

SKELLY OIL COMPANY

Box 38, Hobbs, New Mexico

February 16, 1960

*Due
Mar 30*

Re: APPLICATION OF SKELLY OIL
COMPANY FOR A GAS-GAS DUAL COM-
PLETION IN THE BLINEBRY GAS
POOL AND THE TUBB GAS POOL AND
FOR APPROVAL OF AN UNORTHODOX
WELL LOCATION AND AN 80 ACRE
NONSTANDARD PRORATION UNIT.

511

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

Attention: Mr. A. L. Porter, Jr.

Gentlemen:

With this letter, Skelly Oil Company is petitioning the Secretary of the New Mexico Oil Conservation Commission for administrative approval for an order granting permission to dual complete their E. A. Sticher Well No. 4 as a gas well in the Tubb Gas Pool, and a gas well in the Blinebry Gas Pool, and for administrative approval for an unorthodox well location, and an 80-acre non-standard proration unit in the Tubb and Blinebry Gas pools, Lea County, New Mexico, and in support thereof does state:

1. That the petitioner is the owner of an oil and gas lease held on 80-acres confined by N/2 SW/4 Section 4, Township 22 South, Range 37 East, N.M.P.M., Lea County, New Mexico, and concerns but one royalty owner.
2. That the petitioner's E. A. Sticher No. 4 is located 810' from the west line and 2130' from the south line of the section and was completed in April 1947, as an oil well in the Brunson Oil Pool.
3. That the petitioner will dual complete their E. A. Sticher No. 4 in a manner described below, provided that after testing it is found the Blinebry zone can be produced efficiently through the casing-tubing annulus: (fig. 1)
 - (a) Set a bridge plug at 6350' and cap with hydromite.
 - (b) Perforate Tubb in the interval 6022-6165'.
 - (c) Set a Baker Model "D" Production Packer at 5920'.
 - (d) Set a retrievable bridge plug at 5800' and perforate the Blinebry in the interval 5608-5717'.
 - (e) Pull bridge plug set at 5800' and run 2 3/8" OD tubing to produce the Tubb gas and allow the Blinebry gas to be produced through the casing-tubing annulus.

February 16, 1960

4. That if after testing it is found that the Blinbry gas zone cannot be efficiently produced through the casing-tubing annulus and it is possible to produce the Tubb gas zone effectively through the casing-tubing annulus the petitioner will install a crossover and the Blinbry zone will be produced through the 2 3/8" OD tubing thereby allowing the Tubb zone to flow through the annulus. (fig. 2)
5. That if after testing it is found that neither the Tubb or Blinbry zones can be efficiently produced through the casing-tubing annulus, the applicant will install two strings of 2 3/8" OD tubing, one to produce the Tubb gas and one to produce the Blinbry gas. (fig. 3)
6. That in support of the efficiency of annular flow for the Blinbry zone the applicant submits the following information on nearby Blinbry completions.

- (a) Secorv Mobil Oil Co.: Brunson-Argo Well No. 6
Located in Unit E, Sec. 10-22S-37E
Upper Completion: Blinbry Gas produced through casing-tubing annulus.
Lower Completion: Tubb gas produced through tubing.

Blinbry Zone Production Data

<u>Month</u>	<u>Gas Prod.</u> <u>MCF/Mo.</u>	<u>Distillate</u> <u>Prod. bbls/</u> <u>Mo.</u>	<u>Gas-</u> <u>Liquid</u> <u>Ratio</u>
Sept. 1959	18,070	26	695,000
Oct. 1959	10,127	34	297,853
Nov. 1959	12,221	33	370,000
Dec. 1959	28,226	58	486,655

The above well has a 160 acre standard gas unit allowable.

- (b) Gulf Oil Corporation: T. W. McCormick Well No. 9
Located in Unit P, Sec. 32-21S-37E.
Upper Completion: Blinbry gas produced through casing-tubing annulus.
Lower Completion: Drinkard oil produced through tubing.

Blinbry Production Data

<u>Month</u>	<u>Gas Prod.</u> <u>MCF/Mo.</u>	<u>Distillate</u> <u>Prod. bbls/</u> <u>Mo.</u>	<u>Gas-</u> <u>Liquid</u> <u>Ratio</u>
Sept. 1959	10,609	122	86,959
Oct. 1959	14,092	99	142,343
Nov. 1959	7,461	90	82,900
Dec. 1959	11,836	145	81,628

The above well has a 160 acre standard gas unit allowable.

- (c) Pan American Oil Corporation: Eva Owens Well No. 4
Located in Unit N, Sec. 34-21S-37E.
Upper Completion: Blinbry gas produced through casing-tubing annulus.
Lower Completion: Drinkard oil produced through tubing.

Blinbry Production Data

Month	Gas Prod. MCF/No.	Distillate Prod. bbls/ No.	Gas- Liquid Ratio
Sept. 1959	13,263	229	57,917
Oct. 1959	8,023	160	50,144
Nov. 1959	14,631	170	86,065
Dec. 1959	14,831	264	56,178

The above well has a 160 acre standard gas unit allowable.

- (d) Cities Service Oil Corporation: Brunson "B" Well No. 6
Located in Unit N, Sec. 3-22S-37E.
Upper Completion: Blinbry gas produced through the casing-tubing annulus.
Lower Completion: Brunson oil produced through tubing.

Blinbry Production Data

Month	Gas Prod. MCF/No.	Distillate Prod. bbls/ No.	Gas- Liquid Ratio
Sept. 1959	6,011	97	61,969
Oct. 1959	5,864	98	59,837
Nov. 1959	5,702	98	58,184
Dec. 1959	6,063	93	65,195

The above well has a 160 acre standard gas unit allowable.

7. That herein described procedures, which the petitioner has set out to complete the proposed dual completion, is both mechanically practical and conforms to the Commission's policies and specifications, as pertaining to gas-gas dual completions in the State of New Mexico.
8. That the entire N/2 SW/4 of Section 4-22S-37E can be assumed productive of gas by virtue of offset production.

February 16, 1960

9. That all offset operators and all operators within a 1980 ft. radius of the subject well have been furnished with a copy of this application via registered mail this date.
10. That the unorthodox location is occasioned by the dual completion of Skelly's E. A. Sticher Well No. 4, which was previously drilled and completed in the Ellenburger Formation of the Brunson Pool on May 16, 1947, which was prior to the date of the special Tubb Gas Pool rules and special Blinsbry Pool rules and, therefore, qualifies for an administrative exception to Rule 2 Order R-586, with reference to the Tubb zone, and Rule 2 Order R-610, with reference to the Blinsbry zone.
11. That Skelly's E. A. Sticher Well No. 4 is the only well on this lease which is completed in the Tubb and Blinsbry Gas Pools and that the proposed 80-acre nonstandard production unit complies with all the requirements listed in Rule 5(d) of Order R-586 of the Special Rules and Regulations for the Tubb Gas Pool and Rule 5(B) of Order R-610 of the Special Rules and Regulations for the Blinsbry Gas Pool. The lease and royalty interests are common under the proposed unit.
12. That the above statements are true and complete to the best of my knowledge.

Wherefore, the petitioner requests that, in the interest of conservation and protection of correlative rights, the Secretary of the Commission grant an order which will allow the petitioner to dual complete their E. A. Sticher Well No. 4 in the manner described above.

Respectfully submitted,

SKELLY OIL COMPANY


J. N. Dunlavy

JND/ARB/e
cc:

Amaraca Petroleum Corp.
P. O. Box 312
Midland, Texas
Attention: Mr. Ray E. Seifert

Gulf Oil Corp.
P. O. Drawer 669
Roswell, New Mexico
Attention: Mr. W. A. Shellshear
Neville G. Penrose, Inc.
1813 Fair Building
Fort Worth, Texas

Sinclair Oil and Gas Co.
P. O. Box 1470
Midland, Texas
Attention: Mr. Joe Mofford

Tidewater Oil Company
P. O. Box 1231
Midland, Texas
Attention: Mr. R. H. Coo

Shell Oil Company
P. O. Box 845
Roswell, New Mexico
Attention: Mr. P. A. Dennis

Southern Petroleum Exploration Inc.
P. O. Box 1017
Roswell, New Mexico