Entered August 9, 1957 Al.O. 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 _______ 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. 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

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"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 hereinabove designated.

STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

MURRAY E. MORGAN, Member

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

SEAL