH

4511

2

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

February 12, 1971

C  
O  
P  
Y  
  
Skelly Oil Company  
P. O. Box 1351  
Midland, Texas 79701

RECEIVED  
DATE 2/3/71

Case 4511

Attention: Mr. P. L. Nunley

Re: Application for Non-Standard Gas Unit  
Baker "B" No. 7 Well  
W/2 of SE/4 and SW/4 of Section 10,  
Township 22 South, Range 37 East,  
Lea County, New Mexico

Gentlemen:

Reference is made to your application dated February 8, 1971, for administrative approval of a 240-acre non-standard gas proration unit to be dedicated to the subject well. The rededication of acreage requested requires the amendment of Order No. R-590-A and is not eligible for administrative approval.

Unless we hear otherwise from you, the subject matter will be set for hearing on March 17, 1971, before an examiner.

Very truly yours,

GEORGE M. HATCH  
Attorney

GMH/esr



# SKELLY OIL COMPANY

*Handwritten:* 9/28/71  
*Handwritten:* Set for decision

EXPLORATION & PRODUCTION DEPARTMENT  
WEST CENTRAL DISTRICT

P. L. NUNLEY, PRODUCTION MANAGER  
B. A. STRICKLING, OPERATIONS SUPERINTENDENT  
C. J. LOVE, DISTRICT ENGINEER  
F. J. PETRO, DISTRICT PRODUCTION ENGINEER  
J. D. MCCLAIN, DISTRICT RESERVOIR ENGINEER

February 8, 1971

ADDRESS REPLY TO:  
P. O. BOX 1351  
MIDLAND, TEXAS 79701

Re: Application for Non-Standard Gas Unit  
Baker "B" No. 7 Well,  
W/2 of SE/4 and SW/4 of Section 10,  
T22S, R37E,  
Lea County, New Mexico

State of New Mexico  
Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico 87501

*Handwritten:* Case 4511

Attention: A. L. Porter, Jr., Secretary-Director

Dear Sir:

Skelly Oil Company, operator of the Baker "B" Well No. 7, Tubb Gas Pool, located 1980' FSL and 1980' FEL of Section 10, T22S, R37E, Lea County, New Mexico, respectfully requests administrative approval of a non-standard gas unit of 240 acres for the subject well.

The Baker "B" No. 7 well was drilled and completed in the Drinkard Zone on June 10, 1947. Production has now declined to the economic limit and recompletion in the Tubb Gas Zone is proposed as a replacement for this zonal completion in Well No. 15.

The Baker "B" No. 15 well (twin to No. 7) was drilled and completed as a dual producer in the Blinebry Gas and Tubb Gas Zones in December 1954. Acreage allocation to each zone was 240 acres. The Tubb Gas Zone is being plugged and abandoned in this wellbore; and the well recompleted as a single Blinebry Gas Zone well. Acreage allocation to this well for the Blinebry Gas Zone will remain unchanged.

All offset Tubb Gas Pool operators to the proposed non-standard gas proration are being advised by registered mail, by copy of this application.

If any further information is desired, please advise.

Very truly yours,

*Handwritten signature:* P. L. Nunley  
P. L. Nunley

OVS/rmw  
(Mailing List Attached)

cc: Mobil Oil Company,  
Box 1800  
Hobbs, New Mexico 88240

Amerada Hess Corp.  
Box 1920  
Hobbs, New Mexico 88240

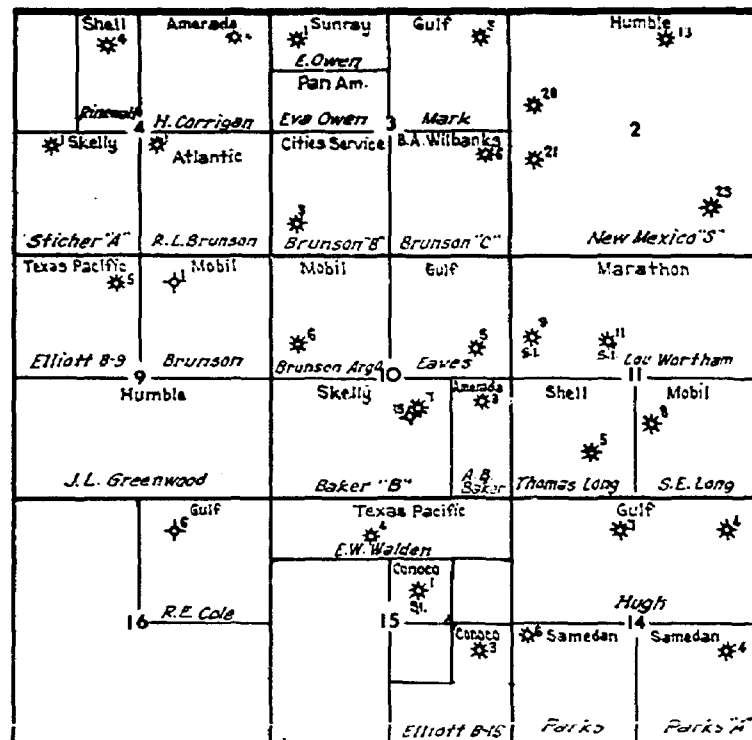
Gulf Oil Company - U. S.  
Box 670  
Hobbs, New Mexico 88240

Texas Pacific Oil Co., Inc.  
Box 1069  
Hobbs, New Mexico 88240

SKELLY OIL COMPANY  
BAKER "B" LEASE  
LEA COUNTY NEW MEXICO

*Page 4511*

R-37-E



TUBB GAS WELLS ☀  
ABANDONED TUBB ONLY ○

NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102  
Supersedes C-128  
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

Operator <b>Shelly Oil Company</b>			Lease <b>Baker "X"</b>		Well No. <b>7</b>
Unit Letter <b>J</b>	Section <b>10</b>	Township <b>22S</b>	Range <b>37E</b>	County <b>Lea</b>	
Aerial Footage Location of Well:					
<b>3300</b> feet from the <b>North</b> line and		<b>1960</b> feet from the <b>East</b> line			
Ground Level Elev. <b>3384'</b>	Producing Formation <b>Tubb One</b>	Pool <b>Drinkard</b>	Dedicated Acreage: <b>240</b> Acres		

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.

2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation \_\_\_\_\_

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) \_\_\_\_\_

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.

	CERTIFICATION
	I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.
	Name <u>P. L. Hunsley</u>
	Position <b>District Production Manager</b>
	Company <b>Shelly Oil Company</b>
	Date <b>February 5, 1971</b>
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.	
Date Surveyed _____	
Registered Professional Engineer and/or Land Surveyor _____	
Certificate No. _____	

DRAFT  
GMH/dr  
3-23-71

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. 4511

Order No. R-R-4123

APPLICATION OF SKELLY OIL COMPANY  
FOR A NON-STANDARD GAS PRORATION  
UNIT, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on March 17, 1971,  
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this \_\_\_\_\_ day of March, 1971, the Commission, a  
quorum being present, having considered the testimony, the record,  
and the recommendations of the Examiner, 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 Order No. R-590-A, dated April 20, 1955, created  
non-standard gas proration units in the Tubb and Blinebry Gas  
Pools, Lea County, New Mexico, comprising, as to each pool, the  
following described acreage:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM  
SECTION 10: SW/4 and W/2 SE/4

(3) That each of the above-described non-standard gas pro-  
ration units was dedicated to the Skelly Oil Company, Baker "B"  
Well No. 15, a dual completion in the Tubb and Blinebry Gas Pools,  
located 1830 feet from the South line and 2130 feet from the East  
line of said Section 10.

(4) That the applicant, Skelly Oil Company, now seeks authority to dedicate the 240-acre non-standard gas proration unit in the Tubb Gas Pool to its Baker "B" Well No. 7 located 1980 feet from the South line and 1980 feet from the East line of said Section 10.

(5) That due to mechanical difficulties encountered in said Well No. 15, the applicant proposes to plug and abandon the Tubb zone in the well and to recomplete said Well No. 7 as a single completion in the Tubb zone.

(6) That the entire non-standard proration unit is productive of gas from the Tubb formation and that the entire non-standard proration unit can be efficiently and economically drained and developed by said Well No. 7.

(7) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the Tubb Gas Pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That effective April 1, 1971, Commission Order No. R-590-A is hereby amended to permit Skelly Oil Company to dedicate the 240-acre non-standard gas proration unit in the Tubb Gas Pool created by Order No. R-590-A to its Baker "B" Well No. 7 located 1980 feet from the South line and 1980 feet from the East line of Section 10, Township 22 South, Range 37 East, NMPM, Lea County,



-3-

CASE NO. 4511

New Mexico.

(2) That the operator of said Well No. 7 shall file an amended Form C-102 in accordance with Commission Rule 1102, with the Hobbs Office of the Commission on or before April 1, 1971, dedicating the above-described acreage to the subject well.

(3) 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.

CASE 4512: Application of UNION  
FOR REDEDICATION OF ACREAGE & A  
NON-STANDARD PRORATION UNIT.