

*Entered March 30, 1971
AJP*

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. 4511
Order No. R-4123

APPLICATION OF SKELLY OIL COMPANY
FOR A NON-STANDARD GAS PRORATION
UNIT, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on March 17, 1971,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 30th day of March, 1971, the Commission, a
quorum being present, having considered the testimony, the
record, and the recommendations of the Examiner, 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 cause and the sub-
ject matter thereof.

(2) That Order No. R-590-A, dated April 20, 1955, created
non-standard gas proration units in the Tubb and Blinebry Gas
Pools, Lea County, New Mexico, comprising, as to each pool, the
following described acreage:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 10: SW/4 and W/2 SE/4

(3) That each of the above-described non-standard gas pro-
ration units was dedicated to the Skelly Oil Company, Baker "B"
Well No. 15, a dual completion in the Tubb and Blinebry Gas
Pools, located 1830 feet from the South line and 2130 feet
from the East line of said Section 10.

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(4) That the applicant, Skelly Oil Company, now seeks authority to dedicate the 240-acre non-standard gas proration unit in the Tubb Gas Pool to its Baker "B" Well No. 7 located 1980 feet from the South line and 1980 feet from the East line of said Section 10.

(5) That due to mechanical difficulties encountered in said Well No. 15, the applicant proposes to plug and abandon the Tubb zone in the well and to recomplete said Well No. 7 as a single completion in the Tubb zone.

(6) That the entire non-standard proration unit is productive of gas from the Tubb formation and that the entire non-standard proration unit can be efficiently and economically drained and developed by said Well No. 7.

(7) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the Tubb Gas Pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That effective April 1, 1971, Commission Order No. R-590-A is hereby amended to permit Skelly Oil Company to dedicate the 240-acre non-standard gas proration unit in the Tubb Gas Pool created by Order No. R-590-A to its Baker "B" Well No. 7 located 1980 feet from the South line and 1980 feet from the East line of Section 10, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico.

(2) That the operator of said Well No. 7 shall file an amended Form C-102, in accordance with Commission Rule 1102, with the Hobbs Office of the Commission on or before April 1, 1971, dedicating the above-described acreage to the subject well.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

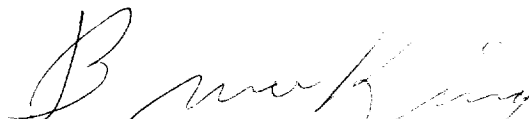
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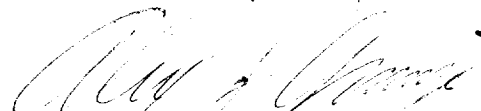
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DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


BRUCE KING, Chairman


ALEX J. ARMIJO, Member


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

S E A L

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