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...IN OFFICE OCC

SKELLY OIL COMPANY

P. O. Box 1650
TULSA 2, OKLAHOMA

Case 2514

PRODUCTION DEPARTMENT

- C. L. BLACKSHER, VICE PRESIDENT
- W. P. WHITMORE, MGR. PRODUCTION
- W. D. CARSON, MGR. TECHNICAL SERVICES
- ROBERT G. HILTZ, MGR. JOINT OPERATIONS
- GEORGE W. SELINGER, MGR. CONSERVATION

March 13, 1962

VIA AIR MAIL

Mr. A. L. Porter, Jr.
New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Dear Mr. Porter:

We note that on March 28, 1962, at Examiner Hearing, application of Skelly for approval of West Dollarhide Queen Sand Unit Agreement has been set as Case 2514.

We are unable to understand why this matter was set. We have just submitted agreement to State Land Office and U.S.G.S., and it will be some time before we are in a position to request Oil Conservation Commission's approval of the unit agreement.

Please, therefore, dismiss this case without prejudice, even though we have filed no application.

Very truly yours,

George W Selinger

GWS:br

Case = 514

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

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P
Y

February 21, 1962

Mr. George W. Selinger
Attorney
Skelly Oil Company
P. O. Box 1650
Tulsa 2, Oklahoma

Dear Friends:

If the Commission had more friends like you, I wonder how long we would survive!

As requested, your cases have been set for hearing on March 28, 1962.

I have also received a copy of your proposed West Dollarhide-Queen Sand Unit Agreement. Inasmuch as no application for hearing in this matter was requested, I assume that such an application will follow at some later time.

Pete and I both enjoyed seeing you at Oklahoma City and hope to see you again in Santa Fe soon.

Very truly yours,

RICHARD S. MORRIS
Attorney

RSM/esr

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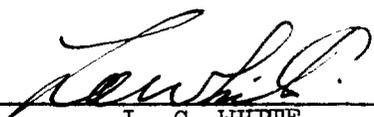
BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION

APPLICATION OF SKELLY OIL COMPANY)
FOR APPROVAL OF THE WEST DOLLARHIDE)
QUEEN SAND UNIT AGREEMENT, LEA)
COUNTY, NEW MEXICO.)

Case No. 2514

A P P E A R A N C E

Comes now L. C. WHITE of Gilbert, White and Gilbert, Santa Fe, New Mexico
and herewith enters his formal appearance as local counsel for SKELLY OIL
COMPANY in the above-captioned matter.



L. C. WHITE

GILBERT, WHITE AND GILBERT
ATTORNEYS AT LAW
SANTA FE, NEW MEXICO



2579

SKELLY OIL COMPANY

TULSA 2, OKLAHOMA

PRODUCTION DEPARTMENT

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ROBERT G. HILTZ, MGR. JOINT OPERATIONS
GEORGE W. SELINGER, MGR. CONSERVATION

February 7, 1962

Re: Proposed West Dollarhide Queen Sand Unit
Lea County, New Mexico

The Commissioner of Public Lands
State Land Office
State Land Office Building
Santa Fe, New Mexico

Gentlemen:

Pursuant to the Unit Plan Regulation, 30 C.F.R. 226.3 and 226.4, Skelly Oil Company, P. O. Box 1650, Tulsa, Oklahoma, hereby applies for the designation of certain lands in Townships 24 and 25 South, Range 38 East, Lea County, New Mexico, more particularly described in a form of Unit Agreement attached hereto, and previously submitted for preliminary consideration as an area logically subject to development and operation under a Unit Agreement to be known as the West Dollarhide Queen Sand Unit.

The West Dollarhide Queen Sand Unit area as proposed, embraces a total of 2562.52 acres of which 760 acres or 29.6583 per cent are Federal lands, 1202.52 acres or 46.9272 per cent are State of New Mexico lands, and 600 acres or 23.4145 per cent are Fee lands.

Exhibit "A" attached to the Unit Agreement is a map outlining the area sought to be designated and approved for Unitization, and for the West Dollarhide Queen Sand Unit Area. The Federal, State and Fee lands are indicated by distinctive symbols and the Federal and State oil and gas leases are identified by lease serial numbers on said Exhibit "A", attached. A schedule showing the acreage, percentage, and kind of ownership of oil and gas interests in all lands in the Unit Area, to the extent known to the Applicant, is furnished by Exhibit "B" attached to said Unit Agreement.

A report entitled "Secondary Recovery Study of Dollarhide Queen Reservoir, Lea County, New Mexico," utilizing data, conclusions, and recommendations as developed by the West Dollarhide Queen Engineering Sub-committee and compiled

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The Commissioner of Public Lands
Santa Fe, New Mexico
February 7, 1962
Page 2

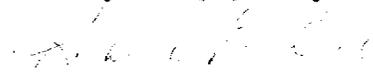
by A. R. Baumgardner, Petroleum Engineer for Skelly Oil Company, is furnished herewith in support of this application. The respective maps, structural, gross isopach, and well data are submitted with this report to adequately delineate the effective areas of pay. Skelly Oil Company, as the initial Operator of the West Dollardhide Queen Sand Unit, is prepared to furnish such additional data and information as may be available should it be requested in connection with this application.

The creation of the subject Unit is proposed in order to permit initiation of a secondary recovery program by water injection to substantially increase ultimate recovery and as a conservation measure. Preliminary studies made by the Engineering Sub-committee (composed of engineers representing the major operations in the field), indicate that the primary reserves recoverable from the West Dollardhide Queen Sand Reservoir will approximately be 3.14 million barrels of oil. The engineering study also indicates that an estimated additional 1.6 million barrels may be recovered under the secondary recovery operations which are here proposed.

Within the horizontal limits of the proposed Unit Area, a total of 64 Queen producers on regular 40-acre spacings has been completed. Of this number, 58 wells continue to produce a limited amount of oil from the depleted reservoir. It is requested, therefore, that the proposed Unit Area be tentatively approved as is outlined on Exhibit "A" of the form of Unit Agreement. In view of the productive nature of the proposed Unit Area and the fact that the formula for participation is based on factors other than surface acreage, it has, of course, been necessary to deviate from the form set forth in the Unit Plan Regulations under the provisions of 30 C.F.R., 226.12. Nevertheless, an effort has been made to conform the agreement to the extent possible to the form and provisions of the standard form contained in said Section 226.12.

It is respectfully requested that you designate and approve the Unit Area for the proposed West Dollardhide Queen Sand Unit and also approve as to form the Unit Agreement for the Development and Operation of the West Dollardhide Queen Sand Unit, Lea County, New Mexico.

Very truly yours,



CRD:mds
Attachments

cc: New Mexico Oil Conservation Commission ✓
Santa Fe, New Mexico

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SKELLY OIL COMPANY

TULSA 2, OKLAHOMA

PRODUCTION DEPARTMENT

C. L. BLACKSHER, VICE PRESIDENT

W. P. WHITMORE, MGR. PRODUCTION

W. D. CARSON, MGR. TECHNICAL SERVICES

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GEORGE W. SELINGER, MGR. CONSERVATION

February 7, 1962

Re: Proposed West Dollarhide Queen Sand Unit
Lea County, New Mexico

The Director
United States Geological Survey
Department of Interior
Washington 25, D.C.

Through: Mr. John A. Anderson
United States Geological Survey
Roswell, New Mexico

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United States Geological Survey
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Very truly yours,



CRD:mds
Attachments

cc: New Mexico Oil Conservation Commission ✓
Santa Fe, New Mexico