

BEFORE THE
Oil Conservation Commission
SANTA FE, NEW MEXICO

IN THE MATTER OF:

CASE NO. 1173

TRANSCRIPT OF PROCEEDINGS

DEARNLEY-MEIER AND ASSOCIATES
COURT REPORTERS
605 SIMMS BUILDING
TELEPHONE 3-6691
ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
NOVEMBER 13, 1956

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IN THE MATTER OF: :
: :
: :

Application of Skelly Oil Company for an order grant- :
ing approval of its proposed Sombero Unit, Lea County, :
New Mexico. Applicant, in the above-styled cause, : Case
seeks an order granting approval of its proposed Som- : No.
bero Unit containing 640 acres comprising the E/2 of : 1173
Section 11 and the W/2 of Section 12, Township 16 :
South, Range 33 East, Lea County, New Mexico. The :
unit consists entirely of State of New Mexico lands. :
-----:

BEFORE:

Mr. A. L. Porter
Mr. E. S. (Johnny) Walker

TRANSCRIPT OF PROCEEDINGS

MR. PORTER: We will consider next Case No. 1173.

Mr. Gurley, would you read the case?

MR. GURLEY: Application of Skelly Oil Company for an order
granting approval of its proposed Sombero Unit, Lea County, New
Mexico.

W. E. STEWART

a witness, of lawful age, having been first duly sworn on oath,
testified as follows:

DIRECT EXAMINATION

By MR. SELINGER:

Q State your name. A W. E. Stewart.

Q You are with Skelly Oil Company?

A Yes.

Q In what capacity?

A Supervisor of Units and Contracts in the Land Department.

Q As such, have you had occasion to work on a unit which you have designated as the Sombero Unit in Lea County?

A Yes, sir.

(Marked Skelly's Exhibit No. 1,
for identification.)

Q I hand you what has been designated as Exhibit 1. Is that the Sombero Unit agreement of Lea County that you have before you?

A Yes, sir.

Q Has this agreement been submitted both to the Oil Conservation Commission and the Land Commission?

A Yes, sir.

Q Has this unit been approved as to form and contents by the Land Commission?

A It has.

Q Attached to this unit agreement are three designated therein as A, B and C, and indicates the location of the well and the proposed unit as well as the two joining and adjacent units, one the South Saunders Unit operated by Humble and the other the Seaman Unit operated by Sinclair, is that correct?

A That is true.

Q Exhibit B attached thereto is a schedule of the ownership of the oil and gas interests under the unit agreement, is that correct?

A Yes, sir.

Q And Exhibit C thereon is the geological interpretation showing the entire proposed unit as being productive from the Devonian, is that right?

A Pennsylvanian.

Q From the Pennsylvanian? A Yes.

Q Has the unit agreement contained therein a plan of development?

A Yes, sir, it does.

Q And has the well been already located and drilling operations commenced thereon at the proposed location indicated in this exhibit?

A It has.

MR. SELINGER: We offer in evidence Exhibit 1. I believe that is all we have.

MR. PORTER: Is there any objection to the admittance of this exhibit? It will be admitted. Does anyone have a question of Mr. Stewart? Mr. Nutter.

CROSS EXAMINATION

By MR. NUTTER:

Q Mr. Stewart, do you have a geological witness?

MR. SELINGER: No, sir.

Q Could you tell me the structure that is on Exhibit C attached to your unit agreement indicates this unit is based on a separate high in the formation?

A I am not qualified to discuss that. This exhibit was prepared by our geologist and that is all I can say.

MR. SELINGER: Exhibit C indicates the geological interpretation as reflected by our shooting and does show a separate high on the entire 640 acres.

Q This structure would not be related to the structures on the ones to the north and the ones to the southeast?

MR. SELINGER: Probably not, no, sir.

Q Does the unit agreement contain the segregation clause?

A Yes, it does. Skelly is the only lease owner in here.

Q You mentioned that you have a plan of development for obtaining discovery in this unit. What provision is made for further drilling if production is obtained what would be the course of Skelly?

A Well, we will file for Section 3-A and file our plan of development at such time. That is about all I can say at this time, Mr. Nutter.

Q The unit would be developed? A Yes, sir.

MR. PORTER: Within six months?

A As per Section 3.

Q Would Skelly Oil Company be willing to submit to the Oil Conservation Commission a periodic statement of progress in this unit?

A Yes, they would.

MR. PORTER: Mr. Mankin.

By MR. MANKIN:

Q Does Skelly anticipate production from the Pennsylvanian formation?

A It is my understanding, yes, sir.

Q Do they anticipate oil or gas or both?

A I understand there is a possibility of both.

MR. SELINGER: I might answer that, Mr. Mankin. The well is projected to a total depth of 12,800 feet. There has already been shows of oil in the surrounding well in the Pennsylvanian, and also there are wells now being dually completed to the Atoka gas and a definite dual completion proposal by the surrounding wells. So in this area we have both oil and gas development in the different pays.

Q Then, Mr. Stewart, the gas development might be a portion of the Atoka, from the Atoka which is in the Pennsylvanian, is that correct?

A That is right.

Q This well is destined to test through the Atoka?

A Yes, sir.

Q Of the Pennsylvanian?

A Yes, sir.

MR. PORTER: Are there any further questions of the witness?

The witness may be excused. The case will be taken under advisement.

(Witness excused.)

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 24th day of November, 1956, in the City of Albuquerque, County of Bernalillo, State of New Mexico.


Notary Public

My commission expires:

June 19, 1959.