

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF)	CAUSE _____
THE SKELLY OIL COMPANY FOR AN EXCEPTION)	
TO RULE 104 FOR THE FORMATION OF AN)	FILED _____
UNORTHODOX UNIT IN SECTION 2,)	
TOWNSHIP 23 SOUTH, RANGE 36 EAST,)	
LANGLIE-MATTIX, LEA COUNTY, NEW MEXICO)	

A P P L I C A T I O N

Comes now Skelly Oil Company and alleges and states:

1. That it is the owner of Lease No. 16629, described as the S/2 SE/4 Section 2, Township 23 South, Range 36 East, and Lease No. 5943, described as the S/2 SW/4 Section 2, Township 23 South, Range 36 East, Lea County, New Mexico, which leases lie in the so-called Langlie-Mattix Field in an area where gas wells are located.

2. That since August, 1948, applicant has been attempting to form a unit to comprise the SE/4 of Section 2, Township 23 South, Range 36 East, but has been unsuccessful in so forming a unit due to the particular circumstances in which the El Paso Natural Gas Company has certain arrangements with Shell Oil Company as to gas rights and Shell Oil Company retaining oil rights, and due to such provisions of their contract applicant is unable to negotiate a unit covering such SE/4 of said Section 2-23S-36E.

3. That applicant seeks an exception to Rule 104 so as to permit the assignment of 160 surface contiguous acres and to permit the drilling of a well in the center of the E/2 of such proposed unit.

4. That El Paso Natural Gas Company and Shell Oil Company, in the provisions of their contract on the remainder of the S/2 of said Section 2-23S-36E and can assign a similar 160-acre unit, and it is the understanding of this applicant that they will propose to locate their gas well in the center of the W/2 of their 160-acre unit.

5. That the establishment of such units as an exception to Rule 104 will not be detrimental to any of the offset operators insofar as only two wells will be located on the S/2 of Section 2-23S-36E.

6. The following offset operators to applicant's two leases should be notified of the filing of this application:

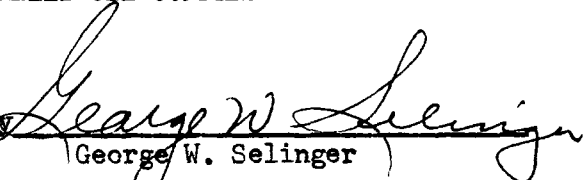
Shell Oil Company, Midland, Texas.
Sinclair Oil & Gas Company, Fair Building, Fort Worth, Texas.
Texas Pacific Coal & Oil Company, Ft. Worth National Bank Building,
Fort Worth, Texas.
Cities Service Oil Company, Bartlesville, Oklahoma.
Gulf Oil Corporation, Fort Worth, Texas.
Tide Water Associated Oil Company, Mellie Esperson, Houston, Texas.
R. Olsen Oil Company, Apco Tower, Oklahoma City, Oklahoma.
Continental Oil Company, Fair Building, Fort Worth, Texas.
Atlantic Oil & Refining Company, Box 2819, Dallas, Texas.
Stanolind Oil and Gas Company, Fair Building, Fort Worth, Texas.
Standard Oil Company of Texas, Box 1249, Houston, Texas.
Western Gas Company, El Paso, Texas.
Magnolia Petroleum Company, Dallas, Texas.

WHEREFORE, premises considered, applicant prays that this Commission set this matter down for hearing after the giving of proper notices and that from the evidence adduced at such hearing, grant this applicant an exception to assign the S/2 of the S/2 of Section 2, Township 23 South, Range 36 East, Langlie-Mattix Gas Field, Lea County, New Mexico, and permit the drilling of a well in the center of the E/2 thereof, and for such other orders, rules and regulations that may be necessary in the premises.

Respectfully submitted,

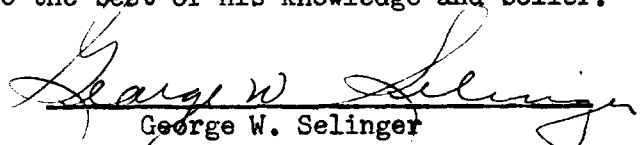
SKELLY OIL COMPANY

By


George W. Selinger

STATE OF OKLAHOMA)
) SS
COUNTY OF TULSA)

Comes now George W. Selinger and states that the statements in the above application are true and correct to the best of his knowledge and belief.


George W. Selinger

Subscribed and sworn to before me this 10th day of April, 1950.


Notary Public

My commission expires:

LEA COUNTY NEW MEXICO

T 23S - R 36 E

SINCLAIR CLAY		GULF		R. OLSEN
*4		*1		*1
3	T.P.C.& O.	2	SHELL	1
		SKELLY 5943	SKELLY *1 16629	*1
CITILS SERVICE	T.P.C.& O.	T.P.C.& O.	T.P.C.& O. *16	CONTINENTAL CLAY *1
				WESTERN GAS
10	11		12	

CONTINENTAL OIL COMPANY
Hobbs, New Mexico
May 4, 1950

IN THE MATTER OF THE APPLICATION OF
CONTINENTAL OIL COMPANY FOR AN ORDER
GRANTING PERMISSION TO DUALY COMPLETE
"M. E. WANTZ NO. 3-D WELL", DRINKARD
FOOL, NW/4 SE/4, SECTION 21, TOWNSHIP
21 SOUTH, RANGE 37 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.

APPLICATION

COMES NOW Continental Oil Company, a Delaware Corporation, operating in New Mexico from a field office in Hobbs, New Mexico, and respectfully represents to the Oil Conservation Commission of the State of New Mexico that it has completed the M. E. Wantz No. 3-D well, located in the NW/4 SE/4, Section 21, Township 21 South, Range 37 East, N.M.P.M., Lea County, New Mexico. This well is presently producing from the Drinkard formation through perforated intervals extending from 6546 feet to 6584 feet and is equipped with 2 1/2" EUE tubing. Seven-inch casing is set at 6627 feet.

Applicant further represents that a high pressure gas zone exists at an approximate depth of 6150 feet in the Tubb Sand section of the M. E. Wantz No. 3-D well as evidenced by gas production from the Tubb section in the North offset to said well and a drill-stem test yielding 4301.4 MCF gas per day from the Tubb section in the South offset to said well and that it is practical and economically feasible to dually complete this well to produce liquid hydrocarbons through the tubing and gas through the annulus between the casing and tubing with proper packer and wellhead connections.

WHEREFORE, applicant asks that permission be granted to recomplete said well to produce oil from the Drinkard formation and gas from the Tubb formation.

Attached hereto is (1) plat showing well to be dually completed and other wells in the vicinity and (2) diagram showing proposed method of dual completion. (Not included.) Copies of this application with attached plat. have

Application
Page 2

been furnished to all offset operators.

Done at Hobbs, New Mexico on this 4th day of May 1950.

Respectfully submitted,

CONTINENTAL OIL COMPANY

/s/ E. L. Shafer

ELS-MFM
Enc.

LEA COUNTY OPERATORS COMMITTEE
May 11, 1950
HOBBS, NEW MEXICO

R-37-E

-17 Sun			-16 Amerada				-15		
4 x	2 x	Cont'l 2 x	1 x	2 x	3 x	4 x	2 x	3 x	1 x
Weatherly		Lockhart					Shell		Ohio "C"
Penrose	Tidewater		Mid-cont.						
1 x	2 x	1 x	1 x	2 x	3 x	4 x	1 x	4 x	2 x
Hardy		Hardy	State				Argo		Warlick
Rodman	2 x	2 x	2 x	3 x	4 x	1 x	1 x	3 x	1 x
3 x									
Amerada		Sinclair	Trinity				Barn.		Gulf
1-A x	1 x	1 x	5 x	6 x	7 x	2 x	2 x		3 x
Randle	20	York	Weatherly				Elliott	Argo	Eubank
3 x	Ohio		2-D x	4-D x	3-D 6	Cone 1 x	2 x		3 x
Gulf	Pac. West.		Continental				Shell		
2 x	4 x	3 x	1-D x	2-x's			6 x		
Hardy		Hardy	M. Wantz				Turner		
3 x	2 x	1 x	6 x	11 x	13 x	7 x	6 x		
Magnolia	Linam		Gulf				Cont'l Et Al		
4 x	2 x	1 x	4 x	5 x	9 x	8 x	4 x	3 0	1 x
Hardy	29	Hardy	King				Lockhart		
Sinclair	Ohio		28				27		
x 3	2 x	x 1	1 x	2 x	6 x	4 x	4 x	3 x	6 x
Sinclair	Stanolind		Magnolia				Ohio		
3 x	2 x	x 1	x	12 x	4 x	3 x	2 x	1 x	5 x
Turner	Turner		Carson		Carson		Marshall		Hardison

CONTINENTAL OIL COMPANY
WANTZ NO. 3-D
and
OFFSET WELLS
SCALE: 1 INCH = 2000 FT.

N.M. DIST. OFFICE

MAY 5th, 1950

C O P Y

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
RECEIVED: MAY 9, 1950

AIR MAIL

Box 670
Roswell, New Mexico
May 8, 1950

Mr. R. R. Spurrier,
New Mexico Oil Conservation Commission,
Santa Fe, New Mexico.

Dear Sir:

Reference is made to my letter of April 24th and your reply of April 27th, regarding our request for a hearing before the Commission, for the purpose of obtaining approval to drill an irregular location.

The proposed location is 1370 feet from the South line and 330 feet from the West line of Sec. 20, T. 17 S., R. 35 E., Lea County, New Mexico. We have completed our State No. 1-F well, on the same lease, at a location 330 feet from the South line and 660 feet from the West line of Sec. 20; initial production was 72 barrels of oil per day, swabbing and flowing. We know that a location to the North should be structurally lower, and it is believed that a regular location on the north 40 acres of our lease might prove non-commercial. The proposed location does not crowd or involve any outside operators. The entire West half of the Southwest Quarter of Section 20 is a part of State Lease B-2245, and the leasehold rights above 5000 feet are held by Barnett & Rector, under a farmout from The Ohio Oil Company. No objection is offered to the proposed location by The Ohio Oil Company. Barnett & Rector also hold the leasehold rights above 4800 feet on the offsetting acreage to the West; this is a part of State Lease B-1398. A sketch of the location and adjoining acreage is attached.

We wish to request that a hearing before the Commission be scheduled at an early date, for the purpose of presenting our request, and looking toward approval of the irregular location.

Thanking you, we are

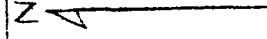
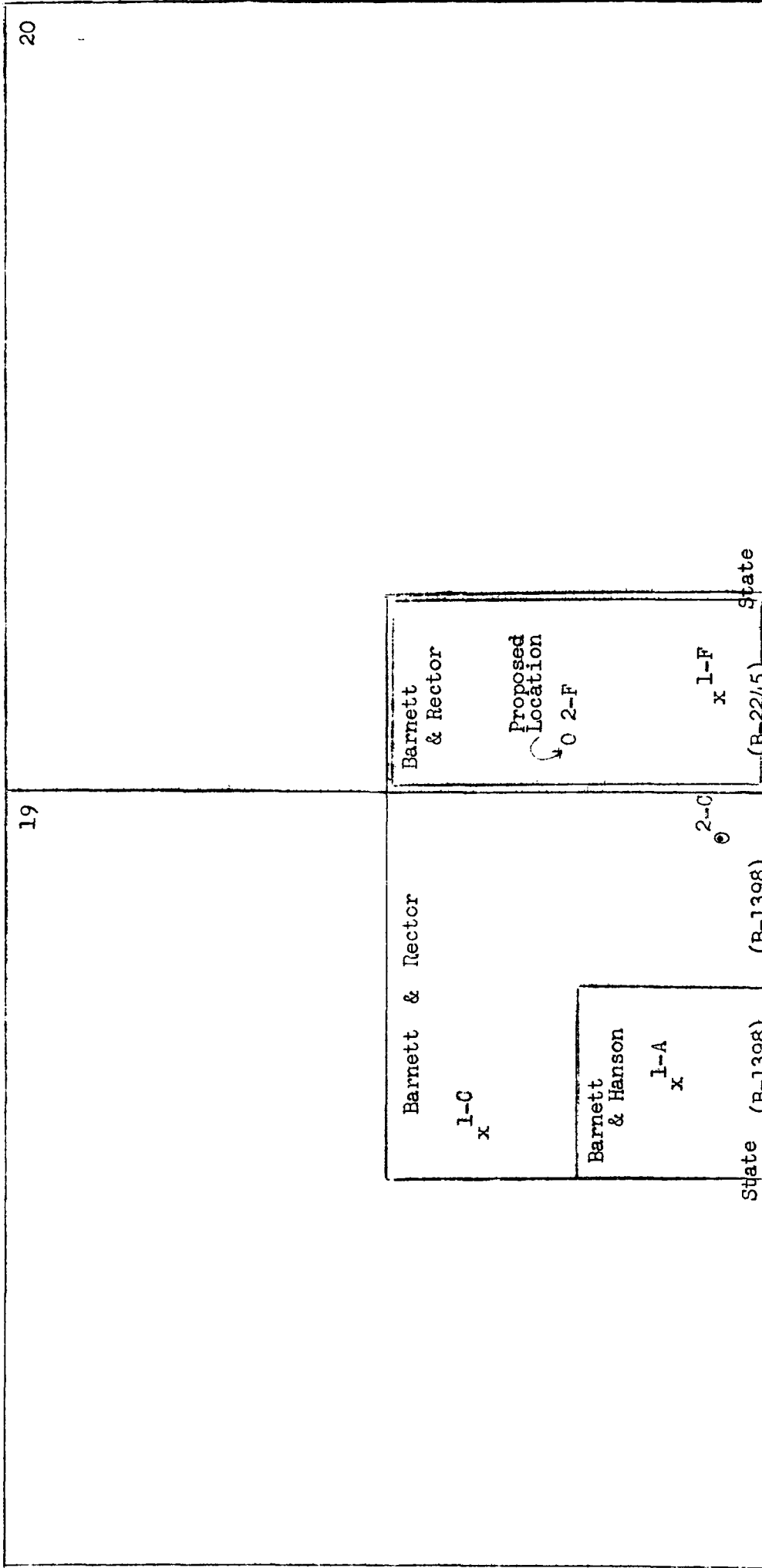
Yours very truly,
BARNETT & RECTOR

JAB:b

/s/ John A. Barnett

P.S. This was informally discussed with Mr. Spurrier in Roswell last night, and he requests that this be handled promptly, in order that it be included in the agenda for the hearing now scheduled for May 23, 1950.

J.A.B.



SECTIONS 19 & 20, T17S, R35E.
LEA COUNTY, N. MEX.

Scale 1" = 1000'

NOTICE FOR PUBLICATION
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

The State of New Mexico by its Oil Conservation Commission hereby gives notice pursuant to law and the rules and regulations of said Commission promulgated thereunder, of the following public hearing to be held May 23, 1950, beginning at 10:00 o'clock a.m. on that day in the City of Santa Fe, New Mexico, in the Capitol (Hall of Representatives).

STATE OF NEW MEXICO TO:

All named parties in the following
cases and notice to the public;

Case 223

In the matter of application of Cooperative Producing Association for the establishment of a secondary recovery program on all of Section 31, Twp. 12S, R. 32E., N.M.P.M., Lea County, New Mexico.

Given under the seal of the Oil Conservation Commission of New Mexico at Santa Fe, New Mexico, on May 10, 1950.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

R. R. SPURRIER, SECRETARY

LEA COUNTY OPERATORS COMMITTEE
HOBBS, NEW MEXICO
May 15, 1950