

Case No.

1431

Application, Transcript,
Small Exhibits, Etc.

1471

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EXAMINER HEARING
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
May 7, 1958

IN THE MATTER OF: Case No. 1431

TRANSCRIPT OF PROCEEDINGS

DEARNLEY, MEIER & ASSOCIATES
INCORPORATED
GENERAL LAW REPORTERS
ALBUQUERQUE, NEW MEXICO
3-6691 5-9546

EXAMINER HEARING
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
May 6, 1958

IN THE MATTER OF:

Application of Skelly Oil Company for a dual com-
pletion. Applicant, in the above-styled cause,
seeks an order authorizing the dual completion of) Case 1431
its P. L. Davis Well No. 1, located 990 feet from)
the North and East lines of Section 26, Township)
26 North, Range 11 West, San Juan County, New)
Mexico, in such a manner as to permit the produc-)
tion of gas from an undesignated Gallup gas pool)
and gas from an undesignated Dakota gas pool)
underlying the above-described area.)

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF PROCEEDINGS

MR. NUTTER: We will take next Case 1431.

MR. PAYNE: Case 1431: Application of Skelly Oil Company
for a dual completion.

MR. SELINGER: George W. Selinger, representing the appli-
cant. We have one witness, Mr. Lee King. We would like to have
him sworn.

(Witness sworn.)

LEE KING

called as a witness, having been first duly sworn on oath, testi-
fied as follows:

DIRECT EXAMINATION

By MR. SELINGER:

Q State your name.

A Lee King.

Q You are associated with what company?

A Skelly Oil Company.

Q In what capacity?

A Petroleum engineer.

Q Where are you located, Mr. King?

A Farmington, New Mexico.

Q Are you familiar with Skelly Oil Company's operations, generally, in the Northwest portion of the State?

A Yes, I am.

Q Are you familiar likewise with the drilling and completing of the P. L. Davis well in Northwest New Mexico?

A Yes, sir, I am.

Q Have you heretofore testified before the Commission?

A Yes, I have.

(Skelly's Exhibit No. 1
marked for identification.)

Q I will hand you what has been marked as Exhibit No. 1, and ask you to state what that is.

A That is a plat of the area surrounding the acreage owned by Skelly Oil Company.

Q Does it indicate the well, the P. L. Davis subject well?

A Yes. The P. L. Davis No. 1 is located in the Southwest Northeast, Northeast of Section 26, 26 North and 11 West, San Juan County, New Mexico.

Q That well was drilled as a wildcat, was it not?

A Yes, it was.

Q There are no other producing wells in this immediate area as reflected by Exhibit 1?

A No.

(Skelly's Exhibit No. 2
marked for identification.)

Q Now, an instrument marked Exhibit 2 is a day-by-day field information concerning the drilling and completion of this well in complete detail, is that correct?

A Yes, that is correct.

(Skelly's Exhibit No. 3
marked for identification.)

Q I now hand you what has been marked as Exhibit 3, is that a diagrammatic sketch showing the dual completion of this well?

A Yes, this sketch outlines the method and depths, perforations and factors and so forth for this dual completion.

Q What was the total depth of the well and the plug-back total depth?

A 6390 was the total depth, plug-back depth, 6289.

Q That well was completed for the production of gas from what two formations and from what perforations?

A We have gas production from the Dakota formation, which is

perforated from 6130 to 6268, not continuously for that entire zone, but in that area. It's productive of gas from the Gallup, perforated from 5332 to 5438.

Q Are both zones completely dry insofar as fluid production or otherwise?

A The Gallup produces completely dry gas, and the Dakota produces relatively dry gas. It makes only a very small amount of oil.

Q Where is your packer set and what model and whether it's permanent or not?

A The Baker Model "D" packer, the permanent installation is set at 5975.

Q By permanent, you mean it would have to be drilled out?

A That is correct.

Q Where is the top of the cement and the surface equipment of the well?

A The top of the cement is at 4920, and we have 10-3/4 inch surface pipe set at 268 with cement circulating to the surface.

Q Is the well equipped with tubing?

A Yes, it has 2-inch tubing.

Q Has the well been completed?

A Yes, it has.

Q In both zones?

A Yes, it is waiting on connection.

Q How do you purport to produce both of these zones?

A Well, we intend to produce the Dakota through the tubing and the Gallup through the annulus around the tubing. We have a side-door choke, Otis model, set in the tubing just above the packer to relieve any fluid build-up, if necessary.

(Skelly's Exhibit No. 4
marked for identification.)

Q I'll hand you what has been marked as Skelly's Exhibit 4 and ask you to state what that is.

A This is an electric log of this P. L. Davis No. 1 with the tops of the marker formations in this area marked, with areas that have been drill stem tested or cored, and intervals that have been perforated, and also locations of bridge plugs and perforations that have been squeezed that were water productive, especially, I mean in the Dakota section.

Q Does it also show the initial production from both horizons on the bottom of that exhibit?

A Yes, it does. It gives the initial production for each zone, 1,400 mcf per day from the Gallup, and 1,900 mcf per day from the Dakota.

MR. SELINGER: I would like to offer into evidence Skelly's Exhibits 1 through 4.

MR. NUTTER: Is there objection to the admission of Skelly's Exhibits 1 through 4? If not, they will be received.

MR. SELINGER: I would like to add one thing for the benefit of the record; on February 3rd we filed for administrative approval

with the Commission an application, of which we sent copies by depositing same in the U. S. mail, postage paid, to all the offset operators to Section 26. We have not received any disagreement or disapproval from any of the offset operators.

I believe that's all we have.

MR. NUTTER: Does anyone have any questions of the witness?

MR. UTZ: Yes, I have.

MR. NUTTER: Mr. Utz.

CROSS EXAMINATION

By MR. UTZ:

Q Have you produced either of these wells yet to amount to anything?

A We haven't produced this well, no, it is not connected. We have produced wells in the Otero Pool, completed in this similar manner and approved, for approximately two years. We have never had any trouble.

Q I believe you stated that the Gallup gas was dry, is that right?

A Yes.

Q No water, no hydrocarbons?

A None so far.

Q You said that the Dakota had some liquids. Do you have any idea what the liquids are?

A It makes on absolute open flow approximately one barrel of oil per day. It varies, we tested it at three different times,

and one time it would make a barrel and a quarter. and the next time it would make only a half a barrel. At the most, I would say it would make probably one barrel per day.

Q Pretty dry even for the Dakota?

A Yes, it is.

Q The completions on your Gallup sand zones, you have shown two sand bodies there, what looks to me like two sand bodies. Do you have any data which would show the pressures in those two sand bodies, or perhaps I had better ask you whether or not you think there is vertical communication between the two sand bodies?

A Well, other than we just took a drill stem test covering the entire zone, but we cored four different sections; well, actually five different sections in this zone, and there was some vertical fracturing. Now whether it, I would say there was limited or some communication between the two, I wouldn't know the extent.

Q Do you have any idea what the pressures are in these zones?

A No, I haven't taken any bottom hole pressure at all. The drill stem test was very poor evidence. We had practically no build-up pressure. It seemed like it was 80 pounds or something like that, until the formation had been fractured. Permeabilities and porosities are very low in both zones.

Q Do you think there's any correlation in these zones and the zones up in the Gallegos area?

A It is very possible. I think it's pinching out, possibly, to the east and south, but there could be some correlation.

Q Do you know of enough correlation that you could name these sands as they have named the four sands up in the Gallegos area?

A Well, just sticking my neck out slightly, I would say this bottom zone would be comparable to the Nelson zone, they call it, in the Gallegos Gallup. The next zone would be the Sullivan zone, and possibly the Skelly zone, and then the No. 1 zone on top. This section of the Gallup could be divided up, I'll say that, in the same manner that the Gallegos Gallup proposed pool will be divided.

Q How far is this well from that area?

A Approximately, oh, from the nearest development that I know of at this time, about four or five miles.

Q Both of these zones produce substantial quantities of oil in that area, don't they?

A They do, at very high gas-oil ratios.

Q Do you feel there's a possibility that this well would become a part of that pool?

A There's a possibility.

Q Is this completion structurally higher or lower in that area?

A I believe this completion is lower than the area to the northwest.

Q Chances are it wouldn't be a gas cap situation, then?

A No, I would think it would possibly be more of a porosity trap. It may be tied and limited to the Gallegos Gallup, but

there are certain barriers through there that geologists probably could give you more dope on than I can. The low porosities and permeabilities throughout this entire area around here seems to regulate production about as much as anything, more than structure. Q Well, let's compare the pressures in this area to the Gallegos Canyon area.

A The pressure seems to be slightly lower for this well over the Gallegos Gallup wells, the surface pressures.

MR. UTZ: I believe that's all I have.

MR. NUTTER: Any further questions of the witness? If not, Mr. King may be excused.

(Witness excused.)

MR. SELINGER: We have nothing further.

MR. NUTTER: Does anyone have anything further in Case 14312? If not, we will take the case under advisement.

C E R T I F I C A T E

STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

I, ADA DEARNLEY, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Proceedings before the New Mexico Oil Conservation Commission was reported by me in stenotype and reduced to typewritten transcript under my personal supervision, and that the same is a true and correct record to the best of my knowledge, skill and ability.

WITNESS my Hand and Seal this 12th day of May, 1958,
in the City of Albuquerque, County of Bernalillo, State of New Mexico.

Ada Dearnley
NOTARY PUBLIC

My commission expires:
June 19, 1959.

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 1431
heard by me on 5-6, 1958.

Arthur J. [Signature], Examiner
New Mexico Oil Conservation Commission

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

May 27, 1958

C
O
P
Y

Mr. George W. Selinger
Skelly Oil Company
P.O. Box 1650
Tulsa 2, Oklahoma

Dear Mr. Selinger:

We enclose two copies of Order R-1182 issued May 26, 1958,
by the Oil Conservation Commission in Case 1431, which was heard on
May 6th at Santa Fe before an examiner.

Very truly yours,

A. L. Porter, Jr.
Secretary - Director

bp
Encls.

IT IS THEREFORE ORDERED:

(1) That the applicant, Skelly Oil Company, be and the same is hereby authorized to dually complete its P. L. Davis Well No. 1, located 990 feet from the North line and 990 feet from the East line of Section 26, Township 26 North, Range 11 West, NMPM, San Juan County, New Mexico, in such a manner as to permit the production of gas from an undesignated Gallup gas pool and to permit the production of gas from an undesignated Dakota gas pool through the casing-tubing annulus and the tubing respectively.

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,

PROVIDED HOWEVER, That prior to the actual dual completion the operator shall make pressure tests of the casing to prove that no casing leaks exist. In the event a casing leak is apparent the operator shall take appropriate steps to adequately repair the leak. The results of these tests shall be reported to the Commission on Form C-103.

PROVIDED FURTHER, That upon the actual dual completion of such subject well applicant shall submit to the appropriate District Office of the Commission copies of Oil Conservation Commission Form C-103, Form C-104, Form C-110, and Form C-122, outlining the information required on those forms by existing Rules and Regulations, and two copies of the electric log of the well.

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 or gas-liquid ratio thereof determined, and

PROVIDED FURTHER, That the operator shall make any and all tests, including segregation and packer-leakage tests upon completion and annually thereafter during the annual deliverability test period for the said P. L. Davis Well No. 1, commencing in the year 1959, and whenever the packer is disturbed, but not excluding any other tests and/or determinations 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, shall be filed with the Commission within fifteen (15) days after the completion of such tests, and further, that applicant shall file with the Commission in duplicate a packer-setting affidavit, which affidavit shall be due within fifteen (15) days of the dual completion or whenever the packer is disturbed, and

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. 1431
Order No. R-1182

APPLICATION OF SKELLY OIL COMPANY
FOR A GAS-GAS DUAL COMPLETION IN AN
UNDESIGNATED GALLUP GAS POOL AND AN
UNDESIGNATED DAKOTA GAS POOL IN SAN
JUAN COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on May 6, 1958, at Santa Fe, New Mexico, before Daniel S. Nutter, Examiner duly appointed by the New Mexico Oil Conservation Commission, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 26th day of May, 1958, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Nutter, 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 the applicant, Skelly Oil Company, is the owner and operator of the P. L. Davis Well No. 1, located 990 feet from the North line and 980 feet from the East line of Section 26, Township 26 North, Range 11 West, NMPN, San Juan County, New Mexico.

(3) That the applicant proposes to dually complete the said P. L. Davis Well No. 1 in such a manner as to permit the production of gas from an undesignated Gallup gas pool and to permit the production of gas from an undesignated Dakota gas pool through the casing-tubing annulus and the tubing respectively.

(4) That the mechanics of the proposed dual completion are feasible and in accord with good conservation practices.

(5) That approval of the subject application will not cause waste nor impair correlative rights.

-3-

Case No. 1431

Order No. R-1182

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 or gas-liquid ratio, and reservoir pressure determination for 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



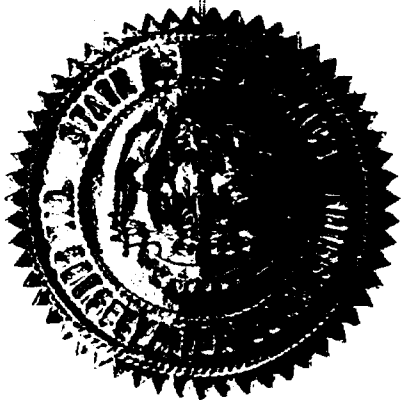
EDWIN L. MECHEM, Chairman



MURRAY E. MORGAN, Member



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



ir/

Cdet 14-31

NEW MEXICO
OIL CONSERVATION COMMISSION
P. O. Box 871
Santa Fe, New Mexico

Date April 18, 1958

Skelly Oil Company
P.O. Box 1650
Tulsa 2, Oklahoma

ATTENTION: George W. Selinger

Gentlemen:

Your application for the dual completion of your P. L. Davis Well No. 1

dated February 3, 1958 has been received, and has been tentatively
scheduled for hearing before an examiner on
May 6, 1958.

A copy of the docket will be forwarded to you as soon as the matter is
advertised.

Very truly yours,


A. L. PORTER, Jr.,
Secretary-Director

GOVERNOR
EDWIN L. MECHEM
CHAIRMAN
New Mexico
OIL CONSERVATION COMMISSION

LAND COMMISSIONER, MURRAY E. MORGAN
MEMBER

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



1000 Rio Brazos Road
Atec, New Mexico
February 21, 1958

Oil Conservation Commission
Box 871
Santa Fe, New Mexico

Att: Mr. Jack Cooley

Dear Jack:

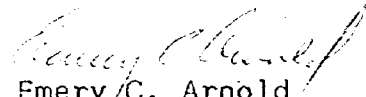
In answer to your letter of February 11, 1958 I have determined the following facts:

Skelly Oil Company did not request temporary approval for dual completion of their #1 P.L. Davis well as it was not their original intention to dually complete it.

The Gallup side of this dual completion was tested with Al Kendrick present and it should be classified as a gas zone as it made approximately 1,000 MCF of gas per day, with some oil. I have talked to the operator and they are submitting well records showing completion tests on both zones. The Dakota Formation also tested as a gas zone.

The well is therefore a gas-gas dual and it is completed and equipped according to the regulations. I would therefore recommend that administrative approval be granted on this well if all the legal requirements have been met.

Yours very truly


Emery C. Arnold
Supervisor, District #3

ECA:ks



SKELLY OIL COMPANY

PRODUCTION DEPARTMENT
C. L. BLACKSHER, MANAGER

TULSA 2, OKLAHOMA

February 3, 1958

Re: Application of Skelly Oil Company
for administrative approval to
dual complete its P. L. Davis Well
No. 1, San Juan County, New Mexico

New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Gentlemen:

Please consider this letter as Skelly Oil Company's application for administrative approval to dual complete its P.L. Davis Well No. 1 and in support thereof provides as follows:

1. That the applicant is the operator of this lease which contains 2560 acres and is described as S/2 & NE/4 Sec. 13; S/2 & NW/4 Sec. 24; all of Sec. 25 & 26 and N/2 Sec. 35, all in Township 26 North, Range 11 West, NNPM, San Juan County, New Mexico.
2. That the applicant's P.L. Davis Well No. 1 is located 990' from the north and east lines of Section 26, Township 26 North, Range 11 West, San Juan County, New Mexico.
3. That the applicant dually completed the well in the following manner:
 - a. Perforated 5½" casing from 5332'-68' and 5394'-5438' in the Gallup formation.
 - b. Perforated 5½" casing from 6130'-38'; 6176-88' and 6248-68' in the Dakota section.
 - c. Set Baker production type packer at 5975'. The well was originally set with 2½" EUE tubing, but after the well was completed and tested the 2½" EUE tubing was set in the production packer at 5975' with landing nipple set at 5974' with Otis sidedoor choke run and set in landing nipple, in order that the Dakota section be produced thru 2" tubing and the Gallup section thru 5½" casing annulus.

February 3, 1958

4. That the granting of this application to produce this well as a dual completion from the Gallup and Dakota zones is in the interest of conservation and the protection of correlative rights of this operator and other interested parties.
5. That the manner and method of this dual completion is mechanically feasible and practical.
6. That a diagrammatic sketch showing the producing intervals and the physical equipment used in dualling the well is attached.
7. 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 attached.
8. That all offset operators are hereby notified by a copy of this application.

WHEREFORE, PREMISES CONSIDERED, applicant requests that the Secretary of the Commission grant administrative approval to produce this well as a dual completion.

Respectfully submitted,

SKELLY OIL COMPANY

By George W. Selinger
George W. Selinger

GWS:dc

STATE OF OKLAHOMA)
COUNTY OF TULSA) SS

Personally appeared, George W. Selinger, of Skelly Oil Company, Tulsa, Oklahoma, who states after being dually sworn upon oath that this instrument is true and correct to his best knowledge and belief.

George W. Selinger
Affiant

Subscribed and sworn to before me this the 3rd day of February, 1958.

Wm. L. Allen
Notary Public

Tennessee Gas Transmission Company
Box 1907
Farmington, New Mexico

Western Development Company
Box 1201
Santa Fe, New Mexico

Sinclair Oil and Gas Company
601 Denver Building
Denver 2, Colorado

I. J. Harvey
439 Camino Del Monte Sol
Santa Fe, New Mexico

Humble Oil and Refining Company
Box 1268
Farmington, New Mexico

Pan American Petroleum Corporation
Box 487
Farmington, New Mexico

El Paso Natural Gas Company
Box 997
Farmington, New Mexico

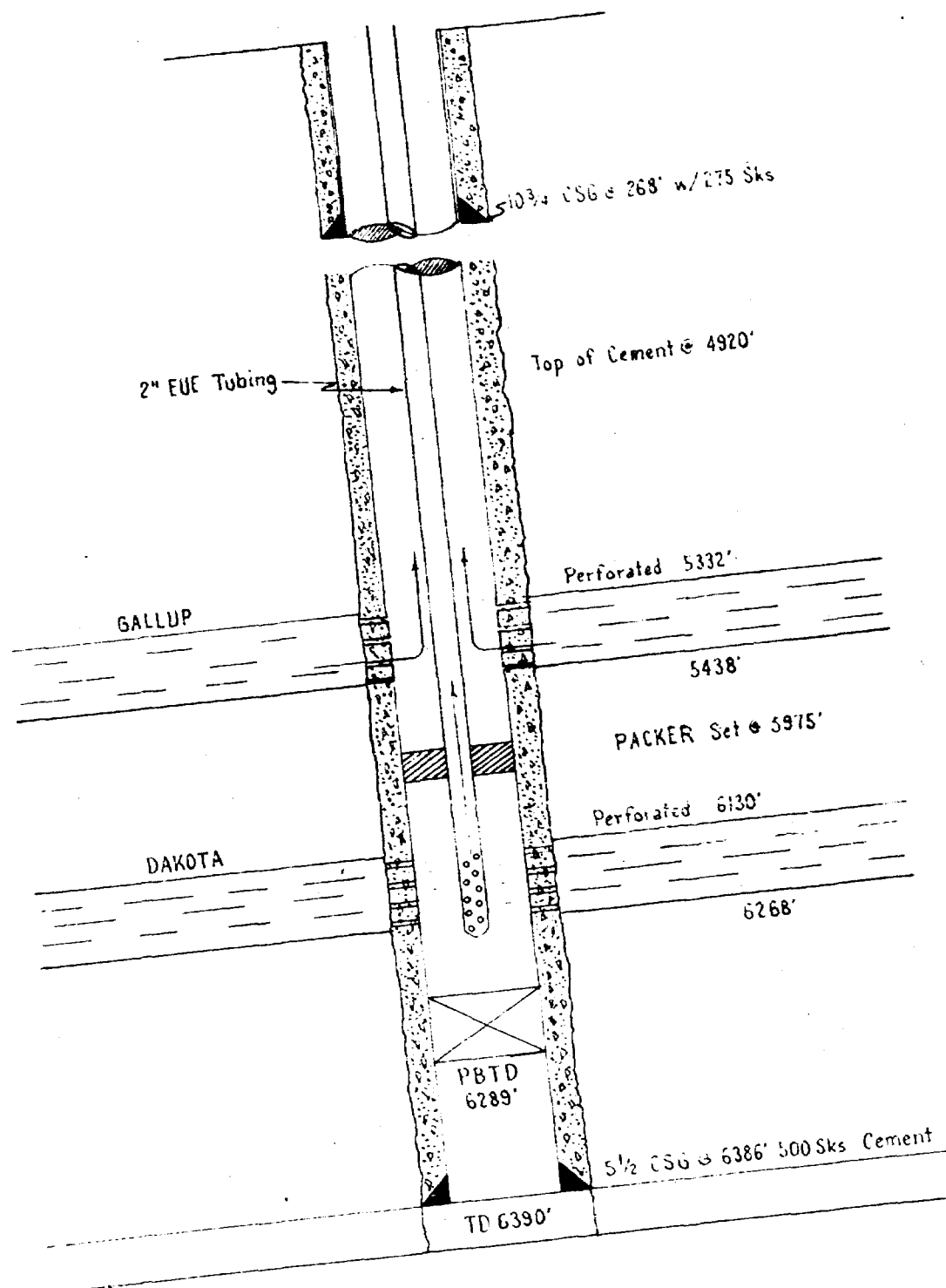
SAN JUAN COUNTY NEW MEXICO

R-11-W

MILACO CO & LUCERNE CORP. 15	SKELLY 14	TENN GAS TENN 13	WESTERN DEVELOPMENT 13	SKELLY
TENNESSEE GAS TRANS. 22	TENN GAS TRANS. 23	WESTERN DEVELOPMENT 24	WESTERN DEVELOPMENT 24	
GARTNER 27	DELHI 27	ERNEST 26	25	
DELHI 34	GARTNER 34	STANO. 34	STANO. 34	
STANO. 34	STANO. 34	ERNEST 35	SUNRAY SINCLAIR 36	

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SHELLY OIL COMPANY
P.L. DAVIS No. 1
SW-NE-NE SECTION 26-26S-11W
SAN JUAN COUNTY, NEW MEXICO



DOCKET: EXAMINER HEARING MAY 6, 1958

OIL CONSERVATION COMMISSION 9 a.m., MABRY HALL, STATE CAPITOL, SANTA FE, NM

The following cases will be heard before Daniel S. Nutter, Examiner:

- CASE 1425: Application of Continental Oil Company for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks an order establishing a 160-acre non-standard gas proration unit in the Tubb Gas Pool consisting of the E/2 E/2 of Section 14, Township 21 South, Range 37 East, Lea County, New Mexico, said unit to be dedicated to the applicant's Lockhart B-14 "A" Well No. 2, located 660 feet from the South and East lines of said Section 14.
- CASE 1426: Application of Neville G. Penrose for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks an order establishing a 120-acre non-standard gas proration unit in the Blinebry Gas Pool consisting of the S/2 SE/4 and SE/4 SW/4 of Section 17, Township 21 South, Range 37 East, Lea County, New Mexico, said unit to be dedicated to the applicant's Percy Hardy No. 1 Well, located 660 feet from the South line and 1980 feet from the West line of said Section 17.
- CASE 1427: Application of Pan American Petroleum Corporation for approval of a non-standard gas proration unit. Applicant, in the above-styled cause, seeks an order establishing a 480-acre non-standard gas proration unit in the Eumont Gas Pool consisting of the N/2 and SE/4 of Section 24, Township 20 South, Range 36 East, Lea County, New Mexico, said unit to be dedicated to the applicant's O. J. Gillully "A" No. 4 Well, located 660 feet from the North line and 1980 feet from the East line of said Section 24.
- CASE 1428: Application of E. G. Rodman for the approval of a communitization agreement and for a forced pooling order. Applicant, in the above-styled cause, seeks an order approving a communitization agreement embracing the NW/4 and the W/2 NE/4 of Section 20, Township 21 South, Range 37 East, Lea County, New Mexico, as to dry gas and associated liquid hydrocarbons produced from said tract from the Eumont Gas Pool; and further, for an order force pooling the interests of all persons in the above-described tract who have not voluntarily subscribed to above-referenced communitization agreement.
- CASE 1429: Application of Standard Oil Company of Texas for a dual completion and for permission to commingle the production from two common sources of supply. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its V. L. Leavitt No. 2 Well, located 1650 feet from the North line and 2310 feet from the West line of Section 13, Township 18 South, Range 26 East, Eddy County, New Mexico, in such a manner as to permit the production of oil from the Atoka-Grayburg Pool and oil from the Atoka (San Andres Pool through parallel strings of tubing; and further, for permission to commingle the production from the said V. L. Leavitt No. 2 Well from both of the above-described pools in common tankage

CASE 1429
Continued

after separately measuring the oil from each of said pools by means of volume type meters.

CASE 1430:

Application of El Paso Natural Gas Company for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks an order establishing a 331-acre non-standard gas proration unit in the Blanco Mesaverde Gas Pool consisting of the W/2 of Partial Section 6 and the NW/4 of Partial Section 7, Township 30 North, Range 8 West, San Juan County, New Mexico, said unit to be dedicated to the applicant's Howell No. 2-G Well located 990 feet from the South and West lines of said Section 6.

CASE 1431:

Application of Skelly Oil Company for a dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its P. L. Davis Well No. 1, located 990 feet from the North and East lines of Section 26, Township 26 North, Range 11 West, San Juan County, New Mexico, in such a manner as to permit the production of gas from an undesignated Gallup gas pool and gas from an undesignated Dakota gas pool underlying the above-described area.

CASE 1432:

Application of King Oil Company for approval of three unorthodox gas well locations. Applicant, in the above-styled cause, seeks an order authorizing the unorthodox gas well locations for the following described wells:

Navajo A-1 Well, located 2310 feet from the South line and 2310 feet from the West line of Section 4, Township 30 North, Range 17 West;

Navajo A-2 Well, located 1650 feet from the North line and 330 feet from the East line of Section 4, Township 30 North, Range 17 West;

Navajo B-2 Well, located 660 feet from the South line and 660 feet from the East line of Section 34, Township 31 North, Range 17 West,

all in San Juan County, New Mexico.

ir/

- CASE 1433: Application of Graridge Corporation to expand a pilot water flood project in the Caprock Queen Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order permitting the expansion of the pilot water flood project authorized by Order No. R-972 in the North Caprock Queen Unit in the Caprock-Queen Pool, Lea County, New Mexico, to include eight additional water injection wells in Sections 30, 31, and 32 of Township 12 South, Range 32 East, Lea County, New Mexico.
- CASE 1434: Application of Tidewater Oil Company for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Coates "C" Well No. 11, located 1980 feet from the North line and 1650 feet from the West line of Section 24, Township 25 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Drinkard formation adjacent to the Justis-Drinkard Pool and oil from the Justis-Fusselman Pool through parallel strings of tubing.
- CASE 1435: Application of Continental Oil Company for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks an order establishing a 320-acre non-standard gas proration unit in the Eumont Gas Pool consisting of the SE/4 of Section 5 and the NE/4 of Section 8, all in Township 21 South, Range 37 East, Lea County, New Mexico, said unit to be dedicated to the applicant's Hawk A-8 No. 2 Well located 660 feet from the North line and 1980 feet from the East line of said Section 8.
- CASE 1436: Application of Amerada Petroleum Corporation for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks an order establishing a 320-acre non-standard gas proration unit in the Bagley-Upper Pennsylvanian Gas Pool consisting of the SE/4 of Section 3 and the NE/4 of Section 10, all in Township 12 South, Range 33 East, Lea County, New Mexico, said unit to be dedicated to the applicant's Amerada Mathers No. 2 Well located in the SE/4 SE/4 of said Section 3.
- CASE 1437: Application of Continental Oil Company for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks an order establishing a 320-acre non-standard gas proration unit in the Jalmat Gas Pool consisting of the N/2 of Section 7, Township 23 South Range 37 East, Lea County, New Mexico, said unit to be dedicated to the applicant's Stevens B-7 Unit Well No. 1 located 990 feet from the North and West lines of said Section 7.
- CASE 1438: Application of Monsanto Chemical Company for an unorthodox gas well location. Applicant, in the above styled cause, seeks an order authorizing an unorthodox gas well location for its Viersen Well No. 1 at a point 660 feet from the North and East lines of Section 19, Township 30 North, Range 13 West, San Juan County, New Mexico.

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Date 5/9/58

CASE NO. 1431

HEARING DATE 9:00 A. M. May 6 - DSN at SF

My recommendations for an order in the above numbered case(s) are as follows:

I recommend the approval of the dual completion requested by Skelly Oil Company of the subject case. This is a gas-gas dual with gas containing very little or no liquids from the Gallup formation being produced through the casing-tubing annulus and gas containing only a very small amount of liquids from the Dakota formation being produced through the tubing.


Staff Member
Examiner

Case 1431

TENNESSEE GAS TRANSMISSION COMPANY

P. O. BOX 1772
CASPER, WYOMING

PLEASE ADDRESS YOUR
REPLY TO ATTENTION OF

February 14, 1958

Patterson Lay

Re: Application of Skelly Oil Company
for administrative approval to
dual complete its P. L. Davis Well
No. 1, San Juan County, New Mexico

New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Gentlemen:

We are in receipt of a copy of a letter by Skelly Oil Company requesting administrative approval for dual completion on their P. L. Davis No. 1.

This is to advise that Tennessee Gas Transmission Company, the Operator of a lease in the area of the P. L. Davis No. 1 has no objection to Skelly Oil Company's application.

Yours very truly,

TENNESSEE GAS TRANSMISSION COMPANY

PL
Patterson Lay
District Superintendent

PL:al

cc: Skelly Oil Company
Tulsa 2, Oklahoma
Attention: Production Department

BEFORE EXAMINER NUTTER
 CONSERVATION COMMISSION
Skelly EXHIBIT NO. 1
 CASE NO. 143

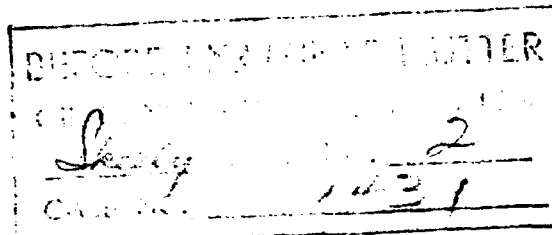
SAN JUAN COUNTY NEW MEXICO

R-11-W

MILACO CO & LUCERNE CORP. 15	SKELLY 14	TENN GAS TENN 13	WESTERN DEVELOPMENT 13	SKELLY
TENNESSEE GAS TRANS. 22	TENN GAS TRANS. 23	WESTERN DEVELOPMENT 23	WESTERN DEVELOPMENT 24	WESTERN DEVELOPMENT 24
GARTNER 27	DELHI ERNEST	26	25	
DELHI 34	GARTNER 34	P. L. DAVIS 35	EL PASO 36	
STANO. 34	STANO. 34	ERNEST 35	SUNRAY SINCLAIR 35	

T
26
N

P. L. Davis Well No. 1
San Juan County, New Mexico
Operated by Skelly



1957
Sept.
12

Location staked 9/10/57, 990' from the north and east lines of Section 26-26N-11W.

- 21 Spudded 8:15 PM 9/20/57.
- 22, 23 10-3/4" casing set at 268' & cemented w/275 sx cement 2% caCl.
- 29,30 Attempted DST #1 3956-3990' - packer failed. DST #2 3961-3990'. Tool open 1 hr. w/faint blow of air immediately & died in 30 mins. Rec. 15' of drilling mud & fresh water. IFP 80#, FFP 80#, 30 min. SI BHP 370#, Hyd. pressure in 2030#, out 1980#.
- Oct.
5 DST #3 4900-5019'. 3/4" BHC & 1" Top opening. Tool open 1 hr w/ faint blow of air immediately & died in 5 mins. Pulled drill pipe & rec. 10' of gas cut mud.
- 6,7 Core #1 5290-5340'. Rec. 50'. 11 1/2' sand w/shale laminations, 90% sand. Slight bleeding of gas. 8 1/2' slight bleeding of gas, scattered vertical fractures 5332-40'.
- 8 Core #2, 5340-5346'. Rec. 6' sand w/shale laminations, vertical fractured, bleeding gas.
- 9 Core #3, 5346-5376'. Rec. 30'.
- 10 Core #4, 5391-5414', rec. 23'. fair show. TD 5414'.
- 11 Core #5, 5414-5439'. Rec. 25'. 25' bleeding oil & gas.
- 12 DST #4 5270-5439'. 3/4" BHC & 1" top opening. Tool open 2 hrs. w/ good blow air immediately which continued thruout test. Rec. 5215' of drilling mud.
- 16 Core #6 6126-77'. Rec. 51'. 3 1/2' strong oil odor, bleeding oil.
- 18 Core #7 6177-6229'. Rec. 52'. 4' slight gas odor, 10 1/2' sand, slight gas odor. DST #5, 6128-6229'. Tool open 2 hrs. w/good blow of air immediately, gas to surface in 20mins. & continued as steady blow thruout test. Gas estimated 25 MCF per day. Rec. 206' gas cut mud. IFP 80#, FFP 120#, 30 mins. SI BHP 1240#, Hyd press. in 3025#, out 3015#.
- 19 Core #8 6244-6277'. Rec. 25'. 1' sand slightly bleeding gas. 21' good porosity, slightly bleeding gas, water odor.
- 20,21 Core #9 6277-6310'. Rec. 14 1/2'. No show.

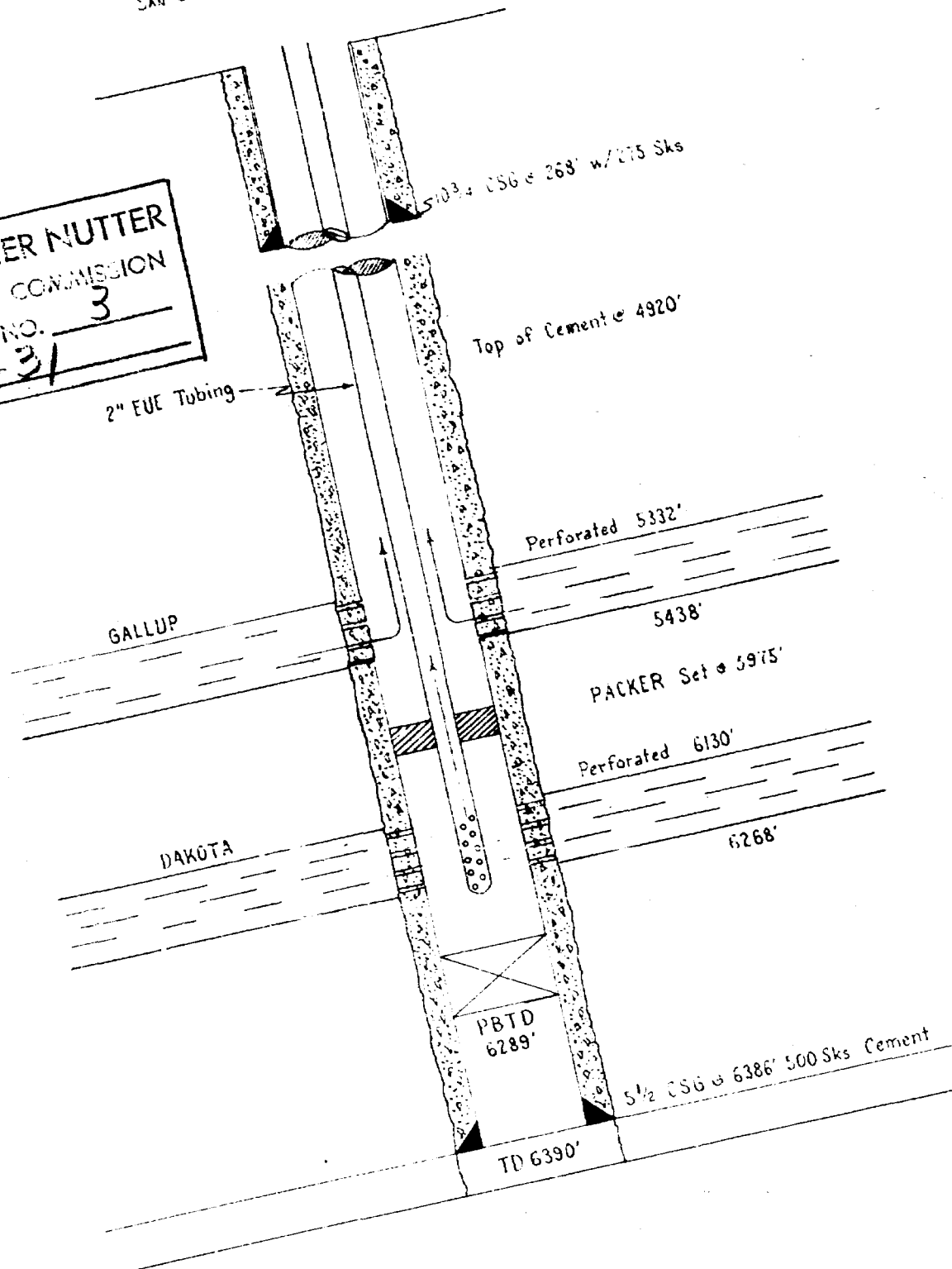
- 22 DST #6 6244-6312', 5/8" BHC & 3/4" top opening. Tool open 3 hrs. w/good blow air immediately which decreased to weak blow at end of test. Rec. 240' of drilling mud.
- 24 TD 6390' - Ran Induction Electric Log, Multi-Spacted GRN log & Micro log. SLM 6368'-6870'.
- 25 TD 6390' - Ran & set 5 1/2" casing @ 6386' & cemented w/250 sx reg. cement & 250 sx pozmix cement. Plug down 6:45 PM 10/24/57. Ran Temp Survey & found top of cement behind 5 1/2" casing at approximately 4920'.
- 1957
 Nov.
 6 Rigged up cable tools, ran Lane Wells GRN log. Perforated 5 1/2" casing w/4 shots per ft. 6312-6317'. Total of 5', 20 shots. Preparing to run tubing & test Dakota section.
- 7 Started swabbing hole down & sand line parted leaving approx. 5000' of sand line & swab in holes.
- 10,11 Attempted to frac 5 1/2" casing perfs 6312-17', down 2" tubing - Started pumping sand at 4700# and after pumping 1680# sand pressure increased to 5400#, shut off sand & attempted to flush - Backwashed sand out of tubing, and found top of sand in 5 1/2" casing at 6306'.
- 13 PBTD 6332' - Rigged up reverse circulating unit.
- 14 Reversed out frac sand from 6304'-6332'. Pulled tubing & reran w/HM packer set @ 6288'. Swabbed approx. 50 bbls formation water, cut w/frac oil in 6 hrs.
- 15 Ran bridge plug set at 6290' & squeezed w/25 sx at 4000#. Pul 19 sx in formation, left 3 sx below bridge plug & reversed out 3 sx. Preparing to perforate 5 1/2" casing.
- 16 PBTD 6290' - Perforated 6176-88' & 6248-68' w/4 Lane-Wells type E bullets per ft. Total of 32', 128 holes. Ran 2 1/2" tubing set at 6151' w/packer set at 6160'. Well made very small amount of gas, too small to measure. Preparing to frac.
- 17 Fraced Dakota formation thru 5 1/2" casing perf 6176-88' & 6248-68' w/20,000# 40-60 sand & 31,920 gals. crude oil using 75 rubber frac balls. Left shut in 4 hrs, & pressure dropped to 690# - Opened well up and flowed 325 bbls load oil in 18 hrs - Killed well w/water & pulled 2 1/2" tubing - Ran N2B bridge plug on Lane Wells wire line & set at 6161'. Dumped 1 sx of cement on top of plug & plugged back to 6153' - Perforated 5 1/2" casing 6130-38' w/4 Lane-Wells type "E" bullets per ft. Total 8', 32 bullets.

P. L. Davis Well No. 1
San Juan County, New Mexico
Operated by Skelly
Page #3

- 19 Fraced 5½" casing perfs 6130-38', w/6000# 40-60 sand & 7100 gals. lease oil - Total time of treatment 27 mins. Left well shut in 3 hrs & pressure dropped to zero. Ran swab one time & well kicked off & flowed 131 bbls. load oil in 12 hrs thru 2½" open tubing.
- 21 PBTD 6062'. Ran & set Baker model N bridge plug at 6070' & dumped 1 sx of cement on top of bridge plug, plugging back to 6062'. Perforated 5349-50' & 5413-14' w/ 4 Lane-Wells swing-jet shots per ft., total of 2', 8 holes, to test cement job.
- 22 PBTD 6062' - Swabbed & tested cement job. Cement job tested OK. Perforated 5½" casing 5332-49', 5350-68', 5394-5413' & 5414-38' w/ 4 Lane-Wells swing jet shots per ft., total of 78', 312 shots, Acidized 5½" casing perfs. 5332-68' & 5394-5438' w/500 gals. 15% Dowell mud acid w/ M-38 added. Max press. 1500#, min. pressure 500#, shut down press. 600#. Preparing to swab.
- 24,25 Fraced Gallup formation 5332-68' & 5394-5438', w/ 70,000# sand & 70,000 gals crude oil, used 150 rubber frac balls. After pumping 26,124 gals. oil and sand blender broke down, flushed w/150 bbls. oil - Replaced blender & completed frac job pumping 43,876 gals. oil & sand. Time of first stage 20 mins, time of second stage 26 mins., total time of treatment 46 mins.
- Dec.
14 PBTD 6062' - Rigged up combination rig, killed well, now pulling tubing.
- 17 Ran Baker Model "D" production packer on wire line & set at 5975'. Ran 2½" tubing w/ packer production tube & seat assembly & set at 5975'. Well kicked off, now flowing to pits to clean up. Making small amount of gas, 1" stream of water w/very small show of load oil.
- 22 Flowed water to pits to clean up for 24 hrs., gas estimated 3000 MCF per day.
- 23 Shut in, preparing to run side door choke & separate Dakota & Gallup sections. PBTD 6289'.
- 27 Shut in TP 1260# (Dakota section), CP 1200# (Gallup Section). Gas measured from Dakota section thru 2½" tubing w/2" opening 1900MCF per day. Gas measured from Gallup section thru 2" opening 1400 MCF per day. Officially dually-completed 12/27/57. Dakota & Gallup formations. PBTD 6289'. LAST REPORT.

SHEELY OIL COMPANY
P.O. BOX No. 1
SW-NE-NE SECTION 26-26N-11W
SAN JUAN COUNTY, NEW MEXICO

BEFORE EXAMINER NUTTER
NEW MEXICO CONSERVATION COMMISSION
EXHIBIT NO. 3
CASE No. 1431



CLASS OF SERVICE
 This is a fast message unless its deferred character is indicated by the proper symbol.

WESTERN UNION

TELEGRAM

Case 1431

SYMBOLS	
DL	Day Letter
NL	Night Letter
LT	International Letter Telegram

The filing time shown in the date line on domestic telegrams is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination.

W. P. MARSHALL, President

LAJDS K0011

1958 MAR 17 PM 2 31

K THAS 16 PD=FAX TULSA OKLA 17 300PM=
 W J COOLEY, NEW MEXICO OIL CONSERVATION COMMISSION=
 HARRY HALL STATE CAPITOL BLDG SANTA FE NMEX=

IN LINE WITH OUR TELEPHONE CONVERSATION OF DATE, KINDLY
 CONSIDER OUR FILING OF FEBRUARY 3 FOR ADMINISTRATIVE
 APPROVAL AS APPLICATION FOR PERMISSION TO DUAL COMPLETE
 P L DAVIS WELL NO. 1 AS GAS-GAS IN DAKOTA AND GALLUP
 ZONES. REQUEST HEARING BE SET AFTER APRIL 17 STATEWIDE
 HEARING FOR EXAMINER HEARING IN SANTA FE=
 GEORGE W SELINGER SMELLY OIL CO=

3 1 17=

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE