

011 0001 Rio Arriba County, N.M.

Case No.

1281

Application, Transcript,
Small Exhibits, Etc.

APPLICATION BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF SHELLY
OIL COMPANY FOR AN EXCEPTION TO RULE 104
OF THE STATEWIDE RULES AND REGULATIONS AS
AMENDED BY ORDER NO. R-855 IN SO FAR AS IT
APPLIES TO ITS JICARILLA "B" NO. 2 WELL
SECTION 31, TOWNSHIP 25 NORTH, RANGE 5 WEST,
NEW MEXICO COUNTY, NEW MEXICO.

CASE NO. _____

APPLICATION

Comes now Shelly Oil Company and alleges and states:

1. That it is a producer and operator of gas wells in Township 24 and 25 North, Range 5 West, Rio Arriba County, New Mexico and more particularly its Jicarilla "B" Lease in Sections 31 and 32, Township 25 North and Sections 5 and 6 Township 24 North, both in Range 5 West.
2. That its No. 2 well located 990' from the east line and 1590' from the south line of Section 31, Township 25 North, Range 5 West, was authorized on March 21, 1957, as a gas well and projected to a gas producing horizon prevalent in this area, with said well being spudded on April 3, 1957 and completed on or about May 31, 1957, as an oil well.
3. That said Rule 104, as amended, provides for gas wells to be located 990' from the outer boundaries of 160-acre governmental quarter section with a tolerance of 200' and should not be drilled closer than 330' to any quarter quarter section or subdivision inner boundary.
4. That said Rule 104, as amended, provides that in the event oil production is encountered in a well which was projected to a gas producing horizon and which is located according to the above described gas well location rule, but does not conform to the oil spacing of being located not closer than 330' to any quarter quarter section line, it shall then be necessary for an operator to bring the matter to a hearing.
5. That applicant owns all of Section 5 and 6, Township 24 North, Range 5 West, and all of Section 31 and 32, Township 25 North, Range 5 West and that said well is toward the center of applicant's acreage to the extent that no other parties either affecting or in the vicinity would be adversely affected.
6. That the granting of this application would be in the interest of conservation.

WHEREFORE, applicant prays that this Commission set this matter down for hearing, after the giving of notice as required by law, and issue such orders, rules and regulations as may be necessary in the premises after said hearing.

Respectfully submitted

(Signed) GEORGE W. SELINGER

By _____

In the matter of the application of
Shelly Oil Company for approval of an
unorthodox oil well location in an undesignated
~~oil pool~~

oil pool in Rio Arriba County, New Mexico
in exception to Rule 104 of the Commission
Rules and Regs.

App. in the above-styled cause
seeks an order authorizing an unorthodox
oil well location in an undesignated oil
pool for its Dicksie "B" Well No. 2 located
1590 f 5 L and 990 f 5 L of Sec. 31, T-25-N,
R-5-W, Rio Arriba County. Said well
was projected as a gas well ~~that~~ in accordance
with ^{the Commission} gas well location rules ~~but~~ was found
to be production of oil.

CLASS OF SERVICE

This is a fast message unless its deferred character is indicated by the proper symbol.

WESTERN UNION

TELEGRAM *Case 1281*

W. P. MARSHALL, President

SYMBOLS

DL = Day Letter
NL = Night Letter
LT = International Letter Telegram

The filing time shown in the date line on domestic telegrams is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination.

LA 067 KC012

(49).

K TUA 187 PD AR FAX TULSA OKLA 26 932AMC 1957 JUN 26 AM 9 00

:A L PORTER JR:

**NEW MEXICO OIL CONSERVATION COMMISSION STATE
CAPITOL SANTA FE NMDX=**

**IF HEARING CAN BE SET FOR JULY 17 IT WOULD BE APPRECIATED.
REQUEST IS MADE FOR APPLICATION ORDER NO. R-885, CASE
NO. 1104 AMENDING RULE 104 OF THE STATEWIDE RULES
PARAGRAPH B, SUBPARAGRAPH 2, WHICH PROVIDES IN THE EVENT
OIL PRODUCTION IS ENCOUNTERED IN WELL PROJECTED TO GAS
PRODUCING HORIZON AND LOCATED ACCORDING TO GAS WELL
LOCATIN RULE BUT DOES NOT CONFORM TO OIL WELL RULE,
HEARING NECESSARY. JICARTILLA "B"=**

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

CLASS OF SERVICE

This is a fast message unless its deferred character is indicated by the proper symbol.

WESTERN UNION TELEGRAM

W. P. MARSHALL, PRESIDENT

SYMBOLS

DL = Day Letter

NL = Night Letter

LT = International Letter Telegram

1201

The filing time shown in the date line on domestic telegrams is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination.

NO. 2 AUTHORIZED AS GAS WELL 990' FROM EAST LINE AND
1590' FROM SOUTH LINE SECTION 31 25 NORTH, 5 WEST, RIO
ARRIBA COUNTY RECENTLY COMPLETED AS OIL WELL, SUCH
LOCATION CONFORMS TO GAS SPACING BUT IS CLOSER THAN 330'
FROM INNER QUARTER QUARTER SECTION BOUNDARY BY ONLY 60'.
LETTER FOLLOWS:

:GEORGE W SELINGER SKELLY OIL CO=

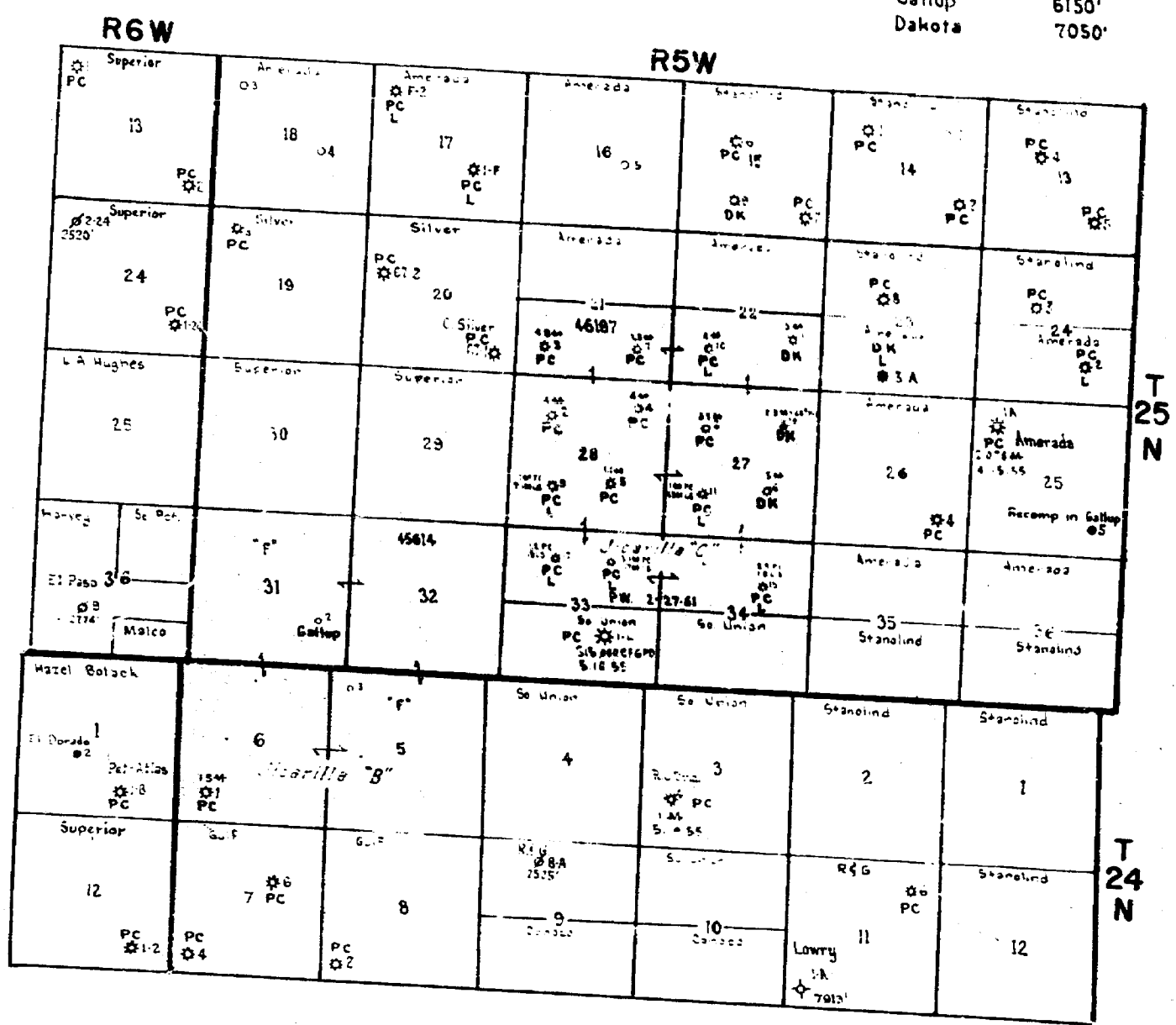
:17 R-885 1104 104 B 2 JICARILLA B 2 990' 1590' 31 25
5 330' 60'

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

RIO ARRIBA COUNTY
NEW MEXICO
Exhibit I

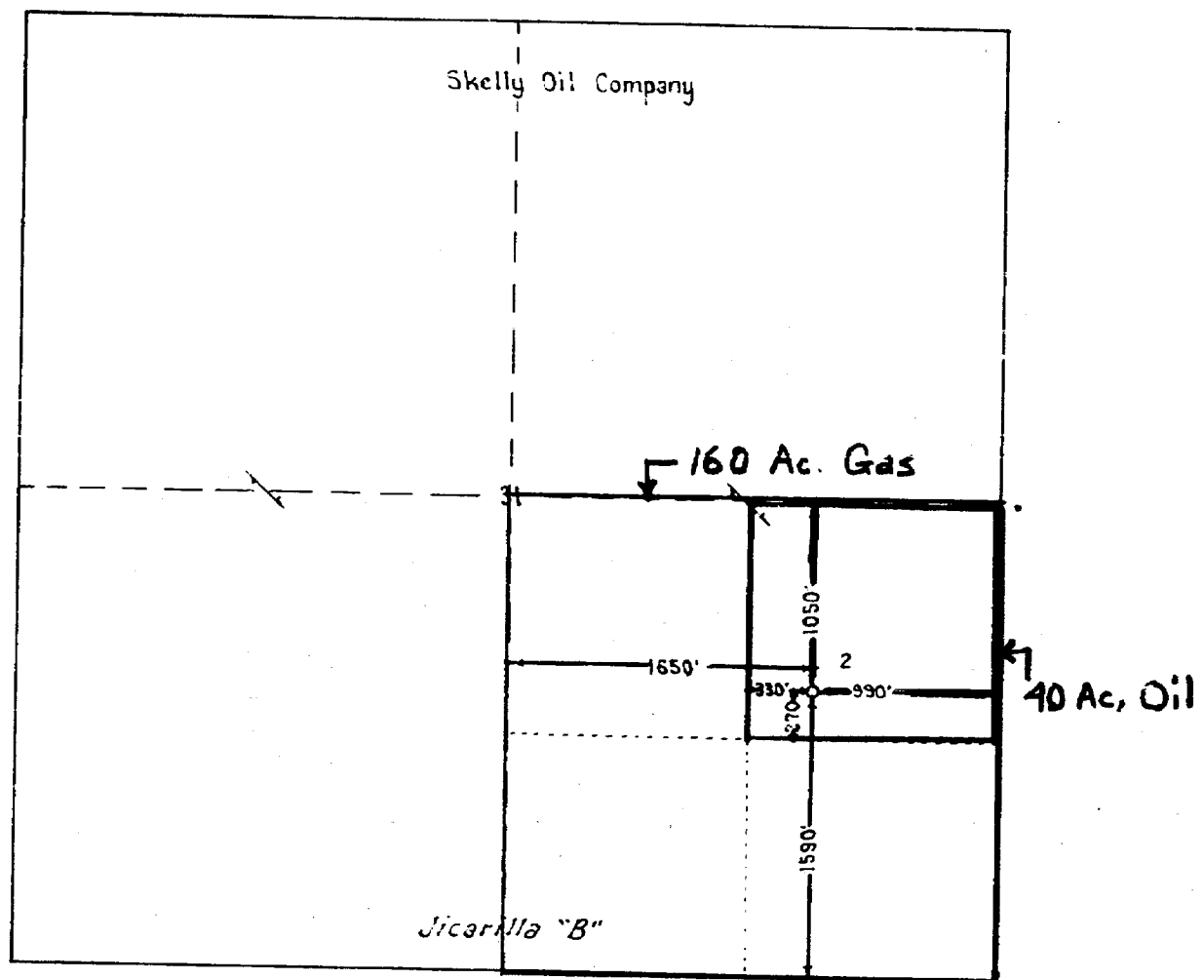
BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
Skelly
CASE 1279 EXHIBIT No. 1

Average Depths
Pictured Cliff 2750'
Lewis 3600'
Gallup 6150'
Dakota 7050'



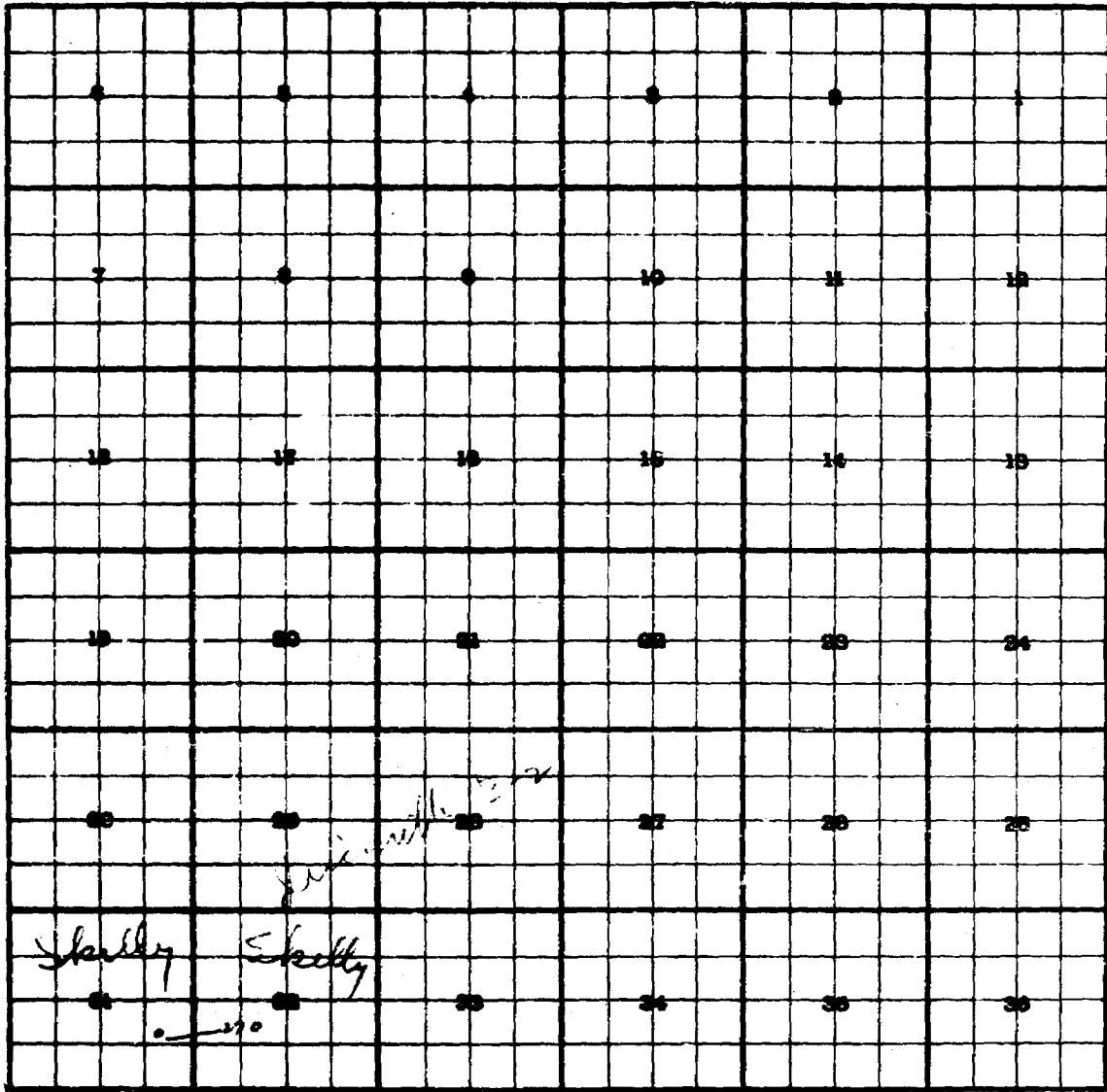
#1251

EXHIBIT II
JICARILLA "B" No. 2 WEST
SECTION 31-25 NORTH-5
RIO ARriba COUNTY, NEW MEXICO
SCALE 1" = 1000'



County _____ Pool _____

TOWNSHIP 25 ^A ~~25~~ ^W ~~25~~ ^S RANGE 5 ^W ~~5~~ ^S NEW MEXICO PRINCIPAL MERIDIAN



6 5
Shelly Shelly
Gallup
Laramie
Kawata Test
S.M. NE.

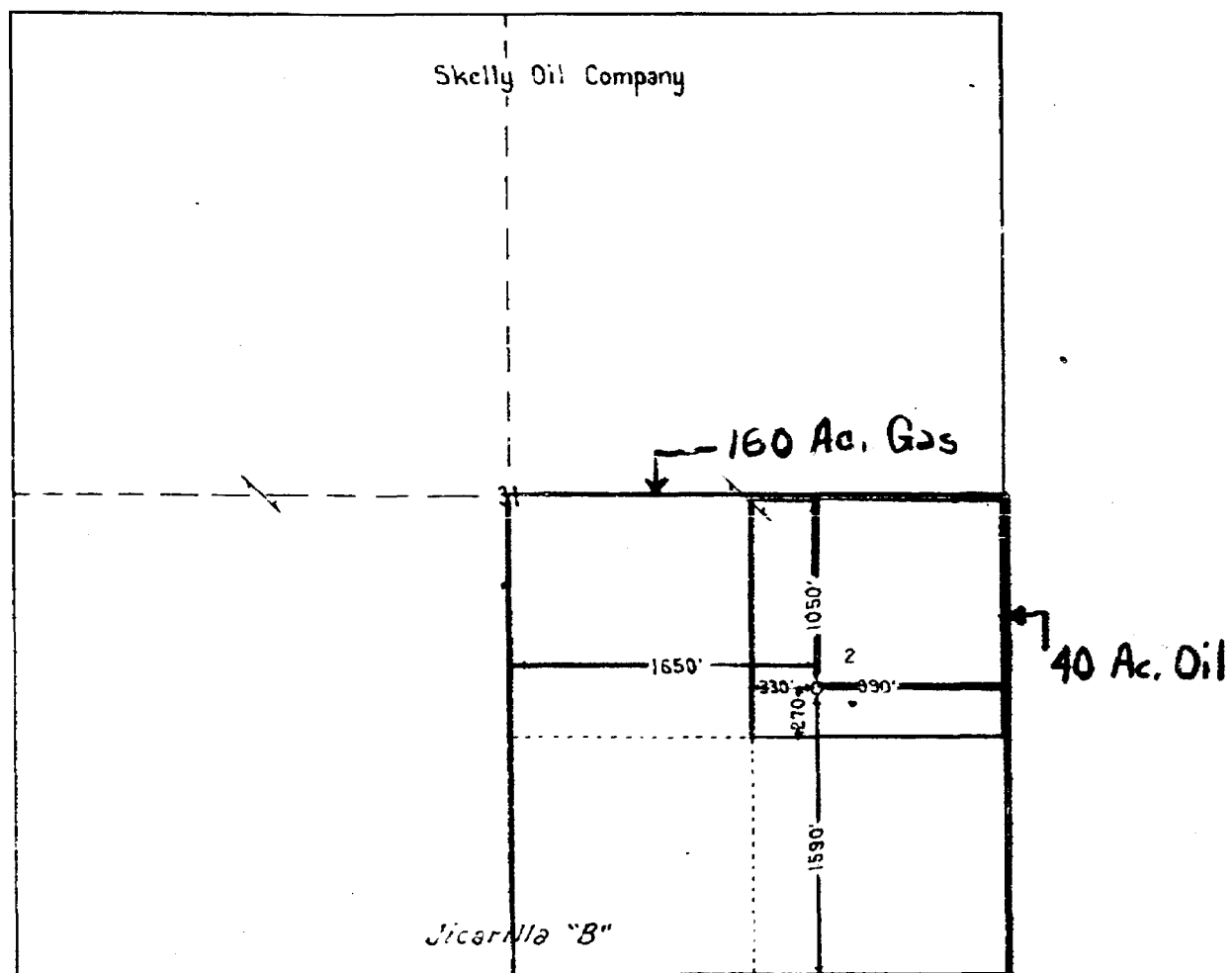
Sec 31 Township No. 25 of Range No. 5

Heard, "B" #2

3300
270

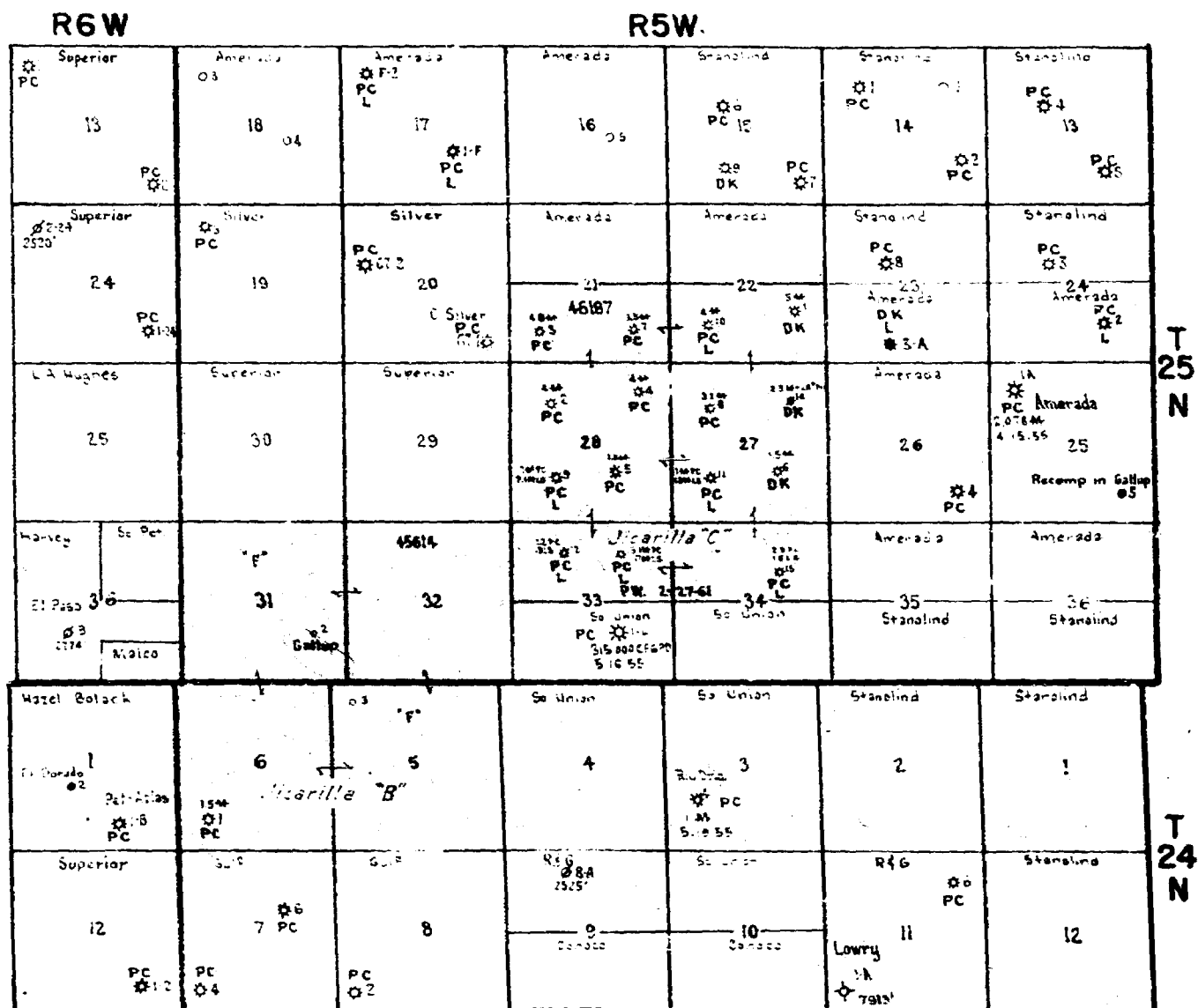
514
220
990
230
122

EXHIBIT II
JICARILLA "B" No. 2 ^{WEST}
SECTION 31-25 NORTH-5 ~~EAST~~
RIO ARriba COUNTY, NEW MEXICO
SCALE 1" = 1000'



**RIO ARRIBA COUNTY
NEW MEXICO
Exhibit I**

Average Depths
Pictured Cliff 2750'
Lewis 3600'
Gallup 6150' --
Dakota 7050'



Scale 1"=1 Mile

NEW MEXICO
OIL CONSERVATION COMMISSION
AZTEC, NEW MEXICO

Case # 1281
on 7/7/57

June 27, 1957

also copy to well file

Mr. F. E. Casper
Skelly Oil Company
Box 436
Farmington, New Mexico

Dear Mr. Casper:

This letter will serve as notice of cancellation of Perm C-110 approved by this office June 20, 1957 for the Skelly Oil Company #2 Jicarilla "B".

This well, located 1590 feet from the south line and 990 feet from the east line Section 31-29N-3W does not agree with paragraph (b) sub-paragraph 1 of the Order B-855 which states that a wildcat oil well shall not be located closer than 330 feet to any boundary line of the 40-acre drilling block.

A copy of Order B-855 is enclosed for your convenience and appropriate action.

If we can be of assistance, please let us know.

Yours very truly

A. R. Kendrick
Engineer, District #3

ARK:ds

cc: El Paso Natural Gas Products Co.
Moonfield, N.M.

Oil Conservation Commission
Santa Fe, N.M.

NEW MEXICO OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

(File the original and 4 copies with the appropriate district office)

CERTIFICATE OF COMPLIANCE AND AUTHORIZATION
TO TRANSPORT OIL ~~XXXXXXXXXXXX~~

Company or Operator Skelly Oil Company Lease Jicarilla "B"

Well No. 2 Unit Letter I S 31 T 25N R 5W Pool Undesignated (Hospah)

County Rio Arriba Kind of Lease (State, Fed. or Patented) Federal

If well produces oil ~~XXXXXXXXXXXX~~, give location of tanks: Unit I S 31 T 25N R 5W

Authorized Transporter of Oil ~~XXXXXXXXXXXX~~ Fred Rogers

Address Bloomfield, New Mexico
(Give address to which approved copy of this form is to be sent)

Authorized Transporter of Gas _____

Address _____
(Give address to which approved copy of this form is to be sent)

If Gas is not being sold, give reasons and also explain its present disposition:

Reasons for Filing: (Please check proper box) New Well ☒ (X)

Change in Transporter of (Check One): Oil ☐ Dry Gas ☐ Condensate ☐

Change in Ownership ☐ Other ☐

Remarks: _____
(Give explanation, if any)

The undersigned certifies that the Rules and Regulations of the Oil Conservation Commission have been complied with.

Executed this the 20th day of June, 19 57

Approved JUN 20 1957 19

OIL CONSERVATION COMMISSION

By [Signature]

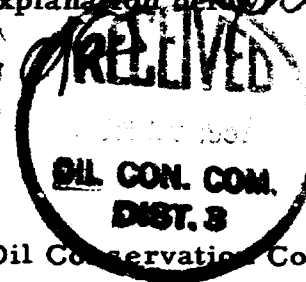
Title PETROLEUM ENGINEER DIST. NO. 3

By [Signature]

Title District Superintendent

Company SKELLY OIL COMPANY

Address Farmington, New Mexico



RECEIVED

OIL CONSERVATION COMMISSION
AZTEC DISTRICT OFFICE

No. Copies Received 5

DISTRIBUTION

	NO. FURNISHED	
Operator	<u>2</u>	
State Fe	<u>1</u>	<input checked="" type="checkbox"/>
Proration Office		
State Land Office		
J. S. G. S.		
Transporter	<u>1</u>	
File	<u>1</u>	

INVESTIBLE



Case 1281

SKELLY OIL COMPANY

TULSA 2, OKLAHOMA

PRODUCTION DEPARTMENT
C. L. BLACKSHER, MANAGER

June 26, 1957

Mr. A. L. Porter, Jr.
New Mexico Oil Conservation Commission
State Capitol
Santa Fe, New Mexico

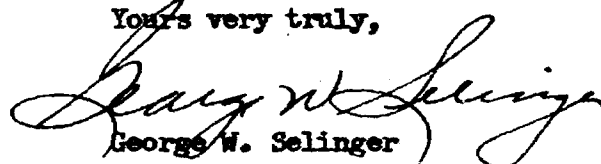
Dear Sir:

This is to confirm our telegram sent to you as of this date, in which we seek an exception to Rule 104 to a well which was projected to a gas producing horizon in the area, but, unexpectedly completed as an oil well necessitating exception to the well spacing requirements of Rule 104.

Attached hereto is an original and three copies of application and although the nearest other operator would be approximately a mile or more from our location, the nearest operators are Southern Union, Superior, Gulf, Malco, Southern Petroleum and Petroleum Atlas.

As expressed in our telegram, we trust that this matter can be set for hearing on July 17. If you are unable to have this matter set for this date, if it could be set for an examiners hearing on or about July 26, same would be next best.

Yours very truly,


George W. Selinger

GWS:dc

cc: Mr. P. E. Cospier

APPLICATION BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF SKELLY
OIL COMPANY FOR AN EXCEPTION TO RULE 104,
OF THE STATEWIDE RULES AND REGULATIONS AS
AMENDED BY ORDER NO. R-855 IN SO FAR AS IT
APPLIES TO ITS JICARILLA "B" NO. 2 WELL
SECTION 31, TOWNSHIP 25 NORTH, RANGE 5 WEST,
RIO ARriba COUNTY, NEW MEXICO.

CASE NO. 1281

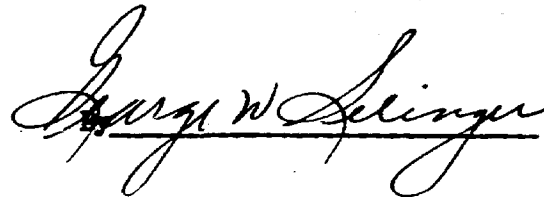
APPLICATION

Comes now Skelly Oil Company and alleges and states:

1. That it is a producer and operator of gas wells in Township 24 and 25 North, Range 5 West, Rio Arriba County, New Mexico and more particularly its Jicarilla "B" Lease in Sections 31 and 32, Township 25 North and Sections 5 and 6 Township 24 North, both in Range 5 West.
2. That its No. 2 well located 990' from the east line and 1590' from the south line of Section 31, Township 25 North, Range 5 West, was authorized on March 21, 1957, as a gas well and projected to a gas producing horizon prevalent in this area, with said well being spudded on April 3, 1957 and completed on or about May 31, 1957, as an oil well.
3. That said Rule 104, as amended, provides for gas wells to be located 990' from the outer boundaries of 160-acre governmental quarter section with a tolerance of 200' and should not be drilled closer than 330' to any quarter quarter section or subdivision inner boundary.
4. That said Rule 104, as amended, provides that in the event oil production is encountered in a well which was projected to a gas producing horizon and which is located according to the above described gas well location rule, but does not conform to the oil spacing of being located not closer than 330' to any quarter quarter section line, it shall then be necessary for an operator to bring the matter to a hearing.
5. That applicant owns all of Section 5 and 6, Township 24 North, Range 5 West, and all of Section 31 and 32, Township 25 North, Range 5 West and that said well is toward the center of applicants acreage to the extent that no other parties either offsetting or in the vicinity would be adversely affected.
6. That the granting of this application would be in the interest of conservation.

WHEREFORE, applicant prays that this Commission set this matter down for hearing, after the giving of notice as required by law, and issue such orders, rules and regulations as may be necessary in the premises after said hearing.

Respectfully submitted



OK
to approve

NSL
7/20/57
WMM

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Date 7-19-57

CASE 1281

Hearing Date 7-18-57

My recommendations for an order in the above numbered cases are as follows:

That the applicant's application be granted as requested. (exception to Rule 109 & (2))

1. The lease ownerships and royalty is the same in Sec 31, 32 - 25~~N~~ - 5W and Sec. 506 - 24N - 5W.
2. That the well being 270' from a $\frac{1}{4}$ section line will not drain any other interests.
3. Well was drilled for gas in an area where oil production was not anticipated.

Harold J. [Signature]

Staff Member

DOCKET: REGULAR HEARING JULY 17, 1957

Oil Conservation Commission 9 a.m., Mabry Hall, State Capitol, Santa Fe, NM

- ALLOWABLE: (1) Consideration of the oil allowable for August, 1957.
- (2) Consideration of the allowable production of gas for August, 1957, from the seven prorated pools in Lea County, New Mexico; also consideration of the allowable production of gas from the six prorated pools in San Juan and Rio Arriba Counties, New Mexico, for August, 1957.

CASE 1275: Application of Shell Oil Company for an exception to Rule 309 of the Commission Rules and Regulations to permit the transportation of oil from the basic lease prior to measurement, and to produce more than eight wells into a central plant, and to commingle production from the participating area of the Carson Unit with production from other wells in the area. Applicant, in the above-styled cause, seeks an order authorizing off-lease measurement of oil produced from the Bisti-Lower Gallup Oil Pool and an undesignated Lower Gallup Oil Pool in Township 25 North, Range 11 West, and Township 25 North, Range 12 West, San Juan County, New Mexico, by means of an automatic custody transfer system; and to authorize the production of more than eight wells into a central testing and measuring plant and further, to authorize the commingling of non-participating area production with participating area production in the Carson Unit, with royalty payments to be calculated by means of periodic production rate tests.

CASE 1276: Application of Amerada Petroleum Corporation for an order amending Order No. R-991 insofar as said order pertains to the Bagley-Lower Pennsylvanian Gas Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order amending Order No. R-991 to extend the horizontal limits of the Bagley-Lower Pennsylvanian Gas Pool to include the S/2 Section 34, Township 11 South, Range 33 East, and the NE/4 Section 3, Township 12 South, Range 33 East, Lea County, New Mexico, and to increase the size of the standard drilling unit for said pool from 160 acres to 320 acres and to enter such other rules and regulations for said pool as the Commission may deem necessary.

CASE 1277: Application of the Oil Conservation Commission at the request of Wilson Oil Company for an order establishing a new oil pool with special pool rules in the Potash-Oil Area, Lea County, New Mexico, in accordance with Section 3, Paragraph III, of Order R-111-A. Applicant, in the above-styled cause, seeks an order creating a new oil pool in the area of Wilson Oil Company's recently completed oil well located in the NE/4 NE/4 Section 21, Township 20 South, Range 34 East, Lea County, New Mexico; and for the promulgation of special pool rules to govern future drilling in said pool in order to afford adequate protection for the potash deposits in the area.

CASE 1278: In the matter of the hearing called by the Oil Conservation Commission upon its own motion to permit Roy T. Short and the Hartford Accident and Indemnity Company and all other interested parties to appear and show cause why the Roy T. Short, et al, Millard Eidson No. B-3 Well located in the SW/4 SE/4 of Section 26, Township 16 South, Range 35 East, in the Shoe Bar Area of Lea County, New Mexico, should not be ordered plugged and abandoned in accordance with the Rules and Regulations of the Oil Conservation Commission of New Mexico.

CASE 1279: In the matter of the hearing called by the Oil Conservation Commission upon its own motion to permit Roy T. Short, M. N. Hamilton, Apache Basin Oil Company, and Basin Oil Company, and all other interested parties to appear and show cause why the hole located 660 feet from the South and West lines of Section 25, Township 16 South, Range 35 East, Lea County, New Mexico, should not be ordered plugged and abandoned in accordance with the Rules and Regulations of the Oil Conservation Commission of New Mexico.

CASE 1280: Application of Sunray Mid-Continent Oil Company for an order authorizing a pilot secondary recovery project in the Bisti-Lower Gallup Oil Pool in exception to Rule 701 of the Commission Rules and Regulations. Applicant, in the above-styled cause, seeks an order authorizing it to drill and operate a well at a point five feet southeast of the northwest corner of Section 6, Township 25 North, Range 12 West, San Juan County, New Mexico, for the injection of liquified petroleum gases and dry gas into the Lower Gallup formation of the Bisti-Lower Gallup Oil Pool for the purpose of secondary recovery of oil from said pool.

CASE 1281: Application of Skelly Oil Company for approval of an unorthodox oil well location in an undesignated oil pool in Rio Arriba County, New Mexico, in exception to Rule 104 of the Commission Rules and Regulations. Applicant, in the above-styled cause, seeks an order authorizing an unorthodox oil well location in an undesignated oil pool for its Jicarilla "B" Well No. 2 located 1590 feet from the South line and 990 feet from the East line of Section 31, Township 25 North, Range 5 West, Rio Arriba County, New Mexico. Said well was projected as a gas well in accordance with the Commission gas well location rules but was found to be productive of oil.

CASE 1282: Southeastern New Mexico Nomenclature case calling for an order creating new pools and extending and deleting certain areas from existing pools in Eddy and Lea Counties, New Mexico.

(a) Create a new oil pool for Grayburg production, designated as the Teague-Grayburg Pool, and described as:

TOWNSHIP 23 SOUTH, RANGE 37 EAST
Section 20: SE/4

- (b) Create a new oil pool for Pennsylvanian production, designated as the Kemnitz-Pennsylvanian Pool, and described as:

TOWNSHIP 16 SOUTH, RANGE 33 EAST
Section 13: SE/4

- (c) Extend the Dollarhide-Drinkard Pool to include:

TOWNSHIP 24 SOUTH, RANGE 38 EAST
Section 19: NW/4
Section 20: E/2 SW/4

- (d) Extend the Drinkard Pool to include:

TOWNSHIP 22 SOUTH, RANGE 37 EAST
Section 27: E/2 NE/4

- (e) Extend the Gladiola Pool to include:

TOWNSHIP 12 SOUTH, RANGE 37 EAST
Section 25: N/2 NE/4

TOWNSHIP 12 SOUTH, RANGE 38 EAST
Section 17: NW/4
Section 18: N/2 NE/4

- (f) Extend the North Gladiola-Devonian Pool to include:

TOWNSHIP 11 SOUTH, RANGE 38 EAST
Section 32: SE/4

TOWNSHIP 12 SOUTH, RANGE 38 EAST
Section 6: SW/4
Section 7: NW/4
Section 8: NW/4

- (g) Extend the West Henshaw-Grayburg Pool to include:

TOWNSHIP 16 SOUTH, RANGE 30 EAST
Section 4: SE/4
Section 5: SE/4
Section 8: NE/4

- (h) Extend the Langlie-Mattix Pool to include:

TOWNSHIP 23 SOUTH, RANGE 36 EAST
Section 4: E/2 SE/4

- (i) Extend the Pearl-Queen Pool to include:

TOWNSHIP 19 SOUTH, RANGE 35 EAST
Section 22: S/2 SE/4

- (j) Extend the Townsend-Wolfcamp Pool to include:

TOWNSHIP 16 SOUTH, RANGE 36 EAST
Section 6: W/2 SW/4

- (k) Extend the Terry-Blinebry Pool to include:

TOWNSHIP 21 SOUTH, RANGE 37 EAST
Section 3: Lot 16
Section 4: Lot 1

- (l) Delete the following area from the Blinebry Gas Pool:

TOWNSHIP 21 SOUTH, RANGE 37 EAST
Section 3: Lot 16
Section 4: Lot 1

CASE 1283: Northwestern New Mexico nomenclature case calling for an order extending existing pools in San Juan and Rio Arriba Counties, New Mexico.

- (a) Extend the Aztec-Pictured Cliffs Pool to include:

TOWNSHIP 28 NORTH, RANGE 9 WEST
All of Sections 9, 10, 11, 12, 13, & 14
Section 15: E/2 & SW/4
Section 24: All

TOWNSHIP 31 NORTH, RANGE 11 WEST
Section 34: All

- (b) Extend the Otero-Pictured Cliffs Pool to include:

TOWNSHIP 23 NORTH, RANGE 5 WEST
Section 9: E/2
Section 16: N/2

TOWNSHIP 24 NORTH, RANGE 5 WEST
Section 13: SW/4
Section 14: S/2
Section 21: NE/4
Section 22: N/2 & SE/4
All of Sections 23, 24, & 25
Section 31: S/2

- (c) Extend the South Blanco-Pictured Cliffs Pool to include:

TOWNSHIP 24 NORTH, RANGE 4 WEST
Section 5: W/2

TOWNSHIP 27 NORTH, RANGE 8 WEST
Section 4: All

(d) Extend the Bianco-Mesaverde Pool to include:

TOWNSHIP 28 NORTH, RANGE 9 WEST
Section 32: All

(e) Extend the Bisti-Lower Gallup Oil Pool to include:

TOWNSHIP 26 NORTH, RANGE 13 WEST
Section 36: NW/4

(f) Extend the Verde-Gallup Oil Pool to include:

TOWNSHIP 31 NORTH, RANGE 14 WEST
Section 18: All

TOWNSHIP 31 NORTH, RANGE 15 WEST
Section 13: N/2

CONTINUED CASES

CASE 1221: Application of the Oil Conservation Commission on its own motion for an order amending Commission Order R-586 insofar as it relates to the Byers-Queen and Tubb Gas Pools. Applicant, in the above-styled cause, seeks an order amending the Special Rules and Regulations for the Tubb Gas Pool to make provision in said rules for the regulation of oil wells completed within the defined limits of said pool; and further to consider the deletion of that portion of Order R-586 relating to the Byers-Queen Gas Pool.

CASE 1261: Application of Gulf Oil Corporation and Western Oil Fields, Inc., for an order force pooling certain acreage in the Blinbry and Tubb Gas Pools, Lea County, New Mexico. Applicants, in the above-styled cause, seek an order force pooling the interests of all persons having any right, title or interest in the Blinbry and Tubb formations underlying the SW/4 Section 30, Township 22 South, Range 38 East, Lea County, New Mexico.

CASE 1262: Application of Gulf Oil Corporation and Western Oil Fields, Inc., for an order force pooling certain acreage in the Blinbry and Tubb Gas Pools, Lea County, New Mexico. Applicants, in the above-styled cause, seek an order force pooling the interest of all persons having any right, title or interest in the Blinbry and Tubb formations underlying the SE/4 Section 30, Township 22 South, Range 38 East, Lea County, New Mexico.

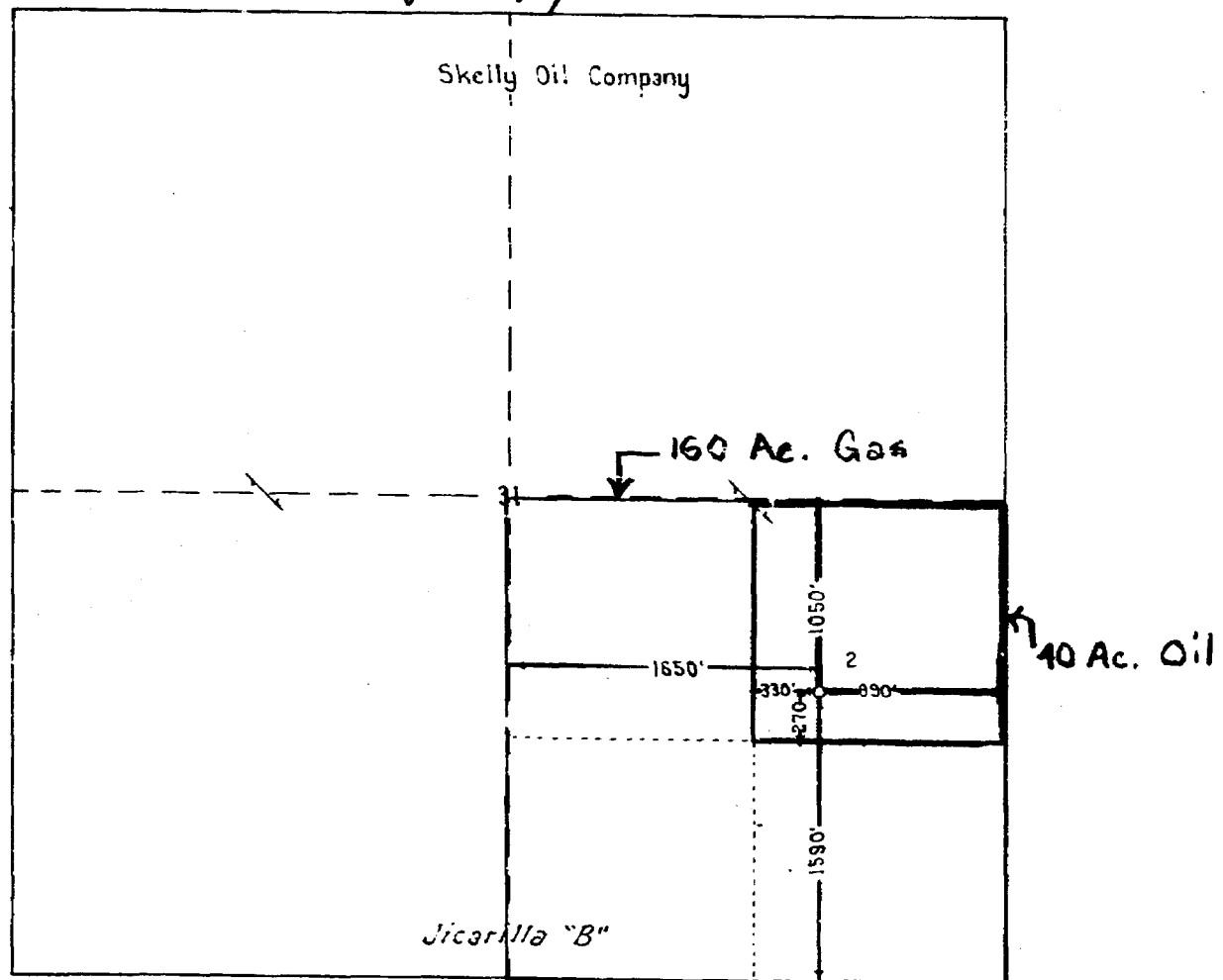
CASE 1263: Application of Gulf Oil Corporation and Western Oil Fields, Inc., for an order force pooling certain acreage in the Blinbry and Tubb Gas Pools, Lea County, New Mexico. Applicants, in the above-styled cause, seek an order force pooling the interests of all persons having any right, title or interest in the Blinbry and Tubb formations underlying the NE/4 Section 25, Township 22 South, Range 37 East, Lea County, New Mexico.

CASE 1264: Application of Gulf Oil Corporation and Western Oil Fields, Inc., for an order force pooling certain acreage in the Blinebry and Tubb Gas Pools, Lea County, New Mexico. Applicants, in the above-styled cause, seek an order force pooling the interests of all persons having any right, title or interest in the Blinebry and Tubb formations underlying the SE/4 Section 25, Township 22 South, Range 37 East, Lea County, New Mexico.

CASE 1265: Application of R. Olsen Oil Company for an order force pooling certain acreage in the Justis Gas Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order force pooling the interests of all persons having any right, title or interest in the Glorieta formation of the Justis Gas Pool underlying the NE/4 Section 23, Township 25 South, Range 37 East, Lea County, New Mexico.

EXHIBIT II
JICARILLA "B" No. 2 WEST
SECTION 31-25 NORTH-5 EAST
RIO ARriba COUNTY, NEW MEXICO
SCALE 1"=1000'

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
Skelly EXHIBIT No. 2
CASE 1279



BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
July 17, 1957

IN THE MATTER OF:

Case 1281

TRANSCRIPT OF PROCEEDINGS

DEARNLEY - MEIER & ASSOCIATES
INCORPORATED
GENERAL LAW REPORTERS
ALBUQUERQUE, NEW MEXICO
3-6691 5-9546

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
July 17, 1957

IN THE MATTER OF:

Application of Skelly Oil Company for approval
of an unorthodox oil well location in an undes-
ignated oil pool in Rio Arriba County, New
Mexico, in exception to Rule 104 of the Commission) Case 1281
Rules and Regulations. Applicant, in the above-
styled cause, seeks an order authorizing an un-
orthodox oil well location in an undesignated
oil pool for its Jicarilla "B" Well No. 2
located 1590 feet from the South line and 990
feet from the East line of Section 31, Township
25 North, Range 5 West, Rio Arriba County, New
Mexico. Said well was projected as a gas well
in accordance with the Commission gas well loca-
tion rules but was found to be productive of oil.

BEFORE:

Mr. Murray Morgan
Mr. A. L. Porter
Governor Edwin L. Mechem

TRANSCRIPT OF PROCEEDINGS

MR. PORTER: We will take up next Case 1281.

MR. COOLEY: Case 1281. Application of Skelly Oil Company
for approval of an unorthodox oil well location in an undesignated
oil pool in Rio Arriba County, New Mexico, in exception to Rule
104 of the Commission Rules and Regulations.

MR. SELINGER: George Selinger for Skelly Oil Company.

We have one witness.

(Witness sworn.)

J. R. TEEL

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 J. R. Teel.

Q You are with Skelly Oil Company?

A Yes, sir.

Q In what capacity?

A Petroleum Engineer.

Q Mr. Teel, have you testified before the New Mexico Commission?

A No, I have not.

Q Are you a graduate of an accredited school of engineering?

A Graduate of the University of Oklahoma, 1950, School of
Petroleum Engineering.

Q Have you practiced your profession since?

A Yes, I have.

Q Have you testified before other State regulatory bodies?

A Yes, sir.

Q Are you familiar in a general way with the Skelly Oil
Company operations in and about Township 25 North, Range 5 West,
in Section 31, Rio Arriba County, New Mexico?

A Yes, I am.

Q Are you familiar with the recent completion of the Skelly

Oil Company Jicarilla "B" No. 2 well in Section 31?

A Yes.

Q That well was originally projected and drilled for the production of gas, was it not?

A That is correct.

Q And the well was completed for oil?

A Completed as an oil well.

Q In what formation?

A In the Gallup formation.

(Skelly Oil Company's Exhibit
No. 1 marked for identification.)

Q As indicated by Exhibit No. 1, where is the Jicarilla "B" No. 2 well?

A Jicarilla "B" No. 2 well is located in the southeast quarter Section 31, Township 25 North, Range 5 West, Rio Arriba County, New Mexico.

Q And that well was drilled for production of gas under Rule 104, is that correct?

A That is correct. It was projected to the Dakota to test the Dakota sand.

Q All the wells in and about that area have all been completed as gas wells, have they not?

A Practically all of the wells in this area have been completed as gas wells.

Q Where is the nearest oil well, how many miles?

A Approximately five miles to the northeast.

Q So that you had no reason to feel that you were going to complete the well as an oil well, in view of the results of the other wells drilled in the area, is that correct?

A Would you repeat the question, please?

Q So you had no indication that you would complete the well as an oil well, based on the results of the completed wells in and about that area?

A We had no anticipation of oil production at that location.

Q Very briefly, the well is off the 330 required distance for oil wells from the quarter quarter section line, is that correct, as an oil well?

A Yes, sir, that is correct.

Q And it is only 270 feet, rather than 330?

A Rather than the required 330, that is correct.

(Skelly Oil Company's Exhibit
No. 2 marked for identification.)

Q I will hand you what has been marked as Exhibit 2. Does that indicate the location of the oil well on that 160 acres with particular reference to the quarter quarter section line?

A It gives the location of the well with reference to the outside boundaries of the section line, with reference to the inside boundaries of the quarter quarter section line.

MR. SELINGER: I believe that is all we have. We would like to offer in evidence Exhibits 1 and 2.

MR. PORTER: Without objection they will be received.

(Skelly Oil Company's Exhibits
1 & 2 received in evidence.)

MR. PORTER: Anyone have a question? Mr. Cooley.

CROSS EXAMINATION

By MR. COOLEY:

Q How many acres are dedicated to this well, Mr. Teel?

A Forty acres, I believe.

Q Does Skelly own all the working interest in that?

A Yes, sir.

MR. COOLEY: That is all.

MR. SELINGER: All that indicated on Exhibit 1 in yellow
is all one base lease.

MR. PORTER: Any other questions? If not, the witness
may be excused.

(Witness excused.)

MR. PORTER: Do you have anything further to offer, Mr.
Selinger?

MR. SELINGER: That is all.

MR. PORTER: Anyone else have anything further in this
case? We will take the case under advisement and recess until
one P.M.

* * * * *

C E R T I F I C A T E

STATE OF NEW MEXICO)
COUNTY OF BERNALILLO) ss

I, MARIANNA MEIER, 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 3rd day of July, 1957, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

Marianna Meier
NOTARY PUBLIC

My commission expires:
April 8, 1960.

**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. 1281
Order No. R-1026**

**APPLICATION OF SKELLY OIL COMPANY
FOR APPROVAL OF AN UNORTHODOX OIL WELL
LOCATION IN AN UNDESIGNATED OIL POOL IN
RIO ARRIBA COUNTY, NEW MEXICO.**

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on July 17, 1957, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 7th day of August, 1957, the Commission, a quorum being present, having considered the application, and the evidence adduced and being fully advised in the premises,

FINDS:

(1) That due public notice 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 the owner of an Indian oil and gas lease, a portion of which consists of the SE/4 of Section 31, Township 25 North, Range 5 West, NMPM, Rio Arriba County, New Mexico.

(3) That on or about April 3, 1957, the applicant spudded its Jicarilla "B" Well No. 2 as a projected gas well at a point 1590 feet from the South line and 990 feet from the East line of said Section 31, which location is an orthodox gas well location under the provisions of paragraph (b) (2) of Rule 104 of the Commission Rules and Regulations.

(4) That the above-described Jicarilla "B" Well No. 2 was found to be productive of oil from the Gallup formation, and was completed as an oil well producing from said formation.

(5) That approval of the unorthodox location of the said Jicarilla "B" No. 2 Well will not cause waste nor impair correlative rights.

(6) That the denial of this application would impose an undue hardship upon the applicant.

IT IS THEREFORE ORDERED:

That the unorthodox location of the Skelly Oil Company Jicarilla

-2-

CASE NO. 1281
Order No. R-1026

"B" No. 2 Well at a point 1590 feet from the South line and 990 feet from the East line of Section 31, Township 25 South, Range 5 West, NMPM, in an Undesignated Gallup Oil Pool in Rio Arriba County, New Mexico, be and the same is hereby approved.

DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



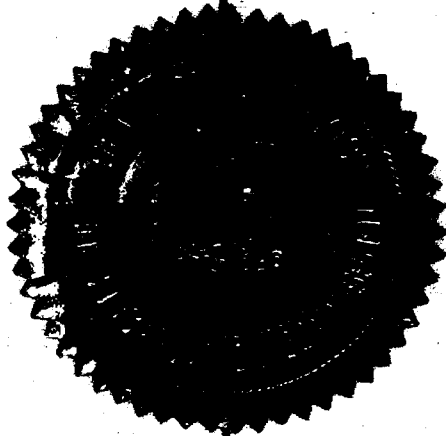
EDWIN L. MECHEM, Chairman



MURRAY E. MORGAN, Member



A. L. PORTER, Jr., Member & Secretary



ga/

OIL CONSERVATION COMMISSION
P. O. BOX 871
SANTA FE, NEW MEXICO

August 9, 1957

C
O
P
Y

Mr. George Selinger
Skelly Oil Company
Box 1650
Tulsa, Oklahoma

Dear Sir:

We enclose a copy of Order R-1026 issued August 7, 1957, by the Oil Conservation Commission in Case 1281, which was heard on July 17th at Santa Fe.

Very truly yours,

A. L. Porter, Jr.
Secretary - Director

bp
Encl.