

Case No.

635

Application, Transcript,
Small Exhibits, Etc.

N.C.

CASE 635: Skelly 120-acre unorthodox
gas unit, Langmat 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. 635
Order No. R-431

THE APPLICATION OF SKELLY OIL
COMPANY FOR AN ORDER GRANTING
APPROVAL OF AN EXCEPTION PURSUANT
TO RULE 7 (a) OF ORDER NO. R-369-A in
ESTABLISHMENT OF AN UNORTHODOX GAS
PRORATION UNIT OF 120 CONTIGUOUS ACRES
CONSISTING OF W/2 SW/4, and NE/4 SW/4 OF
SECTION 32, TOWNSHIP 24 SOUTH, RANGE
37 EAST, NMPM., LEA COUNTY, NEW
MEXICO IN THE LANGMAT 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-369-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 24 South, RANGE 37 East, NMPM

W/2 SW/4 and NE/4 SW/4 of Section 32

containing 120 acres, more or less.

(4) That applicant, Skelly Oil Company has a producing well on the aforesaid lease known as State "M", Well No. 3, located 1980' from South and East lines of Section 32, Township 24 South, Range 37 East.

(5) That the aforesaid well was completed and in production prior to January 1, 1954, the effective date of Order No. R-369-A, and is located

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

(6) That it is impractical to pool applicant's said lease with adjoining acreage in the SW/4 of Section 32, Township 24 South, Range 37 East, NMPM., and that the owners of adjoining acreage in said quarter section have not objected to the formation of the proposed proration unit of 120 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 Langmat 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 24 South, RANGE 37 East, NMPM.

W/2 SW/4 and NE/4 SW/4 of Section 32

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

(2) That applicant's well State "M", No. 3, located in the NE/4 SW/4 of Section 32, Township 24 South, Range 37 East, NMPM., shall be granted an allowable from January 1, 1954 in the proportion that the above described 120 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

E. L. Mechem
EDWIN L. MECHEM, Chairman

E. S. Walker
E. S. WALKER, Member

R. R. Spurrer
R. R. SPURRIER, Secretary and
Member

(SEAL)

OIL CONSERVATION COMMISSION
P. O. BOX 871
SANTA FE, NEW MEXICO

April 27, 1954

Mr. J. N. Dunlavy
Skelly Oil Company
HOBBS N M

Dear Mr. Dunlavy:

We enclose the following orders issued in your company's
recent application for approval of unorthodox gas proration
units:

Order R-431 in Case 635
R-433 in Case 638
R-434 in Case 639
R-424 in Case 614
R-425 in Case 615

Very truly yours,

W. B. Macey
Chief Engineer

WBM:nr

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Y

JALY
WEL K

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. 635
Order No. R-431 ✓

THE APPLICATION OF *Skelly*
Oil Company
FOR AN ORDER GRANTING APPROVAL *PURSUANT*
OF AN EXCEPTION TO RULE 7 (a) OF
ORDER NO. R-369A IN ESTABLISHMENT
OF AN UNORTHODOX GAS PRORATION
UNIT OF 120 CONTIGUOUS ACRES
CONSISTING OF *W/2 SW/4, and*
NE/4 SW/4 of Section 32,
Township 24 South, Range
37 East, NMPM, Lea County,
New Mexico in the
Longmat 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- *369A*,
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 24 SOUTH, RANGE 37 EAST, NMPM.

W/2 SW/4 and NE/4 SW/4 of
Section 32

containing *120* acres, more or less.

Order No. R- 431

(4) That applicant, *Skelly Oil Company*, has a producing well on the aforesaid lease known as *State "M" well No. 3* located *1980'* from the ~~South line~~ and ~~from the East~~ line^s of Section 32, Township *24* South, Range *37* East.

(5) That the aforesaid well was completed and in production prior to January 1, 1954, the effective date of Order No. R-369A, and is located within the limits of the pool heretofore delineated and designated as the *Longmat* Gas Pool.

(6) That it is ~~impossible~~ *impractical* to pool applicant's said lease with adjoining acreage in the *SW 1/4 of Section 32, Township 24 South, Range 37 East, NMPM* and that the owners of adjoining acreage in said quarter section~~s~~ have not objected to the formation of the proposed proration unit of *120* 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 *Longmat* 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 *24* SOUTH, RANGE *37* EAST, NMPM.

*W 1/2 SW 1/4 and NE 1/4 SW 1/4
of Section 32*

be And the same

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

Order No. R- 431

State "m" no. 3.

(2) That applicant's well, ~~Shelly oil~~, located in the
NE/4 SW/4 of Section 32, Township *24* South, Range *37* East, NMPM,
shall be granted an allowable from January 1, 1954 in the proportion that the above
described *120* 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)

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
120 CONTIGUOUS ACRES IN THE
LANGMAT 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 Langmat Gas Pool, namely $W\frac{1}{4}$, $SW\frac{1}{4}$ and $NE\frac{1}{4}$, $SW\frac{1}{4}$ of Section 32, T24S, 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 120 acres confined by the boundaries of the $W\frac{1}{4}$, $SW\frac{1}{4}$ of Section 32, T24S, R37E., N.M.P.M., and concerns but a single royalty owner, namely the State of New Mexico.

2. That the petitioner's State "M" well No. 3 is located 660' from each the North and East boundaries of the $SW\frac{1}{4}$ of Section 32, T24S, R37E., and is completed within the vertical limits of the Langmat Gas Pool as defined by the New Mexico Oil Conservation Commission.

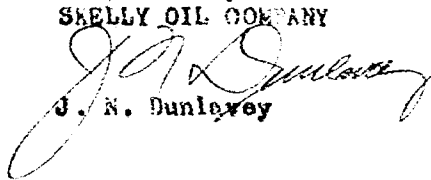
3. That the petitioner's lease is entirely surrounded by producing gas wells either in the Langmat Gas Pool or the Jalco Gas Pool and is, therefore, itself capable of production.

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), Order No. R-369-A, by which the petitioner may operate the above described lands as a single unit.

Respectfully submitted
SKELLY OIL COMPANY


J. N. Dunlavy

Case No. 635

Exhibit No. 2

SKELLY OIL COMPANY
State "M" #3
Sec. 32, T24S, R37E.

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

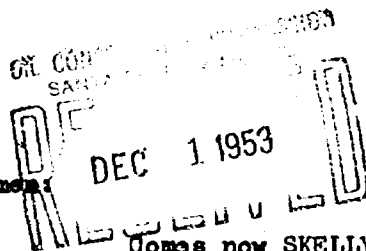
SKELLY OIL COMPANY'S State "M" Well No. 3 was completed in the Seven Rivers formation in open hole below 7" OD casing set at a depth of 3413' and above the total depth of 3550'.

In June, 1951, the well was perforated between the intervals 3185 - 3175', 3110 - 3095', 3090 - 3030' and 3030 - 3015', all in the vertical limits of the Langmat Gas Pool. The oil and gas zones were separated by a Baker Model "D" production packer set at 3390' in the 7" casing.

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

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1. That the petitioner is the sole owner of all leases on the 120 acres confined by the boundaries of the $W\frac{1}{2}$, $SW\frac{1}{4}$ of Section 32, T24S, R37E., N.M.P.M., and concerns but a single royalty owner, namely the State of New Mexico.
2. That the petitioner's State "M" well No. 3 is located 660' from each the North and East boundaries of the $SW\frac{1}{4}$ of Section 32, T24S, R37E., and is completed within the vertical limits of the Langmat Gas Pool as defined by the New Mexico Oil Conservation Commission.
3. That the petitioner's lease is entirely surrounded by producing gas wells either in the Langmat Gas Pool or the Jalco Gas Pool and is, therefore, itself capable of 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.
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Respectfully submitted
SKELLY OIL COMPANY

J. N. Dunlayey
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SKELLY OIL COMPANY

Case No. 635

Exhibit No. _____

GULF ★ ¹		EL PASO NATURAL GAS ★ ⁴		CONTINENTAL ATLANTIC "A"		PLAINS ★ ⁴	
Wm. H. Martán ★ ²		Calley		U S		★ ³ Woolworth	
Culbertson & IRWIN ★ ²		AND. & PR.	KEWOOD ★ ¹	SINCLAIR	RODMAN	★ ⁵ PHILLIPS	
Wm. H. Martin SKELLY		State SKELLY "State M" ★ ³ 660		32 State AND. & PR. "B" ★ ¹	HUMBLE "L"	Woolworth H. G. Clay	
Sherrill		State	ATLANTIC ★ ¹	SINCLAIR ★ ^{C-1}	★ ^{C-2}	★ ¹ ★ ² RORCHALL Woolworth	
SKELLY ★ ³	ITALO ★ ^{B-1}	ANDERSON PRITCHARD ★ ³		WESTATES ★ ^{B-1}	"B" ★ ^{B-1}	AND. PR.	
Sherrill WESTERN GAS ★ ¹	U S PHILLIPS	U S		U S	U S	U S	
U S	Woolworth	U S		U S	U S	U S	

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

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Wherefore, the petitioner requests that, in the interest of conservation and protection of correlative rights, the Commission grant an exception to Rule 7 (a), Order No. R-369-A, by which the petitioner may operate the above described lands as a single unit.

Respectfully submitted
SKELLY OIL COMPANY

J. N. Dunlavey

N. M. Oil & Gas Engineering Committee
January 4, 1954
Hobbs, New Mexico