

*NSK-542
issue 3-27-72 or
upon waiver from
Superior & El Paso*



and ok from district

RECEIVED

MAR - 6 1972

OIL CONSERVATION COMM.

SKELLY OIL COMPANY

P. O. BOX 1650

TULSA, OKLAHOMA 74102

LAW DEPARTMENT
GEORGE W. SELINGER
SENIOR ATTORNEY

March 3, 1972

Mr. A. L. Porter, Jr., Secretary-Director
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Dear Mr. Porter:

On February 24, 1972, we forwarded you an original and three copies of our application for an unorthodox gas well location for a wildcat well to be drilled to a formation of Pennsylvanian Age or older at a proposed depth of 15,200' for Silurian-Devonian tests and passing through the Morrow zone to be tested at approximately 12,435-13,475', as an exception to Statewide Rule 104-B-1(a).

Since the filing of this application our personnel in the field have made an investigation of the topographical conditions in this immediate area, and more particularly the S/2 of Section 9, as to location of wells, and upon the completion of this investigation we have found that the western two-thirds of the S/2 of Section 9 is laced with gullies, ravines and cliffs of some 50' or more and that the SE corner of the S/2 of Section 9 is more level and compatible to the drilling of a well. We had an independent concern make an investigation of the topography, and attached hereto is a letter from this independent concern indicating that we would have an additional burden in drilling the well at any other location other than the proposed location.

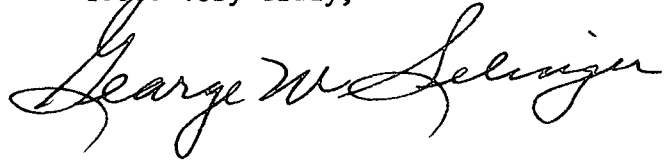
It is to be noted that Superior, El Paso, and Skelly have a voluntary working interest operating unit of a large area, including Sections 9, 10, 15 and 16, Township 24 North, Range 29 East, Eddy County, and that by such voluntary working interest agreement all of the offsets will have an interest in the proposed location, which includes these companies. For your information we are sending copies of this application to these two companies so that they may have 20 days to register any objections to you, all in conformity with Rule 104-F which permits the Secretary-Director of the Commission the authority to grant such exceptions to the well location requirements when he feels such action is justified as to the necessity for such unorthodox location based upon topographical conditions.

We, therefore, respectfully request that our previous filing be considered with

Mr. A. L. Porter, Jr.
March 3, 1972
Page 2

the present request for administrative approval of the unorthodox location for this wildcat well. Since we have some expiring leases in July we respectfully request your immediate consideration for our request for administrative approval, or at the latest the April 5th hearing.

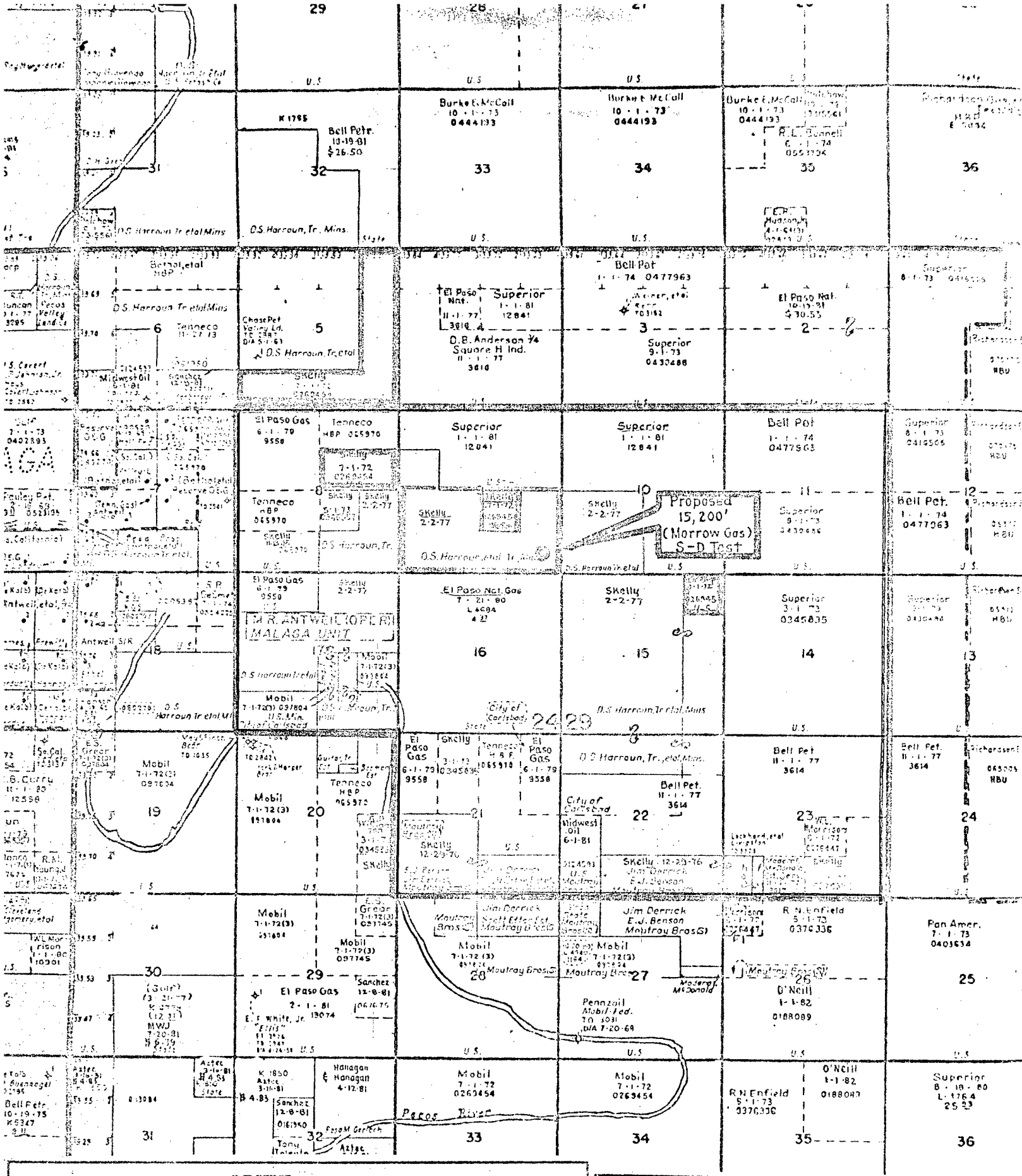
Yours very truly,

A handwritten signature in cursive script, reading "George W. Selinger". The signature is written in dark ink and is positioned to the right of the typed name "George W. Selinger".

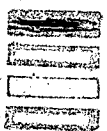
GWS:br
Attach.

cc-El Paso Natural Gas Company
Box 1492
El Paso, Texas 79999

Superior Oil Company
Box 1900
Midland, Texas 79701



LEGEND



PROPOSED CEDAR CANYON W.I. UNIT
 PROPOSED 320 ACRE MORROW GAS COMMUNITIZATION
 SKELLY LEASES
 SKELLY FEDERAL LEASE #0269454
 (Expire 7-1-72)

SKELLY OIL COMPANY
 WEST CENTRAL DISTRICT
 PROPOSED CEDAR CANYON W.I. UNIT
 EDDY COUNTY, NEW MEXICO
 LAND PLAT
 Scale: 1" = 4000' Date:

ALLSTATE CONSTRUCTION, INC.
P.O. Box 1229
Hobbs, New Mexico

March 2, 1972

Skelly Oil Company
Exploration & Production Department
P. O. Box 1351
Midland, Texas 79701

Attention: Mr. C. J. Love

Gentlemen:

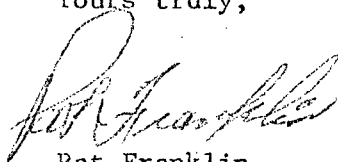
We have inspected the S/2 of Section 9, T24S, R29E, Eddy County, New Mexico to estimate the cost of preparing the below listed locations:

- A. Location 1980' FSL & FEL of Section 9,
- B. Location 660' FSL & FEL of Section 9.

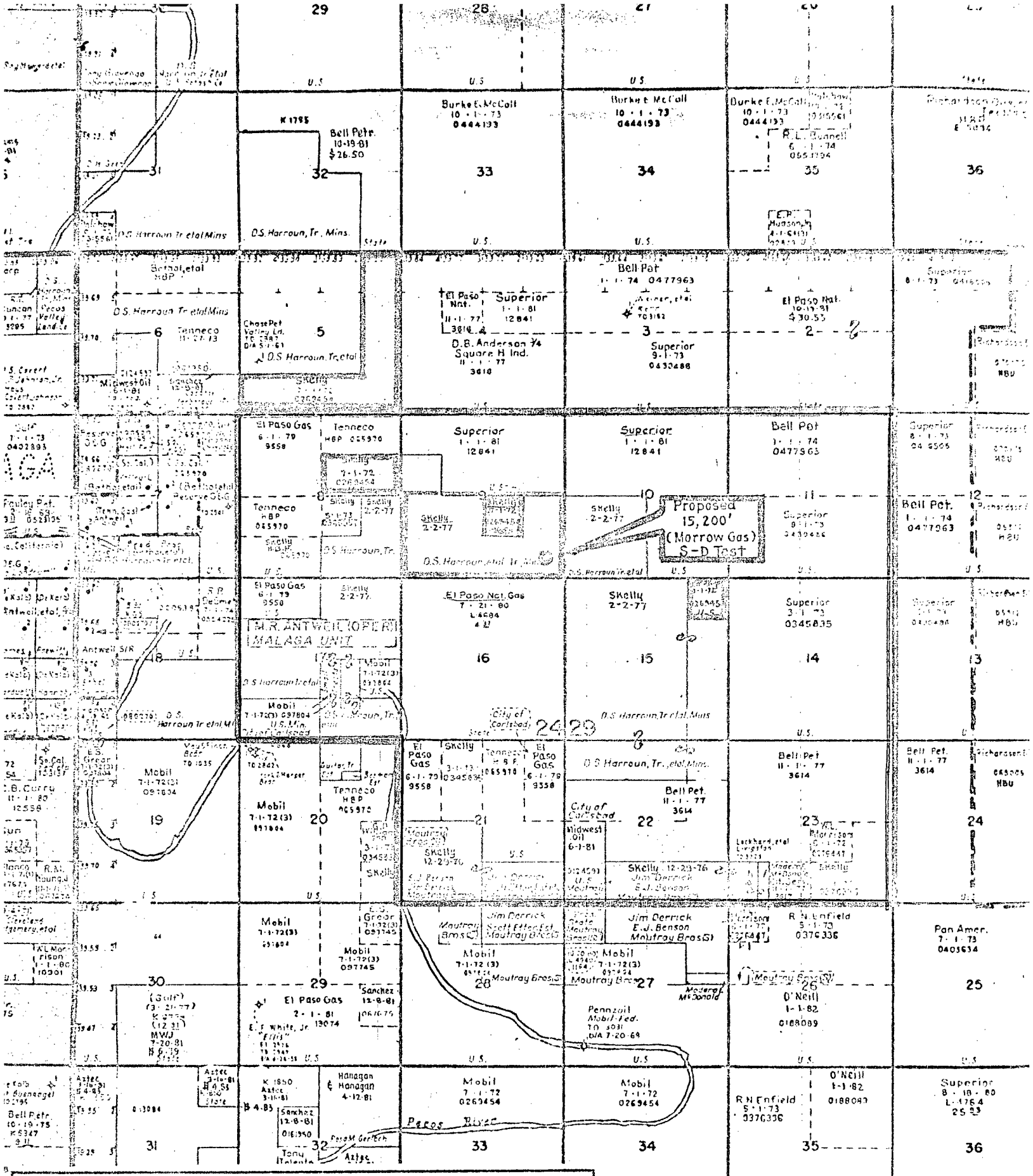
We have found that the location 1980' FSL & FEL of Section 9 will require considerably more excavating and leveling time, plus approximately 1,600' of new road. It also has the possibility of rain erosion near the pit area and could be subject to water flooding from the nearby creek, and will necessitate additional dozer work and filling and the possibility of a dam to protect the rig and pits from flooding. The estimated cost of preparing this location and new road will be approximately \$10,000.

We have found that the location 660' FSL & FEL of Section 9 will require a minimum of excavating and leveling time, plus approximately 500' of new road. The estimated cost of preparing this location and new road will be approximately \$7,000.

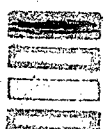
Yours truly,



Pat Franklin
Allstate Construction Inc.



LEGEND



PROPOSED CEDAR CANYON W.I. UNIT
 PROPOSED 320 ACRE MORROW GAS COMMUNITIZATION
 SKELLY LEASES
 SKELLY FEDERAL LEASE #0269454
 (Empire 7-1-72)

SKELLY OIL COMPANY
 WEST CENTRAL DISTRICT
 PROPOSED CEDAR CANYON W.I. UNIT
 EDDY COUNTY, NEW MEXICO
 LAND PLAT
 Scale: 1" = 4000' Date:

File 1
(CARLSBAD)
1-62 500

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

R-29-E

104°00' 32°15' 595000m E. 596 597 598 57'30"

3568000m N.

3567

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24
S

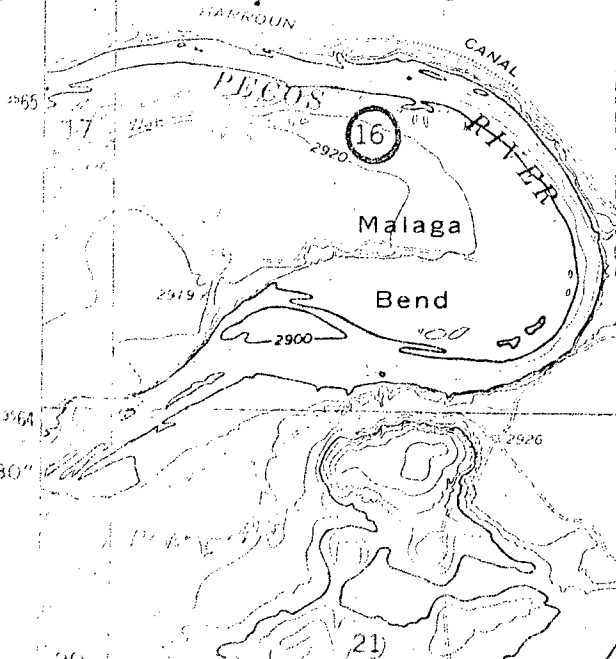
3566

ELLY OIL CO.
ar Canyon Prospect
EDDY COUNTY
NEW MEXICO

Proposed 320 Acre
Morrow Gas Communitization
Proposed Road

Std. Location

Proposed 15,200'
(Morrow Gas)
5-D Test





Telegram

KA047 NSA319

(1340).

NS MDA056 NP PD=MIDLAND TEX 6 330P CST= 1972 MAR 6 PM 3 00

A L PORTER JR, NEW MEXICO OIL CONSERVATION COMM=

PO BOX 2088 SANTA FE NMEX 87501=

THE SUPERIOR OIL COMPANY HAS NO OBJECTION TO SKELLY OIL
COMPANIES UNORTHODOX GAS WELL LOCATION IN THE SE SE SEC

9 T-24-S R-29-E EDDY COUNTY MEX=

D H COLLINS JR DIST ENGR=

gm
RECEIVED
MAR 6 1972
OIL CONSERVATION COMM.
SANTA FE

=SE SE 9 T-24-S R-29-E=



Telegram

KA018 NSC074

1972 MAR 7 AM 9 38

(924)

NS EPA016 ME PD=WUX EL PASO TEX 7 902A MST=
A L PORTER JR, SECRETARY DIRECTOR=

Am

NEW MEXICO OIL CONSERVATION COMMISSION

SANTA FE NMEX=

EL PASO NATURAL GAS COMPANY HAS NO OBJECTION TO SKELLY
OIL COMPANYS APPLICATION AND REQUEST FOR APPROVAL OF AN
UNORTHODOX GAS WELL LOCATION FOR A WILDCAT WELL 660 FEET
FSL AND 660 FEET FEL, SECTION 9, T-24-S, R-29-E, EDDY
COUNTY, NEW MEXICO=

EL PASO NATURAL GAS CO T W BITTICK ATTORNEY IN FACT.

RECEIVED

MAR-7 1972

=660 FSL 660 FEL 9 T-24-S R-29-E.

CONSERVATION COMM.

NSL-542

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MAY 16 1972
NEW MEXICO
OIL CONSERVATION COMMISSION
CONSERVATION COMM.
SANTA FE

FIELD TRIP REPORT

Date 3/9/72

Name of Employee W. A. Gressett

Time of Departure 8:20 a.m. Time of Return 4:00 p.m.

Miles Travelled 154

In the space below please indicate purpose of trip and duties performed, listing wells or leases visited.

Field Inspection:

To check the topography of the SE/4 of Section 9-24S-29E. Could not find the Section corner, however, talked to some people with Ray Geophysical Company and they told us approximately where the corner should be. Found the conditions as described in applicants request.

Checked all wells in the S.Carlsbad Morrow & Strawn Pools. All O.K. Cities Service & Superior have set water storage tanks at each well. Corinne Grace had set one more tank at her City of Carlsbad #1-O, 25-22-26, and had a water disposal line laid from the Salty Bill #1-C, 36-22-26, but it is not hooked up as yet. There was some water in the pit but none going in.

W. A. Gressett
Employee's Signature
District # 2

WHITE,
KOCH, KELLY
&
McCARTHY

February 28, 1972

*This application for
hearing withdrawn as
the matter is
being handled
adm. George*

SM

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FEB 29 1972

Mr. A. L. Porter, Jr., Secretary - Director
Oil Conservation Commission of New Mexico
P. O. Box 2088
Santa Fe, New Mexico 87501

Oil Conservation Commission
Santa Fe

Re: Application of Skelly Oil Company for an
unorthodox location for a wildcat well to
be drilled in the SE SE of Section 9, Town-
ship 24 North, Range 29 East, Eddy County,
New Mexico

Dear Mr. Porter:

Please accept this letter as our formal appearance
as local attorney of record for Skelly Oil Company in the above
entitled matter.

Thanking you and with best regards, I am

Sincerely,

L.C. White

L. C. WHITE

LCW:m

cc: George W. Selinger, Senior Attorney
Law Department
SKELLY OIL COMPANY
P. O. Box 1650
Tulsa, Oklahoma 74102

L.C. White
Sumner S. Koch
William Booker Kelly
John F. McCarthy, Jr.
Kenneth Bateman
Benjamin Phillips
William W. Gilbert (Of Counsel)

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY
THE OIL CONSERVATION COMMISSION OF
NEW MEXICO FOR THE PURPOSE OF CONSIDERING:

CASE NO. _____

APPLICATION OF SKELLY OIL COMPANY FOR AN
UNORTHODOX LOCATION FOR A WILDCAT WELL TO
BE DRILLED IN THE SE SE OF SECTION 9,
TOWNSHIP 24 NORTH, RANGE 29 EAST, EDDY
COUNTY, NEW MEXICO.

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FEB 28 1972

A P P L I C A T I O N

OIL CONSERVATION COMM.
SANTA FE

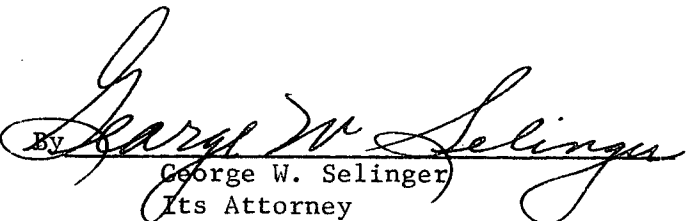
Comes now Skelly Oil Company and alleges and states:

1. That it is the owner of a lease in the South Half (S/2) of Section 9, Township 24 North, Range 29 East, Eddy County, New Mexico.
2. That it proposes to drill a wildcat well through the Morrow zone at approximately 12,435-13,475' depth to the Silurian-Devonian proposed depth of 15,200', and anticipate gas production from said horizon or horizons.
3. That the Statewide Rules, and more particularly Rule 104-B-1(a), provide for formations of Pennsylvanian age or older shall be located on a drilling tract consisting of 320 surface contiguous acres comprising any two contiguous quarter sections of a single governmental section, with minimum spacing of 660' to the nearest side boundary of the unit nor closer than 1,980' to the nearest end boundary.
4. That applicant has a lease on all of the South Half (S/2) of Section 9, Township 24 North, Range 29 East, Eddy County, New Mexico, and has a voluntary working interest operating unit of a large area including Sections 9, 10, 15 and 16, Township 24 North, Range 29 East, Eddy County, and that by such voluntary working interest agreement all of the offsets will have an interest in the proposed location, which includes Superior Oil Company, El Paso Natural Gas Company, and Skelly.
5. That operator desires to drill the well in the center of the SE SE of said Section 9, due to the fact that it has, at great expense, carried on seismic work in this general area, and as a result of such shooting has determined the best shot point to be at this location so that the chances of successful completion is greatly improved at this location rather than any other location, including the requirement of a location in accordance with Statewide Rule 104-B-1(a).

WHEREFORE, PREMISES CONSIDERED, applicant prays that this Commission set this matter down for hearing at the earliest possible time before an Examiner, that notice hereof be given as required by law, and more particularly to Superior Oil Company and El Paso Natural Gas Company, that at the conclusion of said hearing based on the evidence adduced enter its order as requested, and for such other orders, rules and regulations as may be necessary in the premises.

Respectfully submitted,

SKELLY OIL COMPANY

By 
George W. Selinger
Its Attorney

