

Case No.

1752

Application, Transcript,
Small Exhibits, Etc.

MAIN OFFICE OGC
1952 AUG 10 AM 10 18

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
SKELLY OIL COMPANY FOR AN EXCEPTION
TO RULE 112-A TO PERMIT AN OIL-OIL DUAL
COMPLETION OF ITS HOBBS "A" WELL NO. 6
IN THE JUSTIS BLINEBRY POOL AND AN UN-
DESIGNATED TUBB POOL. APPLICANT ALSO
DESIRES AN EXCEPTION TO RULE 303 TO PERMIT
THE COMMINGLING OF SOUR CRUDES ENCOUNTERED
ON ITS HOBBS "A" LEASE.

Case No. 1752

A P P L I C A T I O N

TO: THE HONORABLE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

Comes now the Applicant, Skelly Oil Company, and respectfully alleges
and states as follows:

1. That it is the owner and operator of its Hobbs "A" Lease, which
consists of the NW $\frac{1}{4}$ of Section 30, Township 25 South, Range 38 East, Lea
County, New Mexico.

2. That there is no diversity of royalty ownership underlying the
above described lease.

3. Applicant is presently in the process of completing its Hobbs "A"
Well No. 6 in an undesignated Tubb Oil Pool at a location 1550 feet from the
North and 330 feet from the West lines of the above mentioned Section 30.

4. That the Blinebry by virtue of Drill Stem Test should be oil pro-
ductive at this location.

5. Applicant proposes to dual complete said Hobbs "A" Well No. 6 in
the Justis Blinebry Pool and an undesignated Tubb Pool.

6. That a copy of Commission Form Application For Dual Completion is
attached complete with a diagrammatic sketch of the dual completion, a plat
showing well locations and offset ownership and logs of said well.

7. That all offset operators have been notified by copy of Form Appli-
cation For Dual Completion by Certified Mail.

8. That the crudes from the Blinebry and Tubb Formations con

GILBERT, WHITE AND GILBERT
ATTORNEYS AT LAW
SANTA FE, NEW MEXICO

1 either intermediate grade or sour grade crudes.

2 9. That in the event said crudes are of intermediate grade, Applicant
3 proposes to commingle these crudes with the existing intermediate crudes of
4 the Justis McKee and Justis Ellenburger Pools into common tankage and by so
5 doing the production from each pool will be separately metered with dump
6 type meters prior to such commingling.

7 10. That in the event said crudes are of sour grade, Applicant proposes
8 to commingle these crudes with the sour crude produced from Wells No. 1, 2,
9 3 and 4, which are producing from the Queen Formation of the Langlie-Mattix
10 Pool into common tankage and by so doing the production from each pool will
11 be separately metered with dump type meters prior to such commingling.

12 11. That attached hereto is a diagrammatic sketch which shows the pro-
13 posed method of measurement and storage of the production produced.

14 WHEREFORE, Applicant prays that this Application be set for hearing,
15 that notice be given as required by law, and that upon the evidence adduced
16 the Commission issue Orders permitting Applicant to dual complete its Hobbs
17 "A" No. 6 and commingle production from the Langlie-Mattix, Justis Blinebry,
18 and an undesignated Tubb Pool underlying its Hobbs "A" Lease, Lea County,
19 New Mexico, as more fully set out in this Application.

20 Respectfully submitted,

21 SKELLY OIL COMPANY

22 BY GILBERT, WHITE AND GILBERT

23
24 By L. C. White

L. C. White

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

IN THE MATTER OF:

Case No. 1752

TRANSCRIPT OF PROCEEDINGS

DEARNLEY - MEIER & ASSOCIATES
GENERAL LAW REPORTERS
ALBUQUERQUE NEW MEXICO
Phone CHapel 3-6691

September 2, 1959

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
September 2, 1959

IN THE MATTER OF:

Application of Skelly Oil Company for an oil-oil dual completion and for permission to commingle the production from several separate pools. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Hobbs "A" Well No. 6, located 1650 feet from the North line and 330 feet from the West line of Section 30, Township 25 South, Range 38 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Justis-Blinbry Pool and the production of oil from an undesignated Tubb oil pool. Applicant further seeks permission to commingle the production of similar grade crudes from the pools underlying its Hobbs "A" lease comprising the NW/4 of said Section 30.

CASE NO.
1752

BEFORE:

Elvis A. Utz, Examiner.

TRANSCRIPT OF PROCEEDINGS

MR. UTZ: The next case will be Case 1752.

MR. PAYNE: Case 1752. Application of Skelly Oil Company for an oil-oil dual completion and for permission to commingle the production from several separate pools. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Hobbs "A" Well No. 6, located 1650 feet from the North line and 330 feet from the West line of Section 30, Township 25 South, Range 38 East, Lea County, New Mexico, in such

3

a manner as to permit the production of oil from the Justis-
Blinebry Pool and the production of oil from an undesignated Tubb
oil pool. Applicant further seeks permission to commingle the
production of similar grade crudes from the pools underlying its
Hobbs "A" lease comprising the NW/4 of said Section 30.

MR. WHITE: If the Examiner please, Charles White of
Gilbert, White and Gilbert appearing on behalf of the applicant,
Skelly Oil Company. I have associated with me Mr. George W.
Selinger of the Oklahoma Bar. We have one witness, Mr. Joe
Ramey, to be sworn.

(Witness Sworn.)

JOE D. RAMEY

called as a witness, having been first duly sworn, testified as
follows:

DIRECT EXAMINATION

BY MR. WHITE:

Q Mr. Ramey, will you state your full name for the record
please?

A Joe D. Ramey.

Q By whom are you employed and in what capacity?

A Skelly Oil Company, I'm District Petroleum Engineer for
the New Mexico District located in Hobbs, New Mexico.

Q Have you previously testified before this Commission or
one of its Examiners?

A Yes, I have.

Q Are his qualifications acceptable?

MR. UTZ: Yes, they are.

Q Mr. Ramey, are you familiar with the application in Case 1752?

A Yes.

Q Will you briefly state what is proposed to be obtained by the application?

A This is an application for an oil-oil dual completion on our Hobbs "A" Well number 6 to enable us to produce oil from the Justis-Blinbry Pool and also oil from an undesignated Tubb oil pool, and we further seek permission to commingle production of the Tubb into our present intermediate crude battery.

Q Were the Exhibits that are to be introduced in this case prepared by you or under your supervision?

A Yes, they were.

Q Will you refer to Exhibit 1 and explain what this is intended to show?

A Exhibit 1 is a plat showing the location of our Hobbs "A" lease which is outlined in red, and this lease comprises the northwest quarter of Section 30, Township 25 South, Range 38 East. This lease shows well locations and offset operators. I might point out further that wells one, two, three and four are producing from the Langlie-Mattix Pool, and well number five is a Justis Ellenburger, Justis McKee oil-oil dual, and well number six is presently completed in the Tubb formation.

Q At what depth?

A The plug back total depth is fifty-nine twenty, and we are producing from perforation within the interval fifty-eight thirty-seven to fifty-eight seventy-nine.

MR. UTZ: Number five is a dual completion in the Justis McKee and what else?

A Justis Ellenburger.

Q What was the Tubb potential after you fractured?

A Potential was three hundred nineteen barrels of oil per day.

MR. UTZ: That's three hundred nineteen or two --

A Three hundred nineteen. That was after eighteen thousand gallons sand frack.

Q Now, will you refer to Exhibit 2 and explain that please?

A Exhibit 2 is a Schlumber Gamma Ray Neutron Log of the Hobbs "A" well number six and in the detail section we have marked the top of the Blinebry, which is at five thousand eighty-five, and the proposed Blinebry perforations which are from --

MR. UTZ: Five thousand eighty-five?

A Yes, if you will look down in the detail section, Mr. Utz, now Blinebry perforation will be within the interval fifty-three seventy-three to fifty-five forty-seven, and the Tubb top is at fifty-seven ninety-four, and the Tubb perforations are from fifty-eight thirty-seven to fifty-eight seventy-nine. I would like to point out that there is two hundred ninety feet separation between the top of the Tubb perforations and the bottom of the

proposed Blinebry perforations.

Q Now, Mr. Ramey, will you refer to Exhibit 3 and explain that?

A Exhibit 3 is a diagrammatic sketch of the proposed dual completion, our thirteen and three-eighths casing is set at three hundred and forty feet cemented to the surface; nine and five-eighths is at thirty-one fifty.

MR. UTZ: You don't have that on this Exhibit, do you?

A No, I do not.

MR. UTZ: Would you give me those depths again, please?

A Yes, thirteen and three-eighths, three forty; nine and five-eighths, thirty-one fifty; seven inch at seven thousand eighty, and then the green string of tubing will be set at around fifty-eight fifty, and the red string at fifty-four hundred approximately. The Baker Model "D" production retainer packer will set at around fifty-eight hundred. We have a Garrett Type "B" circulating valve above and below this packer on the Tubb string; the Blinebry string will be produced through tubing perforations.

Q Have you given the Blinebry perforations?

A Pardon?

Q Have you given the Blinebry perforation?

A Yes, the Blinebry perforation will be from the interval fifty-three seventy-three to fifty-five forty-seven.

Q What will the cost savings be out of this proposed

completion?

A The dual completion to this depth would cost around one hundred ten thousand, that is just to the, would penetrate the Tubb only. A single well would cost in the neighborhood of eighty thousand dollars.

Q Then this proposed dual completion represents a savings of approximately fifty thousand dollars?

A Right.

Q Now, will you refer to Exhibit number 4.

A Going back to Exhibit number 3, I would like to state that all the down hole equipment in this well conforms to the Commission's recommendations for oil-oil dual completions, and we have a Baker Model "D" which will adequately segregate the two zones and production will be from two strings of tubing, two and three-eighths inch tubing. Exhibit number 4 is a diagram showing the flow of the well fluids into the commingling and storage facilities at our intermediate crude battery. Since filing the application, the Tubb oil was analyzed and was found to be of the sweet classification, and will be therefore, we are requesting that it be commingled with our present battery. Flow into this system is from the well into the production separators, or the well fluids and the gas are separated and then the well fluiding will go to a heater treater if the zone produces water, and from the heater treater, why clean oil passes through the Dump meter where it is accurately gauged and then into the

storage which in this case is two one thousand barrel storage tanks.

Q In other words, it will be commingled with your present production from the McKee and Ellenburger? Now, will you explain what application, if any, Order R 1402, Order R 1402 would have in this case?

A Order R 1402 would have, in Case 1556 we obtained permission to commingle the Justis, Blinbry, Fusselman, Montoya, McKee and Ellenburger.

Q What economic savings would you accomplish by the commingling of these two zones?

A This would be an economic savings of around forty-five hundred dollars.

Q And will there be any savings in evaporation losses?

A Yes, storage time will be less and hence the oil will be subject to less evaporation.

Q And what type meters do you intend to install?

A Install Dumpy meters.

Q And what tests will you take?

A Periodic tests, I think the Commission requests tests of one month to check the accuracy.

Q Would it be possible for you to accurately measure the production from each zone prior to commingling?

A Yes, it will.

Q Has the company undertaken past similar installation?

A This is the only installation we have in operation at the present which is the McKee and Ellenburger.

Q In your opinion, will this installation be mechanically feasible?

A Yes, it will be.

Q Has the Commission previously approved the commingling of these zones?

A Yes, they have.

Q And all we are asking for is the addition of the Tubb?

A I believe this will be the first well in the Tubb in this area and it has not, there has been no prior approval for commingling of that, but the remainder of the zones are being commingled by Gulf, Atlantic and Tidewater in the Justis Pool.

Q We now offer Exhibit 1 through 4 in evidence.

MR. UTZ: Without objections, Exhibit 1 through 4 will be entered into the record.

MR. WHITE: That's all we have on direct examination.

MR. UTZ: All right, sir.

CROSS EXAMINATION

BY MR. UTZ:

Q Mr. Ramey, is the Blinbry a sweet crude or intermediate?

A It is, these crudes are classified as intermediate, I believe, by the pipeline in this area.

Q The Ellenburger is also intermediate, is it not?

A Yes.

Q And you want to commingle the sweet crude Tubb with the intermediate crudes?

A Yes, I believe that it, I'm not sure of this, but I think that the rest of them are classified as, or I think that this intermediate, that there is no sweet crude line in the area, there is an intermediate crude line and a sour crude line.

Q The Langlie Mattix Queen on this lease is sour?

A Yes, it is.

Q And you are not proposing to commingle it?

A It is going into a separate battery.

Q That is the only sour crude in this lease?

A Yes. We do not anticipate any sour crude production. Probably the only sour production would have been Drinkard, and the Drinkard on our lease appears to be below the water oil contact.

Q Are these corrosion resistant meters that you propose to install here?

A Yes, they will be, I think those are plastic coated.

Q Is there any danger of any materials adhering to the inside of the plastic coated meter?

A There is always a certain amount of danger, but it is considerably less with plastic coating. Plastic coating is good for paraffin control.

Q It will stick?

A There is always that possibility, yes.

Q Is paraffin the only difficulty you have with anything adhering to it?

A I believe so. I might state that we will, by the use of chemicals, why I think we can control this paraffin.

Q This is two and three-eighths "E.U.E." that you are proposing?

A Yes, "J 55" tubing with turned down "M" eighty couplings.

Q You are using a permanent type packer?

A Yes.

Q Do you prefer a permanent type packer for dual completions?

A That is all we have used to date. There certainly would be advantages in a retrievable type packer.

Q Advantages, in what manner do you mean?

A Make work overs considerably easier on the lower zone.

Q You've had no difficulty with the Model "E" permanent type packers up to the present?

A No, we have not. The only disadvantage is that they have to be drilled out if you do need to work on the lower zone. I think some of the retrievable packers will give you the same segregation that you can get with a Model "D".

Q Are there any other questions of the witness?

MR. PAYNE: Yes.

MR. UTZ: Mr. Payne.

BY MR. PAYNE:

Q Mr. Ramey, you don't have any production from the

Fusselman on this lease yet, do you?

A No, we do not, we are drilling a well at the present, our Hobbs "A" number seven and it is projected to the Fusselman. It is between well number one and well number five in the northwest of the northwest in Section 30.

Q Do you anticipate the Fusselman will be intermediate crude?

A Yes.

Q So it be commingled under the authority of R 1402?

A Yes.

Q Will commingling of the Tubb have any effect on the gravity of the commingled oil here?

A I don't think so, I believe that the gravity, I do not have the gravity, but I don't think it was particularly higher than the rest of them, I think --

Q Now you have a heater treater installed on the McKee?

A Yes.

Q Because you have water problems there?

A We are making water.

Q On the Ellenburger tubing and Blinbry you don't have them installed as yet?

A No.

Q But you intend to install them if they start to make water, is that right?

A We have left ample room for the installation, yes. That's

right. We do not have any Blinebry in this battery. I might go further and say that in our Hobbs "A" number five we tested the Montoya, let's see, what were those perforations, seven thousand twenty-six to fifty, and that was water productive and squeezed off and the well was plugged back to fifty-nine twenty. And so it is very doubtful that we will have Montoya production on this lease.

MR. PAYNE: That's all, thank you.

BY MR. UTZ:

Q I believe you gave an I.P. of three hundred nineteen.

Which zone was that for?

A That's for the Tubb.

Q Tubb?

A Yes.

Q Do you have an I.P. for the Blinebry?

A No, I do not.

Q What is the nearest Tubb production?

A I believe the nearest Tubb production is some fifteen miles to the north now, I'm not absolutely sure now, but I believe it is up in the Tubb and Blinebry Tubb Gas Pool area which extends down into Township 23.

Q This would have to be a new pool then?

A Yes.

MR. UTZ: Any other questions of the witness? If not, the witness may be excused. Any statements to be made in this

case? If not, the case will be taken under advisement.

C E R T I F I C A T E

STATE OF NEW MEXICO)
)
 COUNTY OF BERNALILLO) ss

I, J. A. TRUJILLO, 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 by me and/or 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, the 12th day of September, 1959, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

Joseph A. Trujillo
 NOTARY PUBLIC

My Commission Expires:

October 5, 1960

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 1252, heard by me on Sept. 2, 1959.
Thomas A. Wolf, Examiner
 New Mexico Oil Conservation Commission

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. 1752
Order No. R-1402-A

APPLICATION OF SKELLY OIL COMPANY
FOR AN OIL-OIL DUAL COMPLETION IN
THE JUSTIS-BLINEBRY POOL AND IN AN
UNDESIGNATED TUBB OIL POOL, LEA
COUNTY, NEW MEXICO, AND FOR AN
ORDER AMENDING ORDER NO. R-1402
TO PERMIT THE COMINGLING OF AN
ADDITIONAL OIL POOL IN LEA COUNTY,
NEW MEXICO

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on September 2, 1959, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 14th day of September, 1959, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, 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 Hobbs "A" Well No. 6, located in the SW/4 NW/4 of Section 30, Township 25 South, Range 38 East, NMPM, Lea County, New Mexico.
- (3) That the applicant proposes to dually complete the above-described Hobbs "A" Well No. 6 in such a manner as to permit the production of oil from the Justis-Blinebry Pool and the production of oil from an undesignated Tubb pool, through parallel strings of 2-3/8 inch EUE tubing.
- (4) That the mechanics of the proposed dual completion are feasible and in accord with good conservation practices.

-2-

Case No. 1752
Order No. R-1402-A

(5) That the applicant was authorized by Order No. R-1402 to commingle the intermediate grade crude production from the Justis-Ellenburger Pool, the Justis-McKee Pool, the Justis-Fusselman Pool, the Justis-Montoya Pool, and the Justis-Blinebry Pool from all wells then completed or thereafter drilled on the Hobbs "A" Lease, comprising the NW/4 of Section 30, Township 25 South, Range 38 East, NMPM, Lea County, New Mexico.

(6) That the applicant seeks an amendment of said Order No. R-1402 to include the undesignated Tubb oil pool among those pools the production of which may be commingled pursuant to said order.

(7) That approval of the subject application will neither cause waste nor impair correlative rights, provided that the production from each of said pools is separately metered prior to commingling.

IT IS THEREFORE ORDERED:

(1) That the applicant be and the same is hereby authorized to dually complete the Hobbs "A" Well No. 6, located in the SW/4 NW/4 of Section 30, Township 25 South, Range 38 East, NMPM, Lea County, New Mexico, in such a manner as to permit the production of oil from the Justis-Blinebry and the production of oil from an undesignated Tubb pool, through parallel strings of 2-3/8 inch EUE tubing.

PROVIDED HOWEVER, That applicant shall complete, operate and produce said well in accordance with the provisions of Section V, Rule 112-A.

PROVIDED FURTHER, That applicant shall take packer-leakage tests upon completion and annually thereafter during the Gas-Oil Ratio Test Period for the Justis-Blinebry Pool.

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.

(2) That Order No. R-1402 be and the same is hereby amended to include the undesignated Tubb oil pool among these pools the production of which may be commingled pursuant to said order.

-3-

Case No. 1752
Order No. R-1402-A

PROVIDED HOWEVER, that all other provisos of said
Order No. R-1402 shall apply equally to said Tubb oil
pool.

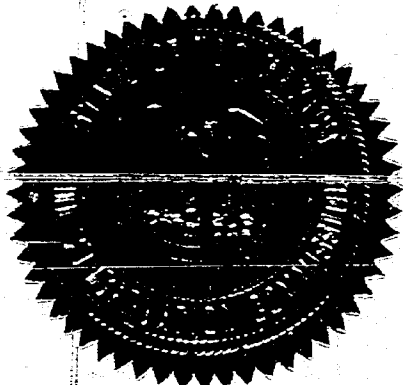
DONE at Santa Fe, New Mexico, on the day and year
hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

John T. Burroughs
JOHN BURROUGHS, Chairman

Murray E. Morgan
MURRAY E. MORGAN, Member

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



lcr/

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

September 15, 1959

C
O
P
Y

Mr. Charlie White
P. O. Box 787
Santa Fe, New Mexico

Dear Mr. White:

On behalf of your client, Skelly Oil Company, we enclose two copies of Order R-1402-A, R-1478 and R-1482, issued by the Oil Conservation Commission on September 14, 1959.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ir/

Enclosures

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. 1656
Order No. R-1402

APPLICATION OF SKELLY OIL
COMPANY FOR PERMISSION TO
COMMINGLE THE PRODUCTION FROM
SEVERAL SEPARATE OIL POOLS IN
LEA 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, 1959, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 25th day of May, 1959, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, 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 Hobbs "A" Lease comprising the NW/4 of Section 30, Township 25 South, Range 38 East, Justis Field, Lea County, New Mexico.
- (3) That the applicant proposes to commingle the intermediate grade crude production from the Justis-Ellenburger Pool, the Justis-McKee Pool, the Justis-Fusselman Pool, the Justis-Montoya Pool, and the Justis-Blinbry Pool from all wells presently completed or hereafter drilled on said Hobbs "A" Lease.
- (4) That the applicant does not propose to commingle any production which may prove to be sour crude with intermediate grade crude production.
- (5) That the applicant proposes to separately meter the production from each pool prior to commingling.
- (6) That approval of the subject application will neither cause waste nor impair correlative rights.

-2-

Case No. 1656

Order No. R-1402

IT IS THEREFORE ORDERED:

That the applicant, Skelly Oil Company, be and the same is hereby authorized to commingle the oil production from the Justis-Ellenburger Pool, the Justis-McKee Pool, the Justis-Fusselman Pool, the Justis-Montoya Pool, and the Justis-Blinbry Pool from all wells presently completed or hereafter drilled on the Hobbs "A" Lease, comprising the NW/4 of Section 30, Township 25 South, Range 38 East, Justis Field, Lea County, New Mexico.

PROVIDED HOWEVER, That if the oil production from any of the above-mentioned pools underlying the Justis Field on said Hobbs "A" Lease proves to be sour crude, it shall not be commingled with the intermediate grade crudes.

PROVIDED FURTHER, That the production from each of said pools shall be separately metered by means of positive displacement meters or dump-type meters prior to commingling.

PROVIDED FURTHER, That meters shall be operated and maintained in such a manner as to ensure an accurate measurement of production at all times.

PROVIDED FURTHER, That meters shall be checked for accuracy at least once each month until further direction by the Secretary-Director. Meters shall be calibrated against a master meter or against a test tank of measured volume and the results of such calibration filed with the Commission on the Commission form entitled "Meter Test Report."

PROVIDED FURTHER, That the applicant shall install adequate facilities to permit the testing of all wells located on said Hobbs "A" Lease at least once each month to determine the individual production from each zone of each well.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JOHN BURROUGHS, Chairman

MURRAY E. MORGAN, Member

S E A L

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

vem/

BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION

EXHIBIT NO. 1
CASE NO. 1752

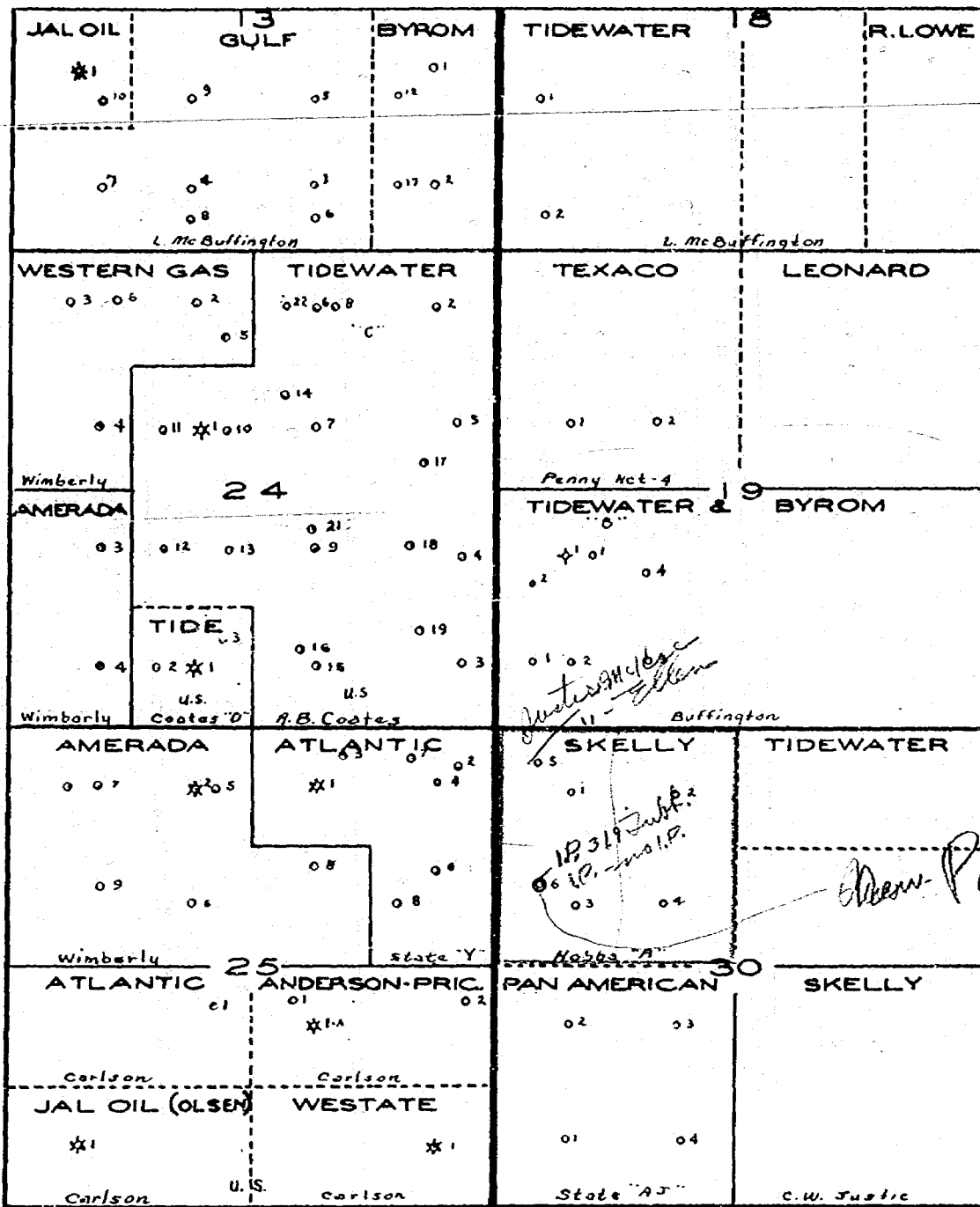
SKELLY OIL COMPANY
HOBBS "A" LEASE
NW/4 SEC. 30-T25S-R38E
LEA COUNTY, NEW MEXICO

R 37 E

R 38 E

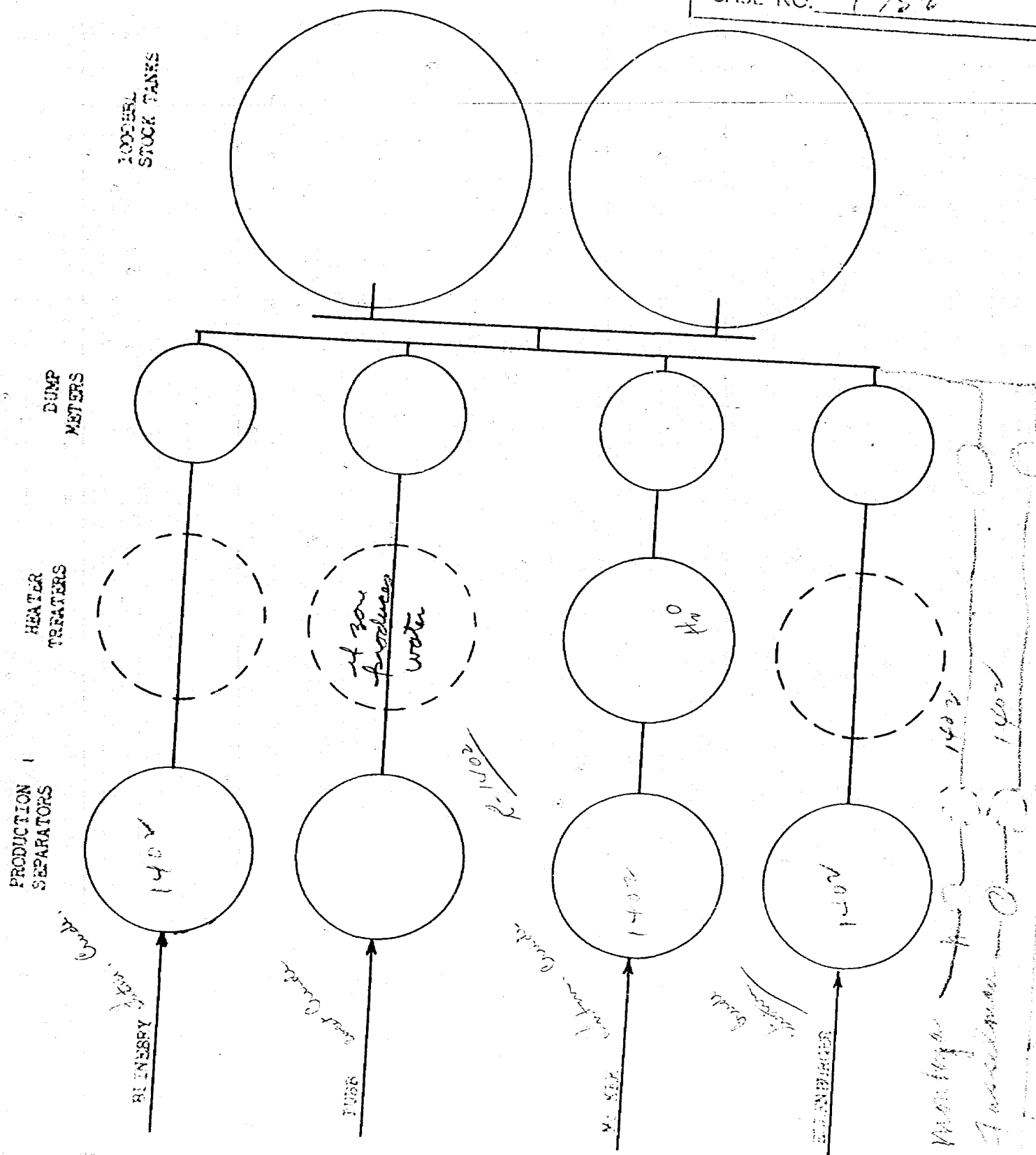
T
25
S

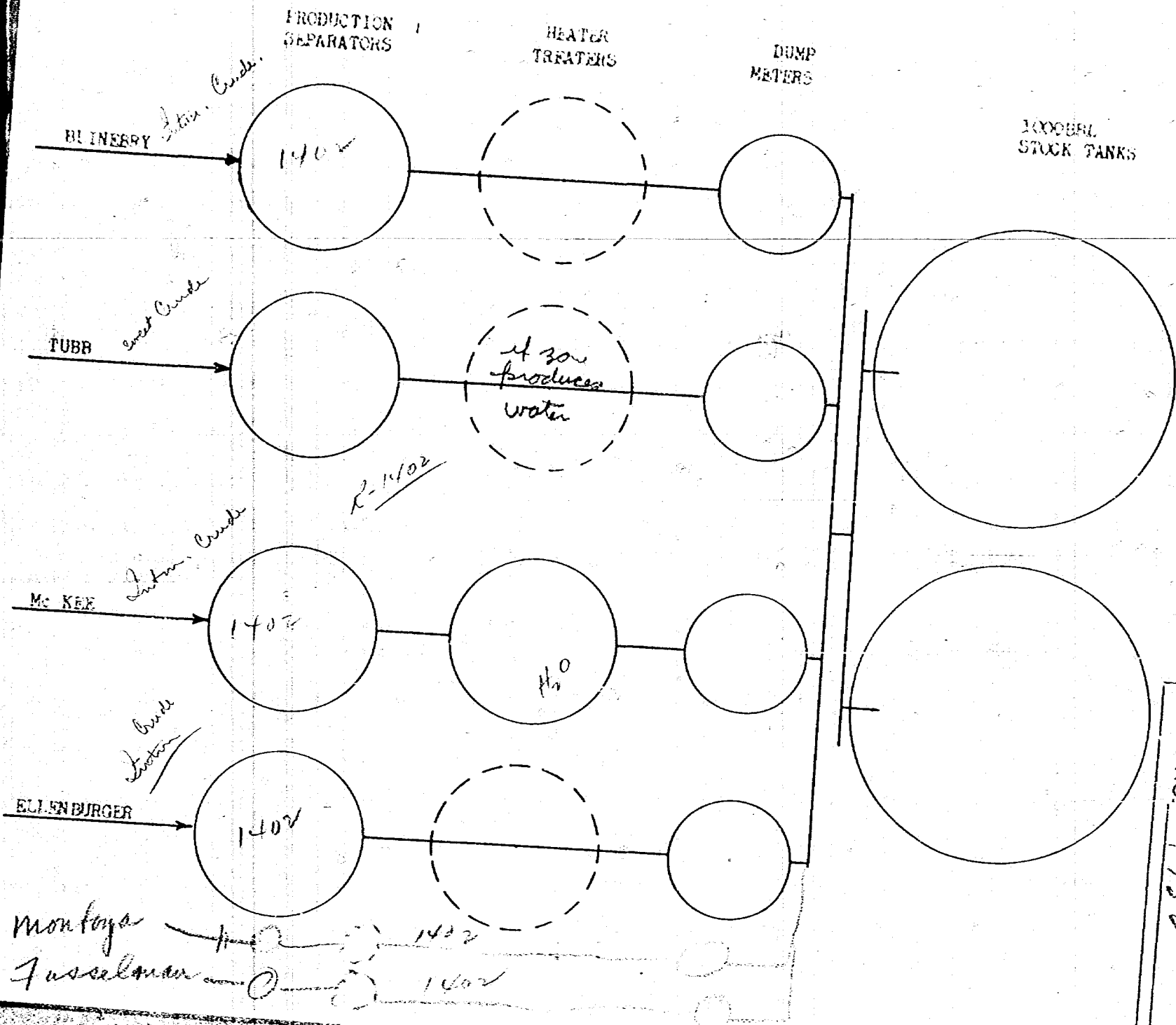
T
25
S



SKELLY OIL COMPANY
Hobbs "A" Lease
NW 1/4 Sec. 10-T28S-R38E
Lea County, New Mexico

BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
EXHIBIT NO. 4
CASE NO. 1752





SKELLY OIL COMPANY
Hobbs "A" Lease
NW 1/4 Sec. 30-13SS-R308
Lea County, New Mexico

BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
EXHIBIT NO. 4
CASE NO. 1752

No. 31-59

DOCKET: EXAMINER HEARING SEPTEMBER 2, 1959

Oil Conservation Commission, 9 a.m., Mabry Hall, State Capitol, Santa Fe, New Mexico

The following cases will be heard before Elvis A. Utz, Examiner, or
A. L. Porter, Jr., Secretary-Director.

- CASE 1750: Application of Aztec Oil & Gas Company for permission to commingle the production from two separate leases. Applicant, in the above-styled cause, seeks an order authorizing it to commingle the production from the Robinson Pool from two separate leases, a State lease and a Federal lease, in Township 16 South, Range 32 East, Lea County, New Mexico, after separately metering the production from each lease.
- CASE 1751: Application of Rice Engineering and Operating, Inc., for a salt water disposal well. Applicant, in the above-styled cause, seeks an order authorizing it to complete a salt water disposal well in the San Andres formation at a point 100 feet from the South line and 250 feet from the West line of Section 9, Township 20 South, Range 37 East, Lea County, New Mexico. Applicant proposes to inject the produced salt water into the San Andres formation in the interval from 4300 feet to 4900 feet.
- CASE 1752: Application of Skelly Oil Company for an oil-oil dual completion and for permission to commingle the production from several separate pools. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Hobbs "A" Well No. 6, located 1650 feet from the North line and 330 feet from the West line of Section 30, Township 25 South, Range 38 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Justis-Blinebry Pool and the production of oil from an undesignated Tubb oil pool. Applicant further seeks permission to commingle the production of similar grade crudes from the pools underlying its Hobbs "A" lease comprising the NW/4 of said Section 30.
- CASE 1753: Application of Joseph I. O'Neill, Jr., for an oil-oil dual completion and for permission to commingle the production from two separate pools. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Federal "E" Well No. 3, located 1980 feet from the North line and 660 feet from the East line of Section 1, Township 19 South, Range 30 East, Eddy County, New Mexico, and for permission to commingle the production from the two zones of the said dually completed well.
- CASE 1754: Application of Skelly Oil Company for permission to commingle the production from two separate oil pools. Applicant, in the above-styled cause, seeks an order authorizing it to commingle the production from the Langlie-Mattix Pool and from an undesignated Blinebry oil pool from all wells on its R. R. Sims lease comprising the W/2 SW/4 and NE/4 SW/4 of Section 3, Township 23 South, Range 37 East, Lea County, New Mexico.

NEW MEXICO OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

7-3-58

APPLICATION FOR DUAL COMPLETION

Case 1752

Field Name Justis		County Lea		Date August 7, 1959
Operator Skelly Oil Company		Lease Hobbs "A"		Well No. 6
Location of Well E	Unit E	Section 30	Township 25S	Range 38E

1. Has the New Mexico Oil Conservation Commission heretofore authorized the dual completion of a well in these same pools or in the same zones within one mile of the subject well? YES ☐ NO ☒
2. If answer is yes, identify one such instance: Order No. _____; Operator, Lease, and Well No.:

3. The following facts are submitted:	Upper Zone	Lower Zone
a. Name of reservoir	Justis Blinberry	Undesignated Tubb
b. Top and Bottom of Pay Section (Perforations)	5373' - 5547'	5837' - 5879'
c. Type of production (Oil or Gas)	Oil	Oil
d. Method of Production (Flowing or Artificial Lift)	Flowing	Flowing

4. The following are attached. (Please mark YES or NO)

- Yes a. Diagrammatic Sketch of the Dual Completion, showing all casing strings, including size and setting, top of cement, perforated intervals, tubing strings, including diameters and setting depth, location and type of packers and side door chokes, and such other information as may be pertinent.
- Yes b. Plat showing the location of all wells on applicant's lease, all offset wells on offset leases, and the names and addresses of operators of all leases offsetting applicant's lease.
- No c. Waivers consenting to such dual completion from each offset operator, or in lieu thereof, evidence that said offset operators have been furnished copies of the application.*
- Yes d. Electrical log of the well or other acceptable log with tops and bottoms of producing zones and intervals of perforation indicated thereon. (If such log is not available at the time application is filed, it shall be submitted as provided by Rule 112-A.)

5. List all offset operators to the lease on which this well is located together with their correct mailing address.

W. K. Byrom, 1000 North Dal Paso, Hobbs, New Mexico

Tidewater Oil Company, Box 547, Hobbs, New Mexico

Sinclair Oil & Gas Company, 520 East Broadway, Hobbs, New Mexico

Pan American Petroleum Corporation, Box 208, Lubbock, Texas

Anderson Prichard Oil Corporation, Box 196, Midland, Texas

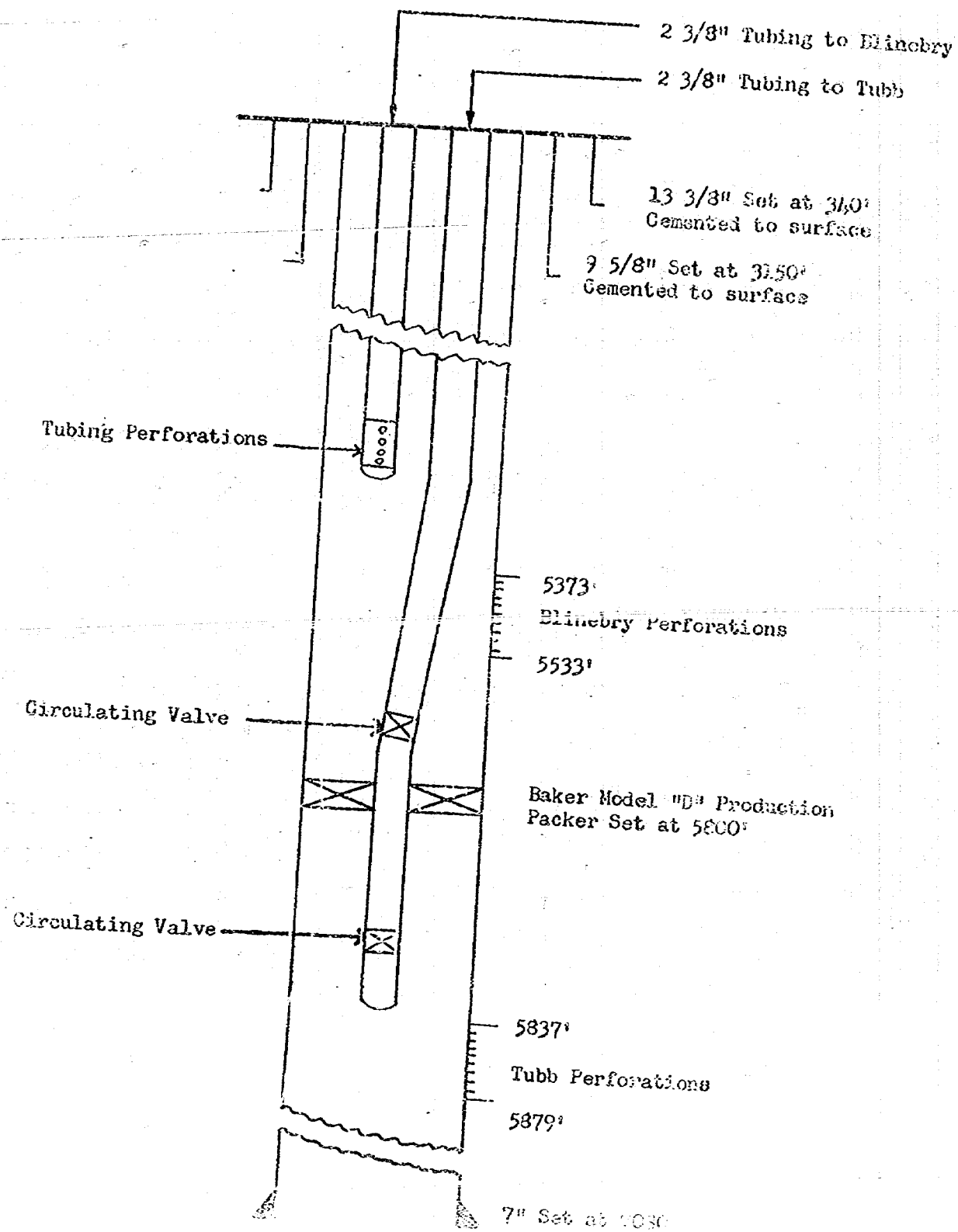
The Atlantic Refining Company, Box 871, Midland, Texas

6. Were all operators listed in Item 5 above notified and furnished a copy of this application? YES ☒ NO ☐ . If answer is yes, give date of such notification August 7, 1959

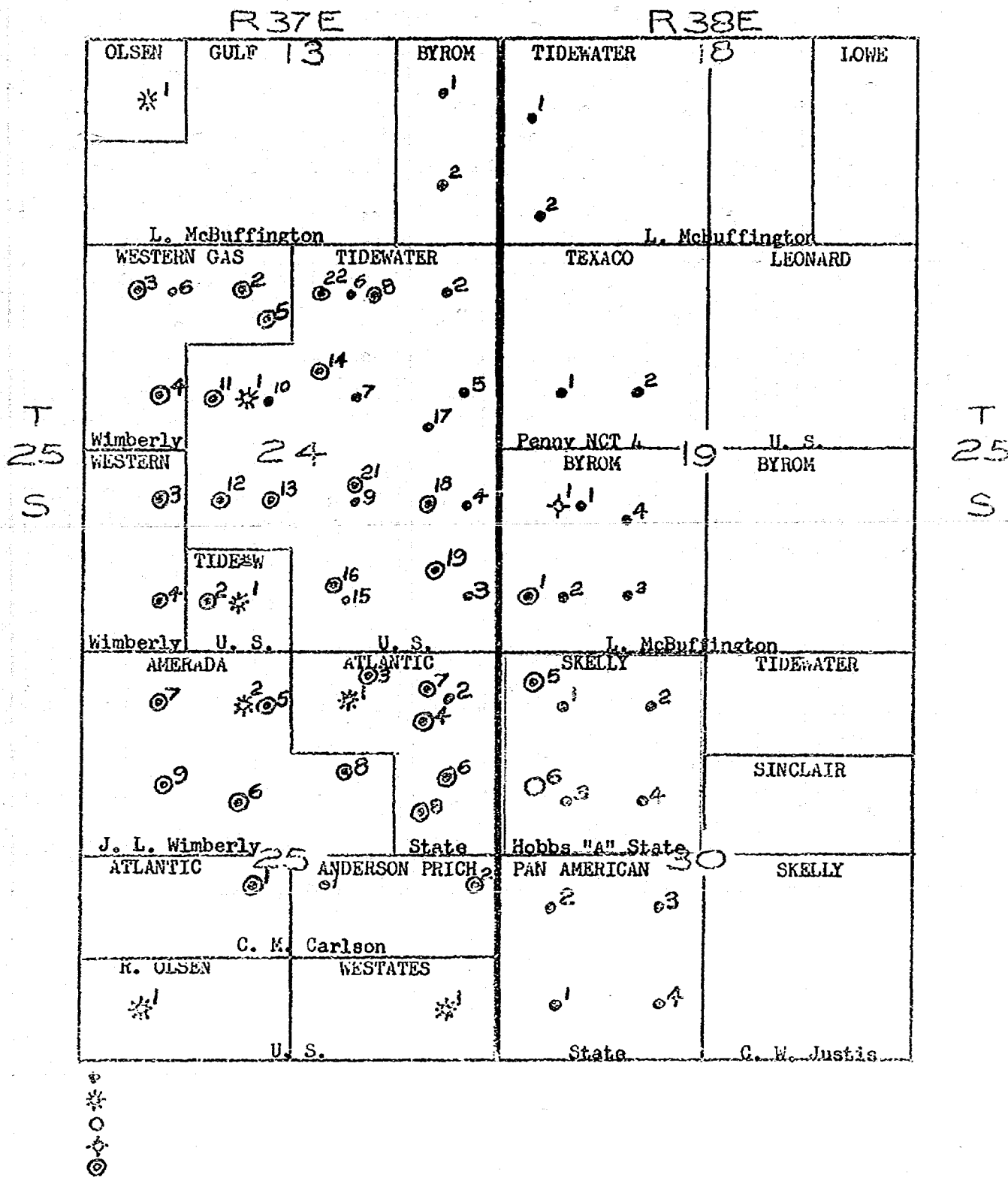
CERTIFICATE: I, the undersigned, state that I am the Dist. Supt. of the Skelly Oil Company (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.

J. J. Gentry
Signature

- * Should waivers from all offset operators not accompany an application for administrative approval, the New Mexico Oil Conservation Commission will hold the application for a period of twenty (20) days from date of receipt by the Commission's Santa Fe office. If, after said twenty-day period, no protest nor request for hearing is received by the Santa Fe office, the application will then be processed.
- NOTE: If the proposed dual completion will result in an unorthodox well location and/or a non-standard proration unit in either or both of the producing zones, then separate application for approval of the same should be filed simultaneously with this application.



SKELLY OIL COMPANY
Hobbs "A" Lease
NW/4 Sec. 30-T25S-R38E
Lea County, New Mexico



PRODUCTION
SEPARATORS

HEATER
TREATERS

DUMP
METERS

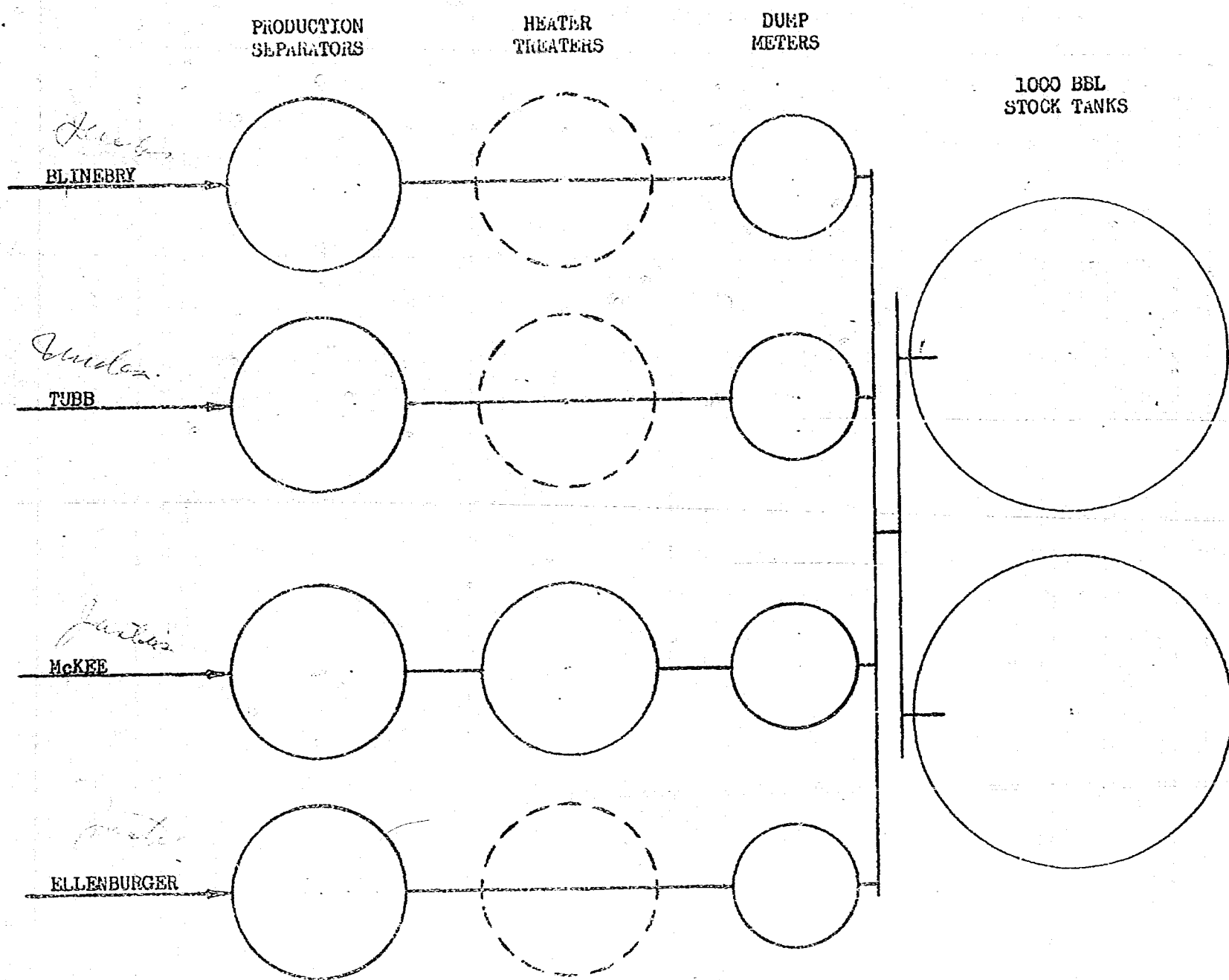
500 HBL
STOCK TANKS

J.M.
QUEEN

Justis
BLINEBRY

Winder
TUBB

SKELLY OIL COMPANY
Hobbs "A" Lease
NW 1/4 Sec. 30-T25S-R38E
Lea County, New Mexico



SKELLY OIL COMPANY
 Hobbs "A" Lease
 NW/4, Sec. 30-T25S-R38E
 Lea County, New Mexico