

Case No.

637

Application, Transcript,
Small Exhibits, Etc.

N.D.

CASE 637: Skelly 40-acre unorthodox
gas proration unit, Eumont Gas Pool

BEFORE THE
GEOGRAPHICAL COMMISSION
SANTA FE, NEW MEXICO

TRANSCRIPT OF HEARING

Case No. 337

January 20, 1951
Regular Hearing

ADA DEARNLEY & ASSOCIATES
COURT REPORTERS
ROOM 105-106, EL CORTEZ BLDG.
PHONES 7-9643 AND 5-9546
ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

January 20, 1954

In the Matter of:

Skelly's application for approval of 40 acre
unorthodox gas proration unit in the Emout
Gas Pool: SW/4 SW/4 25-19S-36E

Case No. 637

MR. SELINGER: With respect to Case 637, this matter is a
companion case to Case 645 of Amerada's. We would like for the
purposes of testimony for that case to be consolidated with Case
645 and Amerada will make some disposition of Case 645. We are
ready to proceed on the three cases I have mentioned.

STATE OF NEW MEXICO)
COUNTY OF BERNALILLO)

I HEREBY CERTIFY that the foregoing and attached transcript of
hearing in Case No. 637 before the Oil Conservation Commission,
State of New Mexico, at Santa Fe, on January 20, 1954, is a true
and correct record of the same to the best of my knowledge, skill
and ability.

DATED at Albuquerque, New Mexico, this 26th day of January,
1954.

Ada Dearnley
REPORTER

ADA DEARNLEY & ASSOCIATES
COURT REPORTERS
ROOM 105-106, EL CORTEZ BLDG.
PHONES 7-9645 AND 5-8546
ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION

TRANSCRIPT OF PROCEEDINGS

Cases: 637
645
649
650

Regular Hearing
January 20, 1954

ADA DEARNLEY & ASSOCIATES
COURT REPORTERS
ROOM 105-106, EL CORTEZ BLDG.
PHONES 7-9645 AND 5-9546
ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

January 20, 1954

In the Matter of:

Skelly's application for approval of 120
acre unorthodox gas proration unit in the
Eumont Gas Pool: SW/4 SW/4 25-19S-36E

Amerada's application for approval of a
160 acre unorthodox gas proration unit
in the Eumont Gas Pool: E/2 W/2 25-19S-36E

Cases No. 637, 645,
649 and 650
(Continued)

Amerada's application for approval of a
160 acre unorthodox gas proration unit
in the Eumont Gas Pool: S/2 N/2 30-20S-37E

Amerada's application for approval of a
160 acre unorthodox gas proration unit
in the Eumont Gas Pool: E/2 NW/4 and W/2
NE/4 26-19S-36E

MR. WOODWARD: We would like to have Cases 642, 643, 644,
646, 647 and 648 consolidated and heard together. We further ask
that Cases 645 and 649 and 650 be continued to the February hearing.

MR. SPURRIER: Is there objection to counsel's motion?

MR. SELINGER:: Let it also be understood then that Case
637 will likewise be continued to the February hearing along with
Case 645.

MR. SPURRIER: Is there objection to Mr. Selinger's motion?
Without objection we will continue Cases 637, 645, 649 and 650 to
the regular February hearing.

ADA DEARNLEY & ASSOCIATES
COURT REPORTERS
ROOM 105-106, EL CORTEZ BLDG.
PHONES 7-9645 AND 3-9846
ALBUQUERQUE, NEW MEXICO

STATE OF NEW MEXICO)
COUNTY OF BERNALILLO)

I HEREBY CERTIFY that the foregoing and attached transcript of hearing on the continuation of Cases No. 637, 645, 649 and 650, before the Oil Conservation Commission, State of New Mexico, at Santa Fe, on January 20, 1954, is a true and correct record of the same to the best of my knowledge, skill and ability.

DATED at Albuquerque, New Mexico, this 25th day of January, 1954.

Ada Dearnley
REPORTER

ADA DEARNLEY & ASSOCIATES
COURT REPORTERS
ROOM 105-106, EL CORTEZ BLDG.
PHONES 7-9645 AND 5-9346
ALBUQUERQUE, NEW MEXICO

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. 637
Order No. R-432

THE AMENDED APPLICATION OF SKELLY
OIL COMPANY FOR AN ORDER GRANTING
APPROVAL OF AN EXCEPTION PURSUANT
TO RULE 7 (a) OF ORDER No. R-370-A IN
ESTABLISHMENT OF AN UNORTHODOX
GAS PRORATION UNIT OF 80 CONTIGUOUS
ACRES CONSISTING OF WEST HALF SOUTH-
WEST ^{Quarter} OF SECTION 25, TOWNSHIP 19 SOUTH,
RANGE 36 EAST, NMPM, LEA COUNTY,
NEW MEXICO IN THE EUMONT GAS POOL.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m., on January 20, 1954 and on February 17, 1954, at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this 27th day of May, 1954, the Commission, a quorum being present, having considered the records 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 pursuant to provisions of Rule 7 (a) of Order No. R-370-A, the Commission has power and authority to permit the formation of a gas proration unit consisting of other than a legal quarter section after notice and hearing by the Commission.

(3)

(a) That applicant, Skelly Oil Company, is the owner of an oil and gas lease in Lea County, New Mexico the land consisting of other than a legal quarter section, and described as follows, to-wit:

TOWNSHIP 19 SOUTH, RANGE 36 EAST, NMPM
SW/4 SW/4 of Section 25

containing 40 acres, more or less.

(b) That Amerada Petroleum Corporation, is the owner of an oil and gas lease in Lea County, New Mexico the land consisting of other than a legal quarter section, and described as follows, to-wit:

TOWNSHIP 19 SOUTH, RANGE 36 EAST, NMPM
NW/4 SW/4 of Section 25

containing 40 acres, more or less.

(4) That applicant, Skelly Oil Company, has a producing well on the aforesaid lease known as Christmas No. 1 located 660' from the South line and 660' from the West line of Section 25, Township 19 South, Range 36 East, NMPM.

(5) That the aforesaid well was completed and in production prior to January 1, 1954, the effective date of Order No. R-370-A, and is located within the limits of the pool heretofore delineated and designated as the Eumont Gas Pool.

(6)

(a) That it is impractical to pool applicant's said lease with adjoining acreage in the SW/4 of Section 25, Township 19 South, Range 36 East, NMPM, and that the owner of adjoining acreage in said quarter section has not objected to the formation of the proposed proration unit of 80 acres, but have expressly consented thereto.

(b) That Amerada Petroleum Corporation had consented to the formation of the proposed proration unit.

(7) That unless a proration unit consisting of applicant's aforesaid acreage is permitted, applicant will be deprived of the opportunity to recover its just and equitable share of the natural gas in the Eumont Gas Pool.

(8) That creation of a proration unit consisting of the aforesaid acreage will not cause but will prevent waste, will protect correlative rights and is necessary to prevent confiscation of applicant's property.

IT IS THEREFORE ORDERED:

(1) That the application of Skelly Oil Company for approval of an unorthodox proration unit consisting of the following described acreage:

TOWNSHIP 19 SOUTH, RANGE 36 EAST, NMPM
W/2 SW/4 of Section 25

be and the same is hereby approved, and a proration unit consisting of aforesaid acreage is hereby created.

(2) That applicant's well, Christmas No. 1, located in the SW/4 SW/4 of Section 25, Township 19 South, Range 36 East, NMPM, shall be granted an allowable from January 1, 1954 in the proportion that the above described 80 acre unit bears to the standard or orthodox proration unit for said pool, all until further order of the Commission.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


EDWIN L. MECHEM, Chairman


E. S. WALKER, Member


R. R. SPURRIER, Secretary and Member

(S E A L)

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 CON-
SIDERING:

CASE NO. 637
Order No. R- 4321

amended
THE APPLICATION OF *Shelly Oil*
Company
FOR AN ORDER GRANTING APPROVAL
OF AN EXCEPTION ^{PURSUANT} TO RULE 7 (a) OF
ORDER NO. R-370A IN ESTABLISHMENT
OF AN UNORTHODOX GAS PRORATION
UNIT OF 80 CONTIGUOUS ACRES
CONSISTING OF *W/2 SW/4 of*
Section 25, Township
19 South, Range 36 East,
N.M.P.M., Lea County,
N.M. in the Current
Gas Pool.

BY THE COMMISSION:

ORDER OF THE COMMISSION

This cause came on for hearing at 9 o'clock a. m., on *January 20, 1954, and on*
February 17, 1954, at Santa Fe, New Mexico, before the Oil Conservation Commission, herein-
after referred to as the "Commission".

NOW, on this *May* day of *April*, 1954, the Commission, a
quorum being present, having considered the records 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 pursuant to provisions of Rule 7 (a) of Order No. R- 370 A,
the Commission has power and authority to permit the formation of a gas proration
unit consisting of other than a legal quarter section after notice and hearing by the
Commission.

(3) That applicant, *Shelly Oil Company*,
is the owner of an oil and gas lease in Lea County, New Mexico the land consisting of
other than a legal quarter section, and described as follows, to-wit:

180
75
(1)
TOWNSHIP 19 SOUTH, RANGE 36 EAST, NMPM.
SW/4 SW/4 of Section 25

containing *40* acres, more or less.

(3) That ~~applicant~~ *Amerada Pet. Corporation*,
is the owner of an oil and gas lease in Lea County, New Mexico the land consisting of
other than a legal quarter section, and described as follows, to-wit:

TOWNSHIP 19 SOUTH, RANGE 36 EAST, NMPM.

NW/4 SW/4 of Section 25

Order No. R-_____

(4) That applicant, *Skelly Oil Company*, has a producing well on the aforesaid lease known as *Christmas No. 1* located *660'* from the *South* line and *660'* from the *West* line of Section *25*, Township *19* South, Range *36* East, *NMPM*.

(5) That the aforesaid well was completed and in production prior to January 1, 1954, the effective date of Order No. R-370A, and is located within the limits of the pool heretofore delineated and designated as the *Cumant* Gas Pool.

(6) ^(b) *impractical* That it is impossible to pool applicant's said lease with adjoining acreage in the *SW 1/4 of Section 25, Township 19 South, Range 36 East, NMPM*, and that the owners of adjoining acreage in said quarter section ^{has} have not objected to the formation of the proposed proration unit of *80* acres, but have expressly consented thereto.

(b) That *Amade Petroleum Corporation* had consented to the formation of the proposed proration unit.

(7) That unless a proration unit consisting of applicant's aforesaid ^{its} acreage is permitted, applicant will be deprived of the opportunity to recover ~~his~~ just and equitable share of the natural gas in the *Cumant* Gas Pool.

(8) That creation of a proration unit consisting of the aforesaid acreage will not cause but will prevent waste, will protect correlative rights, and is necessary to prevent confiscation of applicant's property.

IT IS THEREFORE ORDERED:

(1) That the application of *Skelly Oil Company* for approval of an unorthodox proration unit consisting of the following described acreage

TOWNSHIP 19 SOUTH, RANGE 36 EAST, NMPM.

W 1/2 SW 1/4 of Section 25

the same

is hereby approved, and a proration unit consisting of aforesaid acreage is hereby created and approved.

Order No. R-_____

(2) That applicant's well, *Christmas No 1*, located in the
SW/4 SW/4 of Section *25*, Township *19* South, Range *36* East, NMPM,
shall be granted an allowable from January 1, 1954 in the proportion that the above
described *80* acre unit bears to the standard or orthodox proration unit for
said pool, all until further order of the Commission.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

E. S. WALKER, Member

R. R. SPURRIER, Secretary and Member

(S E A L)

SKELLY OIL COMPANY

Case No.

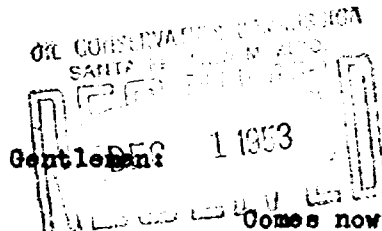
637

Exhibit No.

Case No. _____		Case No. _____		Case No. _____		Case No. _____	
GULF	TEXAS	SUN	TEXAS H J N	GULF	TEXAS	CONTINENTAL *A-1	PHILLIPS
						TEXAS	
Weir		Barr	State	State	State	State	
AMERADA	TEXAS	TEXAS	AMERADA	GULF	SUN	CONTINENTAL	
Weir GULF	Weir GULF	State AMERADA	25 * 3	State GULF	State GULF	State CITIES SERVICE	
AMERADA		SKELLY * 1 660'					
* 7	Weir	Christmas	State	State	State	State	
SUN	GULF	SHELL		AMERADA		SINCLAIR	
Weir							

OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO
SANTA FE, NEW MEXICO

Re: IN THE MATTER OF SKELLY OIL
COMPANY FOR APPROVAL OF AN
UNORTHODOX GAS UNIT EMBRACING
40 CONTIGUOUS ACRES IN THE
EUMONT GAS POOL, LEA COUNTY,
NEW MEXICO.



Comes now SKELLY OIL COMPANY, a Delaware corporation with offices in Tulsa, Oklahoma, hereby petitioning the New Mexico Oil Conservation Commission for approval of an unorthodox gas proration unit lying wholly within the limits of the Eumont Gas Pool, namely the SW $\frac{1}{4}$, SW $\frac{1}{4}$ of Section 25, T19S, R36E., N.M.P.M., Lea County New Mexico, and in support thereof does state:

1. That the petitioner is the sole owner of all leases on the 40 acres confined by the boundaries of the SW $\frac{1}{4}$, SW $\frac{1}{4}$ of Section 25, T19S, R36E., N.M.P.M., and concerns but a single royalty owner.
2. That the petitioner's Christmas well No. 1 is located 660' from each the West and South boundaries of the lease and section and is completed within the vertical limits of the Eumont Gas Pool as defined by the New Mexico Oil Conservation Commission.
3. That the petitioner's lease is capable of production by virtue of its production history.
4. 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.
5. That all lands described above, and contained within the limits of the proposed proration unit, lie within a single legal subdivision (quarter section) of the U. S. Public Land Survey.

Wherefore, the petitioner requests that, in the interest of conservation and protection of correlative rights, the Commission grant an exception to Rule 7(a), Order R-370-A, by which the petitioner may operate the above described lands as a single unit.

Respectfully submitted
SKELLY OIL COMPANY

J. N. Dunlavy
J. N. Dunlavy

Memo

To Mr. Kelly!
Not Change?
From
H. D. WALTER

To Jack + Ketts O.K.
WDM
+ his case is a
little different from the
others in that it
involves the combining
of 2 - 40 acre tracts
owned by Kelly +
Ameroda to form an
unorthodox unit of
80 acres. Check it
over the wording
may not be appropriate
WDM.

*Original
W. J. Dunlavey
J. N. Dunlavey*

OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO
SANTE FE, NEW MEXICO

Re: IN THE MATTER OF SKELLY OIL
COMPANY FOR APPROVAL OF AN
UNORTHODOX GAS UNIT EMBRACING
40 CONTIGUOUS ACRES IN THE
EUMONT GAS POOL, LEA COUNTY,
NEW MEXICO.

Gentlemen:

Come now SKELLY OIL COMPANY, a Delaware corporation with offices in Tulsa, Oklahoma, hereby petitioning the New Mexico Oil Conservation Commission for approval of an unorthodox gas proration unit lying wholly within the limits of the Eumont Gas Pool, namely the SW $\frac{1}{4}$, SW $\frac{1}{4}$ of Section 25, T19S, R36E., N.M.P.M., Lea County New Mexico, and in support thereof does state:

1. That the petitioner is the sole owner of all leases on the 40 acres confined by the boundaries of the SW $\frac{1}{4}$, SW $\frac{1}{4}$ of Section 25, T19S, R36E., N.M.P.M., and concerns but a single royalty owner.

2. That the petitioner's Christmas well No. 1 is located 660' from each the West and South boundaries of the lease and section and is completed within the vertical limits of the Eumont Gas Pool as defined by the New Mexico Oil Conservation Commission.

3. That the petitioner's lease is capable of production by virtue of its production history.

4. 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.

5. That all lands described above, and contained within the limits of the proposed proration unit, lie within a single legal subdivision (quarter section) of the U. S. Public Land Survey.

Wherefore, the petitioner requests that, in the interest of conservation and protection of correlative rights, the Commission grant an exception to Rule 7(a), Order R-370-A, by which the petitioner may operate the above described lands as a single unit.

Respectfully submitted
SKELLY OIL COMPANY

J. N. Dunlavey
J. N. Dunlavey

OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO
SANTA FE, NEW MEXICO.

RE: IN THE MATTER OF SKELLY OIL COMPANY)
FOR APPROVAL OF AN UNORTHODOX GAS UNIT (CASE
EMBRACING 40 CONTIGUOUS ACRES IN THE) NO.
EUMONT GAS POOL, LEA COUNTY, NEW MEXICO (637

Gentlemen:

Comes now SKELLY OIL COMPANY, a Delaware corporation with offices in Tulsa, Oklahoma, hereby petitioning the New Mexico Oil Conservation Commission for approval of an unorthodox gas proration unit lying wholly within the limits of the Eumont Gas Pool, namely the SW $\frac{1}{4}$, SW $\frac{1}{4}$ of Section 25, T19S, R36E, N.M.P.M., Lea County, New Mexico, and in support thereof does state:

1. That the petitioner is the sole owner of all leases on the 40 acres confined by the boundaries of the SW $\frac{1}{4}$, SW $\frac{1}{4}$ of Section 25, T19S, R36E, N.M.P.M., and concerns but a single royalty owner.
2. That the petitioner's Christmas well No. 1 is located 660' from each the West and South boundaries of the lease and section and is completed within the vertical limits of the Eumont Gas Pool as defined by the New Mexico Oil Conservation Commission.
3. That the petitioner's lease is capable of production by virtue of its production history.
4. 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.
5. That all lands described above, and contained within the limits of the proposed proration unit, lie within a single legal subdivision (quarter Section) of the U. S. Public Land Survey.

Wherefore, the petitioner requests that, in the interest of conservation and protection of correlative rights, the Commission grant an exception to Rule 7(a), Order R-370-A, by which the petitioner may operate the above described lands as a single unit.

Respectfully submitted
SKELLY OIL COMPANY

(SGD) J. N. Dunlavey

(The above named plat is on
file in office of Oil Con-
servation Commission in Santa Fe, New Mexico.)

New Mexico Oil & Gas Eng. Comm.
Hobbs, New Mexico.
Jan. 4, 1954