OIL CONSERVATION COMMISSION STATE OF NEW MEXICO SANTA FE, NEW MEXICO (use 801

Re: IN THE MATTER OF APPLICATION OF SKELLY
OIL COMPANY FOR AN ORDER GRANTING PERMISSION
TO DUAL COMPLETE ITS BAKER "B" No. 15 WELL
IN THE BLINEBRY GAS POOL AND THE TUBB GAS
POOL AND ESTABLISH A 240 ACRE NON-STANDARD
GAS PRORATION UNIT LYING WHOLLY WITHIN THE
LIMITS OF THE BLINEBRY AND TUBB GAS POOLS,
LEA COUNTY, NEW MEXICO.

Gentlemen:

Comes now SKELLY OIL COMPANY, a Delaware corporation with offices in Tulsa, Oklahoma and Hobbs, New Mexico, hereby petitioning the New Mexico Oil Conservation Commission for an order granting permission to dual complete their Baker "B" well No. 15 as a gas well in the Blinebry Gas Pool and as a gas well in the Tubb Gas Pool and establish a 240 acre non-standard gas proration unit lying wholly within the limits of the Blinebry and Tubb Gas Pool, Lea County, New Mexico, and in support thereof does state:

- l. That the petitioner is the majority owner and operator of all oil and gas leases held on the 240 acres confined by the SWL and the W2, SEL of Section 10-T22S-R37E, N.M.P.M., Lea County, New Mexico, and concerns but a single royalty owner.
- 2. That the petitioner's Baker "B" No. 15 well is located 1830' from the South line and 2130' from the East line of the section.
- 3. That the petitioner will complete their Baker "B" No. 15 well entirely and only with the vertical limits of each the Blinebry and Tubb Gas Pools as defined by the New Mexico Oil Conservation Commission in a manner described below and as shown on attached plat.
 - a. Set 9 5/8" OD casing at approximately 2800' and circulate cement to surface, then run 7" OD casing to total depth and cement in conformance with New Mexico Oil Conservation Rules and Regulations.
 - b. Perforate the Tubb and Blinebry formations within the vertical limits of said Gas Pools as defined by the New Mexico Oil Conservation Commission.
 - c. Run 2" OD tubing with a Brown Oil Tools Model B-4 packer or equivalent to be set in such a manner as to segregate the two perforated zones to produce the Tubb gas zone.
 - d. Run 2" OD tubing in the 2" OD tubing and the 7" OD casing annulas to produce the Blinebry gas zone.
- 4. That the manner in which the petitioner has set out to complete the proposed dual well is both mechanically feasible and practical and conforms to the Commission's policies and specifications as pertaining to the dual completion of dual gas and gas wells in the state of New Mexico.
- 5. That a diagramatic sketch showing the producing intervals anticipated and the physical equipment to be used in dual completing this well is hereto attached.
- 6. That a plat showing the above described lands and all offset properties indicating well locations and lease ownership to the best of our knowledge is hereto attached.

WHEREFORE, the petitioner requests that, in the interest of conservation and protection of correlative rights, the Commission grant an order, after proper notice and hearing, by which the petitioner may dual complete their Baker "B" No. 15 well in a similar manner to that described above and operate the above described lands as a single unit.

Respectfully submitted,

SKELLY OIL COMPANY

J. N. Dunlavey

JND/MEC/b



1 Jan

SKELLY OIL COMPANY

Box 38, Hobbs, New Mexico November 12, 1954

Re: Skelly Oil Company
Baker "B" No. 15
Sec. 10-T22S-R37E
Lea County, New Mexico

Mr. W. B. Macey Secretary Director New Mexico Oil Conservation Commission

Dear Mr. Macey:

Attached please find two copies of Skelly's application for an order granting permission to dual complete their Baker "B" No. 15 well in the Blinebry Gas Pool and the Tub Gas Pool and the establishment of a 240 acre non-standard gas proration unit in those pools.

We request that this application be placed on the docket of the December 16th hearing.

Very truly yours,

SKELLY OIL COMPANY

J. N. Dumlavev

JND/MEC/b

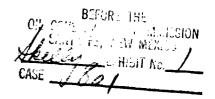
Attachment.

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. 801 Order No. R-590

THE APPLICATION OF SKELLY OIL COMPANY FOR AN ORDER GRANTING PERMISSION TO DUALLY COMPLETE ITS BAKER "B" WELL NO. 15 IN THE BLINEBRY GAS POOL AND THE TUBB GAS POOL, AND TO ESTABLISH A 240 ACRE NON-STANDARD GAS PRORATION UNIT CONSISTING OF THE SW/4 AND THE W/2 SE/4 OF SECTION 10, TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM, LEA COUNTY, NEW MEXICO.



ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on December 16, 1954, at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this 25th day of February 1955, the Commission, a quorum being present, having considered the evidence and testimony adduced, and being fully advised in the premises,

FINDS:

- (1) That due notice of the time and place of hearing and the purpose thereof having been given as required by law, the Commission has jurisdiction of this case and the subject matter thereof.
- (2) That the applicant, Skelly Oil Company, is owner of an oil and gas lease in Lea County, New Mexico, the land consisting of:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM SW/4, W/2 SE/4 of Section 10

containing 240 acres, more or less, lying within the horizontal limits of the Blinebry and Tubb Gas Pools.

- (3) That additional testimony and evidence are necessary with regard to the formation of a proration unit in excess of 160-acres in either the Blinebry or Tubb Gas Pools, to enable the Commission to render a decision on this portion of the application.
- (4) That the mechanics of the proposed dual completion as outlined by applicant are feasible and in good practice.

IT IS THEREFORE ORDERED:

- (1) That the portion of the case concerned with the formation of a non-standard gas proration unit in the Tubb and Blinebry Gas Pools be, and the same hereby is, reopened for hearing before the Commission.
- (2) That said hearing shall be held at Santa Fe, New Mexico, on March 16, 1955, at which time and place additional testimony and evidence will be received in this cause.

IT IS FURTHER ORDERED:

That the applicant herein, Skelly Oil Company, be and it hereby is authorized to dually complete and produce its Baker "B" Well No. 15, located in the NW/4 SE/4 of Section 10, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico, in such a manner that the gas from the Tubb formation of the Tubb Gas Pool may be produced through the tubing from below the packer, and the gas from the Blinebry formation of the Blinebry Gas Pool may be produced through a second string of tubing from perforations above the packer; by proper perforation of the casing, and the installation of a suitable down-hole packer and suitable surface wellhead equipment for separating, and maintaining the separation of the gas from the Blinebry zone and the gas from the Tubb zone.

PROVIDED, HOWEVER, That upon the actual dual completion of such subject well applicant shall submit to the District Office of the Commission in which the subject well is located Form C-103, Form C-104, Form C-110 and Form C-122 outlining the information required on these forms by existing Rules and Regulations.

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, and

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

-3-Case No. 801 Order No. R-590

order that natural gas, oil, or oil and gas from each separate stratum may be accurately measured and the gas-oil ratio thereof determined, and

PROVIDED FURTHER, That the operator applicant shall make any and all tests, including segregation tests, but not excluding other tests and/or determinations at any convenient time and in such manner 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, and shall be filed with the Commission within ten (10) days after the completion of such test, and,

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 and reservoir pressure determination of 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

JOHN F. SIMMS, Chairman

E. S. WALKER, Member

W. B. MACEY, Member and Secretary

SEAL

COMPLETION DATA SKELLY OIL COMPANY Baker "B" No. 15

Exhibit No. 2

Case No. <u>QO</u>

The SKELLY OIL COMPANY Baker "B" Well No. 15 reached a total depth of 6100' December 8, 1954. 9 5/8" OD casing was set at 2810' with 1,000 sacks of cement and circulated to the surface.

DST #1: 5350 - 5530. Tool open $3\frac{1}{2}$ hours. Gas to surface in 3 minutes, show of distillate after $3\frac{1}{2}$ hours. FP 635#, Build-up not successful. FP 240#, 15 minute build-up, 2230#.

DST #4: 5910 - 6100', Tool open 3 hours, gas to surface in 3 minutes, tested 510 MCF/day. Recovered 800' HGCM, no show of oil, distillate, or water. FP 240#, 15 minute build-up, 2230#.

7" OD casing was run to total depth, 6100', and cemented with 400 sacks. Iane Wells radioactivity logs were run. Drilled Cement plug to 6099', shut-off tested OK. The Tub Gas Zone was perforated between the intervals 5920 - 6064', all within the limits of the Tubb Gas Pool as defined by the NMOCC. A Baker Oil Tools Model "D" production-retainer packer was set at 5860' and the above perforations were acidized with 500 gals. mud acid. No results or further completion data are available at this time, but the plan of completion from this point is as follows:

1. Fracture the Tubb Gas Zone with approximately 10,000 gallons Acid-Frac, and after well is cleaned up, the Tubb Gas Zone will be shut in by closing the circulating valve below the packer. The Blinebry Gas Zone will then be perforated within the vertical limits as defined by the Commission. The well will be acidized with approximately 500 gals. of mud acid and then fractured essentially as the lower zone.

The well hook-up designed for this well will allow each of the two zones to be produced through its own string of 2" tubing. The two zones are completely independant of each other and communication is eliminated by means of the Baker Oil Tools Model "D" packer as shown in exhibit No. 3

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

April 22, 1955

Mr. J. N. Dunlavey Skelly Oil Company Box 38 HOBBS, NEW MEXICO

Dear Sir:

We enclose a copy of Order R-590-A issued by the Commission on April 20, 1955, in Case 801.

Very truly yours,

WBM:nr

W. B. Macey Secretary - Director

CC; Mr. George Selinger
Box 1650
TULSA OKLA

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

March 2, 1955

Mr. J. N. Dunlavey Skelly Oil Company Box 38 HOBBS N M

Dear Sir: We enclose copy of Order R-590 issued by the Commission in Case 801, heard at the December 16, 1954, hearing upon your company's application.

Very truly yours,

W. B. Macey Secretary - Director

wBM:nr

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

March 3, 1955

Mr. George Selinger Skelly Oil Company Box 1650 TULSA, OKLAHOMA

Dear Sir:

Enclosed please find copy of Order R-590 entered in Case 801. You will note from the enclosed order that the Commission has approved your dual completion, but desires further testimony to be entered in the record pertaining to the formation of a proration unit of greater than 160 acres. This case has been readvertised for the March 16 hearing.

Yours very truly,

Secr

WBM:nr

W. B. Macey Secretary-Director

cc: Mr. J. N. Dunlavey Box 38, Hobbs

Oil Conservation Commission Box 2045, Hobbs

BAKER "B" LEASE SW/4 & W/2 SE/4 Sec. 10-22S-37E

Penrose Skelly:

Well No. 1 - 3 bbls. Well No. 2 - 3 bbls. Well No. 3 - 4 bbls.

Drinkard:

Well No. 6 - 25 bbls. Well No. 7 - 35 bbls. Well No. 8 - 15 bbls. Well No. 9 - 20 bbls. Well No. 11 - 18 bbls.

Paddock:

Well No. 4 - 12 bbls. Well No. 5 - 30 bbls. Well No. 10 - 15 bbls. Well No. 12 - 25 bbls. Well No. 13 - 14 bbls.

Brunson:

Well No. 14 - 86 bbls.

STANOLIND OIL & GAS CO. Owen A. 2 F	SKELLY OIL CO. Baker B	SHELL OIL CO.	OHIO OIL CO. Wortham Wortham	MAGNOLIA PET. CO. Brunson Argo Long, S. E.	HUMBLE OIL & REFG. Greenwood, J. L. N. M. St. S N. M. St. S N. M. St. S	GULF OIL CORP. Eaves Hugh	AMERADA PET. CORP.	Brunson G.	OPERATOR LEASE CITIES SERVICE OIL
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1,306	21,443	5,232	54,523 48,357	45,540 44,930	N.C. 30,953 34,046 40,275	37,373 N.C.	17,491	37,404	JAN. PROD.
	1,851	879	24,910 21,167	1,441 18,235	16,899	11,076		6,110	OVER
56,040					34,956 18,535		57,717		UNDER
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160	160	160	320	160	160	160 160	80 160	NO. ACRES
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18,066	4,014	136,073	259,012	*5,656 15,539	28,424 N.C.	116,873 N.C.	4,103 11,465	JAN. NET ALLOW.
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4,592	164	130,135	240,852		2,382	107,071		UNDER
22,862	22,862	22,862	45,724	*6,000 22,862	22,862 10,615	22,862 14,698	11,431 22,862	FEB. CURR. ALLOW.
27,454	23,026	152,997	286,576	*6,000 3,460	25,244 10,615	129,933 14,698	-6,591 -333	FEB. NET ALLOW.
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Blinebry Gas - Tubbs Blinebry Gas - Drinka Blinebry Gas - Drinka Gas - Drinkard O Tubb Gas - Drinkard O Tubb Gas - Drinkard O Blinebry Gas - Drinkard O Tubb Gas - Drinkard O Tubb Gas - Drinkard O Blinebry Gas - Drinkard O Tubb Gas - Drinkard O Blinebry Gas - Drinkard O Blinebry Gas - Blineb Gas - Blineb Gas - Blineb	

R-446 R-504 R-505 R-538 R-545 R-519	Order
Case 654 Case 741 Case 742 Case 759 Case 782 Case No.747	Case or Date
Ohio R. Olsen R. Olsen Magnolia Ohio Trinity Prod.Co.	Company
Muncy Brunson Argo Worthan Weatherly	Lease
₽ 9 E	Well
24-225-37E 25-225-37E 25-225-37E 9-225-37E 11-225-37E 21-215-37	Location
Blinebry Gas - 80 Acres Blinebry Gas Blinebry Gas Blinebry Oil - Tubb Gas Blinebry Gas 320 acres. Tubb Gas -240 acres.	Field or Pool

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STATE OF OKLAHOMA)

COUNTY OF TULSA

Comes now W. F. Bailey of Tulsa, Oklahoma, and states, upon oath, that he is a Geologist in the employ of the Skelly Oil Company, and that he is familiar with the geological facts surrounding Skelly's Baker "B" Lease, composed of 240 acres described as W/2 SE/4 and SW/4 of Section 10, Township 22 South, Hange 37 East, Lea County, New Mexico, which lease is within the boundaries of the Tubbs and Blinebry Gas Pools as defined by the Commission, and that the entire 240 acres is reasonably productive as evidenced by gas wells surrounding said 240 acre tract and other available information.

W.F.Bailey

Subscribed and sworn to me this the 2 day of February, 1955.

Jaco E. Donced NOTARY PUBLIC

My commission expires July 23, 1956



July 801

SKELLY OIL COMPANY

PRODUCTION DEPARTMENT
J. S. FREEMAN, VICE PRESIDENT

TULSA 2, OKLAHOMA

February 21, 1955

Re: Baker "B" Well No. 15

Tubb and Blinebry Gas Zones

Mr. W. B. Macey
Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Dear Sir:

In line with our conversation in your office last week and as required by you, we are herewith attaching two signed affidavits as follows:

- l. Affidavit by geologist indicating that the entire 240 acres is productive of gas.
- 2. Affidavit by engineer indicating that the Baker "B" Well No. 15 will adequately, economically and efficiently drain the unit of 240 acres assigned to it.

We trust that this will satisfactorily close the case on this matter and that an order will soon be forthcoming.

Yours very truly,

GMS: dd

cc: Mr. J. N. Dunlavey

Jas Melly

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BAKER "B" LEASE SW/4 & W/2 SE/4 Sec. 10-22S-37E

Penrose Skelly:

Well No. 1 - 3 bbls. Well No. 2 - 3 bbls. Well No. 3 - 4 bbls.

Drinkard:

Well No. 6 - 25 bbls. Well No. 7 - 35 bbls. Well No. 8 - 15 bbls. Well No. 9 - 20 bbls. Well No. 11 - 18 bbls.

BEFORE THE
OIL CONS & VASION COMMISSION
SANTA FE, NEW MEXICO
EXHIBIT NO.

CASE

CASE

Paddock:

Well No. 4 - 12 bbls. Well No. 5 - 30 bbls. Well No. 10 - 15 bbls. Well No. 12 - 25 bbls. Well No. 13 - 14 bbls.

Brunson:

Well No. 14 - 86 bbls.

AFFIDAVIT

- Zaus	BEFORE THE 3 to VARIAN CAMPISSION 1A FE, NEW THEXICO 11 OF ENTIRET NO.
CASE	OMIDIT NO.

STATE OF OKLAHOMA) COUNTY OF TULSA

Comes now B. W. Ratliff, upon oath, who states that he is a Petroleum Engineer in the employ of Skelly Cil Company, and that he is familiar with the Baker "B" Lease containing 240 acres and described as the W/2 SE/4 and SW/4 Section 10, Township 22 South, Hange 37 Hast, Lea County, New Mexico, which lease is within the boundaries of the Tubbs and Blinebry Gas Pools as defined by the Oil Conservation Commission, and that the location of its No. 15 well located 1830' from the South line and 2130' from the East line of the Section will enable said well to adequately, economically and efficiently drain said 240 acres as a unit assigned to said well.

Factor Whathff

Subscribed and sworn to me this the <a>/ day of February, 1955.

Deu E Donald

My commission expires July 23, 1956